



Israel Vehicle Importers Association – Monthly Review October 2023

Preface – Economic Climate

On October 7th, The State of Israel has sadly fallen victim to a reprehensible and traumatic terror act that claimed innocent civilians' lives. Israel is now compelled to engage in warfare as it responds to these unprovoked and barbaric onslaughts. This conflict will indubitably impact Israel's near-term and long-term trajectory across many areas, including financial stability. Many indices are apt to shift dramatically in forthcoming assessments, as is inherent to the nature of wartime (e.g., inflation, foreign exchange rates, employment).

The Israeli economy is an advanced economy that participates in the OECD organization. Israel's GDP per capita is \$53,322. The growth rate in Q.3 of 2023 was 2.8%.

Israel maintains a 2.3% deficit of the GDP from November 2022 to October 2023 .

The debt-to-GDP ratio decreased to 60.9% in 2022, and the unemployment rate in October 2023 was 3.1%. As of October 2023, the annual inflation growth rate is 3.7%. In October 2023, the short-



term interest rate was 4.55%, while the long-term interest rate stood at 4.4%.

Statistical Profile: Israel October 2023

Society

Population (September 2023): 9.802 million

Economy

GDP per capita (October 2023): \$53,322 (₪212,648)

Inflation (October 2023) (Annual Growth Rate): 3.7%

Current Account Balance (June 2023): 4.4% of GDP

Trade in Goods and Services (October 2023): \$12.011 billion
(₪47.9 Billion)

Finance

US Dollar Exchange rate (October 2023, Avg.): ₪3.988

Euro Exchange rate (October 2023, Avg.): ₪4.199

Long-term interest rates (October 2023): 4.4% Per Annum

Short-term interest rates (October 2023): 4.55% Per Annum

Government

Debt to GDP ratio (2022): 60.9%



Deficit to GDP (November 2022 - October 2023): 2.3%

Motorization

Level of Motorization (2022): 411 Vehicles/1,000 Residence

Innovation and Technology

Gross Domestic Spending on R&D (2021): 5.557% of GDP

Environment

CO2 Emissions (2022): 8.38 Tonnes Per Capita (BDO Model Estimation)

CO2 Emissions (2021): 6.74 Tonnes Per Capita

Jobs

Employment Rate (October 2023): 63% of Working Age Population

Official Unemployment Rate (October 2023): 3.1% of the Labour Force

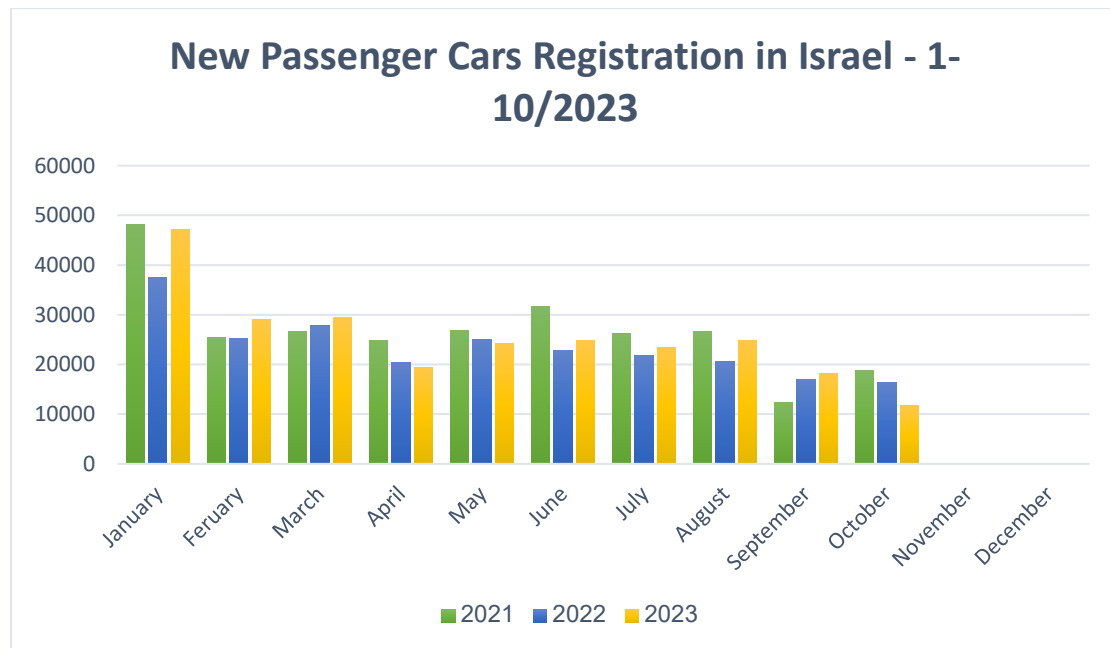
New Cars and CV Registrations

Israel New Passenger Car Registration January-October 2023

Passenger car registration: Decrease of 28.5% compared with October 2022.



In October 2023, the Israeli passenger car market registered only 11,777 new cars – a decrease of 28.5% compared with October 2022. Since the beginning of the year, 252,383 new cars were registered, an increase of 7.5% compared with Jan-Oct 2022. Since January, 44,048 BEVs were registered and 14,550 PHEVs, a total of 58,598 cars with chargeable electric drive representing 23.2% of all registrations.





New Passenger Cars Registration in Israel 1-10/2023 According to Top 20 Brands

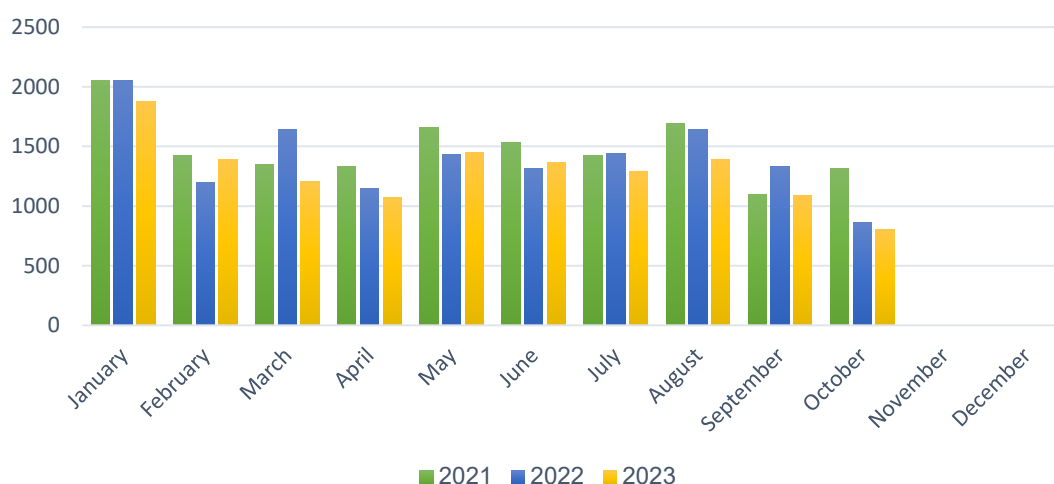
No.	Brand	October					Jan-Oct				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Hyundai	14.9	10.9	1756	1789	-2.0	15.9	17.6	40043	41394	-3.3
2	Kia	11.8	15.4	1391	2544	-45.3	12.3	14.3	31018	33530	-7.5
3	Toyota	15.4	10.8	1819	1772	2.7	11.1	13.9	28066	32639	-14.0
4	BYD	7.1	2.8	840	466	80.3	5.7	0.2	14321	466	2973.2
5	Skoda	5.2	6.8	616	1115	-44.8	5.3	5.1	13352	11957	11.7
6	Mazda	4.0	12.2	467	2012	-76.8	5.2	7.4	13126	17302	-24.1
7	Chery	3.1	Entered 2022	365	Entered 2022	0.0	4.2	Entered 2022	10679	Entered 2022	0.0
8	Mitsubishi	4.2	7.4	495	1219	-59.4	3.9	4.7	9744	10923	-10.8
9	Suzuki	3.9	3.2	465	534	-12.9	3.2	2.9	8146	6822	19.4
10	Peugeot	1.3	1.4	150	225	-33.3	2.6	2.3	6666	5477	21.7
11	Geely	2.5	3.7	300	606	-50.5	2.6	2.0	6480	4680	38.5
12	Citroen	1.5	1.9	175	308	-43.2	2.5	3.2	6393	7512	-14.9
13	Tesla	1.0	0.0	120	0	100.0	2.2	1.1	5583	2629	112.4
14	Seat	1.6	1.1	193	175	10.3	2.2	2.2	5451	5244	3.9
15	MG	3.9	2.4	459	389	18.0	1.9	1.8	4893	4136	18.3
16	Renault	1.7	2.4	201	397	-49.4	1.7	1.3	4359	3051	42.9
17	Subaru	1.0	2.1	123	341	-63.9	1.6	1.6	4136	3859	7.2
18	Mercedes	0.6	1.3	65	220	-70.5	1.6	1.9	3962	4571	-13.3
19	VW	2.5	1.5	291	253	15.0	1.5	1.3	3868	3107	24.5
20	Chevrolet	1.2	1.0	136	171	-20.5	1.2	1.9	3099	4513	-31.3

New CV above 3.5 tons and Bus Registration in Israel January-October 2023

Commercial Vehicles above 3.5-ton registration: -6.4% compared with October 2022.

In October 2023, the Israeli market for CVs above 3.5 tons registered a decrease of 6.4% with 804 new registrations, compared with 859 units in October 2022. Since January, 12,932 units have been registered, a decrease of 7.4% compared with Jan-Oct 2022.

New CV above 3.5 ton and Bus Registration in Israel- 1-10/2023



New CV above 3.5-ton Registration in Israel 1-10/2023 According to Brands

No	Brand	October					Jan-Oct				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022	23/22	2023	2022	2023	2022	23/22
1	Mercedes	12.5	14.0	70	92	-23.9	16.0	14.5	1585	1653	-4.1
2	Volvo	14.3	9.9	80	65	23.1	12.5	13.5	1240	1538	-19.4
3	Scania	7.8	7.4	44	49	-10.2	10.2	5.7	1006	655	53.6
4	DAF	11.4	12.1	64	80	-20.0	9.9	8.2	984	930	5.8
5	Isuzu	5.2	9.0	29	59	-51.0	9.8	7.6	966	862	12.0
6	Dodge-Ra	6.1	0.3	34	2	1600.0	7.8	3.2	772	360	114.4
7	Chevrolet	18.2	12.6	102	83	22.9	7.4	9.6	735	1092	-32.7
8	MAN	5.7	7.9	32	52	-38.5	5.5	7.0	547	802	-31.8
9	Renault	6.6	5.6	37	37	0.0	4.5	5.2	449	597	-24.8
10	FIAT	2.7	9.7	15	64	-76.6	4.3	5.1	426	578	-26.3
11	Ford	1.8	1.5	10	10	0.0	4.1	5.1	405	579	-30.0
12	Iveco	5.5	7.0	31	46	-32.6	4.1	4.5	404	516	-21.7
13	VW	4.3	0.6	24	4	500	1.4	4.4	137	505	-72.9
14	Peugeot	0.9	0.8	5	5	0.0	1.3	3.7	124	420	-70.5
15	HINO	0.2	0.9	1	6	-83.3	0.7	2.2	67	254	-73.6
16	Maxus	0.0	0.8	0	5	-100.0	0.3	0.3	27	30	-10.0
17	Fuso	0.0	0.0	0	0	0.0	0.1	0.1	9	16	-43.8
18	JAC	0.2	0.0	1	0	100.0	0.1	0.1	6	11	-45.5
19	Liebherr	0.0	0.0	0	0	0.0	0.1	0.0	6	3	100.0
20	Hyundai	0.0	0.0	0	0	0	0.0	0.0	3	0	100.0
21	Internation	0.0	0.0	0	0	Entered 2023	0.0	0.0	3	0	Entered 2023
22	Tatra	0.0	0.0	0	0	0.0	0.0	0.0	2	1	100.0
23	BYD	0.2	0.0	1	0	Entered 2023	0.0	0.0	1	0	Entered 2023



New Bus Registration in Israel 1-10/2023 According to Brands

No.	Brand	October					Jan-Oct				
		Share%		Units		Change%	Share%		Units		Change%
		2023	2022	2023	2022		2023	2022	2023	2022	
1	Mercedes	9.5	32.7	23	72	-68.0	31.6	37.4	956	956	0.0
2	Volvo	10.3	9.1	25	20	25.0	15.9	11.8	480	302	58.9
3	Higer	39.5	13.2	96	29	231.0	15.6	9.5	472	242	95.0
4	Golden Dragon	19.8	15.0	48	33	45.5	11.5	13.5	348	346	0.0
5	Otokar	0.0	0.0	0	0	0.0	5.2	2.2	157	55	185.5
6	BYD	8.2	8.2	20	18	11.1	4.1	0.7	125	19	557.9
7	Scania	3.3	0.0	8	0	100.0	3.1	4.5	93	114	-18.4
8	MAN	2.9	10.9	7	24	-70.8	3.0	4.2	92	108	-14.8
9	Isuzu	2.5	3.2	6	7	-14.3	2.2	0.9	68	23	195.7
10	Temsa	0.0	0.0	0	0	0.0	2.1	0.1	63	2	3050
11	Zhong Tong	0.0	5.5	0	12	-100.0	1.7	1.0	51	25	104.0
12	Renault	0.0	0.0	0	0	0.0	1.4	0.8	43	21	104.8
13	IRIZAR	0.4	0.5	1	1	0.0	1.4	1.1	41	27	51.9
14	VW	3.7	1.8	9	4	125.0	0.6	4.6	18	118	-84.7
15	Maxus	0.0	0.0	0	0	0.0	0.2	0.0	7	0	100
16	Sunwin	0.0	0.0	0	0	0.0	0.2	0.0	5	0	100
17	DAF	0.0	0.0	0	0	0.0	0.1	0.0	3	0	100.0
18	Ankai	0.0	0.0	0	0	0.0	0.1	0.2	2	5	-60.0
19	Chevrolet	0.0	0.0	0	0	0.0	0.1	0.0	2	0	100.0
20	Wisdom	0.0	0.0	0	0	0.0	0.0	5.9	1	151	-99.3
21	Ford	0.0	0.0	0	0	0.0	0.0	0.0	1	0	100

Monthly review – Israel's Auto and Auto-Tech industry

HARMAN's Israeli Developed Ready Care Product Honored at Fast Company's 2023 Innovation by Design Awards

HARMAN was honored in Fast Company's 2023 Innovation by Design Awards in the Automotive category for its new Ready Care product and its purposeful integration of several key technologies to improve driver safety and well-being on the road. HARMAN Ready Care is the latest in HARMAN Automotive's expanding portfolio of products designed and built to deliver consumer-focused experiences at an automotive grade. Ready Care is the industry's first closed-loop



interior sensing and tailored interventions product that measures a driver's eye activity, cognitive load, and vital signs to determine the level of focus and attention on the road ahead. Using neuroscience, artificial intelligence, and machine learning, Ready Care classifies a driver's behavior into a focused versus distracted state. It initiates a personalized in-cabin response to help mitigate dangerous driving situations, such as stress, anxiety, distraction, and drowsiness. Ready Care was developed by the Israeli CAARESYS and was acquired by HARMAN at the beginning of September. This is Harman's fourth acquisition of an Israeli company following the purchases of Red-Band, iOnRoad, and TowerSec.

Trucknet's Technology to be Used by Bahraini Cox Logistics in Saudi Arabia

Israeli Trucknet's technology will soon be used in Saudi Arabia by a Bahrain-based logistics company's trucks that provide service to US military vehicles . Trucknet signed a memorandum of understanding (MOU) with Cox Logistics W.L.L., a transportation and logistics company with offices in Bahrain and operations in Europe, the Middle East, Africa, and the Caucasus. Trucknet CEO Hanan Friedman signed the deal in the presence of Foreign Minister Eli Cohen during an official delegation to Bahrain. Cox will incorporate Trucknet's all-in-one digital, cloud-based platform to help reduce costs and save resources.

Government Projection: By 2030, About a Third of cars on Israeli Roads will be Electric

The Israeli Ministry of Energy projects that by 2030, there will be 1.3 million EVs on Israeli roads, taking up to 30% of the auto market. The forecast is part of the government's plan to advance a gradual shift from polluting fossil fuel cars to electric vehicles. Currently, there are 70,000 EVs in use in Israel, less than 2% of all cars. The government aims to reach 6M EVs by 2050. According to the forecast, the number of electric buses is expected to increase to



about 8,000 by 2030 (about 35% of all buses) before the transition in 2050 to electric or hydrogen-powered buses.

REE Automotive Initial Order Book Value Jumps to Approximately 40M\$

REE Automotive Ltd. (Nasdaq: REE), the provider of fully by-wire electric trucks and platforms, announced its initial order book value has doubled since late August 2023. REE's initial order book value is now approximately \$40 million with a recent binding order by Midwest Transit Equipment (MTE), a leading bus dealer in the US, that is now entering the commercial electric truck market with the Powered by REE™ P7-C. As the most prominent bus dealer in the US, Midwest Transit Equipment sells and services thousands of new and used buses to customers nationwide and worldwide. It currently has nine locations and over 400 employees. MTE plans to sell Powered by REE™ vehicles in Arkansas, Florida, Kansas, Illinois, Indiana, Michigan, Minnesota, Tennessee, and Wisconsin.

The European Union Awards C2A Security with the Prestigious Gold at its European Prize for Mobility 2023

C2A Security, a Jerusalem-based company specializing in cybersecurity for mobility, received double honors at the European Prize for Mobility – named a Gold Winner and shortlisted to the Top 10 European Companies in Mobility. Founded in 2016, C2A Security transforms cybersecurity from a company-wide limitation to a business value multiplier through advanced security automation and compliance to shorten software release times and decrease costs. C2A Security developed the DevSecOps Platform, offering product security automation to manage compliance, risk, software development, and operations throughout the automotive product lifecycle. As a Gold Winner, C2A Security will benefit from business consultancy sessions by Roland Berger as the company expands its operations in Europe, closing new commercial contracts and forging new technology partnerships.



Israel to Expand its' Fast-Charging Network for EVs

The Ministry of Energy and Infrastructure will invest 27.5 million NIS to expand the fast-charging infrastructure for EVs in Israel. A total of 52 companies will establish 707 fast and ultra-fast chargers in the country over the next 24 months following a nationwide tender, 357 of which will be fast charging stations and 350 ultrafast charging. The state will cover up to 50% of the costs in both cases. According to the ministry, there are currently 4,000 public charging stations in Israel – 3,400 AC stations.

Dr. Hanan Golan

A handwritten signature in blue ink, appearing to be "H. Golan", on a light blue background.

Hezi Shayb – Ph.D.
CEO – I-Via

A handwritten signature in black ink, appearing to be "Hezi Shayb", on a white background.