

## APPENDIX TABLES

**Table II-A1**  
**' BUSINESS SECTOR PRODUCT DERIVED<sup>a</sup> FROM FINAL USES<sup>b</sup>, 1980-87**  
 (Percent)

	Share of uses in product					Share in increment of product				
	Annual average	1984	1985	1986	1987	Annual average	1984	1985	1986	1987
	1980-85					1981-85				
Private consumption	36.7	36.4	37.4	39.8	40.2	1.8	-1.1	1.8	5.0	3.3
Public consumption	11.2	10.8	10.5	9.7	9.6	0.1	-0.2	-0.1	-0.2	0.5
Fixed investment	18.2	16.8	15.9	14.7	14.8	-0.3	-1.7	-0.6	-0.3	1.2
Change in stocks	-0.0	0.4	-0.9	-0.1	-0.7	-0.3	0.6	-1.4	0.8	-0.6
Total domestic uses	66.1	64.4	62.8	64.1	63.9	1.4	-2.4	-0.3	5.4	4.4
Exports	33.9	35.6	37.2	35.9	36.1	1.9	4.8	2.4	1.0	2.8
Total final uses	100.0	100.0	100.0	100.0	100.0	3.3	2.4	2.1	6.4	7.2

<sup>a</sup> GDP at factor cost, not including services of the public sector services and nonprofit institutions, and excluding housing services.

<sup>b</sup> In order to adjust the uses to input-output analysis and to examine their effect on the business sector product, some deductions have been made from the different uses, as follows: imputed housing services and the wage bill of nonprofit institutions—from private consumption; the wage bill of the public sector—from public consumption; receipts of production factors abroad, and receipts and income of local production factors—from exports. The direct import component of all uses was also deducted.

SOURCE: Input-output analysis by the Bank of Israel on the basis of data on final uses and input-output coefficients for 1982/83 estimated by the Central Bureau of Statistics.

**Table II-A2**  
**GROSS NATIONAL PRODUCT AND NATIONAL INCOME, 1984-87**

	Millions of current NIS				Real annual change, percent <sup>a</sup>			
	1984	1985	1986	1987	1984	1985	1986	1987
1. Gross national product <sup>b</sup>	7,231	27,038	42,070	53,405	-1.3	-5.5	6.8	6.1
2. Depreciation	1,210	4,753	7,145	8,805	6.8	-0.8	3.1	3.0
3. Indirect taxes on domestic production	752	3,518	6,088	7,770	-8.8	18.3	18.8	6.7
4. Subsidies to domestic production	342	951	875	1,044	19.7	-29.8	-36.9	-0.3
5. Net indirect taxes (3-4)	409	2,567	5,213	6,726	-23.9	58.5	39.4	7.8
6. Loan subsidy <sup>c</sup>	133	483	626	684	-8.5	-8.2	-11.1	-8.8
7. National income (1-2-5+6)	5,744	20,202	30,338	38,558	-1.0	-11.1	3.0	6.2
8. National income excl. loan subsidy	5,611	19,718	29,712	37,875	-0.8	-11.2	3.4	6.6

<sup>a</sup> Deflated by the implicit price index for private consumption.

<sup>b</sup> At market prices.

<sup>c</sup> The subsidy element of government loans to the public.

SOURCE: Central Bureau of Statistics.

**Table II-A3**  
**PRIVATE DISPOSABLE INCOME AND SAVING RATE, 1984-87<sup>a</sup>, AT REAL INTEREST RATES<sup>b</sup>**

	Millions of current NIS				Real annual change, percent <sup>c</sup>			
	1984	1985	1986	1987	1984	1985	1986	1987
1. National income	5,744	20,202	30,338	38,558	-1.0	-11.1	3.0	6.2
2. Public sector income from property	130	361	397	565	11.8	-30.0	-24.5	19.0
3. Depreciation (private sector)	1,083	4,289	6,413	7,829	7.3	0.1	2.6	2.1
4. Gross private income from economic activity (1-2+3)	6,697	24,130	36,354	45,823	0.1	-8.9	3.4	5.4
5. Direct taxes, total	1,371	6,132	9,807	12,013	-17.5	13.0	9.7	2.4
<i>Of which:</i> Income tax	952	4,355	7,092	8,814	-20.1	15.6	11.7	3.9
National insurance contributions <sup>d</sup>	419	1,777	2,715	3,199	-11.0	7.1	4.8	-1.5
6. Non-recurrent property levy and other imposts <sup>e</sup>	17	251	430	284	-77.6	267.5	17.3	-44.7
7. Net compulsory loans <sup>f</sup>	-59	-101	-321	-252				
8. Net transfer payments	761	3,928	6,411	7,765	11.1	30.5	12.0	1.3
9. Gross private disposable income from domestic sources (4-5-6-7+8)	6,128	21,775	32,850	41,542	9.0	-10.2	3.5	5.7
10. Personal transfers from abroad	185	787	1,448	2,005	-13.8	7.3	26.3	15.7
11. Gross private disposable income from all sources	6,314	22,562	34,298	43,547	8.2	-9.7	4.3	6.1
12. Private consumption	4,130	16,425	27,341	35,353	-6.8	0.5	14.2	8.1
13. Savings rate out of domestic income [(9)-(12)], percent	32.6	24.6	16.8	14.9				
14. Savings rate out of income from all sources [(11)-(12)], percent	34.6	27.2	20.3	18.8				

<sup>a</sup> See note *a* to Table II-1.

<sup>b</sup> Interest payments on the domestic debt by the government to the public (which are included in net transfer payments) have been adjusted to reflect real long-term interest payments. The net transfer payments to the public shown in Table II-5A differ from those of the present table since they include the government's nominal interest payments on the domestic debts to the public (in accord with the accounting methods of the Central Bureau of Statistics).

<sup>c</sup> Deflated by the implicit price index for private consumption.

<sup>d</sup> Including employers' contributions for their workers.

<sup>e</sup> Non-recurrent property levy, fees, levies and fines, and inventory surtax.

<sup>f</sup> Gross compulsory loans less redemptions of compulsory loans.

SOURCE: Central Bureau of Statistics.

Table II-4a  
PRIVATE DISPOSABLE INCOME AND SAVING RATE, 1984-87, AT NOMINAL INTEREST RATES<sup>a</sup>

	Millions of current NIS				Real annual change, percent <sup>b</sup>			
	1984	1985	1986	1987	1984	1985	1986	1987
1. National income	5,744	20,202	30,338	38,558	-1.0	-11.1	3.0	6.2
2. Public sector income from property	180	147	702	723	-21.0	-79.4	228.1	-13.9
3. Depreciation (private sector)	1,083	4,289	6,413	7,829	7.3	0.1	2.6	2.1
4. Gross private income from economic activity (1-2+3)	6,647	24,344	36,050	45,665	1.0	-7.4	1.6	5.9
5. Direct taxes, total	1,371	6,132	9,807	12,013	-17.5	13.0	9.7	2.4
of which: Income tax	952	4,355	7,092	8,814	-20.1	15.6	11.7	3.9
National insurance contributions <sup>c</sup>	419	1,777	2,715	3,199	-11.0	7.1	4.8	-1.5
6. Non-recurrent property levy and other imposts <sup>d</sup>	17	251	430	284	-77.6	267.5	17.3	-44.7
7. Net compulsory loans	-59	-101	-321	-252				
8. Net transfer payments	1,052	4,201	6,956	8,709	6.1	1.0	13.6	4.7
9. Gross private disposable income from domestic sources (4-5-6-7+8)	6,369	22,262	33,090	42,329	9.5	-11.7	2.0	6.9
10. Personal transfers from abroad	185	787	1,448	2,005	-13.8	7.3	26.3	15.7
11. Gross private disposable income from all sources	6,555	23,049	34,538	44,334	8.7	-11.1	2.8	7.3
12. Subsidy component of government loans to the public	133	483	626	684	-8.5	-8.2	-11.1	-8.8
13. Credit subsidies	123	476	625	682	-2.6	-2.5	-9.9	-8.8
14. Disposable income excluding subsidy element in government loans to the public, and including credit subsidies	6,545	23,041	34,537	44,332	8.8	-11.0	2.8	7.3
15. Private consumption	4,130	16,425	27,341	35,353	-6.8	0.5	14.2	8.1
16. Saving rate out of domestic income [(9)-(15)], percent	35.2	26.2	17.4	16.5				
17. Saving rate out of income from all sources [(11)-(15)], percent								
a. As defined in row 11	37.0	28.7	20.8	20.3				
b. As defined in row 14	36.9	28.7	20.8	20.3				

<sup>a</sup> See note a to Table II-A3.

<sup>c</sup> Deflated by the implicit price index for private consumption.

<sup>d</sup> Including employers' contributions for their workers.

<sup>e</sup> Non-recurrent property levy, fees, levies and fines, and inventory surtax.

SOURCE: Central Bureau of Statistics.

**Table II-4b**  
**DISPOSABLE INCOME AND PER CAPITA CONSUMPTION, 1984-87**  
(Annual percent change, rounded)

	1984	1985	1986	1987
<b>Total private consumption</b>	<b>-9</b>	<b>-1</b>	<b>12</b>	<b>6</b>
Total private consumption excl. nonprofit institutions, housing and consumer durables	-6	-2	11	7
Acquisition of durables	-33	-3	44	11
Standard of living <sup>a</sup>	-3	-1	8	6
Private disposable income from all sources <sup>b</sup>	4	-12	3	4
Private disposable income from domestic sources <sup>b</sup>	5	-12	2	4
Disposable income from wages and current transfer payments	2	-14	13	6

<sup>a</sup> Defined as private consumption, excluding durables, plus an estimate of the imputed services from the stock of durables.

<sup>b</sup> Based on the data of Table II-A3.

**Table II-4c**  
**THE NET STOCK OF CONSUMER DURABLES, 1968-87**  
(Annual percent change, end of period)

	1968-74	1975-78	1979-83	1985	1986	1987
<i>Furniture</i>	9.6	6.9	7.2	4.6	8.9	8.5
Household equipment	15.1	6.3	17.3	2.1	11.0	10.0
Private motor vehicles	16.0	1.4	10.7	-1.4	4.9	9.1

**Table II-A5**  
**PRIVATE CONSUMPTION, 1984-87**

	1984	1985	1986	1987
<b>At current prices (NIS million)</b>				
Goods for current consumption	1,811	7,639	12,310	15,673
Food, beverages and tobacco	1,116	4,689	7,520	9,307
Other	695	2,951	4,789	6,366
Services	1,049	4,263	6,887	9,433
Consumption of Israelis abroad	239	794	1,340	1,801
less: Consumption of foreigners in Israel	340	1,437	1,638	2,406
Subtotal	<b>2,758</b>	<b>11,259</b>	<b>18,899</b>	<b>24,501</b>
Durables	401	1,394	2,895	3,873
Services of private nonprofit institutions	117	424	684	920
Housing services	853	3,347	4,863	6,058
Total	<b>4,130</b>	<b>16,425</b>	<b>27,341</b>	<b>35,353</b>
Total excluding durables	<b>3,729</b>	<b>15,031</b>	<b>24,447</b>	<b>31,479</b>
<b>Quantity (percent annual change)</b>				
Goods for current consumption	-2.9	4.5	9.6	10.8
Food, beverages and tobacco	-0.2	2.4	5.2	7.0
Other	-7.4	8.1	17.1	16.8
Services	-1.5	0.3	5.7	8.4
Consumption of Israelis abroad	-6.8	-25.4	19.9	7.3
less: Consumption of foreigners in Israel	10.7	8.0	-21.2	18.1
Subtotal	-4.0	-0.1	12.5	9.0
Durables	-31.5	-0.7	47.1	12.6
Services of private nonprofit institutions	0.0	1.7	3.0	3.8
Housing services	3.6	3.3	2.6	2.3
Total	-6.8	0.5	14.2	8.1
Total excluding durables	-2.5	0.7	10.2	7.6
<b>Prices (percent annual change)</b>				
Goods for current consumption	379.7	303.9	47.0	14.9
Food, beverages and tobacco	377.6	310.4	52.5	15.7
Other	384.8	292.8	38.7	13.8
Services	386.6	305.4	52.8	26.4
Consumption of Israelis abroad	443.1	345.9	40.7	25.3
less: Consumption of foreigners in Israel	373.6	291.0	44.6	24.3
Subtotal	387.2	308.5	49.2	18.9
Durables	413.8	250.1	41.1	18.9
Services of private nonprofit institutions	406.4	255.0	56.7	29.5
Housing services	370.0	279.8	41.5	21.8
Total	391.3	295.7	45.7	19.6
Total excluding durables	385.1	300.5	47.6	19.7

SOURCE: Central Bureau of Statistics.

**Table II-A6**  
**RESOURCES AND USES, 1982-87<sup>a</sup>**  
 (Real annual change, percent)

	1982	1983	1984	1985	1986	1987
Gross domestic product	1.0	2.6	2.4	3.7	3.3	5.2
Imports <sup>b</sup>	4.1	6.4	-0.7	-1.0	8.9	18.7
Civilian imports	11.7	11.1	-3.7	-3.8	15.2	11.1
Total resources	<b>2.2</b>	<b>4.1</b>	<b>1.2</b>	<b>1.8</b>	<b>5.5</b>	<b>9.9</b>
Private consumption	7.7	8.3	-6.8	0.5	14.2	8.1
Public consumption	-6.2	-4.1	6.3	3.3	-10.1	16.1
Public consumption, excl. direct defense imports	2.9	2.2	1.5	-1.0	-3.5	1.8
Domestic fixed investment	14.8	10.0	-6.9	-10.7	9.3	3.8
Domestic uses, excl. direct defense imports	7.7	7.0	-4.7	-2.2	8.4	5.8
Exports, at local market prices <sup>c</sup>	-3.0	2.1	13.9	8.5	5.6	10.8
Total uses, excl. direct defense imports	4.6	5.7	0.1	0.9	7.5	7.1
Total uses	<b>2.2</b>	<b>4.1</b>	<b>1.2</b>	<b>1.8</b>	<b>5.5</b>	<b>9.9</b>
Gross domestic product of business sector <sup>d</sup>	0.0	3.1	2.8	5.0	5.3	6.9

<sup>a</sup> See note a to Table II-1.

<sup>b</sup> See note b to Table II-1.

<sup>c</sup> See note c to Table II-1.

<sup>d</sup> See note d to Table II-1.

SOURCE: Central Bureau of Statistics.

**Table II-A7**  
**RESOURCES AND USES, 1981-87<sup>a</sup>**  
 (Current NIS million)

	1981	1982	1983	1984	1985	1986	1987
Gross domestic product	264	599	1,532	7,595	28,084	43,711	55,337
Imports <sup>b</sup>	158	343	825	4,227	16,606	23,275	32,341
Civilian imports	130	301	752	3,660	14,181	21,105	27,635
Total resources	<b>422</b>	<b>941</b>	<b>2,357</b>	<b>11,821</b>	<b>44,690</b>	<b>66,987</b>	<b>87,678</b>
Private consumption	145	344	902	4,130	16,425	27,341	35,353
Public consumption	111	230	550	2,954	10,495	13,899	19,488
Public consumption, excl.							
direct defense imports	82	189	476	2,387	8,071	11,729	14,782
Gross domestic fixed investment	56	140	360	1,644	5,251	8,585	10,968
Domestic uses, excl.							
direct defense imports	283	674	1,738	8,161	29,747	47,654	61,102
Exports, at local market prices <sup>c</sup>	111	226	546	3,094	12,519	17,161	21,869
Total uses, excl.							
direct defense imports	394	900	2,284	11,255	42,265	64,816	82,971
Total uses	<b>422</b>	<b>941</b>	<b>2,357</b>	<b>11,821</b>	<b>44,690</b>	<b>66,987</b>	<b>87,678</b>
Net factor payments to abroad	8	18	41	364	1,046	1,641	1,932
Gross national product	256	581	1,491	7,231	27,038	42,070	53,405
Gross domestic product of business sector <sup>d</sup>	181	410	1,045	5,129	19,521	30,939	39,248

<sup>a</sup> See note a to Table II-1.

<sup>b</sup> See note b to Table II-1.

<sup>c</sup> See note d to Table II-1.

<sup>d</sup> See note e to Table II-1.

SOURCE: Central Bureau of Statistics.

**Table II-A8**  
**INCOME FROM ALL SOURCES AND GROSS NATIONAL**  
**SAVING, 1984-87, AT EFFECTIVE EXCHANGE RATE<sup>a</sup>**

	1984	1985	1986	1987
	<i>Current NIS million</i>			
1. Gross national product at market prices	7,231	27,038	42,070	53,405
2. Unilateral transfers from abroad, net <sup>a,b</sup>	1,189	5,787	7,113	6,625
3. Total gross income from all sources (1+2)	<b>8,420</b>	<b>32,825</b>	<b>49,183</b>	<b>60,030</b>
4. Private consumption	4,130	16,425	27,341	35,353
5. Domestic public consumption <sup>c</sup>	2,387	8,071	11,729	14,782
6. Direct defense imports, incl. advance payments <sup>a</sup>	619	2,282	3,048	3,051
7. Total consumption (4+5+6)	<b>7,136</b>	<b>26,778</b>	<b>42,118</b>	<b>53,185</b>
8. Gross national saving (3-7)	1,284	6,048	7,065	6,844
9. Gross private saving <sup>d</sup>	2,184	6,137	6,956	8,195
10. Gross public saving (8-9)	-900	-89	109	-1,350
11. Gross saving rate, income from all sources:	<i>Percent</i>			
A. National [100x(8)/(3)]	15.2	18.4	14.4	11.4
B. Private [100x(9)/(3)]	25.9	18.7	14.1	13.7
C. Public [100x(10)/(3)]	-10.7	-0.3	0.2	-2.2

<sup>a</sup> Converted into NIS at the average of the effective exchange rate of imports and exports.

<sup>b</sup> Unilateral transfers from abroad, less net interest payments of the public sector to the rest of the world.

<sup>c</sup> Total public consumption excluding direct defense imports.

<sup>d</sup> Gross private disposable income from all sources (line 13 in Table II-5), less private consumption.

**Table II-A8a**  
**INCOME FROM ALL SOURCES AND GROSS NATIONAL**  
**SAVING, 1984-87, AT OFFICIAL EXCHANGE RATE<sup>a</sup>**

	1984	1985	1986	1987
	<i>Current NIS million</i>			
1. Gross national product at market prices	7,559	28,637	45,153	57,420
2. Unilateral transfers from abroad, net <sup>b</sup>	1,072	5,292	6,422	5,997
3. Total gross income from all sources (1+2)	<b>8,631</b>	<b>33,929</b>	<b>51,575</b>	<b>63,417</b>
4. Private consumption	4,130	16,425	27,341	35,353
5. Domestic public consumption	2,387	8,071	11,729	14,782
6. Direct defense imports, incl. advance payments	557	2,081	2,758	2,755
7. Total consumption (4+5+6)	<b>7,074</b>	<b>26,577</b>	<b>41,828</b>	<b>52,889</b>
8. Gross national saving (3-7)	1,557	7,352	9,747	10,528
9. Gross private saving <sup>c</sup>	2,184	6,137	6,956	8,195
10. Gross public saving (8-9)	-627	1,215	2,791	2,333
11. Gross saving rate, income from all sources:	<i>Percent</i>			
A. National [100x(8)/(3)]	18.0	21.7	18.9	16.6
B. Private [100x(9)/(3)]	25.3	18.1	13.5	12.9
C. Public [100x(10)/(3)]	-7.3	3.6	5.4	3.7

<sup>a</sup> Converted into NIS as follows: Private consumption + public consumption + investment + exports at the official exchange rate, less imports at the official exchange rate.

<sup>b</sup> See note a to Table II-A8.

<sup>c</sup> See note d to Table II-A8.

**Table II-A9**  
**ACQUISITION OF CONSUMER DURABLES AND CONSUMPTION OF NON-DURABLES, 1984-87**

	Current NIS million				Percent change in quantity				Percent change in price			
	1984	1985	1986	1987	1984	1985	1986	1987	1984	1985	1986	1987
<b>Non-durables</b>												
Food, beverages and tobacco	1,116	4,689	7,520	9,307	-0.2	2.4	5.2	7.0	377.6	310.4	52.5	15.7
Fuel and electricity	187	853	1,078	1,239	0.3	3.2	12.2	12.9	385.6	342.2	12.7	1.9
Clothing, footwear and personal items	259	1,207	2,278	3,157	-14.4	14.9	21.1	20.0	366.7	306.4	55.9	15.5
Other non-durables	250	891	1,433	1,970	-5.6	5.3	16.7	14.7	412.1	239.0	37.7	19.9
Total non-durables	<b>1,811</b>	<b>7,639</b>	<b>12,310</b>	<b>15,673</b>	<b>-2.9</b>	<b>4.5</b>	<b>9.6</b>	<b>10.8</b>	<b>379.7</b>	<b>303.9</b>	<b>47.0</b>	<b>14.9</b>
<b>Durables</b>												
Furniture	140	513	899	1,128	-11.9	5.6	26.8	4.2	345.6	245.9	38.3	20.4
Household appliances	138	505	1,107	1,424	-35.6	11.4	58.6	9.2	428.2	229.3	38.3	17.8
Private motor vehicles	123	377	889	1,322	-40.7	-26.6	53.1	25.2	449.7	317.3	53.9	18.8
Total acquisition of durables	<b>401</b>	<b>1,394</b>	<b>2,895</b>	<b>3,873</b>	<b>-31.5</b>	<b>-0.7</b>	<b>47.1</b>	<b>12.6</b>	<b>413.8</b>	<b>250.1</b>	<b>41.1</b>	<b>18.9</b>

SOURCE: Central Bureau of Statistics.

Table II-A10  
GROSS DOMESTIC INVESTMENT BY TYPE OF CAPITAL GOOD, 1983-87

	Current NIS million					Percent annual change						
						Quantity					Price	
	1983	1984	1985	1986	1987	1983	1984	1985	1986	1987	1986	1987
<b>Nondwelling construction</b>												
Structures	33	145	469	671	973	9.5	-7.0	-4.0	-8.0	15.3	55.6	25.9
Earthworks	29	106	360	650	1,015	1.8	-19.3	-3.2	19.6	25.0	59.9	24.9
<b>Total</b>	<b>61</b>	<b>251</b>	<b>829</b>	<b>1,321</b>	<b>1,989</b>	<b>5.9</b>	<b>-12.4</b>	<b>-3.6</b>	<b>3.4</b>	<b>20.1</b>	<b>54.1</b>	<b>25.4</b>
<b>Machinery and equipment</b>												
Transport equipment												
Ships and aircraft	9	29	-8	2	163							
Land transport equipment	34	113	401	833	1,409	29.8	-37.4	-15.8	21.9	40.1	70.3	20.7
Other machinery and equipment	136	655	2,595	3,567	4,532	22.9	-5.6	2.9	-3.3	6.4	42.1	19.4
Imported	90	425	1,690	2,239	2,850	28.7	-7.4	-3.8	-8.0	6.5	44.0	19.6
Of domestic production	47	230	904	1,328	1,681	12.5	-2.0	15.9	4.5	6.2	40.5	19.2
<b>Subtotal: Nondwelling investment</b>	<b>241</b>	<b>1,049</b>	<b>3,817</b>	<b>5,724</b>	<b>8,092</b>	<b>23.1</b>	<b>-13.6</b>	<b>-5.6</b>	<b>1.3</b>	<b>16.8</b>	<b>48.0</b>	<b>21.1</b>
Excl. ships and aircraft	<b>232</b>	<b>1,019</b>	<b>3,825</b>	<b>5,721</b>	<b>7,929</b>	<b>19.2</b>	<b>-12.7</b>	<b>-1.0</b>	<b>0.9</b>	<b>14.5</b>	<b>48.2</b>	<b>21.1</b>
Dwellings	114	507	1,457	2,072	2,792	-4.6	-6.3	-12.0	-7.8	5.4	54.3	27.8
Private	93	424	1,248	1,840	2,516	-1.0	-3.2	-10.3	-4.1	6.6	53.7	28.2
Public	21	84	209	232	276	-17.3	-19.6	-20.5	-29.2	-4.5	56.8	24.6
<b>Total fixed investment</b>	<b>355</b>	<b>1,556</b>	<b>5,275</b>	<b>7,796</b>	<b>10,884</b>	<b>12.6</b>	<b>-11.3</b>	<b>-7.8</b>	<b>-1.6</b>	<b>13.7</b>	<b>50.2</b>	<b>22.8</b>
Change in stocks	5	88	-24	789	84							
<b>Total gross domestic investment</b>	<b>360</b>	<b>1,644</b>	<b>5,251</b>	<b>8,585</b>	<b>10,968</b>	<b>10.0</b>	<b>-6.9</b>	<b>-10.7</b>	<b>9.3</b>	<b>3.8</b>	<b>49.6</b>	<b>23.1</b>

SOURCE: Central Bureau of Statistics.

**Table II-A11**  
**GROSS CAPITAL STOCK BY ECONOMIC SECTORS, 1960-88**  
 (Percent annual average change; beginning of period)

	Total capital stock					Machinery and equipment					Structures				
	1960-1976	1976-1980	1980-1988	1987	1988	1960-1976	1976-1980	1980-1988	1987	1988	1960-1976	1976-1980	1980-1988	1987	1988
Agriculture	4.5	4.5	1.7	0.2	0.3	5.6	7.5	2.4	0.5	1.5	4.2	3.6	1.5	0.1	-0.1
Water systems	4.9	2.6	2.2	0.9	0.9	5.3	6.4	4.9	2.6	3.5	4.9	2.1	1.8	0.6	0.5
Industry	7.1	6.6	4.2	3.3	3.5	6.3	7.4	5.2	4.2	4.5	10.2	4.4	0.8	-0.2	-0.6
Construction equipment	7.3	3.4	-2.5	-5.6	0.1	7.3	3.4	-2.5	-5.6	0.1					
Electricity	7.1	9.1	5.7	4.2	3.8	5.8	12.1	7.0	4.9	4.3	8.8	5.5	3.7	2.9	3.0
Transport and communications	12.0	3.0	2.4	2.2	4.0	14.1	2.1	2.1	1.7	4.3	9.6	4.5	2.8	2.8	3.6
Excluding transport equipment	10.2	4.4	3.2	3.9	4.7	14.8	4.1	5.1	9.0	9.8	9.6	4.5	2.8	2.8	3.6
Private services	11.9	5.7	5.3	4.0	3.7	16.8	6.3	7.2	5.5	5.3	9.1	5.0	2.9	1.8	1.4
<i>Subtotal: Business sector</i>	<b>8.2</b>	<b>4.8</b>	<b>3.3</b>	<b>2.4</b>	<b>3.2</b>	<b>9.0</b>	<b>5.3</b>	<b>4.1</b>	<b>3.1</b>	<b>4.2</b>	<b>7.3</b>	<b>4.1</b>	<b>2.1</b>	<b>1.4</b>	<b>1.5</b>
Public services	13.1	6.4	3.5	3.5	4.0	19.0	5.6	3.3	6.2	4.6	12.4	6.6	3.6	3.0	3.9
Total, economic sectors	<b>9.0</b>	<b>5.2</b>	<b>3.3</b>	<b>2.7</b>	<b>3.3</b>	<b>9.4</b>	<b>5.4</b>	<b>4.0</b>	<b>3.3</b>	<b>4.3</b>	<b>8.6</b>	<b>5.0</b>	<b>2.7</b>	<b>2.0</b>	<b>2.4</b>
Excluding transport equipment	8.4	5.8	3.6	3.0	3.4	8.0	7.0	4.9	4.3	4.6	8.6	5.0	2.7	2.0	2.4
Dwellings	8.9	5.8	4.3	2.9	2.9						8.9	5.8	4.3	2.9	2.9
Total capital stock	<b>9.0</b>	<b>5.4</b>	<b>3.7</b>	<b>2.8</b>	<b>3.2</b>	<b>9.4</b>	<b>5.4</b>	<b>4.0</b>	<b>3.3</b>	<b>4.3</b>	<b>8.8</b>	<b>5.5</b>	<b>3.6</b>	<b>2.5</b>	<b>2.7</b>

SOURCE: Central Bureau of Statistics and Bank of Israel calculations.

**Table II-A12**  
**NET CAPITAL STOCK BY ECONOMIC SECTORS, 1960-88**  
 (Percent annual average change; beginning of period)

	Total capital stock					Machinery and equipment					Structures				
	1960- 1976	1976- 1980	1980- 1988	1987	1988	1960- 1976	1976- 1980	1980- 1988	1987	1988	1960- 1976	1976- 1980	1980- 1988	1987	1988
Agriculture	2.7	2.8	-0.1	-1.7	-1.2	5.0	5.7	0.9	-0.5	0.9	2.0	1.6	-0.6	-2.3	-2.3
Water systems	3.6	0.8	0.7	-0.7	-0.1	6.0	7.3	3.8	0.7	2.6	3.3	0.0	0.2	-1.0	-0.6
Industry	7.0	5.3	3.1	2.6	3.0	6.1	6.2	4.3	3.7	4.3	10.0	2.7	-1.3	-1.8	-2.4
Construction equipment	5.4	-2.5	-6.3	-13.3	-3.6	5.4	-2.5	-6.3	-13.3	-3.6					
Electricity	6.1	10.7	4.1	1.7	1.3	5.0	15.7	4.9	1.7	1.0	7.4	4.5	2.9	1.9	2.0
Transport and communications	11.1	1.4	1.9	0.5	4.0	12.9	-2.1	0.5	-3.1	4.4	9.7	4.6	2.9	2.9	3.7
Excluding transport equipment	10.1	3.9	3.2	3.3	4.2	14.0	-2.7	6.9	7.6	9.2	9.7	4.6	2.9	2.9	3.7
Private services	11.1	4.2	4.0	1.2	0.7	15.7	4.7	6.9	2.6	2.1	8.8	3.8	1.0	-0.5	-1.0
<i>Subtotal: Business sector</i>	<b>7.5</b>	<b>3.2</b>	<b>2.2</b>	<b>0.8</b>	<b>2.3</b>	<b>8.5</b>	<b>3.1</b>	<b>2.9</b>	<b>0.7</b>	<b>3.4</b>	<b>6.6</b>	<b>3.3</b>	<b>1.4</b>	<b>0.8</b>	<b>1.2</b>
Public services	12.9	5.9	3.6	3.3	3.9	18.8	-0.3	3.2	5.2	2.2	12.4	6.6	3.7	3.1	4.1
Total, economic sectors	<b>8.6</b>	<b>4.0</b>	<b>2.6</b>	<b>1.6</b>	<b>2.9</b>	<b>8.9</b>	<b>2.8</b>	<b>2.9</b>	<b>1.0</b>	<b>3.3</b>	<b>8.4</b>	<b>4.7</b>	<b>2.4</b>	<b>1.9</b>	<b>2.6</b>
Excluding transport equipment	8.2	4.8	3.0	2.2	2.8	7.6	5.0	4.1	2.9	3.3	8.4	4.7	2.4	1.9	2.6
Dwellings	8.8	4.7	2.9	1.1	1.3						8.8	4.7	2.9	1.1	1.3
Total capital stock	<b>8.7</b>	<b>4.3</b>	<b>2.8</b>	<b>1.4</b>	<b>2.2</b>	<b>8.9</b>	<b>2.8</b>	<b>2.9</b>	<b>1.0</b>	<b>3.3</b>	<b>8.6</b>	<b>4.7</b>	<b>2.7</b>	<b>1.5</b>	<b>1.9</b>

SOURCE: Central Bureau of Statistics and Bank of Israel calculations.

**Table II-A13**  
**FIXED NONDWELLING INVESTMENT BY INITIATING SECTOR, 1984-87**

	Millions of 1986 NIS		Real annual change, percent			
	1986	1987	1984	1985	1986	1987
<b>Total<sup>a</sup></b>						
Public sector <sup>b</sup>	1,528	1,783	-12.2	8.1	6.3	16.7
Public sector corporations <sup>c</sup>	898	917	-7.8	-2.8	1.3	2.1
Subtotal	<b>2,426</b>	<b>2,700</b>	-10.4	3.5	4.3	11.3
Private sector	2,462	2,680	-5.1	-1.3	-6.9	8.9
Total	<b>4,888</b>	<b>5,380</b>	-7.7	1.0	-1.4	10.1
<b>Structures</b>						
Public sector <sup>b</sup>	791	1,066	-18.3	0.3	8.8	34.8
Public sector corporations <sup>c</sup>	277	287	-5.7	-1.7	12.4	3.6
Subtotal	<b>1,068</b>	<b>1,353</b>	-15.2	-0.3	9.8	26.7
Private sector	253	233	-4.1	-13.0	-17.0	-7.9
Total	<b>1,321</b>	<b>1,586</b>	-12.5	-3.6	3.4	20.1
<b>Machinery and equipment<sup>a</sup></b>						
Public sector <sup>b</sup>	737	717	-3.4	17.7	3.6	-2.7
Public sector corporations <sup>c</sup>	621	630	-8.7	-3.3	-3.3	1.4
Subtotal	<b>1,358</b>	<b>1,347</b>	-6.3	6.6	0.3	-0.8
Private sector	2,209	2,447	-5.3	0.7	-5.4	10.8
Total	<b>3,567</b>	<b>3,794</b>	-5.6	2.9	-3.3	6.4

<sup>a</sup> Excluding transport equipment.

<sup>b</sup> Government enterprises (railways, ports, airports, and the Post Office), roads, afforestation, land reclamation, and some construction equipment. Includes also investment of private nonprofit institutions.

<sup>c</sup> Water, electricity, estimates for public sector corporations in chemicals, oil products, mining and quarrying, industry, transport and services.

SOURCE: Based on data of the Central Bureau of Statistics.

**Table II-A14**  
**CHANGE IN GROSS CAPITAL STOCK BY ECONOMIC SECTORS, 1987**  
(NIS million, 1987 prices)

	Capital stock at beginning 1987	Investment in 1987	Discards in 1987	Capital stock at beginning 1988
Agriculture	10,446	433	401	10,478
Water systems	4,155	108	71	4,192
Industry	26,877	2,238	1,316	27,799
Construction equipment	1,336	177	116	1,337
Electricity	6,909	400	136	7,173
Transport and communications	28,083	2,469	1,332	29,220
Thereof: Transport equipment	13,678	1,572	1,114	14,136
Roads	7,668	285	—	7,953
Private services	9,645	840	484	10,001
<i>Subtotal: Business sector</i>	<b>87,451</b>	<b>6,603</b>	<b>3,857</b>	<b>90,197</b>
Public services	26,875	1,489	413	27,951
Total, economic sectors	<b>114,326</b>	<b>8,092</b>	<b>4,269</b>	<b>118,149</b>
Dwellings	82,992	2,792	247	85,437
<b>Total</b>	<b>197,318</b>	<b>10,884</b>	<b>4,617</b>	<b>203,585</b>

SOURCE: Central Bureau of Statistics and Bank of Israel calculations..

**Table II-A15**  
**GROSS FIXED INVESTMENT BY ECONOMIC SECTORS, 1986-87**  
 (Current NIS million)

	Total			Equipment			Structures		
	Amount	Change in quantity		Amount	Change in quantity		Amount	Change in quantity	
		1987	1986		1987	1986		1987	1987
Agriculture	432.8	-15.9	6.5	277.0	-11.3	9.4	155.9	-22.6	1.6
Water systems	107.5	22.8	16.3	29.1	31.8	31.8	78.4	20.1	11.3
Industry	2,237.8	-5.6	6.3	2,077.2	-6.1	7.6	160.6	0.6	-8.4
Construction equipment	117.0	7.1	65.7	117.0	7.1	65.7			
Electricity	399.7	10.7	0.3	266.0	15.9	-2.2	133.7	0.5	4.1
Transport and communications	2,469.1	15.4	41.9	2,020.3	11.3	44.3	448.8	36.7	31.6
Excluding transport equipment	896.9	4.5	22.3	448.1	-13.0	14.4	448.8	36.7	31.6
Private services	839.5	-5.2	1.6	763.6	-3.9	3.3	75.9	-15.7	-13.1
<i>Subtotal, business sector</i>	<b>6,603.4</b>	<b>0.7</b>	<b>17.0</b>	<b>5,550.3</b>	<b>-0.0</b>	<b>18.3</b>	<b>1,053.2</b>	<b>4.8</b>	<b>10.2</b>
Public services	1,488.9	6.7	15.8	553.5	12.5	-4.8	935.4	2.1	33.7
Total, excluding housing	<b>8,092.3</b>	<b>1.8</b>	<b>16.8</b>	<b>6,103.8</b>	<b>1.2</b>	<b>15.8</b>	<b>1,988.5</b>	<b>3.6</b>	<b>20.1</b>
Dwellings	2,791.9	-7.8	5.4				2,791.9	-7.8	5.4
Total fixed investment	<b>10,844.2</b>	<b>-1.0</b>	<b>13.7</b>	<b>6,103.8</b>	<b>1.2</b>	<b>15.8</b>	<b>4,780.4</b>	<b>-3.7</b>	<b>11.1</b>

SOURCE: Based on data of the Central Bureau of Statistics.

**Table III-A1**  
**THE CONSUMER PRICE INDEX BY MAIN ITEMS, 1985-88 I**  
 (Percent change during period, annual rate)

	Weight in 1985	1985	1986	1987	1986				1987				1988
					I	II	III	IV	I	II	III	IV	I
<b>Consumer price index, total</b>	1000.0	185	20	16	7	30	13	31	19	16	10	19	18
Agricultural products	72.4	192	59	-7	80	29	-5	190	-11	-22	-15	27	84
Manufactured products	401.7	158	12	15	4	25	11	12	17	17	4	23	6
Construction and housing services	226.3	191	5	16	-25	14	2	36	19	15	16	15	23
Electricity and water	30.5	289	-7	16	-13	-25	6	11	21	13	18	13	15
Transport and communications	81.4	241	13	16	20	28	9	-3	24	32	23	-9	9
Services	187.7	207	44	27	39	65	40	34	35	28	21	25	21
Taxes and insurance	44.7	286	58	17	49	187	21	20	15	18	14	20	24
Public services	61.3	203	39	28	33	35	58	33	32	26	26	29	18
Personal services	81.7	191	51	38	54	36	53	61	59	44	23	30	16

SOURCE: Central Bureau of Statistics.

**Table IV-A1**  
**WEEKLY HOURS WORKED BY EMPLOYED IN ISRAEL,<sup>a</sup> 1981-87**

	1981	1982	1983	1984	1985	1985 <sup>b</sup>	1986	1987
<b>Total</b>	<b>36.7</b>	<b>36.2</b>	<b>35.9</b>	<b>36.0</b>	<b>36.0</b>	<b>36.1</b>	<b>35.9</b>	<b>35.8</b>
Business sector	38.5	37.9	37.5	37.9	37.8	38.1	38.0	37.8
<i>of which:</i> Males	41.1	40.2	40.0	40.5	40.7	40.7	40.8	40.6
Females	31.8	32.1	31.4	31.4	31.3	31.7	31.4	31.3

<sup>a</sup> Including employees temporarily absent from work.

<sup>b</sup> See note (a) to Table IV-4.

SOURCE: Central Bureau of Statistics, labor force surveys.

**Table IV-A2**  
**AVERAGE REAL WAGE PER EMPLOYEE POST BY INDUSTRIES, 1980-87**  
(Percent change over preceding year)

	1980	1981	1982	1983	1984	1985	1986	1987
<b>Total</b>	<b>-3.4</b>	<b>11.1</b>	<b>-0.9</b>	<b>4.7</b>	<b>-2.5</b>	<b>-6.8</b>	<b>11.6</b>	<b>8.2</b>
Public services	-8.4	10.9	-5.3	8.2	-0.8	-12.3	8.3	7.4
<i>Business sector</i>	-0.6	10.9	1.2	3.1	-3.2	-4.1	13.0	8.4
Agriculture	-2.1	7.7	1.5	2.0	-2.6	-6.3	13.5	9.6
Industry	-0.7	12.5	1.5	4.5	-0.2	-4.6	10.7	7.3
Electricity and water	1.9	21.4	-5.1	6.6	-8.6	-4.5	4.9	13.6
Construction	-2.1	9.4	4.2	-1.3	-6.5	-6.5	16.8	16.6
Commerce, restaurants & hotels	-5.3	12.8	4.2	1.0	-3.2	0.6	15.4	8.0
Transport, storage, communications	0.7	9.7	-1.2	0.9	-0.6	-4.5	13.0	10.3
Financing and business services	3.1	10.3	-1.5	6.3	-9.0	-2.2	14.9	5.2
Personal and other services	-4.6	4.4	7.6	6.1	-7.3	-6.5	22.0	14.9

SOURCE: CBS data based on employers' returns to the National Insurance Institute, deflated monthly by the Consumer Price Index and, in addition, corrected for the bias in the conventional method of deflation (see note b to Table IV-1). The data include workers from Judea, Samaria and the Gaza District employed in Israel.

**Table IV-A3**  
**SOURCES OF GROWTH OF LABOR FORCE AND INCREMENTAL EMPLOYMENT BY SECTOR, 1970-87**  
 (Annual average increase, thousands)

	1970- 1973	1974- 1976	1977- 1979	1980	1981	1982	1983	1984	1985	1986	1987
<b>A. Increment to labor force</b>											
	<b>Total population</b>										
Total increment	38.8	15.1	36.0	40.2	30.2	18.1	35.9	41.3	23.1	26.3	21.6
<i>Source:</i> Population growth <sup>a</sup>	34.5	26.4	26.4	31.8	23.6	23.5	27.9	31.4	32.2	27.6	28.0
Change in age and schooling distribution <sup>b</sup>	7.2	3.6	9.8	6.5	6.8	9.7	9.2	8.3	9.2	5.4	3.3
Change in specific participation rates	-2.9	-14.9	-0.2	1.9	0.0	-15.1	-0.8	1.6	-18.2	-6.7	-9.7
	<b>Males</b>										
Total increment	20.3	4.0	13.9	17.6	16.2	8.8	18.5	16.0	12.0	10.8	5.4
<i>Source:</i> Population growth	23.4	17.4	17.0	19.8	15.3	14.2	17.4	19.9	20.0	16.9	17.2
Change in age and schooling distribution	0.0	-1.9	1.8	0.2	0.9	3.1	2.0	1.4	0.3	-2.1	-1.2
Change in specific participation rates	-3.1	-11.5	-4.8	-2.4	0.0	-8.5	-0.9	-5.3	-8.3	-4.0	-10.6
	<b>Females</b>										
Total increment	18.5	11.1	22.1	22.6	14.5	9.3	17.4	25.3	11.1	15.5	16.2
<i>Source:</i> Population growth	11.1	9.0	9.5	12.0	8.6	9.3	10.1	11.4	12.2	10.7	10.8
Change in age and schooling distribution	7.2	5.5	8.0	6.3	5.9	6.6	7.2	6.9	8.9	7.5	4.5
Change in specific participation rates	0.2	-3.4	4.7	4.3	0.0	-6.6	-0.1	6.9	-10.0	-2.7	0.9

**B. Increment to workers from Judea, Samaria and the Gaza District**

Total	14.8	-0.1	3.1	-2.4	1.0	4.2	8.2	2.6	-1.2	5.3	11.5
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**C. Allocation of increment, domestic sectors**

Total, both sexes	53.6	15.0	39.1	38.0	31.7	22.3	44.1	43.9	21.9	31.6	33.1
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Business sector <sup>f</sup>	44.9	-1.7	24.3	5.8	15.0	16.0	46.2	15.9	-0.1	23.2	46.7
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Public services, employees	11.7	12.5	16.8	5.4	11.7	6.3	3.1	5.9	8.3	0.8	0.6
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Israeli unemployed	-2.9	4.2	-1.9	26.8	4.7	0.0	-5.2	22.1	13.7	7.6	-14.2
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**Males**

Total	35.1	3.9	17.0	15.4	17.2	13.0	26.7	18.6	10.8	16.1	16.9
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Business sector	34.1	-1.3	14.2	1.1	9.6	10.2	33.4	6.8	-4.2	14.8	28.2
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Public services, employees	2.9	3.3	4.3	-0.8	5.5	1.9	-4.0	-0.4	3.6	-1.3	0.2
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Israeli unemployed	-1.9	1.9	-1.5	15.1	2.1	0.9	-2.7	11.4	11.4	2.6	-11.5
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**Females**

Total	18.5	11.1	22.1	22.6	14.5	9.3	17.4	25.3	11.1	15.7	16.2
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Business sector	10.8	-0.4	10.0	4.7	5.8	6.0	12.8	9.1	4.1	8.5	18.5
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Public services, employees	8.8	9.2	12.5	6.2	6.2	4.4	7.1	5.5	4.7	2.1	0.4
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Israeli unemployed	-1.0	2.3	-0.4	11.7	2.5	-1.1	-2.5	10.7	2.3	5.1	-2.7
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<sup>a</sup> Assuming the average participation rates of the previous year.

<sup>b</sup> Assuming the specific participation rates of the previous year.

<sup>c</sup> Includes self-employed in public services.

SOURCE: Central Bureau of Statistics, labor force surveys and surveys of families in Judea-Samaria and the Gaza District.

Table IV-A4  
THE ISRAELI LABOR FORCE, SELECTED DATA, 1970-87

	Thousands						Average annual change			Percent annual change						
	1983	1984	1985 <sup>a</sup>	1986	1987	1987	1973/ 1970	1979/ 1976	1985/ 1979	1981	1982	1983	1984	1985	1986	1987
<b>Average population, total</b>	4,076	4,159	4,233	4,233	4,299	4,368	3.3	2.3	1.8	1.8	2.0	1.2	2.0	1.7	1.6	1.6
1. Working-age population	2,813	2,876	2,939	2,852	2,906	2,962	3.2	2.3	2.1	1.8	1.8	2.0	2.2	2.2	1.9	1.9
2. Civilian labor force	1,403	1,444	1,467	1,466	1,472	1,494	3.7	1.3	2.4	2.3	1.3	2.6	3.0	1.6	1.8	1.5
3. Participation rate, percent	49.9	50.2	49.9	50.7	50.6	50.4										
3a. Participation rate, corrected <sup>b</sup>	50.9	51.0	50.5	50.5	50.2	49.9										
4. Total employed	1,339	1,359	1,368	1,349	1,368	1,404	4.4	1.0	1.6	2.0	1.4	3.2	1.5	0.7	1.4	2.6
5. Unemployed	63	85	99	97	104	90										
6. Unemployment rate, percent	4.5	5.9	6.7	6.7	7.1	6.1										
<b>Males</b>																
1. Working-age population	1,386	1,418	1,449	1,403	1,430	1,457	3.8	2.2	2.0	1.8	1.7	2.0	2.3	2.2	1.9	1.9
2. Civilian labor force	880	896	908	893	903	909	2.8	0.5	1.8	1.9	1.0	2.1	1.9	1.3	1.2	0.6
3. Participation rate, percent	64	63	63	64	63	62										
4. Total employed	845	850	851	836	844	861	3.2	0.3	1.0	1.7	1.0	2.6	0.6	0.1	1.0	2.0
5. Unemployed	35	47	58	57	59	48										
6. Unemployment rate, percent	4.0	5.2	6.4	6.3	6.5	5.2										
<b>Females</b>																
1. Working-age population	1,427	1,458	1,490	1,449	1,477	1,505	3.6	2.4	2.1	1.8	1.8	2.1	2.2	2.2	1.9	1.9
2. Civilian labor force	522	548	559	554	569	585	5.8	3.0	3.4	3.0	1.9	3.4	4.9	2.0	2.8	2.8
3. Participation rate, percent	37	38	38	38	39	39										
4. Total employed	494	509	518	513	524	543	6.5	2.4	2.7	2.6	2.2	4.2	3.0	1.7	2.0	3.6
5. Unemployed	28	39	41	40	45	43										
6. Unemployment rate, percent	5.3	7.0	7.3	7.2	7.9	7.3										
<b>Workers from Judea-Samaria and the Gaza District</b>	91	93	92	92	97	109		4.6	2.7	1.0	4.2	8.4	2.9	-1.3	5.8	11.8

<sup>a</sup> See note a to Table IV-4.

<sup>b</sup> Corrected for changes in the composition of the population by years of schooling, age and sex; base year for the correction—1984. The estimates for 1983-84 are adjusted for a population aged 15+. For the standardization method used for the correction, see Bank of Israel *Annual Report 1980*, p. 76.

SOURCE: Central Bureau of Statistics, labor force surveys and surveys of families in Judea, Samaria and the Gaza District.

Table IV-A5  
SOURCES OF GROWTH OF ISRAEL'S PERMANENT POPULATION, 1979-87

	1979	1980	1981	1982	1983	1984	1985	1986	1987
<i>Thousands</i>									
1. Beginning-of-year population	3,737.6	3,836.2	3,921.7	3,977.9	4,033.7	4,118.6	4,199.7	4,266.2	4,331.3
2. Natural increase	68.8	68.0	67.6	68.9	70.5	70.7	71.2	69.9	69.7
3. Gross immigration <sup>a</sup>	39.6	22.2	14.5	16.1	19.1	21.7	12.2	12.3	15.6
4. Net emigration <sup>b</sup>	9.7	4.7	25.9	11.3	4.7	11.3	17.5	17.1	10.5
5. Migration balance (3-4)	29.9	17.5	-11.4	4.8	14.4	10.4	-4.7	-4.8	5.1
6. Total population growth (2+5)	98.7	85.5	56.2	85.7 <sup>c</sup>	84.9	81.1	66.5	66.8	74.8
7. End-of-year population (1+6)	3,836.2	3,921.7	3,977.9	4,063.7	4,118.6 <sup>d</sup>	4,199.7	4,266.2	4,331.3	4,406.1
<i>Rates</i>									
8. Natural increase per thousand <sup>e</sup> , total	18.2	17.5	17.1	17.2	17.2	16.9	17.1	16.4	16.1
Jews	15.0	14.7	14.4	14.3	14.3	14.5	14.5	14.0	13.4
Non-Jews	34.8	32.2	30.7	31.4	29.6	29.0	29.9	28.2	27.3
9. End-of-year population, percent change over preceding year	2.6	2.2	1.4	1.9	2.1	2.0	1.6	1.5	1.7
of which: Natural increase, percent	69.9	79.5	-	93.5	83.0	85.9	-	-	93.2
of total migration balance	30.3	20.5	-	6.5	17.0	14.1	-	-	6.8

<sup>a</sup> Immigrants, tourists acquiring immigrant status, immigrating citizens (children born to Israelis abroad), and persons returning under the family reunion scheme.

<sup>b</sup> Israelis residing abroad for over 12 months less Israelis returning after absence of 12 months or more, potential immigrants going abroad, and residents who have not returned from a visit to Jordan. See also CBS, *Statistical Abstract of Israel 1986*, pp. 132, 136-138.

<sup>c</sup> Includes 12,000 from the Golan Heights.

<sup>d</sup> According to the 1983 population census.

<sup>e</sup> Per thousand of the relevant average permanent population.

SOURCE: Central Bureau of Statistics.

Table IV-A6  
EMPLOYMENT AND LABOR INPUT BY PRINCIPAL SECTORS, 1982-87

	1982	1983	1984	1985	1985 <sup>a</sup>	1986	1987	Percent change over preceding year					
								1982	1983	1984	1985	1986	1987
<i>A. Employment, thousands, yearly average</i>													
1. Israelis	1,298	1,339	1,359	1,368	1,349	1,368	1,404	1.4	3.2	1.5	0.7	1.4	2.6
2. Workers from Judea-Samaria & Gaza	84	91	93	92	92	97	109	4.2	8.4	2.9	-1.3	5.8	11.8
3. Total employed in Israel	1,382	1,430	1,452	1,460	1,441	1,465	1,513	1.6	3.5	1.6	0.6	1.7	3.2
<i>of which:</i> In the public sector	391	397	404	410	408	411	411	1.6	1.3	1.7	1.7	0.7	-0.1
In the business sector	990	1,033	1,049	1,050	1,033	1,054	1,102	1.6	4.3	1.5	0.1	2.1	4.5
<i>B. Labor input, million hours, weekly average</i>													
1. Israelis	47.0	48.1	48.9	49.3	48.7	49.1	50.3	0.0	2.3	1.7	0.8	0.8	2.3
2. Workers from Judea-Samaria & Gaza	3.8	4.1	4.1	4.1	4.1	4.4	5.0	3.9	8.3	2.6	0.0	7.5	12.4
3. Total labor input	50.8	52.2	53.1	53.4	52.8	53.5	55.2	0.3	2.8	1.7	0.5	1.4	3.2
<i>of which:</i> In the public sector	12.6	12.7	12.7	13.0	12.9	12.7	12.7	0.6	0.7	0.5	1.9	-1.2	0.0
In the business sector	38.1	39.5	40.3	40.4	39.9	40.8	42.5	0.2	3.7	2.1	0.1	2.2	4.2

<sup>a</sup> See note (a) to Table IV-4.

SOURCE: Central Bureau of Statistics and Bank of Israel calculations; data are rounded.

**Table IV-A7**  
**EMPLOYMENT AND LABOR INPUT BY PRINCIPAL ECONOMIC SECTORS, 1982-87**

	1982	1983	1984	1985	1985 <sup>a</sup>	1986	1987	Percent change over preceding year					
								1982	1983	1984	1985	1986	1987
<i>A. Employed persons, thousands, yearly average</i>													
Construction	124	132	125	117	117	109	117	3.8	6.1	-5.2	-6.6	-6.1	7.3
Industry	309	320	328	329	325	339	348	-0.8	3.4	2.6	0.4	4.2	2.7
Agriculture	84	85	86	92	87	85	88	-3.8	0.8	0.9	8.1	-1.4	2.8
Transport	88	87	90	86	86	87	92	4.4	-1.4	3.0	-3.6	0.5	5.7
Commerce, personal and business services <sup>b</sup>	301	319	332	340	335	348	372	4.4	5.7	4.3	2.2	3.8	6.7
Financial services	63	68	66	65	64	64	63	2.6	7.4	-2.8	-2.2	0.3	-2.3
Water and electricity	14	13	13	12	12	12	14						
Not known	9	10	10	9	7	9	9						
<b>Total business sector</b>	<b>990</b>	<b>1,033</b>	<b>1,049</b>	<b>1,050</b>	<b>1,033</b>	<b>1,054</b>	<b>1,102</b>	<b>1.6</b>	<b>4.3</b>	<b>1.5</b>	<b>0.1</b>	<b>2.1</b>	<b>4.5</b>
<i>B. Labor input, million hours, weekly average</i>													
Construction	5.3	5.5	5.1	4.9	4.9	4.5	5.0	4.2	4.0	-6.0	-5.6	-6.5	9.1
Industry	12.0	12.4	12.8	12.8	12.7	13.3	13.5	3.3	2.4	3.7	0.3	4.8	1.6
Agriculture	3.5	3.3	3.3	3.7	3.5	3.4	3.5	-4.5	2.9	2.7	10.6	-2.2	2.6
Transport	3.2	3.4	3.6	3.4	3.4	3.4	3.7	-0.1	4.3	-4.8	0.5	0.4	7.5
Commerce, personal and business services <sup>b</sup>	11.7	12.1	12.6	12.5	12.4	13.0	13.7	4.5	3.5	3.8	-0.3	4.9	5.8
Financial services	2.4	2.4	2.4	2.4	2.4	2.4	2.3	4.5	-2.5	-0.3	-0.0	0.3	-3.7
<b>Total business sector<sup>c</sup></b>	<b>38.1</b>	<b>39.5</b>	<b>40.3</b>	<b>40.4</b>	<b>39.9</b>	<b>40.8</b>	<b>42.5</b>	<b>0.2</b>	<b>3.7</b>	<b>2.1</b>	<b>0.1</b>	<b>2.2</b>	<b>4.2</b>

<sup>a</sup> See note (a) to Table IV-4.

<sup>b</sup> Industries 50-59, 73 and 90-99 of the Standard Industry Classification; includes 'other' workers from Judca-Samaria and Gaza (excludes public service employees).

<sup>c</sup> Figures do not add because the water and electricity industry, and 'unknown' were excluded; rounded data.

SOURCE: Central Bureau of Statistics and Bank of Israel calculations.

**Table V-A1**  
**CENTRAL GOVERNMENT BUDGET, 1981/82-1988/89**  
 (Percent of GNP, fiscal years, at current prices)

	1981	1982	1983	1984	1985	1986	1987 <sup>a</sup>	1987 <sup>b</sup>	1988 <sup>c</sup>
<b>Total expenditure<sup>d</sup></b>	64.8	65.2	63.4	65.5	62.6	61.3	60.1	60.4	59.4
<i>of which:</i> Domestic	53.1	53.9	49.4	47.5	45.3	46.7	47.8	47.0	49.8
Expenditure abroad	11.8	11.3	14.0	18.0	17.4	14.6	12.3	13.3	9.6
<b>Total revenue</b>	48.7	53.9	53.0	50.4	62.5	65.5	58.6	57.3	54.4
<i>of which:</i> Domestic revenue	38.6	45.9	43.3	35.6	42.2	48.0	45.8	43.6	44.3
Foreign curr. receipts	10.1	8.0	9.8	14.8	20.3	17.6	12.8	13.8	10.1
<b>Total deficit (-) or surplus</b>	-16.1	-11.4	-10.3	-15.2	-0.1	4.2	-1.5	-3.0	-4.9
<i>of which:</i> Domestic deficit	-14.4	-8.0	-6.1	-11.9	-3.1	1.2	-2.1	-3.4	-5.5
Foreign deficit	-1.7	-3.4	-4.2	-3.3	3.0	3.0	0.6	0.4	0.6
<b>Deficit finance, total</b>	16.1	11.4	10.3	15.2	0.1	-4.2	1.5	3.0	4.9
Net borrowing from the public	8.2	5.5	0.8	5.3	5.9	1.3	2.2	2.3	5.4
Net borrowing from abroad	4.0	7.6	6.9	10.6	1.4	0.0	-1.1	-1.1	-1.5
Net borrowing from central bank	4.0	-1.8	2.7	-0.7	-7.2	-5.5	0.4	1.9	1.1

<sup>a</sup> Estimate.

<sup>b</sup> Original budget.

<sup>c</sup> As proposed.

<sup>d</sup> Includes net credit to the public.

SOURCE: Based on Ministry of Finance data.

**Table V-A2**  
**INDICATORS OF CIVILIAN PUBLIC SERVICES, 1980-87**  
 (Percentages, current prices)

	1980	1981	1982	1983	1984	1985	1986	1987
Public consumption as a percentage of GNP	18.8	18.5	18.0	17.9	18.7	17.1	16.7	16.7
Public consumption as percentage of private consumption	34.4	32.7	30.4	29.6	32.7	28.2	25.7	25.3
Public consumption per capita, index (1980=100)	100.0	100.3	99.5	99.6	99.6	97.7	94.3	94.3
Public sector civilian employment as a percentage of total employment	29.7	30.2	30.2	29.7	29.7	29.9	29.7	28.8
Public sector wage bill as a percentage of total wage bill	26.0	25.7	24.3	24.4	25.6	23.8	22.7	22.1
Age groups 0-24 and 65+ as a proportion of total population, index (1980=100)	100.0	99.7	99.3	99.2	98.8	98.7	98.7	98.7

SOURCE: Based on data of the Central Bureau of Statistics.

Table V-A3  
DIRECT PUBLIC SECTOR DEMAND, 1982-87

	NIS current million			Percent change over preceding year								
	1985	1986	1987	Price		Quantity						
				1986	1987	1982	1983	1984	1985	1986	1987	
1. Net public consumption												
a. Civilian consumption	4,628	7,037	8,925	55.1	24.9	1.2	1.3	2.0	-0.1	-2.0	1.5	
b. Defense consumption, net	5,867	6,862	10,564	41.8	17.5	-12.4	-9.7	10.8	6.8	-17.5	31.0	
c. Total, net	10,495	13,899	19,488	47.7	20.8	-6.5	-4.5	6.4	3.5	-10.3	16.1	
2. Net public domestic consumption												
a. Civilian	4,504	6,899	8,759	55.5	25.1	1.2	1.3	1.8	-0.4	-1.5	1.5	
b. Defense	3,464	4,716	5,880	44.5	22.0	5.5	1.5	-0.2	-2.5	-5.8	2.2	
c. Total, net	7,967	11,615	14,638	50.7	23.8	3.0	1.4	1.0	-1.3	-3.3	1.8	
3. Investment in economic sectors	742	1,243	1,853	50.9	23.4	8.2	17.1	-15.6	-3.3	11.0	20.8	
4. Direct public sector demand	11,237	15,142	21,342	47.9	21.0	-5.5	-2.9	4.4	3.0	-8.9	16.5	
<i>of which:</i> Domestic demand	8,709	12,858	16,492	50.7	23.8	3.4	2.8	-0.7	-1.4	-2.1	3.6	
5. Public construction	209	232	276	56.8	24.6	-20.1	-17.3	-19.6	-20.5	-29.2	-4.5	

SOURCE: Central Bureau of Statistics.

Table V-A4  
CONSUMPTION OF CIVILIAN PUBLIC SERVICES BY KIND<sup>a</sup>, 1975-87

	1975	1978	1981	1982	1983	1984	1984	1985	1986	1987
Education	40	37	37	38	38	39	42	43	43	43
Health	19	23	24	24	24	24	18	18	19	20
Other welfare services	16	16	17	16	16	16	14	15	15	14
Total welfare services	75	76	78	78	78	79	74	76	77	77
Other economic services	25	24	22	22	22	21	26	24	23	23
Total civilian public services	100	100	100	100	100	100	100	100	100	100

<sup>a</sup> Until 1983 the breakdown by kind of service is based on estimates of civilian public consumption and consumption of nonprofit institutions providing public services. From 1984, the data are in accordance with the new system of national accounts (SNA). The first column for 1984 is an estimate according to the old definitions. The estimates for 1985-87 are preliminary, based on the rates of increase in employee posts in the relevant economic sectors.

SOURCE: Central Bureau of Statistics.

Table V-A5  
 DIRECT TAXES, COMPULSORY LOANS AND TRANSFER PAYMENTS,<sup>a</sup> 1983-87

	NIS million, current prices					Real annual percent change <sup>b</sup>			
	1983	1984	1985	1986	1987	1984	1985	1986	1987
1. Income tax	242	952	4,355	7,092	8,814	-17.1	13.1	9.9	3.7
<i>of which:</i> on wage earnings	110	506	1,835	2,528	3,393	-3.4	-10.3	-7.0	12.0
on non-wage income	132	446	2,520	4,564	5,421	-28.6	39.6	22.3	-0.9
(a) companies	38	65	680	1,379	1,385	-63.6	159.0	36.9	-16.2
(b) self-employed	26	105	587	1,031	1,207	-16.0	37.8	18.6	-2.3
(c) company managers and members of cooperatives	26	122	550	815	1,188	-2.4	11.2	0.1	21.6
(d) Deductions at source	41	154	704	1,339	1,640	-21.7	13.1	28.5	2.2
2. National Insurance <sup>c</sup>	96	419	1,777	2,715	3,199	-7.7	4.7	3.1	-1.7
<i>of which:</i> on wage earnings <sup>d</sup>	89	392	1,593	2,338	2,692	-6.8	0.5	-0.9	-3.9
on non-wage income	5	28	184	377	507	9.9	64.2	38.0	12.3
3. Surtax on stocks	1	3	9	-1	0	-14.9	-26.4	-104.3	-132.2
4. Property levy	0	0	157	244	28	0.0	0.0	4.7	-90.3
5. Fees and fines	4	14	85	186	256	-18.6	49.0	47.2	14.4
6. Total direct taxes (1+2+3+4+5)	343	1,388	6,384	10,236	12,297	-14.5	13.6	8.3	0.2
7. Compulsory loans	11	0	0	0	0	-99.6	-100.0	0.0	0.0
8. Total direct taxes and compulsory loans (6+7)	354	1,389	6,384	10,236	12,297	-17.2	13.6	8.3	0.2
9. Current transfer payments to households	112	537	2,255	3,783	4,744	1.2	3.9	13.2	4.6
<i>of which:</i> Through National Insurance	83	386	1,696	2,894	3,582	-2.3	8.7	15.2	3.3
Other transfers and benefits	29	151	559	889	1,161	11.6	-8.5	7.5	9.0

(Table V-A5 continued)

10. Transfer payments to private nonprofit institutions	9	38	132	210	252	-7.4	-13.0	7.0	0.1
<i>of which:</i> Current transfers	8	37	128	204	245	-7.5	-13.2	7.5	0.1
Capital transfers	0	1	4	6	7	-2.9	-6.8	-8.1	0.1
11. Capital transfers to firms	33	113	342	497	648	-28.6	-25.4	-1.9	8.8
12. Redemptions of compulsory loans	8	59	101	321	252	52.5	-58.0	115.4	-34.5
13. Total transfer payments to the public (9 through 12)	<b>162</b>	<b>747</b>	<b>2,830</b>	<b>4,810</b>	<b>5,896</b>	-2.8	-6.3	14.8	2.3
14. Transfer payments from the public	35	83	290	518	703	-50.7	-13.2	20.7	13.2
<i>of which:</i> Current transfer payments by households and private nonprofit institutions	3	13	47	70	88	-6.7	-9.3	-0.6	5.2
Capital transfers <sup>e</sup>	32	70	243	449	616	-54.7	-13.9	24.8	14.5
15. Net current transfer payments	120	572	2,379	3,982	4,982	0.6	2.8	13.0	4.4
16. Total net transfer payments (13-14)	<b>127</b>	<b>664</b>	<b>2,540</b>	<b>4,292</b>	<b>5,192</b>	10.6	-5.5	14.1	0.9
17. Direct taxes and transfer payments by the public (8+14)	<b>389</b>	<b>1471</b>	<b>6,673</b>	<b>10,754</b>	<b>13,000</b>	-20.2	12.1	8.8	0.9
18. Direct taxes and compulsory loans, less net transfer payments (8-16)	<b>227</b>	<b>724</b>	<b>3,843</b>	<b>5,944</b>	<b>7,105</b>	-32.7	31.1	4.4	-0.3

<sup>a</sup> Does not include interest payments on domestic loans and interest payments by the government to the Bank of Israel.

<sup>b</sup> Deflated by the CPI; annual average.

<sup>c</sup> For 1980-83, the total includes direct payments to the sick funds by self-employed persons.

<sup>d</sup> Includes managers' salaries.

<sup>e</sup> Includes the impost on sales of securities.

SOURCE: Central Bureau of Statistics, Income Tax Administration, and Bank of Israel.

**Table V-A6**  
**WAGES, TAXES AND DISPOSABLE WAGES PER EMPLOYEE POST,<sup>a</sup> 1982-87**

	As a percentage of gross wages				Real <sup>b</sup> annual percent change		
	1982	1984	1986	1987	1985	1986	1987
<i>Actual average wage</i>					-6.8	11.6	8.1
Income tax <sup>c</sup>	17.9	21.0	13.6	13.6	-25.7	-9.8	8.9
Net taxes <sup>d</sup>	16.9	20.9	15.6	16.0	-24.2	2.4	10.6
Disposable wage income	83.1	79.1	84.4	84.0	-2.2	13.4	7.7
<i>Out of average real wage, at Jan.-Dec. 1986 level</i>							
Income tax	19.1	22.0	13.7	12.5	-14.7	-26.9	-8.9
Net taxes	18.5	22.0	15.8	14.0	-11.6	-19.1	-11.1
Disposable wage income	81.5	78.0	84.2	86.0	3.3	4.6	2.1
<i>Out of wages of twice the actual average money wage</i>					6.8	11.6	8.1
Income tax	31.3	36.7	26.9	26.3	-20.6	-3.9	5.6
Net taxes	33.1	38.2	30.6	30.1	-17.9	1.6	6.4
Disposable wage income	66.9	61.8	69.4	69.9	0.1	16.6	8.9
<i>Out of twice average real wage at Jan.-Dec. 1986 level</i>							
Income tax	32.6	37.7	27.0	24.9	-11.2	-19.5	-7.6
Net taxes	34.5	39.2	30.7	28.7	-7.9	-15.1	-6.7
Disposable wage income	65.5	60.8	69.3	71.3	5.1	8.5	3.0

<sup>a</sup> As defined by the National Insurance Institute.

<sup>b</sup> Since wages are generally paid at the beginning of the month, the CPI by which wages are deflated has also been estimated for the beginning of the month, by averaging two consecutive monthly price indexes.

<sup>c</sup> Income tax was calculated on the assumption that there is only one wage earner per family, and that there are no additional tax deductions or credits. For the period June 1982 to April 1983, income tax includes the compulsory "Peace for Galilee" loan.

<sup>d</sup> Net taxes: income tax and national insurance contributions, less child allowances for two children.

SOURCE: Central Bureau of Statistics, Income Tax Administration, and Bank of Israel calculations.

**Table V-A7**  
**ESTIMATED VALUE OF SELECTED NATIONAL**  
**INSURANCE ALLOWANCES, 1975/6-1987**

	1987 compared to July 1975-March 1976	Real annual change in average monthly allowance <sup>a</sup>		
		1985	1986	1987
<i>Deflated by Consumer Price Index<sup>b</sup></i>				
Allowance for 2 children	-48.2	-12.4	-9.0	-0.3
Allowance for 4 children <sup>c</sup>	28.7	30.3	28.7	-0.5
Minimum income allowance for single person <sup>d</sup>	41.3	12.4	8.6	-3.7
<i>Deflated by index of average wages<sup>e</sup></i>				
Allowance for 2 children	-64.4	-7.4	-17.1	-8.0
Allowance for 4 children <sup>c</sup>	-11.6	40.9	14.8	-8.1
Minimum income allowance for single person <sup>d</sup>	-3.0	21.3	-3.0	-11.2

<sup>a</sup> When the income tax reform of 1975 was carried out, annual inflation ran at 40 percent, so that the value of the allowances as set in July 1975 declined month by month until their first updating in April 1976. The average monthly allowance of this period is an approximation to the value which the indexation system was supposed to maintain.

<sup>b</sup> Monthly deflation.

<sup>c</sup> Includes allowance for ex-servicemen.

<sup>d</sup> Invalid allowances changed at the same rate as the minimum income.

SOURCE: National Insurance Institute and Bank of Israel calculations.

**Table V-A8**  
**IMPORT TAXES AND SUBSIDIES, 1983-87**

	NIS million, current prices			Percent annual change <sup>a</sup>				
	1985	1986	1987	1983	1984	1985	1986	1987
1. Taxes on civilian imports	2,003	3,517	4,659	11.0	-13.0	-7.8	18.5	10.6
Value added tax	820	1,245	1,638	-1.9	-6.0	-5.3	2.5	9.8
Customs duties <sup>b</sup>	403	774	765	-5.8	-22.0	-7.3	29.6	-17.6
Purchase tax and other taxes <sup>c</sup>	780	1,497	2,257	41.8	-14.5	-10.5	29.7	25.8
2. Subsidies to imports	-82	-118	-62	-729.4	-248.1	30.0	-2.5	-56.3
3. Net taxes on civilian imports	2,085	3,634	4,721	8.8	-8.9	-6.7	17.7	8.4
4. Taxes on defense imports	403	383	762	-12.6	54.3	10.8	-35.9	66.2
5. Net taxes on foreign trade								
A. Excluding imputed credit subsidies	1,646	3,087	4,019	6.0	-13.3	-3.4	26.6	8.6
B. Including imputed credit subsidies	1,579	3,083	4,015	7.8	-20.6	19.1	31.8	8.6

<sup>a</sup> Deflated by the CPI; annual average.

<sup>b</sup> Excludes fines; includes, from 1983, the import levy.

<sup>c</sup> Includes, from 1982, travel tax; since 1983 includes also the implicit tax component in the obligatory import deposits and purchases of foreign currency. From 1984, includes the levy on imports of services, and from 1985, the impost on foreign travel tickets, and from 1987, the levy on credits from abroad.

SOURCE: Central Bureau of Statistics and Bank of Israel calculations.

**Table V-A9**  
**INDIRECT TAXES ON AND SUBSIDIES TO DOMESTIC PRODUCTION, 1983-87**

	NIS million, current prices			Percent annual change <sup>a</sup>				
	1985	1986	1987	1983	1984	1985	1986	1987
1. Indirect taxes on economic activities	2,790	4,686	5,926	15.4	-6.5	11.2	13.4	5.5
<i>of which:</i> Value added tax	1,798	3,112	3,924	18.6	-9.6	10.6	16.8	5.2
Purchase tax	187	344	388	6.8	11.7	-6.5	24.0	-5.9
Fuel tax	277	356	375	10.5	-8.8	39.5	-13.2	-12.1
Employers tax	316	579	521	10.6	1.9	-9.9	23.7	-24.9
Other taxes on activities <sup>b</sup>	212	296	718	8.6	-7.7	58.0	-5.9	102.5
Total indirect taxes on domestic production	<b>3,508</b>	<b>6,088</b>	<b>7,770</b>	11.9	-5.4	15.4	17.2	6.5
Property taxes	40	65	131	-7.5	-47.1	107.6	9.7	67.3
Local rates	505	1,039	1,337	-4.2	20.9	45.3	39.1	7.3
Other taxes <sup>c</sup>	172	297	376	-0.8	-20.1	4.5	16.4	5.6
2. Subsidies to domestic production	1,434	1,502	1,727	-10.3	14.2	-25.4	-29.3	-4.0
<i>of which:</i> Direct subsidies	951	875	1,044	-6.5	24.1	-31.3	-37.9	-0.5
Imputed credit subsidies	483	626	684	-16.9	-5.1	-10.2	-12.5	-8.9
3. Net indirect taxes on domestic production								
A. Excl. imputed credit subsidies	<b>2,557</b>	<b>5,213</b>	<b>6,726</b>	24.9	-21.1	54.4	37.7	7.6
B. Incl. imputed credit subsidies	<b>2,073</b>	<b>4,587</b>	<b>6,042</b>	53.5	-27.0	85.5	49.4	9.9

<sup>a</sup> Deflated by the Consumer Price Index; annual average.

<sup>b</sup> Includes tobacco tax, cement excise, stamp tax, fees, various licence fees and, since 1985, the tax for the fuel equalization fund.

<sup>c</sup> Surpluses of the Post Office, the Port Authority, and taxes from earmarked income.

SOURCE: Central Bureau of Statistics and Bank of Israel calculations.

**Table VI-A1**  
**EXPENDITURE ON INDUSTRIAL CONSUMER GOODS**  
**AND CAPITAL GOODS, 1984-87**

	1984	1985	1986	1987	1984	1985	1986	1987
	<i>Real percent change</i>				<i>Percent of total</i>			
Total private consumption	-13	3	19	13	100	100	100	100
<i>of which:</i> Local production	-1	9	12	11	73	78	75	74
Imports	-35	-16	46	18	27	22	25	26
Machinery and equipment	-13	-1	-2	9	100	100	100	100
<i>of which:</i> Local production	-3	13	-0	5	26	30	26	25
Imports	-16	-6	-2	10	74	70	74	75

**Table VI-A2**  
**SOURCES OF GROSS LONG-TERM FINANCING IN INDUSTRY, 1985-87**

	NIS million, current prices			Percent of total		Percent change over previous year		
	1985	1986	1987	1986	1987	1985	1986	1987
Medium- and long term credit	893	1,583	1,751	90	78	29.2	22.6	-6.1
<i>of which:</i> Development loans	287	165	52	9	2			
Bond issues <sup>a</sup>	21	99	119	6	5			
Investment grants	150	281	275	16	12			
Share issues	21	20	143	1	6			
Self-finance <sup>b</sup>	226	-226	-50	-13	-1			
<b>Total investment in industry</b>	<b>1,311</b>	<b>1,757</b>	<b>2,238</b>	<b>100</b>	<b>100</b>	<b>4.9</b>	<b>-5.6</b>	<b>6.3</b>

<sup>a</sup> Part of the bond issues is included in medium- and long-term credit.

<sup>b</sup> Includes errors and omissions.

**Table VI-A3**  
**INDUSTRIAL PRODUCTION, EXPORTS**  
**AND INVESTMENT BY SUB-SECTORS, 1987**

	Real percent change over previous year			Percentage of sub-sector in 1987:	
	Production	Exports	Investment	in index of indus- trial production	in industrial exports
Mining and quarrying <sup>a</sup>	8.4	4.5	10.8	7.2	4.6
Food, beverages & tobacco	13.0	15.8	33.0	11.4	7.9
Textiles, apparel & leather	6.2	10.9	0.1	9.0	10.8
Paper, printing & publishing	6.8	10.7	28.3	5.0	0.8
Wood and wood products	7.4	18.9	18.0	3.2	0.9
Rubber and plastic products	10.2	10.4	22.2	5.8	4.0
Chemicals and petroleum prod.	11.6	23.6	18.2	9.9	18.9
Basic metal	3.7	9.1	15.9	1.8	1.3
Metal products & machinery	4.7	6.0	-2.5	22.5	13.9
Electrical, electronic and transport equipment	-5.3	11.1	-12.9	22.0	30.7
Miscellaneous	-10.6	7.1	19.6	2.3	8.1
Total	4.9	9.6	6.3	100.0	100.0

<sup>a</sup> Includes non-metallic minerals.

**Table VI-A4**  
**INDICATORS OF ACTIVITY IN COMMUNICATIONS, 1984-87**

	1986	1987	Percent change over preceding year			
			1984	1985	1986	1987
Income, NIS million, current prices <sup>a</sup>	1,252	1,800	15.1	4.4	13.9	13.8
<i>of which:</i> Telephone service	1,074	1,545	22.5	11.4	13.6	13.5
Post and telegraph services	118	176	-8.8	-37.0	18.8	13.9
Telephone service (thousands) <sup>b</sup>						
Capacity of exchanges, lines	1,514	1,668	10.3	8.2	8.1	10.2
Direct lines installed	1,283	1,393	6.5	8.3	9.0	8.6
New telephones installed	104.8	108.2	1.0	56.5	6.6	3.2
Pending applications <sup>c</sup>	131	103	-1.6	-23.7	-32.1	-21.4

<sup>a</sup> Includes philatelic service and miscellaneous.

<sup>b</sup> End of year.

<sup>c</sup> Includes applications for new telephones and transfers.

**Table VII-A1**  
**COMPOSITION OF IMPORTS BY FINAL USES, 1983-87<sup>a</sup>**  
 (Percent of total, in current dollar prices)

	1983	1984	1985	1986	1987
Private consumption	26.3	23.0	21.8	24.4	23.9
Public consumption, excl. direct defense imports	6.1	5.8	5.8	4.9	4.5
Direct defense imports	6.8	9.4	12.1	7.5	12.3
Fixed investment	15.9	13.7	12.6	13.0	13.6
Exports	21.1	23.3	25.3	24.5	23.9
Investment in stocks	0.1	-0.2	-0.1	4.6	4.0
Capital services	17.4	19.0	18.3	16.0	12.5
Other <sup>b</sup>	6.3	5.9	4.2	5.1	5.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>a</sup> Calculated on the basis of the 1982/83 input-output table.

<sup>b</sup> Mainly factor payments to the rest of the world other than capital services.

SOURCE: Bank of Israel estimates.

**Table VII-A2**  
**MERCHANDISE IMPORTS<sup>a</sup> BY AREA OF ORIGIN, 1982-87**  
 (Percent of total, current US dollars)

	1982	1983	1984	1985	1986	1987
Europe <sup>b</sup>	56	56	56	59	63	65
North America	29	29	31	30	25	23
Other	15	15	13	11	12	12
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>a</sup> Excluding direct defense imports, fuel and raw diamonds.

<sup>b</sup> EEC and EFTA countries.

SOURCE: Central Bureau of Statistics.

**Table VII-A3**  
**MERCHANDISE EXPORTS<sup>a</sup> BY AREA OF DESTINATION, 1982-87**  
 (Percent, current \$)

	1982	1983	1984	1985	1986	1987
Europe <sup>b</sup>	42	45	42	40	41	43
North America	18	21	24	29	27	28
Other	40	34	34	31	32	29
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>a</sup> Excluding polished diamonds.

<sup>b</sup> EEC and EFTA countries.

SOURCE: Central Bureau of Statistics.

**Table VII-A4**  
**DERIVED DEMAND FOR IMPORTED INTERMEDIATES AND**  
**ACTUAL IMPORTS OF INTERMEDIATES, 1982-87<sup>a</sup>**

	Derived demand by final destination <sup>b</sup>						Actual imports <sup>c</sup>
	Consumption		Fixed investment	Total domestic		Total	
	Private	Public		uses	Exports		
<i>Annual change in volume, percent</i>							
1983	3.4	1.8	6.1	3.7	3.8	3.8	5.5
1984	-0.3	2.5	-7.5	-1.5	15.9	6.6	1.3
1985	4.7	-4.1	-4.8	0.5	10.3	5.5	1.2
1986	10.9	-1.5	-1.7	5.4	10.1	7.9	20.2
1987	8.9	5.6	8.5	8.1	12.6	10.6	12.7
<i>Percent of total<sup>d</sup></i>							
1982	29.0	12.2	13.4	54.5	45.5	100	
1983	28.6	12.0	13.5	54.2	45.8	100	
1984	27.5	11.5	11.4	50.4	49.6	100	
1985	26.4	10.7	10.4	47.6	52.4	100	
1986	26.2	10.2	9.6	45.9	54.1	100	
1987	25.4	10.0	9.6	45.1	54.9	100	

<sup>a</sup> Excludes fuel and diamonds; includes imports from Judea-Samaria and the Gaza District.

<sup>b</sup> Based on the 1982/83 input-output table. Absolute figures are not shown because of differences in the definition of intermediates between the input-output table and the foreign trade statistics (actual imports).

<sup>c</sup> Foreign trade statistics.

<sup>d</sup> Calculated from figures in current dollars, million.

SOURCE: Based on data of the Central Bureau of Statistics.

**Table VII-A5**  
**THE BALANCE OF PAYMENTS WITH**  
**JUDEA-SAMARIA AND THE GAZA DISTRICT, 1981-87**  
(\$ million)

	1981	1982	1983	1984	1985	1986	1987
Merchandise imports from JSG	289	258	285	185	181	275	304
Service imports from JSG	333	356	410	369	301	453	669
Thereof: Wages	317	339	393	354	285	432	643
Merchandise exports to JSG	668	653	718	623	600	798	928
Services exports to JSG	122	131	148	136	133	172	220
Export surplus with JSG	168	170	172	204	251	243	174

SOURCE: Central Bureau of Statistics.

**Table VII-A6**  
**RELATIVE WHOLESALE PRICES, ISRAEL**  
**AND TRADING PARTNERS, 1984-88 I**

	Official NIS exchange rate against		Relative prices <sup>a</sup> at:				Real wage per: unit of output <sup>c</sup> day <sup>d</sup>	
			Official exchange rate		Effective export exchange rate			
	Dollar	5-currency basket	U.S./ Israel	4-currency	5-currency			
				basket <sup>b</sup>	basket <sup>b</sup>			
			countries/ Israel	countries/ Israel				
1984	0.293	0.245	103.7	78.5	101.02	91.53	87.38	
1985	1.179	1.000	118.2	89.8	109.85	82.11	81.49	
1986	1.488	1.446	100.0	100.0	100.00	100.00	100.00	
1987	1.595	1.678	91.7	104.4	95.91	104.69	109.87	
1984 I	0.131	0.115	102.9	81.6	96.91	91.18	84.89	
II	0.192	0.168	102.5	80.7	104.46	91.26	88.27	
III	0.311	0.260	103.1	76.1	103.51	91.07	88.09	
IV	0.539	0.438	106.2	75.4	99.21	92.61	88.29	
1985 I	0.733	0.572	115.6	77.9	106.86	89.08	86.16	
II	1.015	0.827	119.5	86.5	112.02	83.89	84.49	
III	1.487	1.273	123.5	97.1	112.42	75.49	73.51	
IV	1.481	1.329	114.1	97.5	108.09	79.98	81.82	
1986 I	1.486	1.387	108.3	100.8	106.80	96.70	93.89	
II	1.485	1.420	100.9	99.7	100.73	101.18	101.43	
III	1.491	1.481	97.2	101.6	98.18	97.21	98.81	
IV	1.489	1.495	93.7	97.9	94.28	104.91	105.86	
1987 I	1.601	1.660	96.7	107.6	100.86	100.30	103.45	
II	1.597	1.679	93.2	106.1	97.86	102.80	108.41	
III	1.608	1.678	91.1	101.0	94.11	102.90	108.81	
IV	1.573	1.697	85.6	102.8	90.83	112.77	118.81	
1988 I	1.575	1.717	82.8	101.4				

<sup>a</sup> The NIS exchange rate multiplied by the index of wholesale prices abroad, divided by the Israeli index of wholesale prices of industrial output for the domestic market (excluding food, and mining and quarrying).

<sup>b</sup> Average of the representative rates; the 5-currency basket includes the U.S. dollar, DM, £, Ffr. and Yen, weighted by the composition of Israel's foreign trade. The 4-currency basket excludes the dollar.

<sup>c</sup>  $W/(PX*E*Y)$ , where W—nominal daily wage in industry (excl. diamonds); PX—dollar price of industrial exports (excl. diamonds); Y—output per day in industry (excl. diamonds); E—effective exchange rate for exports.

<sup>d</sup>  $W/(PX*E)$ .

SOURCE: Exchange rates and effective exchange rates—Bank of Israel; wholesale price index, export prices, wages and output—Central Bureau of Statistics; prices in the U.S. and currency-basket countries—IFS.

**Table VII-A7**  
**THE DIAMONDS INDUSTRY, TRADE AND PRICES, 1980-87**

	1980	1981	1982	1983	1984	1985	1986	1987
<i>Million dollars, current prices</i>								
Exports, net	1,409	1,067	905	1,001	1,035	1,263	1,665	2,059
Imports, net	1,120	529	572	782	880	1,168	1,598	1,901
<i>of which:</i> Polished diamonds	149	69	108	172	157	187	231	274
Export surplus	289	538	333	218	156	95	67	158
<i>Carat, thousand</i>								
Exports, net	2,349	2,165	2,014	2,182	2,285	2,803	3,414	3,938
Imports, net	5,174	3,178	3,924	4,923	5,256	6,698	7,655	8,561
<i>of which:</i> Raw diamonds	5,072	3,105	3,724	4,628	4,853	6,256	7,176	7,962
Polished diamonds	102	73	200	295	403	442	479	599
Ratio of raw diamonds imports to export surplus of polished diamonds	2.26	1.48	2.05	2.45	2.58	2.65	2.44	2.38
<i>Indexes of volume, prices and terms of trade (1980=100)</i>								
Volume: Exports	100	78	67	80	87	110	139	169
Imports	100	52	61	84	96	126	157	180
Prices: Exports	100	98	96	89	85	82	85	86
Imports	100	92	84	83	82	83	91	94
Terms of trade	100	107	114	108	104	99	94	92

SOURCE: Central Bureau of Statistics.

**Table VII-A8**  
**U.S. GOVERNMENT AID, 1983-87\***  
(\$ million)

	1983	1984	1985	1986	1987
1. Grants	1,618	2,271	3,885	3,817	2,981
<i>of which:</i> Military	314	1,071	1,935	1,867	1,781
Civilian <sup>b</sup>	1,304	1,200	1,950	1,950	1,200
2. Medium and long term loans	1,092	950	0	405	270
3. Repayment of medium and long term loan	905	1,047	1,055	1,081	1,129
<i>of which:</i> Principal	155	174	109	135	165
Interest	750	873	946	946	964
4. Total gross aid (1+2)	2,710	3,221	3,885	4,222	3,251
5. Total net aid (4-3)	1,805	2,174	2,830	3,141	2,122
<i>of which:</i> Net receipts from loans	937	776	-109	270	105
Grants less interest payments	868	1,398	2,939	2,871	2,017

\* Differences in totals due to rounding.

<sup>b</sup> Includes the emergency grant of \$750 million a year in 1985 and 1986.

SOURCE: Based on data of the Central Bureau of Statistics.

**Table VII-A9**  
**FOREIGN INVESTMENT IN ISRAEL AND**  
**ISRAELI INVESTMENT ABROAD, 1984-87**  
(\$ million<sup>a</sup>)

	1984	1985	1986	1987
1. Investment by foreign residents	184	218	297	390
<i>of which:</i> In securities traded on the stock exchange	80	51	83	105
Direct investments	77	134	175	262
State of Israel bonds <sup>b</sup>	5	10	8	4
In goods	3	5	13	0
Reinvestment of profits	20	17	17	19
2. Repatriation of investments by foreign residents	222	129	133	204
Thereof: Securities traded on the stock exchange	171	61	65	150
3. Net investment of foreign residents	-38	89	164	186
4. Investments abroad by Israeli residents	130	81	121	126
<i>of which:</i> Securities	96	30	12	40
Direct investment	34	51	108	86
5. Repatriation of investments abroad by Israeli residents	153	91	83	75
6. Net investment abroad by Israeli residents	-23	-10	37	51
7. Net private nonbanking investment from abroad [(3-6)]	-15	99	127	134
8. Foreign securities held by the commercial banks <sup>c</sup>	-88	-38	-63	-37
9. Total net investment from abroad [(7-8)]	73	137	190	171

<sup>a</sup> Differences in totals are due to rounding.

<sup>b</sup> Bonds redeemed for reinvestment on the stock exchange.

<sup>c</sup> Includes investment in foreign stocks by the banking system.

SOURCE: Based on data of the Banking Supervision Department, Bank of Israel, and the Central Bureau of Statistics.

**Table VII-A10**  
**MEDIUM AND LONG TERM FOREIGN BORROWING, 1982-87<sup>a</sup>**  
(\$ million<sup>b</sup>)

	1982	1983	1984	1985	1986	1987
Total receipts from loans	2,425	2,827	2,384	1,212	1,868	1,844
Public sector	1,989	1,887	1,792	739	1,231	1,049
Thereof: State of Israel bonds	549	459	471	525	613	620
U.S. government loans	1,081	1,092	950	0	405	270
Nonbanking private sector	435	940	592	473	636	795
Total loan repayments	1,076	950	1,081	1,231	1,491	1,627
Public sector	728	613	687	735	884	1,027
Thereof: State of Israel bonds	399	332	313	312	371	463
U.S. government loans	177	155	174	109	135	165
Nonbanking private sector	348	336	394	497	607	599
Total net receipts from loans	<b>1,349</b>	<b>1,877</b>	<b>1,303</b>	<b>-19</b>	<b>377</b>	<b>218</b>
Public sector	1,261	1,273	1,105	4	348	22
Thereof: State of Israel bonds	150	128	157	213	243	157
U.S. government loans	904	937	776	-109	270	105
Nonbanking private sector	87	603	199	-23	29	196

<sup>a</sup> Excludes the banking system.

<sup>b</sup> Differences in totals due to rounding.

SOURCE: Based on data of the Central Bureau of Statistics.

**Table VII-A11**  
**RESERVES HELD BY CENTRAL MONETARY INSTITUTIONS, 1978-87<sup>a</sup>**

	Central monetary institutions	Bank of Israel Total	Net <sup>b</sup>	Import months covered <sup>c</sup>
1978	2,783	2,679	2,275	3.4
1979	3,234	3,119	2,570	3.3
1980	3,526	3,394	2,781	3.1
1981	3,814	3,542	2,847	3.1
1982	4,317	3,836	2,993	3.5
1983	3,780	3,694	2,873	3.0
1984	3,255	3,098	2,601	2.6
1985	3,793	3,719	3,190	3.1
1986	4,868	4,703	4,153	3.7
1987	5,962	5,924	5,329	3.7
1985 I	2,635	2,624	2,130	2.1
II	2,554	2,459	1,952	2.0
III	3,020	2,935	2,423	2.4
IV	3,793	3,719	3,190	3.1
1986 I	3,575	3,510	3,000	2.9
II	3,737	3,619	3,098	3.0
III	4,236	3,632	3,103	3.3
IV	4,868	4,703	4,153	3.7
1987 I	5,289	4,838	4,290	3.9
II	5,354	5,159	4,600	3.7
III	5,205	5,115	4,532	3.4
IV	5,962	5,924	5,329	3.7
1988 I		5,841	5,210	

<sup>a</sup> End of period.

<sup>b</sup> Total less reserve deposits on foreign residents' accounts.

<sup>c</sup> First column divided by average monthly imports in the period.

SOURCE: Based on data of the Central Bureau of Statistics and the Bank of Israel.

**Table VII-A12**  
**THE STRUCTURE OF THE NET FOREIGN DEBT, 1983-87**  
 (Percent of total net debt, end of period)

	1983	1984	1985	1986	1987
<b>By borrower</b>					
Public sector <sup>a</sup>	60	63	61	59	55
Private sector	40	37	39	41	45
Nonbanking private sector	13	14	15	15	18
Banking system	27	24	24	26	27
Total	100	100	100	100	100
<b>By lender</b>					
Foreign public sector <sup>b</sup>	56	56	57	61	63
Foreign nonbanking private sector <sup>c</sup>	54	51	54	60	65
Banking system abroad <sup>d</sup>	-10	-7	-11	-20	-28
Total	100	100	100	100	100
<b>By term<sup>e</sup></b>					
Long and medium	105	102	107	112	117
<i>of which:</i> Repayable within one year	6	6	8	8	11
Short-term	-5	-2	-7	-12	-17
Total	100	100	100	100	100

<sup>a</sup> Government and Bank of Israel.

<sup>b</sup> Foreign governments and international institutions.

<sup>c</sup> Mainly foreign residents' deposits and State of Israel bonds.

<sup>d</sup> Comprises the country's foreign reserves and loans to Israelis by foreign banks and overseas offices of Israeli banks.

<sup>e</sup> Short term debt is defined as liabilities due for repayment within one year; the rest is defined as medium and long term debt.

SOURCE: Based on data of the Central Bureau of Statistics and the Bank of Israel.

**Table VII-A13**  
**INDICATORS OF THE FOREIGN DEBT BURDEN, 1982-87<sup>a</sup>**

	1982	1983	1984	1985	1986	1987
<b>\$ million</b>						
Interest on gross debt	2,605	2,497	2,822	2,648	2,432	2,361
<i>less</i> Interest receipts	1,682	1,469	1,166	950	826	824
Interest on net debt	923	1,028	1,656	1,697	1,606	1,537
Other capital services						
Debit	138	166	143	123	131	151
<i>less</i> Credit	109	116	26	89	25	51
Repayment of principal	1,076	950	1,081	1,231	1,491	1,627
Total net debt service	2,027	2,028	2,854	2,963	3,202	3,264
<b>Percent</b>						
Interest/net debt <sup>b</sup>	7	6	9	8	8	8
Real interest <sup>c</sup> /net debt	-1	1	4	4	6	5
Interest/net available resources <sup>d</sup>	4	4	6	6	5	4
Net interest/exports <sup>e</sup>	11	12	18	17	15	12
Net debt service/exports	24	24	31	30	29	25
Net debt service/exports + unilateral transfers	18	18	23	20	20	18
Net debt service/GNP	9	8	12	13	12	10

<sup>a</sup> Differences in totals are due to rounding.

<sup>b</sup> Calculated with debt lagged six months.

<sup>c</sup> Deflated by five-year average of CPI for industrial countries, to express long-term expectations of inflation.

<sup>d</sup> Dollar value of GNP plus unilateral transfers.

<sup>e</sup> Exports f.o.b., excluding capital services.

SOURCE: Based on data of the Central Bureau of Statistics and the Bank of Israel.

**Table VII-A14**  
**WORLD CURRENCY CROSS RATES, 1985-87**  
 (Percent change)

	1985	1986	1987	End 1986	End 1987
<i>Against the US dollar, nominal</i>					
Deutschmark	3.4	-26.2	-17.2	-21.1	-18.5
Sterling	3.1	-11.6	-10.5	-2.0	-21.2
Yen	0.4	-29.4	-14.2	-20.6	-22.4
French franc	2.8	-22.9	-13.2	-14.6	-17.3
<i>Against the dollar, real exchange rates<sup>a</sup></i>					
Deutschmark	1.6	-26.7	-13.1	-21.0	-14.8
Sterling	-2.0	-18.5	-11.5	-10.4	-20.4
Yen	2.0	-25.1	-9.4	-17.4	-17.6
French franc	-2.5	-27.5	-13.8	-20.3	-15.8
<i>Sheqel exchange rate against:</i>					
US dollar	302.1	26.2	7.2	0.1	4.4
Deutschmark	310.5	66.7	29.1	26.5	27.2
Sterling	314.7	39.1	19.8	-0.6	32.8
Yen	316.6	75.1	24.5	25.2	32.1
French franc	312.5	59.1	23.4	17.9	23.2
Currency basket <sup>b</sup>	305.6	37.2	14.3	6.5	14.2
Wholesale price index of industrial output for domestic market <sup>c</sup>	256.0	45.3	18.4	16.9	19.9

<sup>a</sup> Exchange rates against the dollar, deflated by changes in wholesale prices in the respective countries.

<sup>b</sup> Average of representative exchange rates of the five currencies, weighted according to the composition of Israel's foreign trade.

<sup>c</sup> Excluding food, quarrying and mining.

SOURCE: Exchange rate and price indexes abroad—IFS; wholesale price index of industrial output in Israel—Central Bureau of Statistics.

**Table VIII-A1**  
**NET PURCHASE OF M3 (EXCL. TREASURY BILLS) AND ITS COMPONENTS, 1982-87**

	1987				Average 1982-84	1985		1987			
	1986	Total	1st half	2nd half		Total	2nd half	1986	Total	1st half	2nd half
	<i>Millions of current NIS</i>					<i>Percent of GNP<sup>a</sup></i>					
1. Money supply (M1) <sup>b</sup>	1,191	1,090	433	657	2.7	2.7	3.0	3.1	2.1	1.8	2.5
2. Time deposits and CDs <sup>c</sup>	2,003	2,427	1,765	662	4.2	10.4	13.3	4.9	4.9	7.4	2.5
3. Foreign currency demand deposits <sup>d</sup>	-892	-186	-190	4	1.0	-0.1	-12.6	-2.3	-0.4	-0.8	0.0
4. Foreign currency time deposits <sup>c</sup>	91	-216	-324	108	0.5	-4.8	2.9	0.3	-0.5	-1.3	0.4
5. Total purchases of M3, excl. Treasury bills	<b>2,392</b>	<b>3,116</b>	<b>1,685</b>	<b>1,431</b>	8.4	8.2	6.7	6.0	6.2	7.0	5.4
6. Change in the M3 base	-183	842	625	216	4.7	0.9	-0.4	-0.5	1.7	2.6	0.8
<i>of which:</i> Change in money base	744	1,284	1,112	172	2.3	6.5	10.6	1.9	2.7	4.7	0.7
7. M3 growth caused by the banking system (6-5)	2,576	2,274	1,059	1,215	3.7	7.2	7.1	6.5	4.5	4.5	4.6

<sup>a</sup> See note b to Table VIII-A16.

<sup>b</sup> Change in balances during the period.

<sup>c</sup> Change in balances less accrued interest.

<sup>d</sup> Resident and nonresident deposits of Israelis.

**Table VIII-A2**  
**VELOCITY OF DEMAND DEPOSITS AND**  
**MONETARY AGGREGATES, 1960-87**

	Demand deposits <sup>b</sup>	Average annual velocity of monetary aggregates relative to domestic uses <sup>a</sup>			
		Money (M1)	M1 + unlinked deposits (M2) <sup>c</sup>	Unlinked short-term assets and Patam (M3)	Total short-term assets (M) <sup>d</sup>
	(1)	(2)	(3)	(4)	(5)
1960	16.4	6.3			
1966	21.8	6.7			
1970	21.5	8.4	4.5	3.9	2.6
1976	35.8	13.2	7.5	5.5	2.6
1980	104.3	23.3	17.6	5.4	3.3
1981	161.0	28.6	19.3	5.8	3.6
1982	193.7	34.0	19.1	5.9	3.8
1983	227.5	41.1	18.6	5.6	3.9
1984	345.9	59.4	21.0	4.9	3.8
1985	428.5	48.0	11.7	4.4	3.5
1986	306.3	28.5	8.2	4.8	3.6
1st half	368.0	34.0	9.4	5.1	3.8
2nd half	244.5	24.6	7.3	4.6	3.4
1987	239.7	22.8	6.2	4.5	3.3
1st half	261.0	26.3	6.8	4.8	3.5
2nd half	214.2	20.2	5.7	4.3	3.1

<sup>a</sup>Total domestic uses, excl. direct defense imports as defined in Table II-1, divided by the average total of the monetary aggregates.

<sup>b</sup>Total debits to Israeli currency demand deposits, divided by the average balance.

<sup>c</sup>Excludes non-residents' foreign-currency deposits of Israeli residents.

<sup>d</sup>All the assets in column 4 plus tradable bonds held by the public.

SOURCE: Turnover of demand and Patam deposits—Banking Supervision Department, *Banking Statistics*; M1, unlinked deposits, Treasury bills and negotiable bonds held by the public—Table VIII-A15; domestic uses (excluding direct defense imports)—Table II-1.

**Table VIII-A3**  
**AVERAGE QUARTERLY NOMINAL INTEREST RATES, 1986-87**  
 (Monthly rates, percent)

	1986					1987				
	Total	I	II	III	IV	Total	I	II	III	IV
Rate of inflation (CPI) <sup>a</sup>	1.5	0.6	2.2	1.0	2.2	1.3	1.5	1.3	0.8	1.5
Change in NIS/\$ exchange rate	0.0	0.0	0.2	-0.2	-0.0	0.4	2.8	-0.3	-0.1	-0.9
Lending rate <sup>b</sup>										
Effective rate on overdraft facilities	4.0	4.9	3.5	3.6	3.8	4.0	4.4	4.3	3.8	3.7
Excess drawings on overdraft facilities	4.5	5.7	4.0	4.0	4.4	4.8	5.0	5.0	4.5	4.4
Discount-window loan (highest bracket) <sup>c</sup>	2.4	3.4	2.0	2.0	2.2	2.3	2.8	2.5	2.1	2.0
Discount-window loan by tender										1.9
Dollar-linked credit <sup>c</sup>	2.5	2.8	2.8	2.1	2.3	2.7	5.3	2.1	2.1	1.2
Deposit interest rates <sup>b</sup>										
Reserve deposits with the central bank (marginal bracket)	1.5	2.1	1.2	1.2	1.5	1.6	2.1	1.8	1.2	1.1
CDs <sup>e</sup>	1.3	1.7	1.1	1.2	1.3	1.4	1.8	1.5	1.0	1.1
14-day sheqel deposits <sup>e</sup>	1.4	1.7	1.1	1.4	1.6	1.5	2.1	1.6	1.0	1.1
Residents' dollar-linked deposits (Patam) <sup>f</sup>	0.4	0.5	0.6	0.2	0.3	0.8	3.2	0.2	0.4	-0.5
Yield to maturity of shortest-term treasury bills	1.5	1.8	1.3	1.4	1.5	1.6	2.0	1.8	1.2	1.3
Indicator of gap between borrowing and lending rates <sup>g</sup>	2.6	3.2	2.4	2.4	2.6	2.7	2.6	2.8	2.7	2.6

<sup>a</sup> See note h to Table VIII-1.

<sup>b</sup> Average monthly rates. In order to establish a common monthly denominator of interest rates, they were converted into effective monthly rates, i.e., it was calculated assuming that interest is debited monthly.

<sup>c</sup> Since October 1987, the Bank of Israel began to put its discount-window lending up to tender. With the change in the reserve requirements regime in November 1987, discount-window lending in the top bracket became less significant, since the banking system made no use of it.

<sup>d</sup> Nominal interest on credit for domestic uses.

<sup>d</sup> Amounts over NIS10,000. It is assumed that CDs are renewed every three days.

<sup>e</sup> Amounts over NIS10,000. The effective interest was calculated on the assumption that the deposit is renewed every three days.

<sup>f</sup> From Banking Supervision Department data on the dollar interest rate on 12-month deposits. The dollar interest rate is multiplied by the average monthly change in the NIS/\$ rate in order to obtain the nominal interest rate.

<sup>g</sup> The difference between the effective rate on overdrafts and the rate on CDs.

Table VIII-A4  
**REAL<sup>a</sup> COST OF CREDIT, 1985-87**  
 (Percent, annual rate)

	Before tax						After tax <sup>b</sup>					
	1985			1987			1985			1987		
	Total	2nd half	1986	Total	1st half	2nd half	Total	2nd half	1986	Total	1st half	2nd half
<b>Nondirected short-term credit</b>	35.5	61.6	16.4	27.3	34.2	20.8	16.3	28.3	7.6	15.0	18.8	11.4
Local currency	95.2	160.7	29.1	32.5	37.6	27.6	43.8	73.9	13.4	17.9	20.7	15.2
Overdraft facilities	100.4	168.4	31.1	38.9	44.1	33.9	46.2	77.4	14.3	21.4	24.3	18.7
Foreign currency <sup>c</sup>	-0.5	2.1	-4.5	5.5	20.8	-7.8	-0.2	1.0	-2.1	3.0	11.4	-4.3
Subject to ceiling	13.7	18.8	9.3	17.2	35.1	1.7	6.3	8.7	4.3	9.5	19.3	0.9
Exempt from ceiling	-6.5	-5.3	-11.6	-2.9	9.8	-14.0	-3.0	-2.4	-5.3	-1.6	5.4	-7.7
<b>Directed credit</b>	0.9	-3.2	-9.0	-0.6	13.6	-12.9	0.4	-1.5	-4.1	-0.3	7.5	-7.1
Local currency	-23.2	26.9	-3.1	2.6	6.1	-0.7	-10.7	12.4	-1.4	1.4	3.4	-0.4
Foreign-currency linked <sup>d</sup>	5.0	-2.1	-9.0	-0.6	13.6	-12.9	2.3	-0.9	-4.1	-0.3	7.5	-7.1
<b>Total short-term credit<sup>d</sup></b>												
Average cost, weighted	20.0	31.1	7.0	19.7	28.1	11.8	9.2	14.3	3.2	10.8	15.4	6.5
Standard deviation, weighted	45.0	60.7	18.0	20.5	21.8	19.3	20.7	27.9	8.3	11.3	12.0	10.6
<b>Long-term credit<sup>e</sup></b>												
Directed housing credit	-7.7		0.5	3.5								
Industrial development loans	2.5		1.6	0.9			1.8		1.2	0.6		
Private bond issues <sup>f</sup>				7.6	6.6					3.6	3.6	

<sup>a</sup> Deflated by an index approximating the end-of-month price level, which is constructed as the geometric mean of adjacent pairs of the monthly CPI.

<sup>b</sup> Assuming that real interest is tax deductible and that the tax rate was 54 percent in 1985 and 1986, and 45 percent in 1987 (30 percent on development loans in 1985 and 1986, and 25 percent in 1987).

<sup>c</sup> Nominal sheqel interest on dollar-linked loans is calculated as  $[(1+r)(1+e)-1]100$ , where  $r$  is the nominal interest rate denominated in dollars and  $e$  is the change in the NIS/\$ exchange rate.

<sup>d</sup> The cost and its standard deviation are weighted by the composition of credit (average balances).

<sup>e</sup> Weighted by the proportion of CPI-indexed, exchange rate indexed and unindexed loans in total credit. The average price increase is assumed to be 180, 20 and 16 percent in 1985, 1986 and 1987 respectively.

<sup>f</sup> Average cost excluding underwriting and distribution fees.

**Table VIII-A5**  
**COMMERCIAL BANK CREDIT TO THE NONFINANCIAL PUBLIC SECTOR, 1986-87**

	End-of-year balance, NIS million		Real average balance, 1986=100			Nominal percent change during period			
			1987			1987			
	1986	1987	Total	1st half	2nd half	1986	Total	1st half	2nd half
Nondirected credit <sup>a</sup>	8,838	15,763	146.1	128.5	163.6	67.9	78.3	35.1	32.0
Overdraft facilities and overdrafts	3,168	5,685	151.9	135.9	167.9	98.6	79.5	37.8	30.3
Other nonindexed fixed-term sheqel credit	2,459	4,008				142.0	63.0		
Indexed sheqel credit	1,660	4,320				97.9	160.2		
Nondirected foreign currency credit	1,551	1,750	81.3	82.4	80.2	-14.5	12.8	19.7	-5.8
<i>of which:</i> Credit for fuel imports	455	634	63.0	58.7	67.2	-47.5	39.2	41.2	-1.4
Directed export credit	2,966	3,041	97.6	101.0	94.1	5.0	2.5	8.6	-5.6
<i>of which:</i> Diamond fund <sup>b</sup>	520	504	92.0	95.4	88.7	18.8	-2.9	-5.6	2.8
Other	2,446	2,536	98.7	102.2	95.2	2.4	3.7	11.6	-7.1
Total, excl. indexed sheqel credit	10,144	14,484				39.9	42.8		
Total	11,804	18,804	131.8	120.4	143.1	45.9	59.3	28.4	24.0
Consumer price index						19.6	16.1	8.5	7.0

<sup>a</sup> Includes indexation differentials on the indexed portion of nondirected sheqel credit, and credit from overseas offices of Israeli banks; includes credit to local authorities.

<sup>b</sup> Includes doubtful debts of diamond firms.

**Table VIII-A6**  
**MEDIUM- AND LONG-TERM CREDIT TO THE PUBLIC, 1983-87<sup>a</sup>**  
 (NIS million, at current prices)

	1983	1984	1985	1986	1987		Percent real change <sup>b</sup>			
					Total	1st half	2nd half	1985	1986	1987
Gross credit granted <sup>c</sup>	170	713	3,084	5,194	6,585	2,935	3,650	6.0	14.3	5.2
To households	61	246	814	1,387	1,927	850	1,077	-15.2	14.1	16.1
To business sector	106	453	2,202	3,715	4,550	2,032	2,517	16.5	15.3	1.3
Credit granted less repayments	95	272	889	1,600	1,455	881	573	-25.9	22.1	-24.1
Credit outstanding <sup>d</sup>										
Average balance	489	2,644	11,710	18,494	23,531	22,574	24,487	9.3	1.3	6.3
End of period	917	5,888	17,014	20,715	25,133	23,868	25,133	1.3	1.8	4.5

<sup>a</sup> The data for long-term credit are revised due to institutional changes.

<sup>b</sup> The credit flows were deflated semiannually by the consumer price index, and the balances by the end-of-period CPI.

<sup>c</sup> Includes unclassified credit granted by the National Institutions.

<sup>d</sup> As recorded, i.e. not net of the subsidy component.

SOURCE: Bank of Israel calculations.

**Table VIII-A7**  
**MEAN AND STANDARD DEVIATION OF SELECTED RATES OF RETURN, 1985-87**  
 (Monthly rate, percent)

	Rate of return					Standard deviation <sup>a</sup>			
	1985	1986	1987			1985	1986	1987	
			Total	1st half	2nd half			1st half	2nd half
Demand deposits <sup>b</sup>	-9.02	-1.66	-1.23	-1.21	-1.25	6.78	0.80	0.65	0.37
CDs	-0.38	-0.31	-0.13	0.42	-0.17	2.91	0.98	0.72	0.44
Resident deposits <sup>c</sup>									
Demand	-1.33	-1.69	-0.90	0.16	-1.96	1.74	1.00	2.49	2.62
Time <sup>d</sup>	-0.93	-1.39	-0.57	0.47	-1.60	1.74	1.01	2.50	2.61
Restitution deposits (time) <sup>e</sup>	1.14	0.10	1.11	1.46	0.75	4.28	4.14	5.21	4.91
CPI-indexed bonds	-0.40	-0.09	0.68	0.56	0.79	5.98	2.04	3.07	3.00
All shares	0.61	0.38	0.58	2.32	-1.15	4.37	3.40	4.52	5.69
Bank shares	0.57	-0.72	0.44	1.53	-0.65	4.75	3.18	2.67	2.19
Nonbank shares	1.61	2.81	1.24	4.09	-1.60	15.61	7.09	10.46	12.40

<sup>a</sup> For 12 months up to and including the end of the stated period.

<sup>b</sup> High intercustomer variance.

<sup>c</sup> Denominated in dollars.

<sup>d</sup> Net of tax deducted at source.

<sup>e</sup> Denominated in DM.

SOURCE:: Central Bureau of Statistics and Bank of Israel calculations.

**Table**  
**FINANCIAL ASSETS**

	NIS million, end-of-period balances			
	1986		1987	
	1st half	2nd half	1st half	2nd half
Nonindexed short-term assets	5,121	7,600	10,381	11,484
Money supply (M1)	1,574	2,181	2,614	3,271
<i>of which:</i> Currency in circulation	681	974	1,139	1,374
Time deposits, CDs, treasury bills	3,547	5,420	7,767	8,213
Residents' foreign-currency deposits and tradeable bonds	9,904	9,390	10,861	11,313
Resident foreign-currency deposits (Patam)	6,128	5,727	5,631	5,836
<i>of which:</i> Nonresident' deposits of Israeli residents	1,982	2,084	2,203	2,448
Bonds held by the public <sup>b</sup>	3,776	3,663	5,230	5,477
Total short-term assets	<b>15,025</b>	<b>16,991</b>	<b>21,242</b>	<b>22,796</b>
Bank shares	5,087	5,100	5,807	6,737
Total short-term assets + bank shares	<b>20,113</b>	<b>22,090</b>	<b>27,049</b>	<b>29,533</b>
Nonbank shares	4,148	5,452	6,986	7,040
Restitution deposits	4,515	4,790	5,396	5,664
Savings schemes and indexed deposits	15,124	16,654	19,008	19,609
Social insurance funds and life insurance	28,996	33,002	36,867	41,806
Total financial assets	<b>72,895</b>	<b>81,987</b>	<b>95,305</b>	<b>103,651</b>
<i>of which:</i> Nonbank shares	4,148	5,452	6,986	7,040
Foreign currency-linked assets <sup>c</sup>	24,450	24,733	26,497	26,367
CPI-linked assets	39,176	44,203	51,441	58,761

<sup>a</sup> In this table the 'public' excludes the government, Bank of Israel, and commercial banks. For lack of data no adjustment was made for the rest-of-the-world sector; i.e. financial assets of foreigners were not deducted and foreign financial assets of Israeli residents were not added.

There is some double-counting in this table, since financial assets include liabilities issued by financial institutions to the public and tradeable financial assets held by these institutions.

<sup>b</sup> Total bonds of the type issued to the public, less bonds held by commercial banks, the Bank of Israel, and social insurance funds.

<sup>c</sup> The bank shares under the 'bank share arrangement' due for redemption in October 1988 were counted as foreign-currency linked assets; the same holds for arrangement shares converted into savings schemes that fall due in October 1989, and other savings schemes with an option of linkage to foreign currency or to the CPI.

VIII-8  
OF THE PUBLIC, 1986-87<sup>a</sup>

Percent of total				Average real balances (index, 1986 = 100)			Percent real change during period <sup>d</sup>			
1986		1987		1987			1986		1987	
1st half	2nd half	1st half	2nd half	Total	1st half	2nd half	Total	Total	1st half	2nd half
7.0	9.3	10.9	11.1	143	135	151	43.9	30.1	25.9	3.4
2.2	2.7	2.7	3.2	134	121	147	84.2	29.2	10.5	16.9
0.9	1.2	1.2	1.3	134	123	145	69.2	21.5	7.8	12.7
4.9	6.6	8.1	7.9	147	141	153	32.3	30.5	32.1	-1.2
13.6	11.5	11.4	10.9	95	95	94	-14.2	3.7	6.6	-2.7
8.4	7.0	5.9	5.6	80	83	76	-25.6	-12.3	-9.4	-3.1
2.7	2.5	2.3	2.4	94	94	93	-10.7	1.1	-2.6	3.8
5.2	4.5	5.5	5.3	120	117	124	12.6	28.8	31.6	-2.1
20.6	20.7	22.3	22.0	113	110	115	4.7	15.5	15.2	0.3
7.0	6.2	6.1	6.5	102	97	107	-7.3	13.8	4.9	8.4
27.6	26.9	28.4	28.5	110	107	113	1.6	15.1	12.8	2.0
5.7	6.6	7.3	6.8	145	157	133	52.8	11.2	18.1	-5.8
6.2	5.8	5.7	5.5	100	103	97	-4.5	1.8	3.8	-1.9
20.7	20.3	19.9	18.9	104	104	105	0.9	1.4	5.2	-3.6
39.8	40.3	38.7	40.3	107	104	109	6.2	9.1	2.9	6.0
100.0	100.0	100.0	100.0	109	108	110	5.3	8.9	7.1	1.6
5.7	6.6	7.3	6.8	145	157	133	52.8	11.2	18.1	-5.8
33.5	30.2	27.8	25.4	92	94	89	-10.4	-8.2	-1.3	-7.0
53.7	53.9	54.0	56.7	111	107	114	6.7	14.5	7.2	6.8

<sup>d</sup> Average end-of-month balances, deflated by the CPI.

SOURCE: Bank of Israel.

**Table VIII-A9**  
**ESTIMATED WEALTH OF PRIVATE NONFINANCIAL SECTOR,<sup>a</sup> 1983-86**  
 (Billions of current NIS, end of period)

			Real percent change <sup>b</sup>								
			1987		Average				1987		
	1985	1986	1st half	2nd half	1980-84	1985-87	1985	1986	Total	1st half	2nd half
<b>1. Assets</b>	<b>68.3</b>	<b>83.1</b>	<b>95.4</b>	<b>103.9</b>	<b>7.9</b>	<b>3.3</b>	<b>0.8</b>	<b>1.6</b>	<b>7.7</b>	<b>5.9</b>	<b>1.8</b>
a. Short-term assets	13.2	16.3	20.4	22.1	2.7	4.5	-5.1	3.6	15.9	15.6	0.3
b. Shares of financial intermediaries	4.9	5.6	6.4	7.0	8.5	2.2	3.3	-3.5	7.0	5.2	1.7
c. Medium and long-term assets	50.3	61.2	68.6	75.0	9.6	3.1	2.1	1.6	5.6	3.3	2.2
<b>2. Liabilities</b>	<b>25.3</b>	<b>34.0</b>	<b>40.7</b>	<b>45.5</b>	<b>15.5</b>	<b>9.9</b>	<b>2.7</b>	<b>12.2</b>	<b>15.2</b>	<b>10.2</b>	<b>4.5</b>
a. Short-term liabilities	8.9	13.3	16.9	20.3	6.0	19.0	3.1	24.7	30.9	16.4	12.5
b. Long-term liabilities	16.4	20.7	23.8	25.2	23.7	4.3	2.4	5.3	5.0	6.2	-1.1
<b>3. Net financial wealth (1-2)</b>	<b>43.0</b>	<b>49.0</b>	<b>54.7</b>	<b>58.4</b>	<b>4.6</b>	<b>-0.8</b>	<b>-0.3</b>	<b>-4.6</b>	<b>2.6</b>	<b>2.9</b>	<b>-0.3</b>
<b>4. Tangible and other assets<sup>c</sup></b>	<b>84.2</b>	<b>102.3</b>	<b>112.3</b>	<b>124.9</b>	<b>5.8</b>	<b>-3.8</b>	<b>-16.7</b>	<b>1.6</b>	<b>5.1</b>	<b>1.2</b>	<b>3.9</b>
a. Tangible and other assets, deflated by price indexes for their components					3.6	2.1	1.6	2.5	2.2	1.0	1.1
<b>5. Total net wealth (3+4)</b>	<b>127.2</b>	<b>151.4</b>	<b>167.1</b>	<b>183.3</b>	<b>5.4</b>	<b>-2.9</b>	<b>-11.8</b>	<b>-0.5</b>	<b>4.3</b>	<b>1.7</b>	<b>2.5</b>
a. Total net wealth, deflated by the price indexes of its components (3+4a)					4.0	1.1	0.9	0.1	2.3	1.6	0.7

<sup>a</sup>The nonfinancial private sector includes households and nonfinancial firms. The estimate of its wealth is the difference between its claims against and liabilities to the public sector, the Bank of Israel, the rest of the world, and the financial intermediaries. The latter include the commercial banks, cooperative savings and loan associations, the mortgage banks, investment banks, financial institutions required to publish financial statements, and the pension and provident funds. These institutions represent most of the financial intermediation system. For lack of data, institutions not required to publish financial statements are not classified as financial intermediaries. They are therefore classified as part of the nonfinancial private sector. This definition of the financial intermediation system is the reason for differences between the data on the public's assets and liabilities in this table and other tables of this chapter. For greater detail of the aggregates shown in this table, see Appendix Table VIII-A30.

<sup>b</sup>Deflated by the CPI, unless otherwise stated.

<sup>c</sup>Tangible assets include the stock of consumer durables, dwellings and structures, stocks of finished products, intermediates and equipment held by firms, as well as compulsory loans.

SOURCE: Bank of Israel calculations.

**Table VIII-A10**  
**NET FINANCIAL WEALTH OF THE PUBLIC**  
**IN FOREIGN CURRENCY, 1982-87**  
(\$ million)

End of period	Assets <sup>a</sup> (1)	Liabilities <sup>b</sup> (2)	Net (1-2) (3)	(3) as a percent of total net financial wealth (4)
1982	9,041	6,500	2,541	8.4
1983 III	10,131	6,888	3,243	10.8
IV	12,639	7,015	5,624	24.0
1984	14,867	7,281	7,585	32.0
1985 II	16,592	7,331	9,261	40.3
IV	16,432	8,021	8,412	29.4
1986 IV	17,596	8,938	8,658	26.2
1987 I	17,585	9,330	8,256	25.3
II	17,515	9,319	8,196	24.1
III	17,936	9,435	8,502	24.2
IV	17,914	9,491	8,423	22.2

<sup>a</sup> Resident deposits (Patam), nonresident deposits (Patach) of Israeli residents, indexed bonds (\$ or other exchange rate), restitution deposits, dollar-linked saving schemes, and supplier credit to foreigners. Bank shares covered by the bank share arrangement (including shares converted to saving schemes) are included from December 1983.

<sup>b</sup> Credit via the banking system (directed and nondirected) and from earmarked deposits in commercial, mortgage, and investment banks, direct credit, and supplier credit. Excludes credit for fuel imports.

SOURCE: Bank of Israel.

**Table VIII-A11**  
**MAIN SHARE MARKET INDICATORS, 1985-87**  
(NIS million)

	1985	1986	1987		
			Total	1st half	2nd half
New issues <sup>a</sup>	65	126	359	114	245
Bank shares (percent)	16	0	4	0	6
Other shares (percent)	84	100	96	100	94
Market value, end of year <sup>a</sup>	15,886	16,885	18,632	19,493	18,632
Bank shares (percent)	71	62	60	59	60
Other shares (percent)	29	38	40	41	40
Stock exchange trade on and off the floor <sup>a</sup>	3,343	4,648	7,879	4,980	2,899
Bank shares (percent)	54	27	29	27	32
Other shares (percent)	46	73	71	73	68
Annual rate of turnover <sup>b</sup>	0.21	0.28	0.40	0.50	0.30
Bank shares	0.16	0.11	0.20	0.25	0.16
Other shares	0.34	0.59	0.65	0.80	0.50
Overall real rate of return (percent) <sup>c</sup>	6.5	4.0	5.3	13.6	-7.3
Bank shares	5.7	-8.8	5.1	9.4	-4.0
Other shares	8.2	35.9	6.4	20.5	-11.7

<sup>a</sup> At December 1987 prices; new issues and trading volume have been deflated monthly.

<sup>b</sup> The ratio between the monthly volume of stock exchange trade on and off the floor and the average monthly market value of the stock of securities.

<sup>c</sup> Deflated by the consumer price index (adjusted to approximate the price level at the end of the month).

SOURCE: Central Bureau of Statistics and Bank of Israel.

**Table VIII-A12**  
**MAIN BOND MARKET INDICATORS, 1985-87**  
(NIS million)

	1985	1986	1987		
			Total	1st half	2nd half
Market value of listed bonds (end of period) <sup>a</sup>	8,642	10,939	15,977	13,295	15,977
<i>of which:</i> Held by the public (percent)	44	39	36	42	36
Held by commercial banks (percent)	25	22	23	24	23
Held by social insurance funds (percent)	18	33	38	31	38
Stock exchange bond trade (at current prices)	1,687	1,805	2,294	1,186	1,108
Bank of Israel intervention (percent) <sup>b</sup>	0.22	0	5.77	9.27	5.77
Net issue of tradeable bonds <sup>a</sup>	141	2,601	3,753	1,381	2,372
Annual rate of turnover <sup>c</sup>	0.22	0.18	0.19	0.19	0.19
Overall real rate of return (percent)					
Indexed bonds	-6.7	-1.3	7.9	3.0	4.8
Foreign currency-linked bonds	-19.8	-21.5	1.1	7.4	-5.9

<sup>a</sup> At December 1987 prices. Bonds not held by the public or the banks are held by the Bank of Israel (see Table VIII-A29).

<sup>b</sup> The ratio between the sum of the Bank of Israel's purchases and sales in the secondary market and total stock exchange trade in bonds.

<sup>c</sup> The ratio between total stock exchange trade in bonds and the market value of the total stock of bonds; calculated from monthly ratios.

SOURCE: Central Bureau of Statistics, the Bank of Israel's Monetary Department and Research Department calculations.

**Table VIII-A13**  
**MUTUAL FUND OPERATIONS, 1985-87**

	1985	1986	1987	
			1st half	2nd half
Mutual fund assets, end of period, NIS million	1,726.4	2,323.6	3,273.6	3,529.4
Real overall annual rate of return (%)	4.2	3.6	10.7	-2.0
Standard deviation of real monthly rate of return (%) <sup>a</sup>	3.5	2.1	2.9	3.0
Mutual fund assets/tradable assets, end of period (%) <sup>b</sup>	8.6	9.2	10.4	10.6
Bonds denominated in Israeli currency	37.9	41.5	31.4	35.1
Foreign currency assets	6.3	6.7	6.3	5.6
<i>of which: 'arrangement' bank shares</i>	10.5	12.1	10.7	8.6
Nonbank shares	8.5	8.0	11.9	12.0
Unlinked assets	4.3	3.9	6.5	6.9
Composition of mutual fund portfolio, end of period (%)	100.0	100.0	100.0	100.0
Indexed bonds	31.8	36.4	33.8	37.4
Foreign currency assets	45.1	35.7	25.5	22.6
<i>of which: 'arrangement' bank shares</i>	28.0	26.5	19.0	16.4
Nonbank shares	14.6	18.7	25.4	24.0
Unlinked assets	8.5	9.2	15.4	15.9

<sup>a</sup> Standard deviation for last 18 months.

<sup>b</sup> Tradeable assets consist of unlinked assets, tradeable bonds held by the public, foreign currency deposits, shares and convertible securities, as defined in Table VIII-A8.

SOURCE: Bank of Israel calculations.

**Table VIII-A14**  
**SOCIAL INSURANCE FUND ASSETS AND ACCUMULATION, 1985-87<sup>a</sup>**  
(NIS million)

	1985	1986	1987	Percent real increase <sup>b</sup>		
				1985	1986	1987
<b>Assets</b>						
Pension funds	9,053	12,021	14,196	12.3	11.0	1.7
Provident funds	11,210	13,751	18,722	6.3	2.5	17.2
Severance pay funds	1,866	2,324	2,600	-6.8	4.1	-3.7
Advanced study funds	1,674	2,257	3,075	8.8	12.7	17.3
Other funds	435	453	434	-24.2	-12.8	-17.7
<b>Total</b>	<b>24,238</b>	<b>30,806</b>	<b>39,025</b>	<b>6.7</b>	<b>6.2</b>	<b>9.1</b>
<b>Net accumulation</b>						
				<i>Accumulation/assets (%)<sup>c</sup></i>		
Pension funds	80	52	46	1.6	0.5	0.3
Provident funds	-28	315	614	-1.0	2.5	4.0
Severance pay funds	34	18	-69	2.5	0.8	-2.8
Advanced study and other funds	-96	40	200	-8.3	1.5	6.5
<b>Total accumulation</b>	<b>-11</b>	<b>425</b>	<b>791</b>	<b>-0.5</b>	<b>1.5</b>	<b>2.3</b>

<sup>a</sup> Revised data.

<sup>b</sup> Deflated by the consumer price index.

<sup>c</sup> Accumulation relative to beginning-of-year assets, deflated by the consumer price index (accumulation deflated semiannually).

SOURCE: Central Bureau of Statistics and Bank of Israel calculations.

**Table VIII-A15**  
**MONETARY INDICATORS, 1982-87**  
(NIS million, average balances)

	1982	1983	1984	1985	1986	1987
Narrow money base	15	34	132	1,145	2,558	3,827
Unlinked short-term assets <sup>a</sup>	35	94	388	2,535	5,793	9,919
Unlinked short-term assets + Patam	114	309	1,664	6,718	9,707	12,938
Short-term assets <sup>b</sup>	210	514	2,526	10,093	15,400	20,840
Short-term assets + bank shares	333	851	3,256	13,549	20,268	26,815
<b>Total financial assets<sup>b</sup></b>	<b>979</b>	<b>2,450</b>	<b>10,748</b>	<b>46,874</b>	<b>73,528</b>	<b>96,108</b>
Bank credit to private nonfinancial sector <sup>c</sup>	132	312	1,444	6,028	9,894	15,481
Medium- and long-term credit <sup>d</sup>	161	489	2,644	11,710	18,494	23,531
<b>Net financial wealth of private nonfinancial sector<sup>f</sup></b>	<b>667</b>	<b>1,619</b>	<b>6,656</b>	<b>29,478</b>	<b>45,952</b>	<b>54,379</b>

<sup>a</sup> M1, CDs, time deposits, and treasury bills, as detailed in Table VIII-13.

<sup>b</sup> As detailed in Table VIII-A8.

<sup>c</sup> As detailed in Table VIII-A5.

<sup>d</sup> As detailed in Table VIII-A6.

<sup>e</sup> As detailed in Table VIII-A9.

SOURCE: Bank of Israel calculations.

Table VIII-A16  
SOURCES AND DESTINATION OF NOMINAL INCREMENTAL LIQUIDITY  
GENERATED BY EXTERNAL INJECTIONS, 1979-87

Source	1987				Average 1979-84 <sup>a</sup>	1985			1987		
	1986	Total	1st half	2nd half		Total	2nd half	1986	Total	1st half	2nd half
	<i>NIS million, at current prices</i>					<i>Percentage of GNP<sup>b</sup></i>					
Public sector injection <sup>c</sup>	-542	-1,445	-985	-460	10.0	3.6	0.0	-1.3	-2.9	-4.1	-1.8
Bank of Israel injection <sup>c</sup>	327	1,250	79	1,171	1.9	1.5	0.2	0.9	2.4	0.3	4.4
Total external injection	-215	-195	-906	711	11.9	5.0	0.2	-0.4	-0.6	-3.8	2.6
Less: Balance of payments leakage	984	137	-1,344	1,481	5.0	4.8	2.2	2.5	-0.1	-5.7	5.6
Total injection	-1,199	-332	438	-770	7.0	0.3	-2.0	-2.9	-0.5	1.9	-3.0
<b>Destination</b>											
Money creation (= change in money base)	744	1,284	1,112	172	2.0	6.5	10.6	1.9	2.7	4.7	0.7
Addition to short-term asset base	508	2,883	1,041	1,842	1.0	-5.1	-9.1	1.2	5.7	4.5	6.9
Resident deposits (Patam) <sup>d</sup>	-927	-443	-487	44	1.9	-5.5	-11.0	-2.4	-1.0	-2.1	0.1
Tradeable bonds <sup>e,f</sup>	1,435	3,326	1,528	1,798	-0.9	0.4	1.9	3.6	6.7	6.6	6.8
Addition to medium- and long-term asset base	-2,451	-4,500	-1,716	-2,785	4.1	-1.1	-3.4	-6.0	-8.9	-7.2	-10.5
Restitution deposits	112	122	11	111	0.5	0.8	0.7	0.3	0.2	0.1	0.4
Saving schemes and social insurance funds <sup>f,g</sup>	-2,563	-4,622	-1,727	-2,895	3.6	-1.9	-4.1	-6.3	-9.1	-7.3	-11.0

<sup>a</sup> The figures are downward biased because they are net of the export funds transferred from the Bank of Israel to the commercial banks. The amount that has to be added to make these figures comparable with the others is to be found in line 2b of Table VIII-A18.

<sup>b</sup> Calculated as the average of the ratio of the monthly flows to the estimated monthly GNP.

<sup>c</sup> For details see Table VIII-A18.

<sup>d</sup> Excludes nonresident deposits of Israeli residents.

<sup>e</sup> The figures here differ from those of Table VIII-A17 because they include purchases of negotiable bonds by institutional investors.

<sup>f</sup> Excludes accumulated interest on these assets.

<sup>g</sup> Net long-term government borrowing from the private sector, including early redemption of State of Israel Bonds.

**Table VIII-A17**  
**CHANGE IN FINANCIAL ASSETS OF THE PUBLIC, 1986-87**

	Millions of current NIS				Percent of GNP					
	1986	1987			1985		1987			
		Total	1st half	2nd half	Total	2nd half	1986	Total	1st half	2nd half
<b>Contribution of injections and financial intermediation</b>										
1. Total injection*	-1,202	44	673	-629	0.3	-2.0	-2.9	0.2	2.9	-2.4
To money base	744	1,284	1,112	172	6.5	10.6	1.9	2.7	4.7	0.7
To indexed short-term asset base <sup>b</sup>	508	2,883	1,041	1,842	-5.1	-9.1	1.2	5.7	4.5	6.9
To medium- and long-term asset base <sup>c</sup>	-2,454	-4,124	-1,480	-2,643	-1.1	-3.4	-6.0	-8.1	-6.2	-10.0
2. Domestic financial intermediation	3,755	4,152	920	3,232	1.6	1.0	9.3	8.0	3.8	12.3
3. Purchase of assets by the public (1+2)	2,552	4,196	1,593	2,603	1.8	-1.0	6.4	8.3	6.7	9.9
Nonindexed assets	2,472	1,573	1,110	463	8.1	12.6	6.1	3.2	4.7	1.8
Resident deposits and tradeable bonds <sup>b</sup>	-716	1,209	-66	1,245	-3.2	-7.4	-1.7	2.3	-0.3	4.8
Medium- and long-term assets <sup>c</sup>	796	1,414	549	865	-3.0	-6.2	2.0	2.8	2.3	3.3
<b>Contribution of revaluation</b>										
4. Total revaluation	12,035	16,360	10,293	6,067	169.4	129.0	30.5	33.1	43.2	23.0
Nonindexed assets	695	2,291	1,671	619	5.0	4.8	1.7	4.7	7.0	2.4
Resident deposits and tradeable bonds	691	713	1,427	-714	25.2	12.5	1.8	1.6	6.0	-2.7
Medium- and long-term assets <sup>b</sup>	10,649	13,356	7,195	6,161	139.2	111.7	27.0	26.8	30.2	23.4
<i>Monthly nominal percent change over beginning of period balance</i>										
5. Total change in asset holdings (3+4)	14,588	20,556	11,886	8,670	9.2	6.7	1.7	2.0	2.4	1.5
Nonindexed assets	3,167	3,863	2,781	1,082	16.2	18.4	4.6	3.5	5.4	1.7
Resident deposits and tradeable bonds	-25	1,922	1,361	561	6.5	1.6	-0.0	1.7	2.4	0.9
Medium- and long-term assets	11,445	14,771	7,744	7,026	9.3	7.0	1.7	1.8	2.0	1.6

\*Public sector and Bank of Israel injections, less balance of payments leakage. The discrepancies between the data here and in Table VIII-A16 stem from the inclusion in the latter table of government purchases of 'arrangement' bank shares.

<sup>b</sup>Includes negotiable bonds purchased by institutional investors (banks and social security funds).

<sup>c</sup>Includes shares of financial concerns.

SOURCE: Research Department of the Bank of Israel.

Table VIII-A18  
 SOURCES OF EXTERNAL INJECTION BY THE PUBLIC SECTOR AND BANK OF ISRAEL  
 AND BALANCE OF PAYMENTS LEAKAGE, 1982-87

	Millions of current NIS					Percent of GNP <sup>a</sup>					
	1987		1985			1987					
	1986	Total	1st half	2nd half	Average 1980-84	Total	2nd half	1986	Total	1st half	2nd half
<b>Public sector</b>											
Expenditure <sup>b</sup>	19,290	23,922	11,117	12,805	51.5	49.9	47.8	49.2	47.6	46.7	48.6
less: Tax revenue	20,359	25,429	12,232	13,197	44.8	46.8	48.0	51.8	50.7	51.4	50.1
Domestic deficit <sup>c</sup>	-1,070	-1,507	-1,116	-391	6.7	3.0	-0.2	-2.7	-3.1	-4.7	-1.5
Credit to the private sector <sup>d</sup>	527	62	131	-69	3.6	0.5	0.2	1.3	0.2	0.6	-0.3
Total public sector injection	-542	-1,445	-985	-460	10.3	3.6	0.0	-1.3	-2.9	-4.1	-1.8
<b>Bank of Israel</b>											
Directed credit <sup>d</sup>	-50	20	-20	39	1.1	0.6	-0.8	-0.1	0.0	-0.1	0.2
Transfer of export funds to commercial banks	0	0	0	0	1.0	0.5	1.1	0.0	0.0	0.0	0.0
Discount-window loan	166	672	-48	719	0.6	-0.0	-1.0	0.5	1.2	-0.2	2.7
Other factors	211	558	146	412	-0.4	0.9	2.0	0.6	1.1	0.6	1.5
Bank of Israel injection A <sup>e</sup>	327	1,250	79	1,171	1.2	1.5	0.2	0.9	2.4	0.3	4.4
Bank of Israel injection B <sup>e</sup>	327	1,250	79	1,171	2.2	2.0	1.3	0.9	2.4	0.3	4.4
<b>Balance of payments, private sector</b>											
Deficit on current account	401	811	-22	834	4.8	-0.4	-1.9	1.0	1.5	-0.1	3.2
less: Capital imports	-583	674	1,322	-647	-0.1	-5.1	-4.1	-1.5	1.6	5.6	-2.4
Leakage via balance of payments <sup>f</sup>	984	137	-1,344	1,481	4.9	4.8	2.2	2.5	-0.1	-5.7	5.6

<sup>a</sup> See note b to Table VIII-A16.

<sup>b</sup> Domestic purchases, payroll, transfer payments, subsidies (excludes interest on the domestic debt).

<sup>c</sup> Domestic deficit of the government and the Jewish Agency (excl. interest payments on the domestic debt).

<sup>d</sup> Includes the subsidy component of such credit.

<sup>e</sup> Variant A excludes, and variant B includes the transfer of export funds to the commercial banks.

<sup>f</sup> Purchase of foreign currency by the public.

**Table VIII-A19**  
**NONINDEXED SHEQEL ASSETS OF THE PUBLIC, 1984-87**  
(NIS million, end of period)

	Money supply (M1)				Nonindexed sheqel deposits				Total (3+5+6+7+8)		
	Currency in circulation (1)	Demand deposits (2)	Total (1+2) (3)	Total (3), seasonally adjusted (4)	CDs (5)	Time deposits (6)	Deposits against liabilities (7)	Treasury bills (8)	NIS million (9)	Percent change over preceding period (10)	
1984	123	154	277	274	244	183	40	17	762	431.8	
1985	481	508	989	937	2,066	1,153	39	166	4,414	479.2	
1986	974	1,207	2,181	2,173	2,812	2,392	58	159	7,600	72.2	
1987	1,374	1,897	3,271	3,263	4,096	3,515	77	525	11,484	51.1	
1987	January	944	1,086	2,030	2,044	2,877	2,190	37	269	7,403	-2.6
	February	939	1,142	2,081	2,060	2,902	2,547	48	431	8,010	8.2
	March	1,007	1,336	2,343	2,076	3,504	2,595	51	502	8,994	12.3
	April	1,047	1,359	2,406	2,278	3,590	2,746	50	576	9,368	4.2
	May	1,118	1,359	2,477	2,620	3,695	2,940	47	922	10,081	7.6
	June	1,139	1,475	2,614	2,709	3,952	3,018	57	741	10,381	3.0
	July	1,226	1,453	2,679	2,696	4,288	2,690	41	637	10,335	-0.4
	August	1,257	1,477	2,734	2,783	4,187	2,767	39	475	10,202	-1.3
	September	1,299	1,758	3,058	3,075	4,206	3,016	66	422	10,768	5.6
	October	1,310	2,142	3,452	3,601	4,397	2,977	50	313	11,189	3.9
	November	1,286	1,676	2,962	3,058	4,211	3,174	38	423	10,809	-3.4
	December	1,374	1,897	3,271	3,263	4,096	3,515	77	525	11,484	6.2

SOURCE: Bank of Israel, Banking Supervision Department, *Monthly Statistics of the Banking Institutions*; Bank of Israel Monetary Department, *Weekly Survey of the Capital Market*.

**Table VIII-A20**  
**THE MONEY BASE, 1984-87**  
(NIS million, end of period)

	Cash (1)	Liquid assets of banking institutions (2)	Narrow money base (1+2) (3)	Broad money base		Percent change over preceding period (6)
				Recognized liquidity deficits (4)	Total (3+4) (5)	
1984	123	159	282	1	283	453.8
1985	481	1,662	2,143	24	2,168	666.9
1986	974	1,913	2,887	4	2,891	33.4
1987	1,374	2,798	4,171	2	4,174	44.4
1987 January	944	1,855	2,798	5	2,803	-3.0
February	939	1,827	2,767	6	2,773	-1.1
March	1,007	2,551	3,559	3	3,562	28.5
April	1,047	2,550	3,597	10	3,607	1.3
May	1,118	2,714	3,833	3	3,836	6.3
June	1,139	2,860	3,999	6	4,005	4.4
July	1,226	2,942	4,168	5	4,173	4.2
August	1,257	2,649	3,906	3	3,908	-6.3
September	1,299	3,118	4,417	3	4,420	13.1
October	1,310	3,294	4,604	3	4,607	4.2
November	1,286	2,822	4,108	2	4,110	-10.8
December	1,374	2,798	4,171	2	4,174	1.5

SOURCES: Liquid assets of the banking institutions—*Monthly Financial Statements of the Banking Institutions*; recognized liquidity deficit—*Monthly Liquidity Report of the Banking Institutions*; cash—Banking Supervision Department, *Monthly Banking Statistics*.

**Table VIII-A21**  
**LINKED DEPOSITS OF THE PUBLIC IN BANKING INSTITUTIONS AND ITS SECURITIES HOLDINGS, 1984-87**  
(NIS million, end of period)

	Approved saving scheme deposits		Linked long-term deposits <sup>a</sup>	Resident deposits <sup>b</sup>		Tradable securities			Total (1+3 to 7)
	Total	Principal		Restitution	Other	Bonds <sup>c</sup>	All shares <sup>d</sup>	Bank shares <sup>d</sup>	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1984	4,051	739	330	1,534	3,382	934	2,609	1,544	12,840
1985	10,876	2,858	1,278	4,194	6,434	2,718	7,582	4,600	33,082
1986	12,325	4,750	2,459	4,790	5,727	3,663	10,551	5,100	39,515
1987	15,113	7,902	4,165	5,664	5,836	5,477	13,776	6,737	50,031
1987 January	12,827	4,897	2,569	5,418	6,209	4,407	12,143	5,317	43,574
February	13,075	5,014	2,705	5,400	6,019	4,694	12,988	5,247	44,882
March	13,216	5,225	2,778	5,393	5,932	4,583	14,021	5,460	45,923
April	13,388	5,411	2,881	5,403	5,722	4,954	14,630	5,515	46,978
May	13,631	5,557	3,029	5,383	5,687	4,979	14,400	5,651	47,109
June	13,746	5,705	3,117	5,396	5,631	5,230	12,793	5,807	45,912
July	13,898	5,921	3,266	5,355	5,679	5,422	12,928	6,094	46,547
August	14,050	6,155	3,549	5,360	5,765	5,570	14,002	6,232	48,297
September	14,310	6,549	3,626	5,374	5,713	5,534	14,303	6,305	48,859
October	14,858	7,224	3,764	5,443	5,732	5,376	13,253	6,683	48,425
November	15,038	7,586	3,932	5,597	5,757	5,146	13,563	6,657	49,033
December	15,113	7,902	4,165	5,664	5,836	5,477	13,776	6,737	50,031

<sup>a</sup>Includes linkage increments.

<sup>b</sup>Includes valuation adjustments for changes between foreign exchange rates. The are given in NIS millions, and can be translated into foreign currency by using the relevant exchange rate. Includes nonresident deposits of Israeli residents.

<sup>c</sup>At market prices. Excludes bonds held by commercial banks, the Bank of Israel, social insurance funds, and other institutional investors.

<sup>d</sup>At market prices. Includes shares held by banks; excludes shares held by the government.

SOURCE: Bank of Israel calculations and the Tel Aviv Stock Exchange.

Table VIII-A22  
ESTIMATED WITHDRAWALS OF PATAM RESTITUTION DEPOSITS, 1984-87  
(NIS million)

	Personal restitution receipts (1)	Accrued interest (2)	Currency valuation differentials (3)	Total poten- tial increase (1+2+3) (4)	Actual increase (5)	Withdrawals (6)	Conversion rate, percent	
							A <sup>a</sup> (6/4) (7)	B <sup>a</sup> [6/(1+2+3)] (8)
1984	91	149	1,238	1,479	1,270	209	14	87
1985	394	427	2,492	3,313	2,660	654	20	80
1986	631	437	446	1,515	596	919	61	86
1987	846	232	782	1,860	874	986	53	91
1987 January	77	22	614	713	628	85	12	86
February	60	16	-27	49	-18	67	136	88
March	67	25	6	98	-7	105	107	114
April	90	18	-19	89	10	79	89	73
May	70	15	-27	58	-20	78	135	92
June	65	19	12	96	13	83	87	99
July	53	22	-13	61	-41	102	167	137
August	83	16	8	106	5	101	95	102
September	73	20	-3	90	13	77	85	83
October	70	24	46	141	69	72	51	76
November	76	16	132	224	155	70	31	76
December	62	21	53	135	67	69	51	83

<sup>a</sup>Variant A assumes that recipients treat currency valuation differentials like the other components; variant B assumes that they regard them as capital gains.

SOURCE: Restitution receipts—Controller of Foreign Exchange, Bank of Israel; imputed interest, exchange rate and devaluation differentials—Bank of Israel Accounting Department; actual increase—Monthly Statements of the Banking Institutions.

**Table VIII-A23**  
**SOURCES OF CHANGE IN NONINDEXED**  
**LOCAL CURRENCY ASSETS, 1984-87**

	1985			1987			
	1984	Total	2nd half	1986	Total	1st half	2nd half
<i>Percent of GNP</i>							
Public sector contribution (injection plus net sale of treasury bills)	11.0	5.2	2.8	1.4	0.3	-1.4	2.9
Bank of Israel contribution	1.5	1.5	0.2	0.9	2.4	0.3	4.4
Discount-window loan	0.6	-0.0	-1.0	0.5	1.2	-0.2	2.7
Directed credit	4.1	0.6	-0.8	-0.1	0.0	-0.1	0.2
Other factors	-3.2	0.9	2.0	0.6	1.1	0.6	1.5
Resident and restitution deposits	1.3	-4.7	-10.3	-2.1	-0.8	-2.1	0.5
Purchase (-) of foreign currency by the private sector	-8.6	-4.8	-2.2	-2.5	0.1	5.7	-5.6
Domestic banking activities	6.6	6.7	5.8	6.1	4.2	4.4	3.8
Purchase of nonindexed financial assets	9.1	13.3	16.9	8.0	8.4	11.1	4.3
Money (M1)	2.9	2.7	3.0	3.1	2.1	1.8	2.5
Time deposits and CDs	6.1	10.4	13.3	4.9	4.9	7.4	2.5
Treasury bills	0.1	0.2	0.6	-0.1	0.1	1.9	-2.7
Treasury bill valuation changes	0.1	0.3	0.5	-0.0	0.4	0.5	0.3
<b>Total change in nonindexed local currency assets</b>	<b>9.2</b>	<b>13.6</b>	<b>17.4</b>	<b>8.0</b>	<b>7.9</b>	<b>11.6</b>	<b>4.1</b>
<i>NIS million, monthly average</i>							
Public sector contribution (injection plus net sale of treasury bills)	60.3	94.6	76.4	48.7	20.5	130.6	
Bank of Israel contribution	8.0	29.1	8.6	27.2	104.1	13.1	195.1
Discount-window loan	5.3	-2.2	-25.8	13.8	56.0	-8.0	119.9
Directed credit	19.4	6.7	-21.2	-4.2	1.7	-3.3	6.6
Other factors	-16.8	24.6	55.6	17.6	46.5	-24.3	68.7
Resident and restitution deposits	4.6	-130.0	-266.3	-67.9	-26.7	-79.3	25.8
Purchase (-) of foreign currency by the private sector	-44.8	-94.6	-63.9	-82.0	-11.4	224.0	-246.8
Domestic banking activities	32.2	138.0	155.1	203.6	33.4	17.7	165.5
Purchase of nonindexed financial assets	51.1	297.2	442.5	265.5	341.4	442.2	190.2
Money (M1)	18.0	59.3	79.9	99.3	90.9	72.2	109.5
Time deposits and CDs	32.1	232.6	347.7	166.9	202.3	294.2	110.3
Treasury bills	1.0	5.2	14.8	-0.7	-2.0	75.8	-118.7
Treasury bill valuation changes	0.5	7.2	12.9	0.0	17.4	21.2	11.8
<b>Total change in nonindexed local currency assets</b>	<b>51.6</b>	<b>304.3</b>	<b>455.3</b>	<b>265.5</b>	<b>232.6</b>	<b>463.4</b>	<b>183.8</b>

**Table VIII-A24**  
**CREDIT TO THE PUBLIC FROM THE BANKING SYSTEM, 1984-87**  
 (NIS million, end-of-year balances)

	Export finance					Finance of domestic activity				Total credit to the public (5+9) (10)
	Local currency (1)	Foreign currency, excl. diamond fund (2)	Subtotal (1+2) (3)	Diamond fund <sup>a</sup> (4)	Total (3+4) (5)	Local currency		Non-directed foreign currency <sup>c</sup> (8)	Total (6+7+8) (9)	
						Non-directed <sup>b</sup> (6)	Directed (7)			
1984	91	805	896	230	1,127	876	2	972	1,850	2,977
1985	0	2,385	2,385	437	2,823	3,450	2	1,814	5,267	8,089
1986	0	2,441	2,441	520	2,961	7,287	5	1,551	8,843	11,804
1987	0	2,532	2,532	504	3,036	14,013	5	1,750	15,767	18,804
1987 January	0	2,725	2,725	538	3,264	7,602	5	1,745	9,352	12,615
February	0	2,800	2,800	547	3,347	7,877	5	1,708	9,590	12,937
March	0	2,748	2,748	535	3,283	8,439	6	1,763	10,208	13,490
April	0	2,835	2,835	485	3,320	8,934	6	1,721	10,661	13,981
May	0	2,761	2,761	478	3,239	9,280	6	1,703	10,989	14,228
June	0	2,724	2,724	490	3,214	10,083	6	1,857	11,946	15,161
July	0	2,785	2,785	511	3,296	10,598	6	1,796	12,401	15,697
August	0	2,818	2,818	524	3,342	11,039	6	1,830	12,875	16,216
September	0	2,800	2,800	497	3,297	12,009	6	1,780	13,795	17,092
October	0	2,691	2,691	529	3,220	12,663	5	1,759	14,427	17,648
November	0	2,639	2,639	516	3,155	12,997	5	1,744	14,747	17,902
December	0	2,532	2,532	504	3,036	14,013	5	1,750	15,767	18,804

<sup>a</sup>Includes doubtful debts of diamond firms.

<sup>b</sup>Includes indexation increments.

<sup>c</sup>Includes credit from overseas offices of Israeli banks.

SOURCE: Monthly statements of the banking institutions and their liquidity reports to the Bank of Israel.

**Table VIII-A25**  
**ESTIMATED NOMINAL COST OF CREDIT, 1985-87**  
(Percent, annual rates)

	1985		1986	1987		
	Total	2nd half		Total	1st half	2nd half
<b>Nondirected short-term credit</b>	274.1	164.2	41.7	47.5	55.1	40.2
Local currency	438.8	326.2	57.2	53.5	59.1	48.2
Overdraft facilities	453.3	338.8	59.6	60.9	66.5	55.5
Foreign currency <sup>a</sup>	174.8	66.9	16.3	22.2	39.6	7.0
Subject to ceiling	213.9	94.3	33.0	35.8	56.1	18.1
Exempt from ceiling	158.1	54.9	7.6	12.5	26.9	-0.2
<b>Directed credit</b>	178.5	58.2	10.8	15.2	31.2	1.1
Local currency	111.9	107.5	18.0	18.9	22.6	15.3
Foreign currency <sup>a</sup>	189.9	60.1	10.8	15.2	31.2	1.1
<b>Total short-term credit<sup>b</sup></b>						
Averageweight cost	231.4	114.3	30.3	38.6	48.0	29.8
Weighted standard deviation	48.6	63.4	18.3	20.8	22.1	19.5

<sup>a</sup>Nominal interest is calculated by multiplying the foreign currency interest by the devaluation during the month.

<sup>b</sup>The cost and its standard deviation are weighted by the composition of credit (average balances).

SOURCE: Bank of Israel calculations.

**Table VIII-A26**  
**LOCAL CURRENCY CREDIT TO THE GOVERNMENT, 1984-87**  
 (NIS million, end-of-period balances)

	From the Bank of Israel			From banking institutions			Total net credit in local currency (3+6) (7)	
	Credit <sup>a</sup>	Government and National Institu- tions deposits <sup>b</sup>	Net credit (1-2) (3)	Credit <sup>a</sup>	Government deposits <sup>c</sup>	Net credit (4-5) (6)		
								(1)
1984	3,101	737	2,364	552	29	523	2,887	
1985	8,665	3,150	5,515	1,541	21	1,520	7,035	
1986	8,140	3,805	4,335	1,424	17	1,407	5,742	
1987	8,801	5,077	3,724	2,004	18	1,986	5,710	
1987	January	8,484	4,194	4,289	1,452	21	1,431	5,721
	February	8,445	4,305	4,139	1,635	15	1,620	5,759
	March	8,450	3,592	4,857	1,667	24	1,643	6,501
	April	8,398	3,660	4,738	1,668	24	1,644	6,382
	May	8,356	3,916	4,440	1,750	22	1,728	6,168
	June	8,351	3,679	4,672	1,635	17	1,618	6,290
	July	8,359	3,807	4,552	1,653	13	1,640	6,192
	August	8,251	3,469	4,782	1,650	18	1,632	6,414
	September	8,235	3,260	4,975	1,652	14	1,638	6,613
	October	8,243	2,321	5,922	1,666	23	1,643	7,565
	November	8,237	5,141	3,096	1,867	18	1,849	4,945
	December	8,801	5,077	3,724	2,004	18	1,986	5,710

<sup>a</sup> Excludes indexation increments on long-term advance. Includes monthly accrual of Bank of Israel profits.

<sup>b</sup> Includes the Bank of Israel's equity and net balances in the 'other accounts' item in its balance sheet.

SOURCE: Financial statements of the Bank of Israel and monthly statements of the banking institutions.

**Table VIII-A27**  
**NET PURCHASE OF FINANCIAL ASSETS BY**  
**THE PRIVATE NONFINANCIAL SECTOR, 1984-87**  
(Millions of current NIS)

	1984	1985	1986	1987	1986		1987	
					1st half	2nd half	1st half	2nd half
Money supply (M1) <sup>a</sup>	204	671	1,118	796	585	533	433	363
CDs and time deposits <sup>a</sup>	-6	1,695	1,354	777	-146	1,500	677	100
Tradeable bonds <sup>a</sup>	-218	631	249	1,776	601	-352	526	1,249
Foreign currency deposits <sup>c</sup>	-81	-1,722	-965	-567	-415	-550	-593	26
Shares of financial concerns <sup>b,d</sup>	-1	-6	-21	390	-24	3	235	155
Restitution deposits	51	-616	-417	-121	-29	-388	-11	-110
Linked and other deposits in financial institutions <sup>e</sup>	67	347	780	613	349	431	136	477
Saving schemes <sup>e</sup>	139	-863	-213	-550	-7	-206	99	-649
Social insurance funds	95	-11	425	791	8	417	-51	842
Life insurance	50	172	243	291	116	127	141	150
<b>Total</b>	<b>300</b>	<b>298</b>	<b>2,552</b>	<b>4,196</b>	<b>1,038</b>	<b>1,514</b>	<b>1,593</b>	<b>2,603</b>
Total short-term	-103	1,269	1,735	3,172	601	1,134	1,279	1,893
Total medium- and long-term	402	-971	817	1,024	437	381	314	710

<sup>a</sup>Money supply—change in balances during the period; CDs and time deposits—change in balances less accrued interest after tax.

<sup>b</sup>Secondary-market transactions between financial intermediaries (mainly social insurance funds and commercial banks) and the private nonfinancial sector. Accordingly, the figures differ from those in Table VIII-3.

<sup>c</sup>Resident deposits (demand and time) and nonresident deposits of Israelis.

<sup>d</sup>Includes purchases of original-issue shares, less dividends of the nonfinancial private sector.

<sup>f</sup>Includes saving schemes administered by commercial banks and financial institutions.

SOURCE: Bank of Israel calculations.

**Table VIII-A28**  
**LOCAL CURRENCY LIQUIDITY INDICATORS OF BANKING INSTITUTIONS, 1984-87**  
(NIS million, end of period)

	Liquidity requirement				Total, net of exemptions	Daily average liquidity deficit <sup>d</sup>	
	Ordinary deposits <sup>a</sup>	CDs and time deposits	Other <sup>b</sup>	Total, gross			
1984	89	88	47	224	224	17	
1985	339	1,439	288	2,066	2,037	92	
1986	611	1,571	161	2,343	2,338	56	
1987	767	698	1,812	3,277	3,261	153	
1987	January	547	1,538	123	2,208	2,202	14
	February	574	1,658	-95	2,137	2,128	9
	March	676	1,879	-202	2,354	2,349	101
	April	686	1,986	308	2,980	2,967	178
	May	680	2,016	146	2,842	2,837	27
	June	744	2,139	152	3,035	3,027	65
	July	725	2,179	201	3,106	3,093	82
	August	597	606	1,743	2,946	2,936	77
	September	700	628	1,856	3,184	3,167	14
	October	840	612	2,088	3,540	3,525	15
	November	688	646	1,837	3,171	3,160	26
	December	767	698	1,812	3,277	3,261	153

<sup>a</sup> Demand deposits and deposits against liabilities.

<sup>b</sup> Includes liquidity requirements on saving schemes, directed credit, and unutilized balances of earmarked deposits.

<sup>c</sup> Liquidity deficit is the difference between liquid assets and the liquidity requirement net of exemptions. The liquid assets aggregate on which this table is based is from a different source than that shown in Table VIII-A20, and includes some adjustments not included there.

SOURCE: *Monthly Liquidity Report of the Banking Institutions and Supervisor of Banks, Monthly Banking Statistics.*

**Table VIII-A29**  
**SECURITIES HELD BY THE PUBLIC, 1985-87**

	Market value, NIS million			Percentage distribution			Percent real annual change in market value		
	1985	1986	1987	1985	1986	1987	1985	1986	1987
<b>Tradeable bonds</b>									
1. Total	6,220	9,420	15,977	100.0	100.0	100.0	-8.2	26.6	46.1
2. Held by commercial banks	1,558	2,068	3,686	25.0	22.0	23.1	-47.9	10.9	53.5
3. Held by Bank of Israel	841	523	456	13.5	5.6	2.9	-10.9	-48.0	-24.9
4. Held by social insurance funds	1,103	3,142	6,039	17.7	33.4	37.8	513.3	138.1	65.5
5. Held by the public (1-2-3-4)	2,718	3,687	5,796	43.7	39.1	36.3	2.1	13.4	35.4
<b>Shares and convertible securities</b>									
6. Total	11,435	14,540	18,632	100.0	100.0	100.0	2.6	6.3	10.3
7. Held by commercial banks <sup>a</sup>	10	9	10	0.1	0.1	0.1	-65.3	-28.0	2.9
8. Held by the government	1,863	2,155	4,105	16.3	14.8	22.0	64.8	-3.3	64.0
9. Bank shares converted into saving schemes	1,133	1,267	1,553	9.9	8.7	8.3	-36.4	-6.6	5.6
10. Held by social insurance funds	856	718	751	7.5	4.9	4.0	7.9	-29.9	-10.0
11. Held by the public (6-7-8-9-10)	7,572	10,391	12,213	66.2	71.5	65.5	2.2	14.7	1.2

<sup>a</sup> Includes estimated bank-share holdings of price-supporting affiliates.

SOURCE: Tel Aviv Stock Exchange and Bank of Israel.

**Table VIII-A30**  
**ESTIMATED WEALTH OF THE PRIVATE NONFINANCIAL SECTOR, 1984-87**  
(Millions of current NIS, end of year)

	1984	1985	1986	1987
<b>Assets</b>				
<b>Short-term assets<sup>a</sup></b>	<b>6,506</b>	<b>18,008</b>	<b>21,900</b>	<b>29,041</b>
Money supply (M1)	277	989	2,181	3,271
Time deposits and CDs	444	3,386	5,362	8,135
Foreign currency deposits <sup>b</sup>	3,382	6,434	5,727	5,836
Tradeable bonds	754	2,342	3,023	4,837
Shares of financial intermediaries	1,648	4,858	5,608	6,963
<b>Medium-term financial assets<sup>c</sup></b>	<b>7,782</b>	<b>21,577</b>	<b>25,242</b>	<b>29,654</b>
Earmarked deposits of the public	319	921	1,079	1,290
Savings schemes and linked deposits	5,377	14,766	17,673	20,726
Restitution deposits	1,534	4,194	4,790	5,664
Exporters' customer credit	552	1,696	1,700	1,959
<b>Long-term financial assets</b>	<b>9,489</b>	<b>28,731</b>	<b>35,915</b>	<b>45,344</b>
Deposits in social insurance funds	7,967	24,238	30,794	39,026
Life insurance	537	1,730	2,208	2,780
Compulsory loans <sup>d</sup>	985	2,763	2,913	3,064
<b>Tangible assets<sup>e</sup></b>	<b>35,440</b>	<b>84,190</b>	<b>102,320</b>	<b>124,854</b>
Consumer durables	4,471	9,938	12,952	18,202
Dwellings	15,209	34,803	39,207	44,404
Nonresidential structures and equipment	14,275	35,765	44,749	55,491
Inventories	1,486	4,004	5,592	6,758
<b>Total assets</b>	<b>59,217</b>	<b>152,506</b>	<b>185,377</b>	<b>228,755</b>
<b>Liabilities</b>				
<b>Short-term liabilities<sup>f</sup></b>	<b>3,042</b>	<b>8,942</b>	<b>13,345</b>	<b>20,289</b>
Nondirected credit				
Local currency	904	3,728	7,509	13,979
Foreign currency	526	1,075	1,207	1,186
Directed credit				
Local currency	94	2	5	5
Foreign currency	1,035	2,823	2,961	3,036
Credit from abroad (supplier and direct)	484	1,314	1,663	2,088
<b>Medium- and long-term liabilities<sup>g</sup></b>	<b>5,614</b>	<b>16,400</b>	<b>20,668</b>	<b>25,204</b>
Long-term local currency credit	3,008	9,584	13,214	16,907
Long-term foreign currency credit	2,606	6,815	7,454	8,297
<b>Total liabilities</b>	<b>8,656</b>	<b>25,342</b>	<b>34,013</b>	<b>45,494</b>
<b>Net wealth<sup>h</sup></b>	<b>50,561</b>	<b>127,164</b>	<b>151,364</b>	<b>183,262</b>

<sup>a</sup> The discrepancies between these items and the corresponding items in Appendix Table VIII-A8 stem from the difference in the definition of the 'public' and the 'private nonfinancial sector.' Time deposits and CDs are deposits in commercial banks and other financial institutions. Foreign currency deposits are nonresident deposits of Israeli residents, loan deposits, and importers' deposits. Tradeable bonds are total bonds issued to the public, less bonds held by the Bank of Israel, commercial, investment, and mortgage banks, other financial institutions subject to the supervision of the Supervisor of Banks, social insurance funds, and insurance companies; they do not include dollar-linked bonds issued by the business sector. Shares of financial intermediaries are shares issued by commercial banks, specialized financial institutions, mortgage banks, and insurance companies.

(continued on following page)

(continued from preceding page)

<sup>b</sup> Includes time deposits.

<sup>c</sup> The discrepancies between these items and the corresponding items in Appendix Table VIII-A8 stem from the inclusion here of earmarked deposits of the public, as well as savings schemes and linked deposits in investment and mortgage banks (in addition to the savings schemes and linked deposits in commercial banks). The data on savings schemes include the accrued value of the grant and not the full amount recorded at the time the accounts were opened.

<sup>d</sup> Calculated by discounting the adjusted stream of repayments at 5 percent (the interest rate on social insurance fund bonds). The present value of Peace for Galilee bonds is assumed to be equal to 25 percent of the adjusted value.

<sup>e</sup> Revised data.

<sup>f</sup> Nondirected local currency credit consists of credit from the commercial banking system, mortgage banks (to building contractors), and insurance companies, less credit to local authorities. Nondirected foreign currency credit includes credit from the banking system in Israel other than for fuel imports. Credit from abroad is granted by overseas branches of Israeli banks, suppliers, and others (excludes credit to local authorities).

<sup>g</sup> The subsidy component of long-term local currency credit is estimated as the present value of the stream of repayments according to the actual inflation rate. In this calculation repayments are spread over six years (the estimated average period of the loans), with interest on the stock of loans weighted accordingly. The subsidy component of foreign currency credit is calculated in a similar manner, with the Eurodollar market rate being used for determining the present value of the stream of repayments.

<sup>h</sup> Calculated as the difference between total assets and total liabilities of the private nonfinancial sector; includes the estimated subsidy component of long-term local and foreign currency credit.

SOURCE: Bank of Israel calculations.

**Table VIII-A31**  
**SECURITY ISSUES AND NET BORROWING FROM THE PUBLIC, 1984-87**  
(NIS million, at current prices)

	Tradable bonds <sup>a</sup>				Special bond issues and net deposits					Shares and convertible securities		Grand total (12)
	Amount issued (1)	Amount redeemed (2)	Open-market operations <sup>b</sup> (3)	Net total (1-2-3) (4)	Saving schemes (5)	Provident funds (6)	Pension funds (7)	Insurance companies & others (8)	Total net (9)	Total (10)	(11)	
1984	128.2	198.6	-6.4	-64.0	132.8	5.2	0.3	-41.5	96.8	32.8	10.6	43.4
1985	1,049.2	874.8	4.0	170.4	117.4	-818.2	-149.0	-49.0	-898.8	-728.4	37.0	-691.4
1986	3,130.8	1,076.6	0.2	2,054.0	-676.0	-1,333.4	-150.5	-478.0	-2,637.9	-583.9	98.2	-485.7
1987	4,569.8	965.7	63.4	3,540.7	-2,704.2	-1,670.0	-275.3	45.7	-4,603.8	-1,063.1	345.7	-717.4
1987 Jan.	368.6	78.8	0.0	289.8	25.3	-88.4	14.5	33.9	-14.7	275.1	29.6	304.7
Feb.	311.0	37.1	0.0	273.9	-343.2	-76.2	54.8	-3.6	-368.2	-94.3	0.4	-93.9
March	536.3	122.8	43.4	370.1	-354.8	-192.9	-64.7	6.5	-605.9	-235.8	16.7	-219.1
April	358.0	15.8	60.4	281.8	-171.1	-152.2	-36.6	-8.2	-368.1	-86.3	20.3	-66.0
May	154.3	187.6	36.4	-69.7	-77.5	-162.5	2.6	-24.7	-262.1	-331.8	11.2	-320.6
June	246.2	147.2	5.0	94.0	-65.5	-157.3	-52.4	-35.9	-311.1	-217.1	31.8	-185.3
July	352.0	-76.6	-8.1	436.7	-103.7	-145.8	-43.5	21.4	-271.6	165.1	30.3	195.4
Aug.	299.8	59.7	0.0	240.1	51.1	-143.2	21.3	-15.6	-86.4	153.7	66.6	220.3
Sept.	315.5	69.0	0.0	246.5	-71.5	-108.2	-41.3	20.5	-200.5	46.0	80.8	126.8
Oct.	474.9	96.2	-16.4	395.1	-1,358.1	-28.3	-10.6	21.1	-1,375.9	-980.8	8.1	-972.7
Nov.	585.0	127.5	-4.8	462.3	59.0	-199.8	-22.5	30.3	-133.0	329.3	13.9	343.2
Dec.	568.2	100.6	-52.5	520.1	-294.2	-215.2	-96.9	0.0	-606.3	-86.2	36.0	-50.2

<sup>a</sup> Includes bonds issued for commercial banks and social insurance funds; excludes purchases and redemptions for the Bank of Israel's portfolio.

<sup>b</sup> Net purchases by the Bank of Israel on the Tel Aviv Stock Exchange.

SOURCE: Bank of Israel.

**Table VIII-A32**  
**OVERALL RATE OF RETURN ON LISTED SHARES (ORDINARY AND PREFERRED), 1984-87**  
 (End-of-period index, December 1986 = 100)

	1984	1985	1986	1987				Percent real change in 1987 <sup>a</sup>
				I	II	III	IV	
General stock exchange index	26.9	79.0	100.0	127.5	122.1	131.3	122.0	5.3
Commercial banks	30.9	90.1	100.0	110.0	117.7	124.2	121.7	5.1
Insurance companies	23.5	55.9	100.0	125.7	102.3	98.7	94.7	-18.2
Mortgage banks	21.0	52.6	100.0	145.9	135.1	143.3	142.1	22.7
Specialized financial institutions	30.7	83.6	100.0	118.3	114.5	130.2	130.2	12.4
Investment companies	20.9	56.9	100.0	167.8	142.1	163.2	136.6	18.0
Industry	20.9	68.6	100.0	157.3	130.9	143.1	119.0	2.7
Commerce and services	16.0	49.2	100.0	155.7	125.7	145.3	130.3	12.5
Land, building, development	17.9	47.8	100.0	152.7	117.0	129.8	117.3	1.3

<sup>a</sup> Deflated monthly by the consumer price index.

SOURCE: Central Bureau of Statistics.

**Table VIII-A33**  
**REAL OVERALL RATE OF RETURN ON LISTED SECURITIES, 1984-87**  
(Index: December 1986 = 100)

	Bonds		Shares and convertible securities		
	Foreign currency <sup>a</sup>	CPI- indexed	Total	Commercial banks	Nonbank shares
1984	158.9	108.6	90.3	103.8	68.0
1985	127.4	101.3	96.2	109.7	73.6
1986	100.0	100.0	100.0	100.0	100.0
1987					
January	101.7	108.3	110.5	103.2	122.5
February	102.6	107.7	116.3	103.2	138.0
March	104.3	105.8	122.0	105.2	149.4
April	103.8	101.9	124.7	104.4	157.7
May	105.3	101.1	123.7	106.6	151.5
June	107.4	103.0	113.6	109.4	120.5
July	109.1	106.6	114.4	113.0	116.8
August	107.6	106.9	119.4	113.2	129.7
September	107.1	107.1	118.5	112.1	129.0
October	104.7	107.8	106.4	108.2	104.0
November	102.6	107.2	105.9	106.0	106.4
December	101.1	107.9	105.3	105.1	106.4
			<i>Real overall rate of return, percent<sup>b</sup></i>		
1987	1.1	7.9	5.3	5.1	6.4
1st half	7.4	3.0	13.6	9.4	20.5
2nd half	-5.9	4.8	-7.3	-4.0	-11.7

<sup>a</sup> Bonds linked to or traded in foreign currency.

<sup>b</sup> Deflated by the end-of-month consumer price index.

Source: Bank of Israel and Central Bureau of Statistics.

**Table VIII-A34**  
**MARKET VALUE OF LISTED SHARES AND**  
**CONVERTIBLE SECURITIES, 1987<sup>a</sup>**

	Market value, <sup>a</sup> end of 1987			New issues <sup>a</sup>		
	NIS million	Percent of total	Percent real change <sup>b</sup>	NIS million	Percent of total	Percent of market value <sup>c</sup>
Commercial banks and bank holding companies	11,183	60.0	6.7	13.9	4.1	0.1
Mortgage banks	298	1.6	17.7	0.0	0.0	0.0
Specialized financial institutions	205	1.1	1.2	0.0	0.0	0.0
Insurance companies	293	1.6	-3.8	10.4	3.1	3.6
<b>Total financial sector</b>	<b>11,979</b>	<b>64.3</b>	<b>6.5</b>	<b>24.3</b>	<b>7.2</b>	<b>0.2</b>
Commerce and services	727	3.9	19.5	59.9	17.7	10.6
Land, building, development, citrus	1,043	5.6	12.4	59.4	17.5	6.8
Industry	3,289	17.6	10.0	142.3	42.0	5.0
Investment and holding companies <sup>d</sup>	1,332	7.1	19.5	53.0	15.6	4.9
<b>Total</b>	<b>18,632</b>	<b>100.0</b>	<b>10.3</b>	<b>339.0</b>	<b>100.0</b>	<b>2.1</b>

<sup>a</sup>Excludes stock dividends, conversion of convertible bonds, noncash issues, and newly listed shares issued in previous years.

<sup>b</sup> Percent change over end of 1986.

<sup>c</sup> At beginning-of-year prices (monthly deflation).

<sup>d</sup> Includes oil exploration companies.

SOURCE: Tel Aviv Stock Exchange and Bank of Israel.

**Table VIII-A35**  
**REAL NET YIELD TO MATURITY OF CPI-INDEXED BONDS, 1986-87\***  
(Annual rate, percent)

Percent indexation Years to maturity	New issues		Secondary market	
	100 5	100 10	80 3-4 1/2	100 9-10
1986 I	5.08	4.50	3.76	4.95
II	3.96	4.20	2.65	4.06
III	4.39	4.59	2.98	4.64
IV	4.63	4.86	3.18	4.73
1987 January	3.41	3.60	3.94	4.10
February	3.17	3.32	3.17	3.17
March	3.20	3.47	3.26	3.68
April	3.90	3.70	3.80	4.07
May	4.00	4.20	4.38	4.47
June	3.68	4.21	4.01	3.25
July	3.30	3.44	3.35	3.67
August	2.74	3.25	2.85	3.21
September	2.73	3.29	3.64	3.36
October	2.81	3.14	2.82	3.23
November	2.77	3.30	2.82	3.27
December	2.61	3.24	2.58	3.29

\* Calculated from end-of-week data. Corrected for the loss of one month's indexation increment at redemption.

SOURCE: Bank of Israel calculations.

**Table VIII-A36**  
**FLOW OF SAVINGS IN SOCIAL INSURANCE FUNDS,<sup>a</sup> 1985-87**  
(NIS million)

	1985	1986	1987	Percent real increase <sup>b</sup>		
				1985	1986	1987
<b>Deposits</b>						
Pension funds	415	721	976	-10.2	12.5	12.7
Provident funds	670	1,403	1,880	19.7	45.4	11.6
Financial sector	540	1,198	-	17.2	52.8	-
Histadrut and companies	130	205	-	32.1	13.3	-
Severance pay funds	139	232	261	29.9	11.4	-6.6
Other funds	344	582	857	-7.1	9.7	22.0
<b>Total</b>	<b>1,567</b>	<b>2,939</b>	<b>3,974</b>	<b>4.1</b>	<b>25.2</b>	<b>12.5</b>
<b>Payments to members and withdrawals</b>						
Pension funds	335	669	930	5.1	33.4	15.8
Provident funds	698	1,088	1,266	57.0	1.3	-3.2
Financial sector	560	921	-	61.3	6.9	-
Histadrut and companies	138	167	-	42.0	-20.8	-
Severance pay funds	105	215	330	12.6	39.4	28.5
Other funds	440	542	657	93.1	-24.0	0.6
<b>Total</b>	<b>1,578</b>	<b>2,514</b>	<b>3,183</b>	<b>46.7</b>	<b>2.8</b>	<b>5.4</b>
<b>Net accumulation</b>						
	<i>Accumulation/assets (%)<sup>c</sup></i>					
Pension funds	80	52	46	1.6	0.5	0.3
Provident funds	-28	315	614	-1.0	2.5	4.0
Severance pay funds	34	18	-69	2.5	0.8	-2.8
Other funds	-96	40	200	-8.3	1.5	6.5
<b>Total</b>	<b>-11</b>	<b>425</b>	<b>791</b>	<b>-0.5</b>	<b>1.5</b>	<b>2.3</b>

<sup>a</sup> The funds are classified by function, not according to their institutional affiliation, some of which manage several funds.

<sup>b</sup> Based on semiannual data at constant prices.

<sup>c</sup> Accumulation relative to beginning-of-year assets, deflated by the consumer price index (accumulation deflated semiannually).

SOURCE: Based on Central Bureau of Statistics data.

**Table VIII-37**  
**BALANCE SHEET OF SOCIAL INSURANCE FUNDS, 1985-87<sup>a</sup>**  
(NIS million)

	1985	1986	1987	Percentage distribution		
				1985	1986	1987
<b>Assets</b>						
Securities	23,990	30,107	37,720	99.0	97.7	96.7
Loans to members <sup>b</sup>	19	101	140	0.1	0.3	0.4
Deposits and loans to others	18	72	237	0.1	0.2	0.6
Fixed assets	8	115	163	0.0	0.4	0.4
Employers' debt	40	48	33	0.2	0.2	0.1
Accrued interest and indexation increments, other current assets	163	363	732	0.7	1.2	1.9
<b>Total assets</b>	<b>24,238</b>	<b>30,806</b>	<b>39,025</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Liabilities</b>						
Pension reserve	9,053	12,021	14,196	37.3	39.0	36.4
Provident and advanced study reserve	12,884	16,008	21,796	53.2	52.0	55.9
Severance pay, social benefit, and other reserves	1,942	2,418	2,652	8.0	7.8	6.8
Other reserves and undistributed profits	271	256	300	1.1	0.8	0.8
Current liabilities	88	104	81	0.4	0.3	0.2
<b>Total liabilities</b>	<b>24,238</b>	<b>30,806</b>	<b>39,025</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>a</sup> Revised data. Indexation differentials included in securities and deposits.

<sup>b</sup> Directly and through banks and financial institutions.

SOURCE: Central Bureau of Statistics.

BANK OF ISRAEL

THE GOVERNOR AND MANAGEMENT

May 31, 1988

*Governor*

MICHAEL BRUNO

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MORDECHAI FRAENKEL, Senior Director, Economic Research and management of  
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\* As of May 31, 1988

\*\* Members of the Advisory Committee are also members of the Advisory Council.