

APPENDIX TABLES

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Table II-A1
NATIONAL INCOME, 1980-83

	1980	1981	1982	1983
Current IS million				
Gross domestic product	102,599	241,605	536,497	1,359,694
less Depreciation	14,505	34,309	77,111	187,209
less Net direct taxes ^a	10,706	12,585	40,214	120,101
Subsidies	2,845	15,919	24,726	56,793
less Indirect taxes	13,551	28,504	64,940	176,894
Subtotal	77,388	194,711	419,172	1,052,384
Loan subsidy ^b	3,913	7,529	14,497	29,608
National income	81,301	202,240	433,669	1,081,992
Percent change over preceding year				
Gross domestic product	133.2	135.5	122.1	153.4
less Depreciation	138.1	136.5	124.8	142.8
less Net indirect taxes ^a	144.7	17.5	119.5	198.7
Subsidies	88.3	459.5	55.3	129.7
less Indirect taxes	130.2	110.3	127.8	172.4
Subtotal	130.8	151.6	115.3	151.1
Loan subsidy ^b	111.7	92.4	92.5	104.2
National income	129.8	148.8	114.4	149.5

^a On domestic production.

^b I.e., the subsidy element of government loans to the business sector.

Table II-A2
NATIONAL INCOME AND DISPOSABLE INCOME, 1980-83^a
(Percent change over preceding year)

	1980	1981	1982	1983
Nominal change				
Gross national product	133	136	122	153
National income	131	152	115	151
Disposable income from domestic sources	127	158	113	146
Real change				
Gross national product	2.8	4.0	-0.4	1.3
Disposable income from domestic sources				
From domestic sources	-0.5	18.5	-1.0	1.0
From all sources (incl. loan subsidy)	-1.3	16.2	-1.7	-0.5
Private consumption	-2.9	10.9	7.2	7.0
Implicit price index				
Gross domestic product	127	126	123	150
Private consumption	129	118	116	143

^a Excluding loan subsidy (see note b to Table II-A1). Net compulsory loan has not been deducted.

Table II-A3
GROSS FIXED DOMESTIC INVESTMENT BY INDUSTRY, 1982-83
 (IS million, at current prices)

	1983			Real change over preceding year, percent					
	Total	Structures	Equip-ment	Total		Structures		Equipment	
				1982	1983	1982	1983	1982	1983
Agriculture	16,721	7,945	8,776	13.2	17.5	2.9	8.5	23.5	25.0
Water	4,401	3,814	587	-23.0	11.3	-13.0	20.1	-46.6	-22.4
Industry	64,032	5,334	58,698	22.9	18.2	-3.2	-3.7	26.9	20.8
Construction equipment	4,831	—	4,831	5.1	45.5	—	—	5.1	45.5
Electricity	12,349	3,148	9,201	-34.6	16.7	-31.4	-20.0	-36.5	39.5
Transport and communications	59,702	10,797	48,905	21.8	18.8	-0.8	4.5	2.7	17.4
<i>thereof</i> Transport equipment	37,692	—	37,692	32.8	26.2	—	—	32.8	26.2
Private services	28,477	3,377	25,100	-1.0	29.8	-12.3	-2.5	2.4	38.3
<i>subtotal: Business sector</i>	190,514	34,416	156,098	9.8	20.3	-8.8	1.2	15.6	25.1
Public services	42,045	25,804	16,241	10.1	14.2	13.3	7.3	4.4	27.3
<i>subtotal: Nondwelling investment</i>	232,559	60,220	172,339	9.8	19.2	-0.6	3.7	14.6	25.3
Dwellings	103,244	103,244	—	-3.5	-7.1	-3.5	-7.1	—	—
Total fixed investment	335,801	163,463	172,339	4.6	9.7	-2.6	-3.5	14.6	25.3

Table II-A4
FIXED NONDWELLING INVESTMENT BY INITIATING SECTOR, 1980-83

	Millions of 1980 IS				Real percent change over preceding year			Current IS million
	1980	1981	1982	1983	1981	1982	1983	1983
Total^a								
Public sector ^b	4,327	4,143	4,436	5,085	-4.3	7.1	14.6	63,328
Public sector corporations ^c	2,734	2,733	2,399	2,696	0.0	-12.2	12.4	31,928
Subtotal	7,061	6,876	6,835	7,781	-2.6	-0.6	13.8	95,256
Private sector	5,535	6,058	6,870	8,350	9.4	13.4	21.5	99,610
Total	12,596	12,934	13,705	16,131	2.7	6.0	17.7	194,867
Structures								
Public sector ^b	2,908	2,587	2,798	2,992	-11.0	8.2	6.9	38,325
Public sector corporations ^c	904	1,015	768	745	12.3	-24.3	-3.0	8,773
Subtotal	3,812	3,602	3,566	3,737	-5.5	-1.0	4.8	47,098
Private sector	1,088	1,107	1,115	1,119	1.7	0.7	0.4	13,121
Total	4,900	4,709	4,681	4,856	-3.9	-0.6	3.7	60,220
Machinery and equipment^a								
Public sector ^b	1,419	1,556	1,638	2,093	9.7	5.3	27.8	25,003
Public sector corporations ^c	1,830	1,718	1,631	1,951	-6.1	-5.1	19.6	23,155
Subtotal	3,249	3,274	3,269	4,044	0.8	-0.2	23.7 [^]	48,158
Private sector	4,447	4,951	5,755	7,231	11.3	16.2	25.6	86,489
Total	7,696	8,225	9,024	11,275	6.9	9.7	24.9	134,647

^a Excluding transport equipment.

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

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

SOURCE: Bank of Israel.

Table III-A1
SELECTED PRICE INDEXES, 1970-83
(Percent average annual change)

	Average			1979	1980	1981	1982	1983
	1970-1973	1974-1978	1979-1983					
Consumer price index	13	39	118	78	131	117	120	146
Wholesale price index of industrial output ^a	11	43	122	79	135	123	126	145
Index of agricultural input prices ^b	13	43	122	78	144	119	128	140
Index of housing construction input prices	16	38	120	87	128	132	117	135
Index of road construction input prices	14	47	131	92	145	147	127	144
Exchange rate against the dollar ^c	5	34	104	47	102	122	113	136

^a Until 1978 excludes printing and publishing.

^b Excludes agricultural services.

^c The official exchange rate of the sheqel until October 1977 and the representative rate thereafter.

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

Table III-A2
CHANGE IN PRICE DEFLATORS FOR RESOURCES AND USES, 1970-83
(Percent average annual increase)

	Average			1979	1980	1981	1982	1983
	1970-1973	1974-1978	1979-1983					
Gross national product	14.0	39.7	121.4	81.5	125.9	126.4	122.9	150.1
Imports, excl. direct defense imports ^a	15.0	46.9	111.1	71.2	135.4	115.9	106.5	126.3
Private consumption	13.5	39.4	116.5	77.1	128.7	118.1	115.6	143.3
Public consumption, excl. direct defense imports	15.7	41.6	124.3	94.4	125.7	134.0	124.0	143.3
Gross domestic investment	16.4	43.2	118.0	72.8	131.8	130.7	120.1	134.6
Total domestic uses, excl. direct defense imports ^a	14.7	40.6	118.4	79.6	128.7	124.1	118.5	141.4
Exports, at domestic prices	13.3	46.3	113.0	74.2	128.7	118.6	107.8	135.7
Total uses, excl. direct defense imports ^a	14.4	42.1	117.1	77.8	129.4	122.4	115.7	140.0

^a Until 1977 excludes ships and aircraft.

SOURCE: Central Bureau of Statistics.

Table III-A3
INDICATORS OF PRICE VARIABILITY, 1970-83
 (Base: 1975-78=100)

Period	Average monthly change in CPI (%)	Index of change in CPI over time ^a	Index of change in relative prices ^b
1970-72	0.95	55	86
1975-78	2.73	100	100
1979-83	7.30	135	152
1974	3.84	172	135
1979	6.46	112	142
1980	7.32	114	152
1981	6.04	116	163
1982	7.26	83	135
1983	9.40	247	167
1982			
I	6.36	118	121
II	7.64	95	136
III	8.22	89	138
IV	6.81	83	143
1983			
I	6.73	79	136
II	7.46	121	198
III	7.47	121	139
IV	15.95	247	186

^a Calculated as the standard deviation of the monthly rates of change in the consumer price index during the year around the average annual rates of change. The quarterly data are calculated in the same way for the last month of the quarter.

^b Calculated as the standard deviation of the monthly rates of change in the consumer price index items (according to their weights in the index) around the monthly rate of change in the index. The annual change is an average of 12 monthly observations; the quarterly change is an average for the three months of the quarter.

Table III-A4
MONETARY INDICATORS OF INFLATION, 1974-83

	Percent increase during the year			Real money balances ^b	Weight of narrow monetary base ^c	Indicator of long-term inflationary pressure ^d
	Inflation	Liquid assets ^a	Money (M1)			
1974	56	44	18	100.0	27	100
1975	23	17	22	98.5	26	107
1976	38	20	27	90.1	26	108
1977	43	58	39	88.4	31	162
1978	48	58	42	86.5	21	225
1979	111	83	30	53.4	16	260
1980	133	148	100	45.3	12	302
1981	101	90	79	40.1	11	332
1982	131	132	111	36.6	11	358
1983	191	216	132	32.5	10	405
1983 ^e	130	146	-	-	-	325

^a Money (M1), time deposits, negotiable CDs, and tradable bonds and Patam (sheqel deposits denominated in foreign currency) held by the public.

^b Base: 1974=100; annual average.

^c The ratio between the narrow monetary base and the liquid asset base (annual average).

^d The ratio between the net liquidity injection (as defined in Chapter VIII), less the injection warranted by the growth of the economy in relation to the narrow monetary base; calculated as a three-year moving average. Base: 1974=100.

^e The first three quarters of 1983 at annual rates; the indicator of inflationary pressure excludes the influence of the exceptional developments in the last quarter of 1983.

Table IV-A1
SOURCES OF GROWTH OF ISRAEL'S PERMANENT POPULATION, 1975-83
(In thousands unless stated otherwise)

	1975	1976	1977	1978	1979	1980	1981	1982	1983 ^a
1. Permanent population at beginning of year	3,421.6	3,493.2	3,575.3	3,653.2	3,737.6	3,836.2	3,921.7	3,977.9	4,063.6
2. Total natural increase	71.2	74.7	70.5	67.6	68.8	68.0	67.6	68.9	70.7
3. Rate of natural increase (per thousand)									
Total population	20.6	21.1	19.5	18.3	18.2	17.5	17.1	17.2	17.2
Jews	17.7	18.0	16.4	15.2	15.0	14.7	14.5	14.3	14.7
Non-Jews	37.0	38.2	36.2	34.8	34.8	32.2	30.7	31.4	29.2
4. Gross immigration ^b	21.5	21.1	22.8	28.8	39.6	22.2	14.5	16.1	19.1
5. Net emigration ^c	21.2	13.7	15.4	12.0	9.7	4.7	25.9	11.3	5.5
6. Migration balance (4-5)	0.3	7.4	7.4	16.8	29.9	17.5	-11.4	4.8	13.6
7. Total population growth (2+6)	71.6	82.1	77.8	84.4	98.7	85.5	56.2	85.7 ^d	84.3
8. Permanent population at end of year (1+7)	3,493.1	3,575.3	3,653.2	3,737.6	3,836.2	3,921.7	3,977.9	4,063.6	4,147.9
9. Percent annual increase in permanent population at end of year	2.1	2.4	2.2	2.3	2.6	2.2	1.4	1.9	2.1
Thereof: Natural increase	99.4	91.0	90.5	80.1	69.9	79.5	120.3	93.5	83.9
Migration balance	0.6	9.0	9.5	19.9	30.3	20.5	-20.3	6.5	16.1

^a Provisional data.

^b Immigrants, tourists acquiring immigrant status, immigrating citizens (children born to Israeli citizens abroad), and persons returning under the family reunion scheme.

^c Israelis residing abroad for 12 months or more (less Israeli residents returning from abroad after an absence of 12 months or more), potential immigrants who left for abroad, and residents who did not return from a visit to Jordan (see also CBS, *Statistical Abstract of Israel 1983*, pp. 121, 125-28).

^d Includes 12,000 in the Golan Heights.

SOURCE: Central Bureau of Statistics.

Table IV-A2
SOURCES OF GROWTH OF LABOR FORCE AND INCREMENTAL
EMPLOYMENT BY SECTOR, 1970-83
(Annual average increase in thousands)

	1970-73	1973-76	1977-79	1980	1981	1982	1983
A. Growth of labor force							
	Total population—Israelis						
Total increase	38.8	15.1	36.0	40.2	30.2	18.1	35.9
Growth of population ^a	34.5	26.4	26.4	31.8	23.6	23.5	27.9
Change in age and schooling distribution ^b	7.2	3.6	9.8	6.5	6.8	9.7	9.2
Change in specific participation rates	-2.9	-14.9	-0.2	1.9	0.0	-15.1	-0.8
	Males						
Total increase	20.3	4.0	13.9	17.6	16.2	8.8	18.5
Growth of population	23.4	17.4	17.0	19.8	15.3	14.2	17.4
Change in age and schooling distribution	0.0	-1.9	1.8	0.2	0.9	3.1	2.0
Change in specific participation rates	-3.1	-11.5	-4.8	-2.4	0.0	-8.5	-0.9
	Females						
Total increase	18.5	11.1	22.1	22.6	14.5	9.3	17.4
Growth of population	11.1	9.0	9.5	12.0	8.6	9.3	10.1
Change in age and schooling distribution	7.2	5.5	8.0	6.3	5.9	6.6	7.2
Change in specific participation rates	0.2	-3.4	4.7	4.3	0.0	-6.6	0.1
B. Increase in workers from Judea-Samaria and Gaza Area	14.8	-0.1	3.1	-2.2	0.7	3.3	6.6
C. Absorption by domestic sectors							
	Total local population						
Total increase	53.6	15.0	39.1	38.0	30.9	21.4	42.5
Business sector ^c	44.9	-1.7	24.3	5.8	14.7	15.1	44.6
Public services—employees	11.7	12.5	16.8	5.4	11.7	6.3	3.1
Israeli unemployed	-2.9	4.2	-1.9	26.8	4.7	0.0	-5.2
	Males						
Total increase	35.1	3.9	17.0	15.4	16.9	12.1	25.1
Business sector	34.1	-1.3	14.2	1.1	9.3	9.3	31.8
Public services—employees	2.9	3.3	4.3	-0.8	5.5	1.9	-4.0
Israeli unemployed	-1.9	1.9	-1.5	15.1	2.1	0.9	-2.7
	Females						
Total increase	18.5	11.1	22.1	22.6	14.5	9.3	17.4
Business sector	10.8	-0.4	10.0	4.7	5.8	6.0	12.8
Public services—employees	8.8	9.2	12.5	6.2	6.2	4.4	7.1
Israeli unemployed	-1.0	2.3	-0.4	11.7	2.5	-1.1	-2.5

^a Assuming the average participation rates of the previous year.

^b Assuming the specific participation rates of the previous year.

^c Includes self-employed in public services.

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

Table IV-A3
ISRAELI LABOR FORCE, SELECTED DATA, 1970-83
(In thousands unless stated otherwise; annual averages)

	1979	1980	1981	1982	1983	Percent annual increase					
						1970 as against		1976 as against			
						1973	1979	1980	1981	1982	1983
Average population	3,786.4	3,877.7	3,948.1	4,026.8	4,103.3	3.3	2.5	2.4	1.8	2.0	1.9
1. Working-age population	2,595.5	2,660.8	2,708.7	2,757.1	2,813.4	3.4	2.3	2.5	1.8	1.8	2.0
2. Civilian labor force	1,277.4	1,318.1	1,348.5	1,366.7	1,402.6	3.7	1.3	3.2	2.3	1.3	2.6
3. Participation rate (%)	49.2	49.5	49.8	49.6	49.9						
4. Total employed	1,240.6	1,254.5	1,280.1	1,298.3	1,339.4	4.4	1.0	1.1	2.0	1.4	3.2
5. Unemployed	36.8	63.6	68.4	68.4	63.2						
6. Unemployment rate (%)	2.9	4.8	5.1	5.0	4.5						
Males											
1. Working-age population	1,281.7	1,312.6	1,336.6	1,359.4	1,386.4	3.8	2.2	2.4	1.8	1.7	2.0
2. Civilian labor force	819.0	836.6	852.7	861.5	880.0	2.8	0.5	2.1	1.9	1.0	2.1
3. Participation rate (%)	63.9	63.7	63.8	63.4	63.5						
4. Total employed	799.4	801.9	815.5	823.7	844.9	3.2	0.3	0.3	1.7	1.0	2.6
5. Unemployed	19.6	34.7	36.9	37.8	35.1						
6. Unemployment rate (%)	2.4	4.1	4.3	4.4	4.0						
Females											
1. Working-age population	1,313.9	1,347.9	1,372.1	1,397.4	1,426.7	3.6	2.4	2.6	1.8	1.8	2.1
2. Civilian labor force	458.6	481.2	495.6	504.9	522.3	5.8	3.0	4.9	3.0	1.9	3.4
3. Participation rate (%)	34.9	35.7	36.1	36.1	36.6						
4. Total employed	441.4	452.2	464.1	474.5	494.4	6.5	2.4	2.4	2.6	2.2	4.2
5. Unemployed	17.2	29.0	31.5	30.4	27.9						
6. Unemployment rate (%)	3.8	6.0	6.4	6.0	5.3						
Workers from Judea-Samaria and Gaza Area	77.4	75.1	75.8	79.1	85.7		0.0	-3.0	0.9	4.2	8.3

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

Table IV-A4
NUMBER OF EMPLOYED AND LABOR INPUT IN THE MAIN ECONOMIC SECTORS, 1979-83

	1979	1980	1981	1982	1983	Percent annual increase			
						1980	1981	1982	1983
Employed (thousands, annual average)									
1. Israelis	1,241.0	1,254.4	1,279.9	1,298.3	1,339.4	1.1	2.0	1.4	3.2
2. From Judea-Samaria and Gaza Area	77.4	75.1	75.8	79.1	85.7	-3.0	0.9	4.4	8.3
3. Total employed in Israel (1+2)	1,318.4	1,329.6	1,355.7	1,377.4	1,425.1	0.8	2.0	1.6	3.5
4. In public services ^a	361.9	367.9	381.4	387.4	392.6	1.7	3.7	1.6	1.3
5. In the business sector	956.5	961.7	974.3	989.8	1,032.5	0.5	1.3	1.6	4.3
Labor input of employed (millions of hours, weekly average)									
1. Israelis	46.3	45.8	47.0	47.0	48.1	-1.1	2.6	0.0	2.3
2. From Judea-Samaria and Gaza Area	3.2	3.0	3.1	3.2	3.5	-4.7	2.8	3.8	6.8
3. Total domestic labor input (1+2=4+5)	49.5	48.8	50.1	50.2	51.5	-1.4	2.6	0.3	2.6
4. In public services	12.1	12.0	12.4	12.4	12.5	-0.8	3.1	0.6	0.6
5. In the business sector	37.4	36.8	37.7	37.8	39.0	-1.5	2.4	0.2	3.2

^a Excludes residents of Judea-Samaria and the Gaza Area.

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

Table IV-A5
ANNUAL INCREASE IN AVERAGE REAL WAGE PER EMPLOYEE POST,
BY SECTOR, 1977-83^a
(Percentages)

	1977	1978	1979	1980	1981	1982	1983
Total economy	10.6	1.5	9.5	-3.2	10.4	-0.4	6.0
Public services	16.9	-0.8	15.6	-8.4	10.4	-4.7	9.5
Business sector	6.9	2.9	5.9	-0.3	10.4	2.1	4.1
Agriculture, forestry, fishing	4.6	3.3	5.8	-1.7	7.6	2.0	3.2
Industry	6.3	2.9	6.2	-0.4	11.8	2.1	5.4
Electricity and water	27.6	6.7	-1.7	2.0	20.8	-4.6	7.9
Construction	-1.1	0.5	6.7	-0.9	8.9	4.8	-1.1
Trade, restaurants, and hotels	6.5	3.5	4.9	-3.8	11.4	4.7	1.3
Transportation, communications, storage	10.7	4.8	3.5	1.4	8.9	-0.6	1.8
Financial and business services	11.6	-0.8	5.6	1.5	9.7	-0.9	7.2
Other personal services	7.3	3.7	7.1	-4.3	3.8	8.2	7.5

^a Includes residents of Judea-Samaria and the Gaza Area employed in Israel.

SOURCE: Central Bureau of Statistics, based on employers' returns to the National Insurance Institute.

Table V-A1
PUBLIC SECTOR DOMESTIC DEMAND SURPLUS, 1979-83

	Current IS million					Real annual change, percent ^a			
	1979	1980	1981	1982	1983	1980	1981	1982	1983
Demand surplus									
Total	3,384	9,546	40,931	61,589	112,403	22.1	97.8	-31.7	-25.7
<i>thereof</i> Excl. residential construction	2,642	6,693	34,568	50,692	92,347	9.7	138.2	-33.5	-25.8
Total including loan subsidy	6,561	16,419	51,523	77,920	147,600	8.8	44.7	-31.4	-22.9
Direct domestic demand									
Local public consumption	11,461	26,474	63,272	147,064	373,963	2.2	2.1	4.0	4.6
Public sector nondwelling investment	1,923	3,514	7,619	18,681	48,801	-18.4	-7.7	9.1	12.8
Public residential construction	742	2,853	6,363	10,897	20,056	48.6	-4.7	-21.7	-18.7
Total	14,126	32,842	77,255	176,642	442,820	1.6	0.4	2.4	4.0
Absorption									
Taxes and compulsory loans ^b	20,726	46,004	106,365	253,820	656,611	-3.9	6.6	8.3	5.3
Public sector income from property and entrepreneurship ^c	1,273	3,199	5,383	17,970	55,451	8.8	-22.4	51.5	25.6
<i>less</i> Subsidies ^d	1,761	3,076	19,236	33,074	82,903	-24.4	188.4	-22.0	2.0
Net transfers ^c	8,495	20,270	50,144	110,939	272,149	3.3	14.1	0.4	-0.1
Direct loan subsidy	1,001	2,562	6,045	12,724	26,593	10.8	8.8	-4.5	-14.9
Subtotal	10,742	23,295	36,323	115,053	330,417	-6.1	-28.1	43.7	16.9
Total loan subsidy	4,178	9,434	16,636	29,055	61,790	-2.3	-18.7	-20.7	13.4
<i>thereof</i> To households	1,163	1,992	2,317	4,625	11,302	-25.9	-46.4	9.4	-0.5
Total absorption net of loan subsidy	7,565	16,423	25,732	98,722	295,220	-6.0	-27.7	74.1	21.8

^a Deflated by CPI (annual average), except for the components of demand, which are deflated by the appropriate implicit price index.

^b Direct and indirect taxes on imports and domestic production.

^c Excludes government interest payments to the Bank of Israel.

^d On domestic production and foreign trade.

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

Table V-A2
CIVILIAN PUBLIC CONSUMPTION AND SERVICES, 1970-83

	Civilian public consumption ^a			Civilian public services ^{a,b}		
	Percent of		Per capita, index, 1970=100	Percent of		Per capita, index, 1970=100
	GNP	Household ^c consumption		GNP	Household ^c consumption	
1970	10.3	18.8	100.0	16.6	30.2	100.0
1972	9.9	19.5	106.6	16.2	31.7	109.1
1974	10.5	18.9	111.4	16.8	30.2	114.3
1976	10.9	19.4	117.3	17.5	31.0	119.9
1978	11.8	21.0	122.6	19.3	34.3	124.4
1979	12.6	22.3	122.3	20.6	36.4	124.6
1980	12.1	22.4	117.9	19.6	36.4	120.9
1981	12.0	21.6	117.3	19.8	35.7	121.6
1982	11.8	20.3	115.6	19.4	33.3	119.9
1983	11.9	19.9	114.4	19.6	32.7	118.3

^a At current prices except for the per capita index (1980 prices).

^b Public sector *plus* private nonprofit institutions.

^c I.e., private consumption excluding private nonprofit institutions.

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

Table V-A3
CHILD ALLOWANCES AND MINIMUM GUARANTEED INCOME, 1980-83

	Deflated by CPI ^a			Deflated by average wage ^a		
	Child allowance		Minimum guaranteed income ^b	Child allowance		Minimum guaranteed income ^b
	2 children	4 children		2 children	4 children	
Average monthly allowance (1976 IS)						
July 1975-March 1976 ^c	24.4	76.2	72.6	24.0	75.1	71.6
1980	18.4	58.4	80.0	15.5	49.3	67.2
1981	21.1	66.0	89.8	16.1	50.3	68.4
1982	20.4	63.7	93.5	15.7	48.9	71.9
1983	19.7	70.5	94.4	14.4	51.9	69.5
1983/base period ^c (real percent change)	-19	-6	30	-40	-31	-5
Real annual change (percent)						
1981	15	13	12	3	2	2
1982	-3	-3	4	-3	-3	5
1983	-4	11	1	-8	6	-3

^a Monthly deflation. Average wage is per employee post.

^b The rates of change of the minimum guaranteed income also apply to the disability pension.

^c The direct tax reform was introduced at a time when inflation was running at an annual rate of 40 percent and the reform provided for the allowances to be updated in April 1976; accordingly, the average allowance during July 1975-March 1976 serves as an approximation of the amount which the indexation system was supposed to preserve, and is here used as base period.

SOURCE: National Insurance Institute and Bank of Israel calculations.

Table V-A4

**WAGES, TAXES, AND DISPOSABLE WAGE INCOME PER EMPLOYEE POST,
1978-83^a**

(Percent)

	1978	1979	1980	1981	1982	1983	Real annual change ^b		
							1981	1982	1983
Average wage									
Actual							10	-1	5
Income tax ^c	14	18	19	17	18	19	-4	6	11
Net direct tax ^d	11	17	18	16	17	18	-6	6	12
Disposable income	89	83	82	84	83	82	14	-2	3
Standardized ^c							0	0	0
Income tax ^c	13	15	16	13	15	15	-19	12	-1
Net direct tax ^d	9	12	14	10	12	12	-28	16	-1
Disposable income	91	88	86	90	88	88	5	-2	0
Double the average wage									
Actual							10	-1	5
Income tax ^c	26	31	32	30	31	32	3	3	9
Net direct tax ^d	26	32	34	32	33	34	4	3	8
Disposable income	74	68	66	68	67	66	14	-3	3
Standardized ^c							0	0	0
Income tax ^c	24	27	29	25	26	26	-15	5	1
Net direct tax ^d	24	27	30	25	27	27	-14	5	1
Disposable income	76	73	70	75	73	73	6	-2	0

^a Average wage per employee post as defined in the statistics of the National Insurance Institution. The net tax is calculated for an employee with nonworking wife and two children.

^b Deflated by the CPI (monthly deflation).

^c Includes the compulsory "Peace for Galilee" loan levied in July 1982-April 1983.

^d Income tax and employee contributions to national insurance (up to the stipulated ceiling) less child allowances.

^e The average wage is held constant at the July 1975 level, i.e., the current rates of income tax, national insurance contributions, and child allowances are applied to the July 1975 average wage inflated by the CPI.

SOURCE: National Insurance Institute, Ministry of Finance, and Bank of Israel calculations.

Table V-A5
INDIRECT TAXES AND SUBSIDIES ON DOMESTIC PRODUCTION, 1979-83

	Current IS million					Real annual change, percent ^a			
	1979	1980	1981	1982	1983	1980	1981	1982	1983
Taxes	5,886	13,551	28,504	64,940	176,893	-0.3	-3.0	3.4	10.9
On economic activity	4,492	10,194	21,410	51,715	144,857	-1.8	-3.1	9.6	14.0
VAT	2,271	5,326	12,401	33,074	95,687	1.5	7.4	21.0	17.8
Purchase tax	562	985	2,135	3,558	9,317	-24.1	0.0	-24.4	6.6
Fuel tax	448	930	1,723	4,180	11,318	-10.1	-14.6	10.1	10.2
Employers' tax	726	1,900	3,095	6,604	17,950	13.2	-24.9	-3.2	10.6
Other ^b	485	1,053	2,056	4,299	10,585	-6.0	-10.0	-5.1	0.2
Property tax	349	801	1,316	2,504	7,080	-0.7	-24.3	-13.6	15.1
Municipal rates	447	1,008	2,889	6,297	14,711	5.4	22.5	-1.0	-5.0
Other taxes ^c	598	1,468	2,889	4,424	10,245	6.3	-9.2	-30.5	-5.7
Subsidies on domestic production	3,359	6,758	23,448	39,223	86,401	-12.9	60.0	-24.1	-10.3
Direct subsidies	1,511	2,845	15,919	24,726	56,793	-18.5	158.1	-29.5	-6.5
Loan subsidy ^d	1,848	3,913	7,529	14,497	29,608	-8.3	-11.3	-12.6	-16.9
Net direct taxes									
Total	4,375	10,706	12,585	40,214	120,000	5.9	-45.8	45.0	21.6
Total net of loan subsidy	2,527	6,793	5,056	25,717	90,492	16.4	-65.7	130.8	43.3

^a Deflated by CPI (annual average).

^b Excise on tobacco and cement, stamp duty, miscellaneous fees and licenses, defense stamp.

^c Operating surplus of Post Office and ports and tax component of earmarked income.

^d See note c to Table V-1.

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

Table V-A6
TAXES, SUBSIDIES, AND TRANSFERS, 1968-83
 (Percent of GNP, at current prices)

	1968-72	1972-74	1975-77	1978-83	1979	1980	1981	1982	1983
Tax burden^a									
Definition A	24	24	24	24	26	24	19	24	26
Definition B	..	..	18	19	19	18	14	21	24
Taxes, subsidies and transfers									
Taxes and transfers from the public	38	43	48	48	49	47	46	50	51
Subsidies and transfers to the public ^b	14	19	24	22	20	20	25	24	23
Direct taxes and transfers									
Taxes and transfers from the public ^c	20	23	26	28	27	27	27	29	29
<i>thereof</i> Income tax	11	11	15	17	17	18	18	18	18
Transfers to the public ^b	9	13	16	17	16	17	17	17	17
Net direct taxes and transfers	11	10	10	11	11	10	10	12	12
Indirect taxes and subsidies									
Indirect taxes on domestic production	10	10	13	13	13	13	12	12	13
Subsidies	2	2	3	4	3	3	7	5	4
Direct credit subsidy ^d			1	2	2	2	3	2	2
Net indirect taxes	9	7	4	4	3	5	1	4	6
Net taxes on civilian foreign trade	4	6	5	5	5	2	3	5	6

^a The tax burden (definition A) is calculated as taxes *less* subsidies *less* net transfers to the public (excluding interest on the public debt); this is equal to absorption *less* public sector income from property and entrepreneurship *plus* interest on the public debt. Definition B is also net of the loan subsidy (see note c to Table V-1).

^b Excludes interest on the public debt.

^c Includes compulsory loans.

^d Net of loan subsidy (see note a).

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

Table V-A7
DIRECT TAXES, COMPULSORY LOANS, AND TRANSFERS, 1979-83

	Current IS million					Real annual change, percent ^a			
	1979	1980	1981	1982	1983	1980	1981	1982	1983
Direct taxes									
income tax	7,369	18,550	42,897	96,262	244,789	9.0	6.7	1.8	3.5
On wage income	3,136	8,288	18,820	42,102	112,957	14.4	4.7	1.5	9.2
On nonwage income	4,233	10,262	24,077	54,160	131,862	4.9	8.2	2.1	-0.9
Companies	1,854	3,616	8,428	17,535	38,713	-15.6	7.5	-5.6	-10.1
Self-employed	971	2,209	4,905	11,741	26,835	-1.6	2.4	8.6	-7.0
Company directors, coop. members	563	1,703	4,104	9,250	24,810	30.9	12.1	1.4	9.2
Deducted at source	844	2,734	6,604	15,635	41,475	40.2	11.4	7.4	8.0
National insurance	2,997	7,342	18,211	38,993	93,614	6.1	14.4	-2.8	-2.3
On wage income ^b	2,783	6,851	17,184	36,902	88,380	6.6	15.7	-2.5	-2.5
Self-employed	214	491	1,027	2,091	5,234	-0.6	-3.5	-7.6	1.9
Inventory surtax	36	64	29	72	745				
<i>subtotal: Direct taxes</i>	10,401	25,955	61,137	135,327	339,148	8.0	8.6	0.5	2.0
Compulsory loans	634	183	0	5,857	11,301				
Total direct taxes and compulsory loans	11,035	26,138	61,137	14,184	350,449	2.5	7.9	4.8	1.0
Transfers to the public									
To households	3,513	8,649	20,807	48,830	123,109	6.6	11.0	6.5	2.6
National Insurance Institute	2,342	5,845	14,927	34,617	87,048	8.0	17.8	5.2	2.4
Other	1,171	2,804	5,880	14,213	36,061	3.7	-3.3	9.7	3.3
To private nonprofit institutions	2,781	6,301	14,749	34,275	83,355	-1.9	8.0	5.5	-1.0
Current transfers	2,630	5,969	14,099	32,678	79,719	-1.8	8.9	5.2	-0.7
<i>thereof Employer contributions^c</i>	574	1,565	3,991	8,722	22,338	18.0	17.6	-0.8	4.3
Capital transfers	151	332	650	1,597	3,636	-4.8	-9.8	11.5	-7.3
Capital transfers to firms	436	1,202	3,156	7,244	15,078	19.4	21.1	4.2	-15.3
Interest on the public debt ^d	2,144	4,767	14,356	33,002	80,701	-3.8	38.9	4.3	-0.5
Redemption of compulsory loans	505	1,253	1,390	3,065	9,100	7.4	-48.8	0.1	20.9
Total transfers to the public	9,379	22,172	54,458	126,416	311,343	2.3	13.3	5.3	0.3

Transfers from the public									
From households ^a	226	488	1,242	2,646	5,772	-6.5	17.4	-3.3	-11.2
From private nonprofit institutions ^c	291	650	1,672	3,565	8,270	-3.3	18.6	-3.2	-5.6
Capital transfers ^f	367	765	1,400	9,266	25,152	-9.9	-15.6	200.4	10.5
Total transfers from the public	884	1,903	4,314	15,477	39,194	-6.9	4.6	62.8	3.1
Net transfers to the public									
Total	8,495	20,270	50,144	110,939	272,149	-3.3	14.1	0.4	-0.1
Excl. interest on the public debt	6,351	15,503	35,788	77,937	191,448	5.7	6.5	-1.2	0.0
Net direct taxes^g (public debt interest not netted out)	4,684	10,636	25,349	63,247	159,001	-1.7	9.9	13.2	2.3

^a Deflated by the CPI.

^b Including contributions on account of company directors' salaries.

^c Employer contributions to health insurance are collected by the National Insurance Institute and transferred by it to the Sick Funds.

^d Excludes government interest payments to the Bank of Israel.

^e Current transfers.

^f The 1983 figure includes the levy on sales of securities, estimated at IS13,400 million.

^g Including compulsory loans.

SOURCE: Central Bureau of Statistics, Ministry of Finance, and Bank of Israel.

Table VI-A1
BUSINESS SECTOR GDP AT FACTOR COST, 1960-83^a

	Agri- culture	Industry ^b	Transport and commu- nications	Public utilities	Construc- tion	Trade and services ^c	Total business sector
Industrial composition (percent)							
1960	10.0	20.9	11.0	3.6	18.7	35.8	100.0
1970	8.0	27.8	12.6	3.9	18.5	29.2	100.0
1983	10.5	27.4	13.4	4.2	12.7	31.7	100.0
Annual change percent							
1960-83	6.6	7.6	7.2	7.1	4.6	5.8	6.3
1960-65	6.7	13.4	10.3	10.2	11.2	4.6	8.9
1966-72	6.4	10.3	10.8	9.1	8.3	9.0	9.2
1973-78	6.6	5.1	4.8	5.1	-2.7	4.4	3.7
1979-83	6.6	1.5	2.4	3.6	2.1	4.2	3.1
1970	5.4	9.5	13.5	10.2	18.0	7.8	10.6
1971	10.3	10.5	14.7	9.9	14.0	12.5	12.2
1972	7.2	11.9	13.0	12.0	16.5	10.6	12.2
1973	-0.3	4.5	4.7	3.9	3.7	3.9	3.8
1974	10.1	5.1	4.3	4.2	2.8	3.6	4.4
1975	8.9	3.1	-1.6	4.9	3.8	0.3	2.3
1976	8.0	7.6	6.3	5.6	-11.5	3.9	2.6
1977	8.0	5.2	8.7	5.6	-13.6	4.0	2.4
1978	4.9	5.0	6.6	6.3	0.3	11.0	6.3
1979	2.4	3.4	5.9	5.4	8.6	6.8	5.5
1980	5.2	-2.3	-3.9	-1.3	3.6	-2.0	-0.9
1981	9.9	2.3	4.7	5.8	1.6	4.8	4.1
1982	10.8	0.2	-0.4	3.8	-1.4	4.6	2.4
1983	5.0	4.0	6.0	4.7	-1.4	6.9	4.6

^a At constant 1980 prices.

^b Including diamonds.

^c Estimated from the input-output tables for 1968/69, 1975/76, 1972/73, and 1977/78.

Table VI-A2
BUSINESS SECTOR PRODUCTIVITY, 1960-83^a
(Average annual change, percent)

	1960-65	1966-72	1972-78	1979-83	1960-83
Labor productivity^b					
Agriculture	8.2	8.6	8.3	8.4	8.4
Industry	6.3	6.6	4.6	0.3	4.6
Transport and communications	3.5	7.0	5.9	1.6	4.8
Construction	3.5	2.9	0.1	-1.3	1.4
Public utilities ^c	10.2	9.5	-2.2	2.8	5.0
Trade and services ^c	-0.2	6.2	2.9	1.0	2.8
Total business sector	4.2	6.4	3.6	1.2	4.0
Total business sector measured from expenditure side	..	6.3	2.5	0.8	..
Total productivity^d					
Agriculture	4.9	6.0	5.4	6.2	5.6
Industry	5.9	5.8	1.6	-1.4	3.1
Transport and communications	0.1	3.9	2.5	1.3	2.1
Construction	1.6	3.5	-2.0	-0.9	0.7
Public utilities ^c	4.7	6.4	-1.4	-0.2	2.5
Trade and services ^c	-4.9	3.2	0.4	0.3	-0.0
Total business sector	1.9	4.5	0.8	0.5	2.1

^a Product and capital input at 1980 prices.

^b Product per man-hour. The change in the number of man-hours in each industry is based on labor force data adjusted for classification changes during the period; includes employees from Judea-Samaria and the Gaza District. When measured by industrial production index data, the labor input (and hence the productivity) of industry (see Table VI-3) differs considerably from that shown here; although this is a more appropriate measurement, the labor force survey data are preferred here for the sake of consistency with the other sectors for which that is the only source.

^c Change in product calculated from input-output tables for 1968/69, 1972/73, 1975/76, and 1977/78.

^d Product per weighted factor input unit.

SOURCE: Central Bureau of Statistics.

Table VI-A3
PRODUCT AND EMPLOYMENT IN TRADE AND SERVICES, 1975-83
 (Percent)

	Composition		Annual change			
	1975	1983	1976-83	1981	1982	1983
Product (at 1977/78 prices)^a						
Wholesale and retail trade	48	49	5.2	1.6	4.8	7.7
Catering and hotels	7	6	4.1	3.1	-2.9	11.6
Business and legal services	16	16	4.3	7.1	2.7	6.3
Financial services						
Banking	5	7	9.4	13.5	20.8	2.7
Insurance	7	7	4.9	11.4	-2.8	5.2
Personal services	13	11	2.8	6.1	4.0	3.8
Garages	4	4	4.1	5.1	4.5	6.7
Commercial, health, and education services	..	..	4.9	7.5	7.7	8.6
Total ^b	100	100	4.9	4.8	4.5	6.8
Employed persons						
Wholesale and retail trade	38	36	3.0	1.9	3.7	9.2
Catering and hotels	11	10	2.8	4.6	3.0	8.4
Business and legal services	12	16	7.0	8.7	4.5	8.8
Financial services	15	18	6.7	14.5	2.8	7.3
Personal services	18	14	0.7	-1.0	5.5	-2.7
Garages	6	6	4.1	-11.7	10.9	0.9
Total ^b	100	100	3.8	3.8	4.4	6.3

^a Estimated from the 1977/78 input-output table (i.e., assuming fixed coefficients).

^b The sub-industry breakdown does not include commercial health and education services (which averaged around 6 percent of product during the period.)

Table VI-A4
CURRENT ACCOUNT OF AGRICULTURE, 1973-83^a
I. Product

	IS million		Percent change over preceding year					
	1982	1983	Quantity				Price	
			1973-78	1979-81	1982	1983	1982	1983
Total output	44,567	111,363	4.5	2.9	7.4	5.7	96.8	136.5
<i>less</i> Agricultural intermediates	3,691	9,821	0.0	2.7	2.4	17.6	111.9	126.2
Subtotal	40,876	101,542	5.0	2.8	7.9	4.6	95.5	137.5
<i>less</i> Purchased intermediates	20,745	49,352	3.4	1.6	3.3	4.2	103.0	128.3
<i>subtotal: Gross agricultural product</i>	20,131	52,190	6.3	4.8	12.6	5.0	88.3	146.9
<i>less</i> Depreciation	3,561	8,133	5.8	-0.7	-2.1	-2.8	123.1	135.0
Net agricultural product	16,570	44,057	6.6	5.8	15.6	6.7	82.2	149.2

II. Farm Incomes

	IS million		Percent nominal change over preceding year				
	1982	1983	1979	1980	1981	1982	1983
Net agricultural product	16,570	44,057	74	130	147	110.6	165.9
Drought and war damage compensation	137	450	3	142	20	332.8	228.4
Subtotal	16,707	44,507	71	133	146	111.5	166.4
<i>less</i> Compensation of employees	5,044	12,270	72	113	193	117.7	143.2
Total return to capital and own labor	11,663	32,237	71	139	133	109.0	176.4
Consumer Price Index			64	124	121	104.3 ^b	139.5 ^b

^a 1982 and 1983 at April prices (see also note a to Table VI-2).

^b April.

SOURCE: Central Bureau of Statistics.

Table VI-A5
AGRICULTURAL PRODUCTION, 1972-83^a

	Percent of total		Real annual change			
	1972	1983	1972-79	1980-81	1982	1983
Crops						
Field crops	11	14	5	12.4	-11.5	24.6
<i>thereof</i> Cotton	..	8	8	11.6	-8.4	6.2
Vegetables ^b	11	13	1	3.6	6.0	0.8
Noncitrus fruit	12	15	7	10.0	34.0	17.3
<i>thereof</i> Avocado	..	4	16	..	400.6	53.8
Flowers and miscellaneous ^c	2	4	25	5.9	11.1	-6.4
Subtotal	36	46	6	9.0	7.2	11.9
Citrus	23	12	1	-3.1	12.3	-9.8
Total crops	59	58	5	6.0	8.7	6.0
Livestock						
For meat	22	22	4	..	6.1	6.2
Milk	9	11	5	-0.5	6.4	4.1
Eggs and chicks	7	7	2	-4.0	14.6	0.2
Fish	3	2	2	-2.1	4.4	-11.9
Total livestock	41	42	4	-0.5	7.2	3.7
Total agricultural output ^d	100	100	4	3.4	8.1	5.1

^a See note a to Table VI-5.

^b Including potatoes and melons and pumpkins.

^c Seedlings, seeds, etc.

^d Excluding agricultural intermediates.

SOURCE: Central Bureau of Statistics.

Table VI-A6
AGRICULTURAL OUTPUT SUBSIDIES, 1971-83^a

	Total output subsidy	Livestock				Crops
		Total ^b	Eggs	Broilers	Milk	
Current IS million						
1982	5,663	5,509	842	1,792	2,871	154
1983	13,785	13,667	2,631	3,924	6,484	118
Subsidy rate, percent^c						
1971-77	7	16	17	12	33	1
1978	9	21	26	30	43	1
1979	9	24	33	19	55	1
1980	3	7	13	15	9	0
1981	8	20	20	31	40	0
1982	13	31	35	44	59	0
1983	11	34	45	38	60	0

^a Agricultural years ending September 30 of stated year. Subsidies on agricultural intermediates and drought and war damage compensation are not included.

^b Total includes "other livestock" (such as poultry other than broilers).

^c Subsidy rate at producer prices, i.e., subsidy/output in each branch. The monthly distribution of subsidies is assumed to be proportional to the monthly distribution of output for each product.

SOURCE: Central Bureau of Statistics and Ministry of Agriculture.

Table VI-A7
INDUSTRIAL CONSUMER AND PRODUCER GOODS, 1979-83

	Consumer goods			Producer durables		
	Total	Domestic production	Imports	Total	Domestic production	Imports
Real annual change, percent						
1979	9	2	28	27	27	27
1980	-9	-7	-13	-19	-7	-24
1981	24	16	47	9	5	11
1982	9	4	21	17	-2	25
1983	8	2	12	22	13	25
Percent of total						
1980	100	75	25	100	32	68
1983	100	64	36	100	24	76

Table VI-A8
CAPITAL AND EXPORTS IN INDUSTRY, SELECTED INDICATORS, 1970-83

	Human capital/ manday ^a	Percent of total			Exports, real annual change, percent 1975-83
		Civilian R&D outlay	Capital stock ^b		
			1981/82	1970		1983
Advanced Industries^c	19	89	34	51	14
Chemicals and oil products	17	12	13	15	12
Metals and machinery	16	9	14	19	10
Electrical and electronic machinery	23	47	3	11	18
Transport equipment	22	21	4	6	21
Traditional industries^c	13	11	66	49	8
Food	13	2	16	10	6
Textiles, clothing, and leather	13	0	17	10	6
Mining and quarrying	16	9	14	12	10
Other ^d	13		19	17	8
Total	16	100	100	100	11

^a In IS at 1971 prices. The stock of human capital is calculated on the basis of the cost incurred in attaining given educational levels.

^b End-of-year stock.

^c The industries have been classified as advanced or traditional according as their human capital per employed person exceeds or falls short of the average. Mining and quarrying is nevertheless classified as traditional since it is an extractive industry.

Table VI-A9
PUBLIC TRANSPORT SUBSIDIES, 1972-83

	Total ^a (current IS million)	Subsidy/revenue ratio, ^b revenue from		Percent annual change		
		Scheduled services	All services	Bus prices		Consumer Price Index
				Output	Input ^c	
1972	7 ^d	19	14			
1973	8 ^d	19	14	11	26	20
1974	20	38	26	39	48	40
1975	22	29	21	42	48	39
1976	48	47	32	29	27	31
1977	81	58	39	39	39	35
1978	160	84	53	33	56	51
1979	300	87	55	83	77	78
1980	506	49	35	200	144	131
1981	2,047	108	69	91	128	117
1982	4,233	92	61	119	119	120
1983	15,657	163	107	120	134	146

^a Does not include Ministry of Defense participation in servicemen's fares, but the amount is negligible.

^b Percent. The numerator is the total subsidy in both columns.

^c The 1972-79 figures do not include wages of cooperative members.

^d From September of preceding year to August of stated year.

SOURCE: Accountant-General, Ministry of Transport, and Central Bureau of Statistics.

Table VI-A10
INDICATORS OF ENERGY CONSUMPTION, 1978-83

	Energy/GDP ratio ^a			Price of energy ^b relative to CPI (1978=100)
	Total A	Total B	Gasoline consumption	
1978	75.4	70.2	7.7	100
1979	75.1	68.9	7.5	101
1980	73.3	65.3	7.0	132
1981	72.9	64.0	7.1	138
1982 ^c	75.1	68.0	7.6	147
1983	74.1	67.8	8.2	128

^a Energy/GDP ratio in ton oil equivalent (total energy) or tons (gasoline consumption) per million 1980 IS. Total A includes and total B excludes energy input to petrochemical industry and non-energy use of fuels.

^b Fuel products and electricity, excluding inputs (mainly heavy fuel) to electricity generation.

^c War year.

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

Table VI-A11
PRICE OF DWELLINGS AND PERCENT OF UNITS UNSOLD, 1979-83

	Percent change over preceding period				
	Dwelling prices	Dwelling prices relative to		Sales ^b	Percent of units unsold ^{b,c}
		Consumer Price Index ^a	Input price index ^a		
1979	144.4	35.8	29.4	-23.0	59.5
1980	93.9	-15.8	-15.1	13.6	61.1
1981	154.5	17.6	10.7	15.5	60.9
1982	121.8	0.4	2.1	-30.8	70.4
1983	147.2	1.7	6.3	-6.0	68.1
1982					
I	19.6	2.1	-2.4	-11.0	69.8
II	24.0	-0.3	2.1	-14.7	70.4
III	25.1	0.6	1.9	-2.9	71.0
IV	24.2	1.3	4.3	3.7	70.4
1983					
I	22.5	-1.1	0.9	14.8	65.0
II	..	..	..	-17.7	66.6
III ^d	42.2	6.8	1.0	8.8	68.9
IV	40.4	-6.4	2.6	-26.8	71.7

^a Adjusted to correspond to the dwelling price survey periods (i.e., the average index was calculated for each survey period).

^b Private sector. The data covers 21 towns until 1981 and 24 towns from 1982 (chained on 1981).

^c Percent of the supply of units in final stages of construction.

^d In 1983 the method of measuring dwelling prices was changed; as a result there are no second-quarter figures and the third-quarter figures cover 4½ months.

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

Table VI-A12
HOTELS, 1980-83^a

	Absolute figures		Percent annual change			
	1982	1983	1980-83	1981	1982	1983
Hotel rooms (thousands)	29.5	30.8	3.0	0.4	4.6	4.5
<i>thereof</i> Tourist hotels	26.1	27.2	2.5	1.5	2.2	4.2
Hotel beds (thousands)	56.2	59.4	2.3	-4.0	4.8	5.7
<i>thereof</i> Tourist hotels	50.2	53.2	2.3	-2.1	2.7	5.9
Bednights (thousands)	9,313	10,605	1.2	-1.7	-8.8	13.9
Tourists	5,709	6,337	-3.3	-5.2	-18.9	11.0
Israelis	3,603	4,268	10.5	7.0	13.5	18.4
Bednights, tourist hotels (thousands)	8,351	9,526	0.7	-2.4	-10.6	14.1
Tourists	5,390	5,992	-4.1	-6.2	-20.6	11.2
Israelis	2,961	3,534	12.7	9.0	15.8	19.4
Bed occupancy (percent)	45.4	48.9				
<i>thereof</i> Tourist hotels	45.6	49.1				
Employed persons, tourist hotels (thousands)	16.9	18.9	2.0	3.3	-4.1	11.3
Real output, tourist hotels (IS million) ^b			2	-4	-5	10 ^c
Input prices, tourist hotels			130	128	116	144
Expenditure per bednight, tourist hotels (\$) ^d						
All visitors			9	13	7	3
Tourists			8	12	9	0

^a Calculated from less rounded figures. Includes tourist hotels (i.e., hotels approved by the Ministry of Tourism), other hotels, and rest-houses.

^b Revenue of tourist hotels deflated by the recreation item of the CPI. This price index applies to the price of hotels for Israelis and it is assumed that the change in it also applies to the price for tourists.

^c Provisional.

^d Calculated from hotel revenues by grade of hotel (1979 weights).

SOURCE: Central Bureau of Statistics.

Table VII-A1
COMPOSITION OF IMPORTS BY FINAL USE, 1979-83^a
 (Percentages; imports in current dollar prices)

	1979	1980	1981	1982	1983
Total imports	100	100	100	100	100
Private consumption	25	24	26	25	26
Public consumption	17	19	21	16	13
Investment	14	11	11	12	14
Export	28	30	26	24	23
Inventory	1	-1	-3	0	0
Other	15	17	19	23	24

^a The calculations are based on the input-output table for 1977/78. "Other imports" include capital services and other factor payments to the rest of the world; since these consist mainly of repayments on account of existing loans, this import cannot be broken down by final use in a certain year.

SOURCE: Bank of Israel calculations.

Table VII-A2
DERIVED AND ACTUAL IMPORTED INTERMEDIATES, 1975-83^a

	Derived intermediate imports by final destination ^b						Actual imports of intermediates ^c
	Consumption		Fixed investment	Total domestic uses	Exports	Total uses	
	Private	Public					
Percent quantitative increase							
1976	2.0	-7.1	-9.7	-4.1	18.1	2.3	-7.6
1977	5.3	-7.9	-10.4	-0.9	14.6	4.2	5.9
1978	3.3	2.8	4.5	3.5	9.5	5.7	15.7
1979	3.1	-5.9	3.6	1.9	6.7	3.7	9.4
1980	-5.9	1.7	-8.5	-5.2	11.7	1.3	-14.2
1981	7.0	5.5	-0.7	5.4	9.8	7.3	17.9
1982	2.4	12.4	-3.4	3.0	1.1	2.1	4.5
1983	3.1	17.5	7.1	6.5	0.5	3.9	6.6
Percentage distribution ^d							
1975	34	22	16	72	28	100	
1979	35	11	14	60	40	100	
1983	32	13	12	57	43	100	

^a Excluding fuel and diamonds and including trade with Judea-Samaria and the Gaza Area.

^b Final uses of imported intermediates derived from the 1977/78 input-output table. Because of marked differences between the input-output and foreign trade definitions, only rates of change are presented here.

^c Foreign trade data.

^d Calculated from current-price dollar data.

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

Table VII-A3
COMMODITY IMPORTS (EXCL. DIRECT DEFENSE IMPORTS) BY ECONOMIC DESTINATION, 1980-83^a
(\$ million)

	1980	1981	1982	1983	Percent annual increase							
					Price				Quantity			
					1980	1981	1982	1983	1980	1981	1982	1983
Consumer goods	544	756	832	952	18.5	-8.2	-12.1	-5.1	-26.7	51.4	25.2	20.5
Thereof: Durables	189	305	359	456	4.0	-10.1	-5.2	-4.0	-22.2	80.1	24.2	32.4
Capital goods	969	1,037	1,295	1,705	7.3	-1.1	0.7	-0.8	-24.4	8.2	24.0	32.8
Thereof: Machinery, equipment, implements, and accessories	775	810	997	1,312	7.9	-0.8	2.6	0.2	-16.0	5.5	19.9	31.4
Production inputs	6,431	6,112	5,906	5,852	22.9	-2.8	-9.6	-5.5	-6.3	-2.2	6.9	4.8
Thereof:												
Fuel	2,116	2,043	1,914	1,608	44.6	2.9	-12.9	-8.6	4.1	-6.2	7.6	-8.1
Rough and polished diamonds (net)	1,120	529	572	782	9.3	-10.3	-8.5	-0.7	11.3	-47.3	18.1	37.8
Other	3,195	3,540	3,420	3,462	15.8	-4.6	-7.9	-5.0	-15.3	16.1	4.9	6.6
Goods n.e.s., less returned imports	-66	-58	-73	-139								
Total net commodity imports, foreign trade definition	7,878	7,847	7,960	8,370	20.4	-3.1	-8.5	-4.6	-11.5	2.8	10.9	10.2
Balance of payments adjustments	-325	-311	-284	-315								
Commodity imports from Judea-Samaria and Gaza Area	224	289	258	273	21.0	-4.2	-2.2	1.0	9.8	34.3	-8.4	4.7
Total net commodity imports, balance of payments definition	7,777	7,825	7,934	8,328	20.0	-3.7	-7.9	-4.3	-10.4	4.5	10.1	9.7
Thereof: Excl. fuel, diamonds, and Judea-Samaria and Gaza Area	4,317	4,964	5,190	5,665	14.3	-4.5	-6.9	-4.0	-20.3	20.4	12.3	13.7

^a Based on c.i.f. valuation of imports.

SOURCE: Central Bureau of Statistics.

Table VII-A4
INDUSTRIAL EXPORTS BY MAIN BRANCH, 1980-83^a
(\$ million)

	Percent annual increase											
					Price				Quantity			
	1980	1981	1982	1983	1980	1981	1982	1983	1980	1981	1982	1983
Mining and quarrying	159	194	189	216	51.3	5.9	-17.9	-1.8	2.6	15.9	18.5	16.7
Food, beverages, tobacco	298	339	343	316	11.2	1.2	-1.8	-4.8	4.7	12.4	3.0	-3.2
Textiles	153	110	92	97	12.5	-7.0	-3.0	-10.3	20.8	-22.9	-13.8	18.4
Clothing	313	277	255	243	3.3	-11.8	-3.2	-5.5	31.3	0.3	-5.1	1.2
Leather and its products	7	8	7	3	-1.1	0.0	0.0	0.0	25.5	16.7	-22.6	-50.8
Wood and wood products	43	28	23	21	15.0	-6.7	-3.3	-6.8	-0.9	-31.2	-14.5	-2.6
Paper and its products	15	8	6	6	34.5	14.2	-2.9	-11.9	17.1	-55.0	-13.3	1.1
Printing and publishing	21	21	20	23	34.5	14.2	-2.9	-11.9	-3.4	-14.9	-1.0	28.9
Rubber and plastic products	128	108	107	118	16.4	-9.8	-10.6	-7.2	18.7	-6.9	11.4	18.4
Chemical and oil products	723	736	647	644	15.1	-3.3	-7.9	-6.6	18.4	5.4	-4.6	6.6
Nonmetallic mineral products	16	17	14	15	18.8	0.5	-11.2	-10.2	35.5	5.7	-5.2	14.4
Basic metals	98	59	36	35	8.8	2.2	-6.9	-1.3	131.9	-41.1	-34.9	-1.6
Metal products	377	463	514	440	11.8	6.2	4.8	-2.1	6.5	15.7	5.8	-12.6
Machinery	91	117	111	99	6.4	-1.8	-0.9	-2.8	10.2	29.9	-3.6	-8.8
Electric and electronic equipment	287	387	461	539	16.5	-9.2	-2.1	-3.5	44.2	48.4	21.8	21.1
Transport equipment	398	513	436	282	10.1	-1.3	1.9	-3.8	-0.7	30.7	-16.6	-32.7
Miscellaneous	213	252	249	260	25.2	-3.9	-13.2	8.6	2.0	23.1	13.7	-3.9
Total excl. diamonds	3,340	3,637	3,510	3,357	14.1	-2.7	-3.8	-3.7	15.3	11.9	0.3	-0.7
Diamonds net	1,410	1,067	905	1,001	5.6	-6.5	-5.9	-2.8	9.0	-19.0	-9.9	13.8
Total industrial exports	4,750	4,704	4,415	4,358	10.9	-3.9	-4.3	-3.5	13.8	3.1	-1.9	2.3

^a Exports valued f.o.b.

SOURCE: Central Bureau of Statistics.

Table VII-A5
COMMODITY EXPORTS BY SECTOR, 1980-83^a

	1980	1981	1982	1983
\$ million, at current prices				
1. Agricultural exports	556	600	552	508
Citrus	231	246	186	167
Other	325	354	366	341
2. Industrial exports, excl. diamonds	3,341	3,637	3,510	3,357
Metal, machinery, and electronics	1,251	1,539	1,559	1,395
Other	2,090	2,098	1,951	1,962
3. Diamonds, net	1,409	1,067	905	1,001
4. Other exports	26	36	35	39
5. Returned exports	40	11	11	11
6. Net exports, foreign trade data	5,292	5,329	4,991	4,894
7. Balance of payments adjustments	-77	-90	-84	-68
8. Exports to Judea-Samaria and Gaza Area	584	668	653	685
9. Total net commodity exports, adjusted to balance of payments definitions	5,799	5,907	5,560	5,511
10. Total excl. diamonds and exports to Judea-Samaria and Gaza Area	3,806	4,171	4,003	3,826
Annual change, percent				
Price				
1. Agricultural exports	18.0	-6.6	-14.0	-2.7
Citrus	12.3	-7.1	-16.0	5.6
Other	22.2	-6.3	-12.9	-6.8
2. Industrial exports, excl. diamonds	14.1	-2.7	-3.8	-3.7
Metal, machinery, and electronics	11.3	-2.0	-0.2	-5.5
Other	16.0	-1.5	-6.3	-2.9
3. Diamonds, net	5.6	-6.5	-5.9	-2.8
6. Net exports, foreign trade data	11.7	-4.2	-5.5	-3.1
8. Exports to Judea-Samaria and Gaza Area	16.4	0.0	5.5	5.0
9. Total net commodity exports, adjusted to balance of payments definitions	12.4	-4.0	-4.2	-2.1
10. Total excl. diamonds and exports to Judea-Samaria and Gaza Area	14.7	-3.3	-5.4	-3.6
Quantity				
1. Agricultural exports	-15.3	15.5	7.1	-5.6
Citrus	-19.2	14.7	-10.0	-15.0
Other	-11.8	16.2	18.9	-0.2
2. Industrial exports, excl. diamonds	15.3	11.9	0.3	-0.7
Metal, machinery, and electronics	16.2	25.5	1.5	-5.3
Other	14.7	1.9	-0.7	3.6
3. Diamonds, net	9.0	-19.0	-9.9	13.8
6. Net exports, foreign trade data	9.8	5.1	-0.9	1.2
8. Exports to Judea-Samaria and Gaza Area	2.6	14.4	-7.3	-0.1
9. Total net commodity exports, adjusted to balance of payments definitions	8.4	6.0	-1.7	1.3
10. Total excl. diamonds and exports to Judea-Samaria and Gaza Area	8.9	13.3	1.4	-0.8

^a Based on f.o.b. valuation of exports.

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

Table VII-A6
SERVICES ACCOUNT, 1979-83
(\$ million)

	1979	1980	1981	1982	1983	Percent annual increase			
						1980	1981	1982	1983
Transport									
Import	958	1,053	1,098	1,089	1,100	9.9	4.2	-0.8	1.0
Export	1,166	1,380	1,428	1,291	1,256	18.4	3.5	-9.6	-2.7
Excl. freight charges ^a	892	1,087	1,095	957	917	21.9	0.7	-12.6	-4.2
Import surplus	-208	-327	-330	-202	-156				
Excl. freight charges ^a	65	-34	3	132	183				
Tourism									
Import	457	525	638	643	762	15.0	21.6	0.8	18.5
Export	792	896	970	886	1,022	13.2	8.2	-8.7	15.3
Import surplus	-335	-371	-332	-243	-260				
Insurance									
Import surplus	8	5	-19	4	1				
Government									
Import surplus	112	133	104	102	107				
Other services									
Import	334	374	594	786	886	11.9	59.0	32.3	12.7
Export	660	799	809	881	907	20.9	1.4	8.9	2.9
Import surplus	-326	-425	-215	-95	-21				
Total services, excl. capital services and Judea-Samaria and Gaza Area									
Import	1,914	2,133	2,473	2,669	2,897	11.5	16.0	7.9	8.6
Export	2,663	3,118	3,266	3,103	3,226	17.1	4.8	-5.0	4.0
Import surplus	-749	-985	-793	-434	-329				
Capital services									
Import	1,380	1,966	2,320	2,754	2,666	42.5	18.0	18.7	-3.2
Export	808	1,052	1,485	1,658	1,409	30.2	41.2	11.7	-15.1
Import surplus	572	914	835	1,096	1,257				
Services from Judea-Samaria and Gaza Area									
Import surplus	180	176	205	236	267				
Total services									
Import	3,556	4,397	5,119	5,783	5,968	23.7	16.4	13.0	3.2
Export	3,553	4,292	4,872	4,885	4,773	20.8	13.5	0.3	-2.3
Import surplus	3	105	247	898	1,195				
Excl. freight charges ^a	276	398	580	1232	1,534				

^a Exports of transport services include freight charges on imports in Israeli carriers (to correct for the fact that commodity imports are recorded c.i.f.); these freight charges are here deducted.

SOURCE: Central Bureau of Statistics.

Table VII-A7
IMPORT EXCHANGE RATES, 1975-83
 (IS/\$)

	1975	1976	1977	1978	1979	1980	1981	1982	1983 ^a
1. Representative exchange rate	0.63	0.79	1.05	1.7	2.5	5.1	11.4	24.3	56.2
2. Effective exchange rate									
Consumer goods									
Current consumption	0.87	1.40	1.74	2.5	3.5	7.1	14.1	32.7	84.3
Durables	1.51	2.05	2.61	4.1	6.1	12.5	25.1	54.2	127.5
Capital goods									
Machinery and equipment	0.79	1.01	1.31	2.0	3.0	5.7	13.1	27.7	63.5
Transport equipment ^b	1.23	1.64	2.22	3.7	4.7	8.1	23.8	47.2	109.0
Inputs for domestic production	0.71	0.94	1.24	1.9	2.9	5.6	12.4	27.6	64.1
Total commodity imports	0.76	0.99	1.31	2.0	3.1	5.8	13.2	29.7	69.3
3. Average rate of depreciation (%)									
At representative exchange rate		25	33	67	45	104	124	113	131
At effective exchange rate									
Consumer goods									
Current consumption		57	24	42	41	103	100	132	158
Durables		29	27	59	46	107	100	116	135 ^c
Capital goods									
Machinery and equipment		24	30	55	45	93	131	111	129
Transport equipment ^b		31	35	65	28	73	194	98	131
Inputs for domestic production		32	32	54	51	94	121	123	132
Total commodity imports		30	32	53	55	87	128	125	133

^a Provisional data.

^b Land transport equipment.

^c The relatively low average rate of depreciation is explained by the fact that the bulk of the import was concentrated in the first half of the year.

Table VII-A8
RELATIVE ISRAELI WHOLESALE PRICES, 1980-84/I
(Indexes: Jan. 1981=100)

	IS exchange rate		Relative Israeli prices ^a	
	Against the dollar	Against foreign currency basket ^b	Against U.S.A.	Against foreign currency basket countries
1980	64.9	67.2	99.3	103.3
1981	144.6	130.0	105.3	95.7
1982	307.2	255.8	102.8	89.0
1983	711.8	459.5	99.0	82.2
1981				
I	106.0	102.9	101.0	97.7
II	130.1	118.0	107.6	97.5
III	158.8	136.0	107.6	93.1
IV	183.8	162.9	104.5	94.4
1982				
I	221.0	190.9	104.8	92.7
II	270.7	229.8	103.4	91.0
III	341.3	281.0	103.5	88.5
IV	396.2	321.7	99.4	83.8
1983				
I	464.9	376.6	97.9	82.8
II	549.4	437.8	95.2	80.2
III	703.1	542.9	98.2	80.5
IV	1,129.8	861.2	104.5	85.3
1984				
I	1,653.7	1,252.4	103.9	84.4

^a The exchange rate of the sheqel multiplied by the index of wholesale prices abroad, divided by the Israeli wholesale price index of Israel's industrial output for the domestic market (excluding food and mining and quarrying).

^b Average of the representative rates of five currencies (U.S. dollar, German mark, pound sterling, Dutch guilder, and French franc), weighted by the composition of Israel's foreign trade.

SOURCE: IS exchange rate—Bank of Israel, *Main Israeli Economic Data*; inflation in the U.S. and foreign currency basket countries—IMF, *International Financial Statistics*; Israeli wholesale prices—Central Bureau of Statistics.

Table VII-A9
GEOGRAPHICAL DISTRIBUTION OF EXPORTS BY BRANCH, 1983
(Percentages)

	Common Market	EFTA	North America	Other countries	Unclas- sified	Total
Agricultural exports	62.6	24.1	1.8	11.5		100
Industrial exports, excl. diamonds	31.6	3.2	19.9	17.8	27.5	100
Food, beverages, tobacco	57.7	6.4	14.5	17.0	4.4	100
Textiles, clothing, leather	79.9	4.3	7.5	7.1	1.2	100
Wood, paper, printing, misc.	24.4	5.9	52.6	15.5	1.6	100
Mining, quarrying, non- metallic mineral products	17.9	0.7	20.0	61.4		100
Chemicals, rubber and plastic products	39.1	2.9	11.9	25.6	20.5	100
Basic metals, metal products, machinery	8.8	1.4	13.9	12.7	63.2	100
Electric and electronic equipment	21.7	2.8	33.5	23.1	18.9	100
Transport equipment	3.0	0.6	17.8	10.1	68.5	100

Table VII-A10
UNILATERAL TRANSFERS, 1978-83^a
(\$ million)

	1978	1979	1980	1981	1982	1983
Total	2,229	2,799	2,969	2,936	2,616	2,862
Private sector	921	1,091	1,136	1,147	1,063	948
Personal restitutions from W. Germany	406	440	468	436	434	384
Personal transfers in cash	459	572	603	533	543	546
Immigrants	281	211	257	231	232	227
Others	178	360	342	302	311	319
Personal transfers in kind	21	31	30	23	21	21
Transfers of nonprofit institutions	110	138	109	262	173	148
Personal transfers to abroad	75	90	74	107	108	151
Public sector	1,308	1,708	1,833	1,789	1,553	1,914
Transfers of the National Institutions	310	309	338	437	355	359
Institutional transfers in kind	3	6	3	0	0	0
Intergovernmental transfers ^b	995	1,393	1,492	1,352	1,198	1,555

^a The discrepancies between the data in this table and those in Table VII-2 are due to rounding.

^b Excludes Judea-Samaria and the Gaza Area.

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

Table VII-A11
FOREIGN INVESTMENT IN ISRAEL AND ISRAELI INVESTMENT
ABROAD, 1980-83
(\$ million)

	1980	1981	1982	1983	1983			
					I	II	III	IV
1. Foreign investment in Israel	-1	118	-19	789	254	231	198	106
In foreign currency								
Investments	150	139	-11	827	265	229	215	118
Investments repatriated	-202	-68	-50	-54	-14	-12	-15	-14
Net investments	-52	71	-61	773	251	217	200	105
In State of Israel Bonds	17	14	6	2	1	0	0	0
In kind	24	24	18	-7	-3	8	-8	-5
Reinvestment of profits	9	9	18	23	6	6	6	6
2. Israeli investment abroad	50	131	48	241	-2	106	82	55
Direct ^a	-7	89	44	-14	-11	62	-33	-32
Portfolio investment by private individuals	58	42	4	255	9	44	115	87
3. Net private foreign investment (1-2)	-51	-13	-67	548	256	125	116	51
4. Foreign bonds held by Israeli banks, net	97	113	24	6	-7	8	17	-12
5. Total net foreign investment in Israel (3-4)	-149	-127	-91	543	262	117	99	63

^a Includes investment in foreign shares by Israeli banks.

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

Table VII-A12
LONG- AND MEDIUM-TERM FOREIGN LOANS, 1979-83
(\$ million)

	1979	1980	1981	1982	1983	1983			
						I	II	III	IV
1. Loans received	2,096	2,307	2,435	2,375	2,555	699	716	597	543
a. Public sector	1,729	2,012	2,066	1,967	1,735	554	406	376	399
Thereof:									
State of Israel Bonds	414	434	525	557	491	123	111	106	151
U.S. government loans	1,142	1,366	1,111	1,083	1,032	376	262	164	230
b. Private nonfinancial sector	367	295	369	408	820	145	310	221	144
2. Loans repaid	839	958	1,161	1,081	933	191	262	197	283
a. Public sector	605	582	761	729	618	132	19	132	158
Thereof:									
State of Israel Bonds	334	281	441	399	339	86	86	84	83
U.S. government loans	204	215	205	177	156	32	48	32	44
b. Private nonfinancial sector	234	376	400	352	315	59	66	65	125
3. Net loans received	1,257	1,349	1,274	1,294	1,622	508	454	400	260
a. Public sector	1,124	1,430	1,305	1,238	1,117	422	210	244	241
Thereof:									
State of Israel Bonds	80	153	84	158	152	37	25	22	68
U.S. government loans	938	1,151	906	906	876	344	214	132	186
b. Private nonfinancial sector	133	-81	-31	56	505	86	244	156	19

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

Table VII-A13
PRIVATE SECTOR BALANCE OF PAYMENTS, 1980-83
(\$ million)

	1980	1981	1982	1983	1983			
					I	II	III	IV
1. Current account deficit, private sector	552	588	1,661	2,320	455	627	797	440
2. Private sector purchases of Bank of Israel reserves ^a	860	894	1,251	1,608	377	184	345	702
3. Derived capital import (1-2)	-308	-306	410	712	78	443	452	-262
4. Recorded capital import ^b	34	-19	797	1,219	162	496	409	152
a. Through banks	134	80	803	291	53	-55	178	115
b. Direct long-term	-132	-45	-10	1,053	342	369	272	70
c. Direct short-term	32	-54	4	-125	-233	182	-41	-33
5. Errors and omissions, private sector (3-4)	-342	-288	-387	-507	-84	-52	42	-414
6. Total errors and omissions	5	-228	112	250	29	581	-83	-277

^a Private sector transfers plus the change in Patach (nonresident deposits), deposits of foreign banks, and earmarked resident deposits. This item, as well as 4(a), has been adjusted for the banks' participation in the export funds.

^b Equal to the total capital import of banks and the private nonfinancial sector, less the banks' participation in the export funds.

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

Table VII-A14
U.S. GOVERNMENT AID AND DEFENSE IMPORTS, 1980-83
(\$ million)

	1980	1981	1982	1983
1. Grants	1,555	1,428	1,260	1,618
2. Long- and medium-term loans received	1,370	1,035	1,083	1,033
3. Long- and medium-term loans repaid	580	683	770	927
Principal	217	206	177	155
Interest	363	477	593	772
4. Total gross aid (1+2)	2,925	2,463	2,343	2,651
5. Total net aid (4-3)	2,345	1,780	1,573	1,724
6. Advances to U.S. manufacturers	-99	261	102	-665
7. Direct defense imports	1,664	2,168	1,552	1,028

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

Table VII-A15
FOREIGN EXCHANGE RESERVES HELD AT THE BANK OF ISRAEL, 1973-83
(\$ million)

End of period	Gross reserves (1)	Foreign bank deposits (2)	Patach deposits ^a (3)	Net reserves (1-2-3) (4)	Change in net reserves (5)
1973	1,771	0	113	1,658	1,658
1974	1,200	0	129	1,071	-587
1975	1,184	2	142	1,040	-31
1976	1,369	10	206	1,153	113
1977	1,571	10	202	1,359	206
1978	2,679	8	396	2,275	916
1979	3,119	13	519	2,587	312
1980	3,394	5	605	2,784	197
1981	3,542	4	691	2,847	63
1982	3,836	1	841	2,994	147
1983	3,694	0	821	2,873	-121
1983					
I	3,962	0	766	3,196	202
II	3,946	0	765	3,181	-15
III	3,765	0	811	2,954	-227
IV	3,694	0	821	2,873	-81

^a Deposits of foreign residents.

SOURCE: Bank of Israel.

Table VII-A16
CHANGES IN WORLD TRADE, 1968-83
(Percentages)

	Average 1968-78	1979	1980	1981	1982	1983
All goods—world (volume)	8.0 ^a	6.5	1.5	1.0	-2.5	2.0
Manufactures—world (volume)	7.5	5.5	4.5	2.0	-2.5	1.0 ^b
OECD imports (volume)		8.0	-1.25	-2.0	-0.5	3.25
OECD exports (volume)		5.5	4.0	2.25	-1.75	1.75
OECD imports (price, local currency)		19.0	22.0	11.0	4.75	1.75
OECD exports (price, local currency)		16.5	12.5	9.5	6.75	3.0
OPEC imports (volume)				26.0	5.25	-8.0
Non-OPEC developing countries' imports (volume)				5.7	-5.0	-0.75
Intra-OECD trade (volume)				-1.25	0.0	4.75

^a 1967-76.

^b Preliminary (probably understated).

SOURCE: OECD, *Economic Outlook*, December 1983; *NIER*, November 1983 ("Manufactures"); IMF data, March 1984 ("All goods").

Table VII-A17
SELECTED DATA ON DEVELOPING COUNTRIES, 1980-83

	1980	1981	1982	1983
1. GDP growth (%)				
Area weighted averages (includes oil exporters)				
Asia	5.4	5.1	4.5	6.5
Middle East	6.8	5.4	3.4	4.2
Western Hemisphere	6.1	0.2	-1.6	-2.3
Africa	4.5	2.9	0.3	-1.4
Main oil exporters	-2.0	-4.0	-4.3	-1.1
Nonoil developing countries—total	4.8	2.8	1.3	1.6
2. Current account financing—nonoil developing countries (\$ billion)				
a. Current account deficit	88	109	82	56
b. Financing of deficit				
(1) Aid and direct investment receipts	24	27	24	21
(2) Long-term credit from official sources	20	23	22	23
(3) IMF and monetary authority credit	4	7	8	10
(4) Use of reserves and arrears	-5	-2	11	-8
(5) Other net private borrowing (mainly bank credit)	61	71	36	20
Long-term	38	51	22	43
Short-term	22	20	14	-23
c. Errors and omissions (a-b) ^a	-16	-16	-19	-10

^a Mainly unrecorded capital outflows.

SOURCE: IMF.

Table VII-A18
ECONOMIC INDICATORS FOR INDUSTRIAL COUNTRIES, 1963-83

	U.S.A.	U.K.	West Germany	France	Italy	Japan	Four large European countries	Total OECD
GNP growth (%)								
1963-73 (average)	4.0	2.7	4.4	5.4	4.7	9.4	4.4	5.0
1973-77 (average)	3.0	1.8	2.3	3.4	-3.0	4.1	2.6	3.0
1981	1.9	-2.2	-0.2	0.3	-0.2	3.0	-0.5	1.2
1982	-1.9	2.0	-1.1	1.9	-0.3	3.0	0.5	-0.3
1983	3.3	2.9	1.3	0.6	-1.5	3.0	1.0	2.3
1st half	3.3	3.9	2.2	1.2	-1.1	1.7	1.6	2.3
2nd half	7.5	2.4	2.3	-1.0	-0.2	4.7	1.3	4.8
4th quarter-4th quarter	6.2	3.3	3.2	0.5	-0.6	3.6	2.0	4.0
Inflation rate (consumer price index), annual average								
1981	10.4	11.9	5.9	13.4	19.5	4.9	11.5	10.6
1982	6.1	8.6	5.3	11.8	16.6	2.7	9.8	7.8
1983								
Annual average ^a	4.0	6.0	3.0	9.2	14.8	1.5	7.5	5.5
During the year ^b	3.3	5.3	2.5	9.3	12.4	1.8	6.8	
Monetary growth (M1), nominal^c (4th quarter-4th quarter)								
1978-79	7.8	16.3	10.4	11.8	23.9	10.4	14.5	
1981	5.0(-4.2)	9.1	-1.6	15.4	8.4	9.3	7.2(-3.9)	
1982	8.5 (3.8)	12.2	6.2	13.1	16.6	6.0	10.9 (2.6)	
1983 ^d	9.4 (5.6)	11.8	8.2	10.0	16.2	4.7	11.4 (4.4)	

Change in govt. demand surplus (percent of GNP) ^c								
1982								
Actual	-2.9	0.8	0.4	-0.7	-0.3	-0.1	0.1	-1.5
Cyclically adjusted ^c	-1.3	1.8	1.8	0.2	1.1	0.1	1.3	-0.2
1983								
Actual	0.0	-0.7	0.4	-0.8	-0.1	0.7	-0.3	-0.1
Cyclically adjusted ^c	-0.5	-0.5	1.1	-0.2	1.5	1.1	0.5	-0.1
Unemployment rate ^f								
1970-79 (average)	6.0	4.4	2.4	3.7	6.2	1.7	3.8	4.3
1981	7.5	11.4	4.4	7.3	8.3	2.2	7.4	6.7
1982	9.5	12.8	6.1	8.0	8.9	2.4	8.6	8.2
1983								
1st quarter	10.2	13.6	7.1	8.0	9.6	2.6	9.3	8.9
4th quarter ^g	8.1	13.3	7.4	8.4	9.9	2.6	9.5	8.2

^a Implicit deflator for private consumption.

^b December-December change, except for U.S.A. (4th quarter-4th quarter).

^c Figures in parentheses are real growth rates (obtained by deflating by the consumer price index).

^d 12-month change to November or December; for Italy and Japan—3rd quarter-3rd quarter change.

^e Change in the public sector financial balance. The cyclically adjusted change indicates the policy stimulus (-).

^f The rates have been adjusted by the OECD to a common definition.

^g October rate for Italy; December rate for all others.

Table VII-A19
MONEY MARKET AND EURODOLLAR INTEREST RATES, 1977-83^a
(Percentages, average for period)

	Average 1977-80	1982			1983			
		II	III	IV	I	II	III	Nov.
1. Money market (short-term)								
U.S.A.	9.5	14.5	11.0	9.3	8.7	8.8	9.5	9.3
U.K.	10.4	12.6	10.7	9.3	10.5	9.7	9.3	9.0
W. Germany	6.1	9.3	8.9	7.2	5.7	5.4	5.7	6.2 ^b
Japan		7.3	7.4	7.2	6.9	6.7	6.8	6.4
Eurodollar (one-month deposit)	10.1	15.0	11.9	9.2	9.1	9.2	9.7	9.5
U.S. real rate ^c	-0.2	8.7	3.1	7.3	9.1	4.3	4.6	4.3
2. Long-term (government bond yields to maturity)								
U.S.A.	9.2	13.7	12.9	10.7	10.9	10.8	11.8	11.9
U.K.	13.0	13.7	12.3	10.8	11.4	10.5	10.9	10.6 ^b
W. Germany	7.0	9.0	9.0	8.1	7.5	7.7	8.2	8.1 ^b
U.S. real rate ^c	-0.5	8.0	4.8	8.6	11.3	6.2	6.8	6.8

^a Nominal rates unless otherwise stated.

^b October.

^c U.S. nominal rate deflated by the annual rate of consumer price change over the preceding period (seasonally adjusted).

SOURCE: IMF, *International Financial Statistics*, March 1984.

Table VII-A20
CHANGES IN OIL (OPEC) AND NONOIL COMMODITY PRICES, 1980-83
(Percent change in dollar prices unless otherwise stated)

	1980	1981	1982	1983
OPEC (weighted average)	68	13	-5	-12
Food	16	-18	-18	8
Agricultural raw materials	11	-13	-13	7
Metals and minerals	13	-12	-12	0
All nonoil commodities	15	-16	-15	6
All nonoil commodities in SDR prices	14	-8	-11	9
OPEC average official prices (in U.S. \$ per barrel)	31	36	33	29

SOURCE: *NIER*, various issues; covers principal commodity exports of developing (non-OECD) countries. Other sources give somewhat different estimates for similar categories.

Table VIII-A1
INDICATORS OF MONETARY DEVELOPMENTS, 1978-83
(Average balances in IS million)

	1978	1979	1980	1981	1982	1983
1. Narrow monetary base ^a	1,706	2,148	3,627	6,844	14,832	34,497
2. Unlinked liquid assets ^b	2,859	3,822	6,734	14,641	35,241	93,549
3. Liquid assets ^c	10,386	17,904	40,157	90,762	211,828	524,004
4. Liquid assets and bank shares	15,339	2,442	52,542	136,307	340,410	878,745
5. Total financial assets ^c	27,296	45,448	105,118	265,605	750,067	1,931,094
6. Bank credit (excl. oil) to private nonfinancial sector ^d	6,704	13,492	27,329	55,271	112,002	256,336
7. Medium- and long-term credit ^e	6,930	12,000	23,900	56,600	152,600	511,000
8. Net financial wealth of private nonfinancial sector	24,700	45,000	112,500	277,300	678,800	1,685,000

^a Source: Table VIII-A4.

^b Money (M1), time deposits, and CDs, as detailed in Table VIII-A10.

^c As detailed in Table VIII-A10.

^d As detailed in Table VIII-A21.

^e As detailed in Table VIII-A19.

^f As detailed in Table VIII-A16.

SOURCE: Bank of Israel calculations.

Table VIII-A2
MONEY CREATION AND ACTUAL RATE OF INFLATION, 1960-83
(Percent of GNP, except for col. 1; annual averages)

	Inflation rate during the period (%) (1)	Money creation (2)	(2) less interest on monetary base (3)	Inflationary depreciation of monetary base (4)	(4) less interest on monetary base (5)	Seigniorage from growth (6)	Change in monetary base, less growth requirements (2-4-6) (7)
1960-65	6	2.4	2.3	0.8	0.7	1.1	0.5
1966-72	7	3.0	2.8	0.9	0.7	1.2	0.9
1973-76	36	2.1	1.7	3.2	2.9	0.4	-1.5
1977-80	84	2.1	1.7	3.0	2.6	0.2	-1.1
1981	102	2.1	1.5	1.7	1.2	0.1	0.3
1982	132	1.8	1.4	2.0	1.6	0	-0.2
1983	191	2.3	1.8	2.4	1.9	0	-0.1
Jan.-Sept.	87	1.6	0.9	2.1	1.4	0	-0.5
Oct.-Dec.	56	3.6	3.4	2.8	2.6	0	0.7

Table VIII-A3
MONEY SUPPLY AND UNLINKED DEPOSITS OF THE PUBLIC, 1981-83
 (Balances in IS million)

End of period	Money supply			Unlinked deposits			Total		
	Unadjusted for seasonality		Total (1+2)	Seasonally adjusted Total (4)	Negotiable certificates of deposit (5)	Time deposits in IS (Pazak) (6)	Deposits against liabilities in IS (7)	IS million (3+5+6+7) (8)	Percent increase over previous period (9)
	Currency held by the public (1)	Demand deposits (2)							
1981	4,392	8,102	12,494	12,358	5,854	671	1,638	20,657	116.5
1982	8,405	17,975	26,380	26,119	19,388	10,338	2,059	58,165	181.6
1983	23,903	37,432	61,335	60,662	48,213	29,105	4,851	143,504	146.7
January	8,931	21,902	30,833	31,494	25,103	10,877	1,386	68,199	17.3
February	10,016	21,228	31,244	32,012	26,017	9,501	1,729	68,491	0.4
March	12,607	25,479	38,086	34,687	26,092	10,715	2,372	77,265	12.8
April	12,236	22,470	34,706	35,092	30,139	11,419	2,115	78,379	1.4
May	12,951	23,096	36,047	36,708	30,325	13,421	2,628	82,422	5.2
June	13,728	25,144	38,872	38,950	31,303	15,793	3,986	89,954	9.1
July	15,505	26,230	41,735	41,486	32,955	16,411	4,369	95,469	6.1
August	15,971	27,717	43,688	43,776	30,333	17,051	3,330	94,402	-1.1
September	17,616	27,498	45,114	44,057	33,951	19,229	2,931	101,225	7.2
October	18,843	34,012	52,855	54,869	36,251	14,850	3,896	107,852	6.5
November	21,271	31,150	52,421	53,387	36,538	21,024	5,448	115,430	7.0
December	23,903	37,432	61,335	60,662	48,213	29,105	4,851	143,504	24.3

SOURCE: Department of the Examiner of Banks, *Banking Statistics*; monthly balance sheet of the banking institutions, State Loans Administration.

Table VIII-A4
MONETARY BASE BY COMPONENT, 1981-83
 (Balances in IS million)

End of period	Currency held by the public (1)	Liquid assets of banking institutions (2)	Narrow monetary base (1+2) (3)	Liquidity exemptions (4)	Recognized liquidity deficiencies (5)	Broad monetary base (3+4+5) (6)	Percent increase in broad monetary base (7)
1981	4,392	5,237	9,629	1,221	62	10,912	109.6
1982	8,405	10,820	19,225	2,828	71	22,124	102.8
1983	23,903	26,976	50,879	2	155	51,036	130.7
January	8,931	18,976	27,907	2,701	87	30,694	38.7
February	10,016	18,397	28,413	2,666	90	31,168	1.5
March	12,607	19,693	32,300	2,493	107	34,899	12.0
April	12,236	19,967	32,203	3,567	178	35,948	3.0
May	12,951	19,387	32,338	3,568	144	36,051	0.3
June	13,728	24,734	38,462	4,491	184	43,137	19.7
July	15,505	20,539	36,044	5,601	232	41,876	-2.9
August	15,971	12,699	28,670	5,818	241	34,729	-17.1
September	17,616	15,215	32,831	5,844	242	38,917	12.1
October	18,843	23,228	42,071	7,381	330	49,782	27.9
November	21,271	10,576	31,847	7,856	131	39,834	-20.0
December	23,903	26,976	50,879	2	155	51,036	28.1

SOURCE: Liquid assets of banking institutions—monthly balance sheet of the banking institutions; liquidity exemptions and recognized deficiencies—monthly liquidity report of the banking institutions; currency held by the public—Department of the Examiner of Banks, *Banking Statistics*.

Table VIII-A5
EXTERNAL PUBLIC SECTOR AND BANK OF ISRAEL INJECTIONS AND LEAKAGE THROUGH
BALANCE OF PAYMENTS, 1980-83

	IS billion, at current prices				Percent of GNP ^a					
	1982	1983			1980	1981	1982	1983		
		Total	I-III	IV				Total	I-III	IV
1. Public sector										
a. Estimated public sector expenditure (purchases, payroll, transfer payments, subsidies)	287.2	707.5	457.1	250.3	51.0	54.4	53.5	52.0	52.8	50.7
b. Tax receipts	254.6	654.5	425.6	228.9	44.8	44.0	47.5	48.1	49.2	46.4
c. Public sector deficit, ^b less interest on domestic debt (a-b)	32.6	52.9	31.5	21.4	6.2	10.3	6.1	3.9	3.6	4.3
d. Credit granted to private sector ^c	19.3	38.9	28.6	10.3	4.4	3.3	3.6	2.8	3.3	2.1
e. Purchase of bank shares		54.1		54.1				4.0		10.9
f. Total external injection (c+d+e)	51.9	145.9	60.1	85.8	10.6	13.6	9.7	10.7	6.9	17.4
2. Bank of Israel										
a. Directed credit granted ^c (incl. transfer of export funds to commercial banks)	0.8	24.7	8.3	16.4	3.6	-0.3	0.2	1.8	1.0	3.3
b. Discount-window loans	1.8	30.1	9.9	20.1	-0.1	-0.1	0.3	2.2	1.1	4.1
c. Other factors	2.0	-1.0	8.0	-9.0	0.6	1.6	0.4	-0.1	0.9	-1.8
d. Total external injection (incl. transfer of export funds to commercial banks)	4.5	53.8	26.2	27.5	4.1	1.1	0.8	4.0	3.0	5.6
3. Balance of payments										
a. Private sector current account deficit	40.0	127.5	88.2	39.3	2.4	2.7	7.5	9.4	10.2	8.0
b. Private sector capital import (a-c)	30.3	29.4	51.8	-22.4	-1.8	2.7	5.7	2.2	6.0	-4.5
c. Leakage through balance of payments (=purchase of foreign currency by the public) ^d	9.6	98.1	36.4	61.7	4.3	-0.0	1.8	7.2	4.2	12.5

^a For each period the relative datum has been divided by the GNP for that period.

^b Deficit of the public sector (government and Jewish Agency), plus net credit granted by the government to the private sector.

^c Includes the subsidy component of such credit.

^d Excludes foreign currency purchased against increase in local residents' Patach deposits with the Bank of Israel.

Table VIII-A6

**SOURCES AND DISTRIBUTION OF NOMINAL INCREASE IN LIQUIDITY
GENERATED BY EXTERNAL INJECTIONS, 1979-83**

(IS billion, at current prices)

	1979	1980	1981	1982	1983
1. Sources of incremental domestic liquidity					
a. External public sector injection, excl. purchase of bank shares	3.8	10.9	32.9	51.9	91.8
(1) Incl. purchase of bank shares					145.9
b. External Bank of Israel injection	2.4	4.2	-5.4 ^a	13.0 ^a	53.8
c. Total external injection (a+b)	6.2	15.1	27.5	38.8	145.6
(1) Incl. purchase of bank shares					199.7
d. Leakage through balance of payments	2.4	4.4	-0.1 ^a	9.6 ^a	98.1
e. Total injection (c-d)	3.8	10.7	27.6	29.2	47.5
(1) Incl. purchase of bank shares					101.6
2. Distribution of incremental domestic liquidity					
f. Money creation (=change in money base)	0.3	2.2	5.1	9.6	31.7
g. Addition to linked liquid asset base	1.3	3.1	2.4	-5.3	73.9
(1) Foreign currency deposits ^b	1.4	2.0	7.3	1.0	88.8
(2) Tradable bonds	-0.1	1.2	-4.9	-6.3	-14.9
h. Addition to medium- and long-term asset base	2.4	5.3	20.1	24.9	-3.9
(1) Patam restitution deposits	0.2	0.6	1.7	5.2	10.3
(2) Savings schemes and social insurance funds ^c	2.2	4.8	18.4	19.7	-14.2
i. Purchase of bank shares					-54.1

^a The datum is downward-biased since it includes the transfer of export funds from the Bank of Israel to the commercial banks. An adjustment has to be made for the transfer in order to render the data for 1981 and 1982 comparable with those for other years. The magnitude of the adjustment appears in Table VIII-4, line 26.

^b Patam and Patach deposits of Israeli residents.

^c Net long-term government borrowing from the private sector, less the early redemption of State of Israel Bonds.

Table VIII-A7
SOURCES AND COMPONENTS OF CHANGE IN LIQUID ASSET BASE, 1983
 (IS million)

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1. Contribution of public sector to liquid assets (basic injection) ^a	1,610	714	8,572	-4,275	11,603	8,928	14,551	8,649	9,694	33,869	37,765	28,473
2. Contribution of Bank of Israel to liquid assets ^b	2,009	7,764	874	6,573	811	5,984	3,209	3,184	-2,745	12,753	5,166	-2,087
Directed Israeli currency credit	-101	465	-204	4,285	94	-89	3,466	205	122	4,697	1,774	9,305
Directed foreign currency credit	392	225	-746	158	116	-149	867	-229	-543	1,732	-388	-734
Credit to banks	-60	6,006	-308	3	0	1,001	-1,000	5,500	-1,209	10,099	-5,010	15,031
Other factors ^c	1,778	1,068	2,132	2,127	601	5,221	-124	-2,292	-1,115	-3,775	8,790	-25,689
3. Total exogenous injection (1+2)	3,619	8,478	9,446	2,298	12,414	14,912	17,760	11,833	6,949	46,222	42,931	26,386
4. Private sector sales or purchases (-) of foreign currency	5,177	-6,493	-10,485	-1,547	-3,411	-2,939	-11,077	-14,343	5,655	-38,180	-14,240	-9,689
5. Change in liquid asset base (3+4)	8,796	1,985	-1,039	751	9,003	11,973	6,683	-2,510	12,604	8,442	28,691	16,697
Change in narrow monetary base	8,681	506	3,887	-97	136	6,124	-2,418	-7,374	4,162	9,240	-10,225	19,033
Net increase in Patam demand and time deposits	2,424	1,651	-1,299	2,753	10,687	5,210	9,667	4,593	10,471	-1,950	38,133	2,977
Net purchase of bonds	-2,309	-172	-3,627	-1,905	-1,820	639	-566	271	-2,029	1,152	783	-5,313

^a The public sector injection as customarily defined, less net medium- and long-term borrowing from the public.

^b Exogenous Bank of Israel injection, less the injection or absorption through Patam restitution deposits.

^c Consists mainly of the absorption or injection through the Bank of Israel's income and expense accounts (such as interest paid on liquid assets in Israeli and foreign currency, fines for liquidity deficiencies, etc.), the absorption or injection through Patam restitution deposits, and discrepancies between the balance sheets of the commercial banks and that of the Bank of Israel.

SOURCE: Bank of Israel calculations.

Table VIII-A8
INDICATORS OF THE BANKING INSTITUTIONS' LIQUIDITY IN ISRAELI CURRENCY, 1980-83
 (IS million)

End of period	Required liquidity on ordinary deposits ^a	Required liquidity on CDs ^b	Required liquidity on other items ^c	Total gross required liquidity	Required liquidity less liquidity exemptions	End-of-month liquidity surplus or deficit (-) ^d	Average daily liquidity deficit	Deficit/gross required liquidity ^e (daily average) (%)	Deficit/net required liquidity (daily average) (%)
1980	2,865	406	499	3,771	3,107	-1,159	-473	-14.4	-18.2
1981	4,248	918	1,998	7,164	5,881	-1,500	310	5.4	7.0
1982	7,069	5,373	4,400	16,842	13,943	-3,043	1,265	8.0	9.8
1983	19,794	13,326	-183	32,937	32,780	-5,805	-15,786	-54.2	-58.4
January	8,262	6,619	5,764	20,645	17,857	399	-2,815	-16.8	-20.2
February	11,678	7,616	7,736	27,030	24,274	-4,245	-641	-2.9	-3.3
March	14,226	8,291	7,975	30,493	27,893	-8,239	-2,920	-11.0	-12.2
April	12,513	8,719	8,670	29,901	26,156	-6,199	-5,135	-17.8	-20.3
May	13,073	9,511	9,550	32,134	28,421	-9,832	-6,142	-20.0	-22.7
June	14,907	9,943	9,952	34,802	30,127	-5,745	-5,629	-17.8	-20.6
July	15,545	10,079	11,236	36,860	31,028	-10,633	-4,441	-13.1	-15.7
August	14,320	7,979	10,701	33,001	26,942	-11,985	-11,009	-32.1	-38.8
September	13,958	8,802	9,424	32,184	26,098	-11,252	-9,183	-28.2	-34.7
October	17,860	8,698	12,301	38,859	31,148	-6,410	-9,521	-28.7	-36.7
November	16,862	9,719	2,014	28,595	20,607	-20,674	-12,415	-38.2	-50.2
December	19,794	13,326	-183	32,937	32,780	-5,805	-15,786	-54.2	-58.4

^a Demand deposits and deposits against liabilities in Israeli currency.

^b Includes time deposits and such deposits withdrawn before maturity.

^c Includes savings, directed credit, and unutilized balance of earmarked deposits.

^d Liquidity deficits are the balance between liquid assets and the required liquidity net of liquidity exemptions. The liquid assets on which this table is based are from liquidity reports, and include certain adjustments which do not appear in the liquid assets data from the banking institutions' monthly balance sheet, which are presented in Table VIII-A6.

^e Gross required liquidity before deduction of liquidity exemptions and recognized liquidity deficiencies; the net required liquidity is after subtraction of these items.

SOURCE: Monthly liquidity report of the banking institutions and Department of the Examiner of Banks, *Banking Statistics*.

Table VIII-A9
LINKED ASSETS OF THE PUBLIC IN THE BANKING SYSTEM AND ITS BOND AND SHARE HOLDINGS, 1981-83
 (IS million)

End of period	Approved savings scheme deposits		Linked long- term deposits ^a	Foreign currency deposits (Patam) ^b		Tradable bonds ^c	Tradable shares ^d		Total linked assets (1+3+4+5 +6+7) (9)
	Total (1)	Principal (2)		Restitution (4)	Other (5)		Total (7)	Bank shares (8)	
1981	90,464	27,498	7,885	37,373	65,377	39,145	108,762	71,507	349,005
1982	233,947	61,520	18,176	84,159	142,835	84,354	533,533	228,964	1,097,004
1983	628,317	125,851	47,670	263,623	561,168	204,066	486,598	285,965	2,191,441
January	246,126	64,662	19,506	88,441	152,974	83,848	498,051	252,612	1,088,946
February	264,223	67,792	20,458	94,005	162,828	90,273	569,506	277,917	1,201,292
March	275,102	71,440	22,117	99,479	169,687	90,370	590,835	306,555	1,247,590
April	287,067	73,396	22,754	105,206	184,193	97,434	593,195	331,672	1,289,849
May	321,793	77,633	24,741	110,721	206,644	106,820	616,623	350,422	1,387,342
June	339,911	82,679	27,747	117,503	222,079	116,635	697,749	386,898	1,521,623
July	352,996	88,773	29,967	123,314	247,727	121,955	690,361	407,302	1,566,321
August	381,453	97,032	31,347	141,140	290,764	135,063	717,705	451,827	1,697,473
September	410,523	104,822	31,887	155,817	322,642	137,256	762,809	483,361	1,820,934
October	463,417	114,532	33,901	206,038	422,514	173,622	581,497	359,464	1,880,990
November	549,756	120,038	38,999	233,421	499,255	190,421	566,426	362,902	2,078,278
December	628,317	125,851	47,670	263,623	561,168	204,066	486,598	285,965	2,191,441

^a Includes linkage increments.

^b Includes valuation adjustments due to changes in the external value of the various currencies. The data can be translated into foreign currency terms by dividing by the relevant exchange rate. Includes nonresident deposits of local residents.

^c At market prices; excludes bonds held by the commercial banks and the Bank of Israel; includes bonds held by social insurance funds and other institutional investors. The figures here vary slightly from those in Table VIII-A10 because of a difference in the sources of data.

^d At market prices; includes shares held by commercial banks but not those held by the government.

SOURCE: Monthly balance sheet of the banking institutions and calculations of the Tel Aviv Stock Exchange.

Table VIII-A10
FINANCIAL ASSETS OF THE PUBLIC, 1980-83^a

End of period	Balances in IS billion		Percentage distribution					Percent real increase over previous period		
			1983					1983		
	1982	1983	1980	1981	1982	I-III	IV	1982	I-III	IV
1. Unlinked liquid assets	58.2	143.5	4	4	4	4	4	22	-7	-9
a. Money (M1) ^b	26.4	61.3	3	2	2	2	2	-9	-8	-13
b. Time deposits and CDs	31.8	82.2	1	2	2	2	2	68	-5	-6
2. Linked assets	233.0	779.4	22	20	15	17	21	-6	11	4
a. Patam deposits ^c	142.8	561.2	12	12	9	11	15	-6	21	12
b. Bonds ^d	90.2	218.2	10	8	6	6	6	-7	-5	-12
3. Total liquid assets	291.2	922.9	26	24	18	21	25	-2	7	2
4. Bank shares	229.0	286.0	10	13	14	17	8	38	13	-62
5. Total liquid assets and bank shares	520.2	1,208.8	36	37	32	38	33	13	10	-27
6. Nonbank shares	304.6	200.6	6	7	19	10	5	253	-51	-54
7. Medium-term assets	336.3	939.6	26	25	21	21	26	7	-5	1
a. Restitution deposits	84.2	263.6	8	7	5	6	7	-3	-1	9
b. Savings schemes and linked deposits	252.1	676.0	17	18	16	16	18	11	-6	-2
8. Long-term assets ^e	440.9	1,333.2	32	31	28	31	36	12	7	-3
9. Total financial assets	1,601.9	3,682.3	100	100	100	100	100	28	-6	-16
Thereof: In foreign currency	232.4	827.2	45	22	15	17	22	-15	11	11

^a In this table the "public" excludes the government, Bank of Israel, commercial banks, and the rest-of-the-world sector. 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 financial assets held by these institutions.

^b Currency and demand deposits.

^c The increase in Patam in 1982 may be overstated here because of the reclassification in December 1982 of foreign residents' deposits permitted to be held by certain categories of Israeli residents, which are included in Patam.

^d Total bonds issued to noninstitutional investors, less bonds in the Bank of Israel's and commercial banks' portfolio; includes tradable bonds of the type sold to the public and held by social insurance funds and other institutional investors.

^e Social insurance fund assets and life insurance reserve.

SOURCE: Bank of Israel calculations.

Table VIII-A11
FINANCIAL ASSET ACQUISITION BY THE PRIVATE NONFINANCIAL SECTOR, 1980-83
 (IS million, at current prices)

	1980	1981	1982	1983	1982		1983	
					1st half	2nd half	I-III	IV
Money (M1) ^{a,b}	3,462	5,488	13,888	34,955	5,884	8,004	18,734	16,221
Time deposits and CDs ^b	1,092	3,786	16,174	17,139	-630	16,804	3,217	13,922
Tradable bonds ^c	-1,182	-6,663	-9,270	-38,284	-4,419	-4,851	-12,788	-25,496
Foreign currency deposits ^d	343	547	-11,208	31,388	3,353	-14,561	29,353	2,035
Shares of financial concerns ^{c,e}	1,209	2,820	9,910	-58,040	-1,050	10,960	1,343	-59,383
Restitution deposits	-370	-861	-2,596	6,307	-371	-2,225	2,898	3,409
Linked and other deposits in financial institutions	611	1,856	1,372	3,349	795	577	2,661	688
Savings schemes ^f	1,888	10,969	17,093	-25,448	5,002	12,091	-14,248	-11,200
Social insurance funds	3,673	8,584	16,590	48,602	6,468	10,122	31,295	17,307
Life insurance	637	1,477	4,220	12,117	1,278	2,942	7,817	4,300
Total asset accumulation	11,363	28,003	56,173	32,085	16,310	39,863	70,282	-38,197

^a Currency and demand deposits.

^b The acquisition of money is estimated as the change in the balance during the period; the acquisition of time deposits and negotiable certificates of deposit is estimated as the change in the balances, less accrued interest after tax.

^c Transactions in tradable securities in the secondary market between the private nonfinancial sector and the system of financial intermediaries, in particular social insurance funds and the commercial banking system. Because of the difference in definition, the data are not identical with those for this item in Table VIII-2.

^d Demand deposits, time deposits, and nonresident deposits of Israeli residents.

^e Includes purchases of original-issue shares of the insurance, finance, and bank group, less dividends of the private nonfinancial sector.

^f Savings schemes administered by commercial banks and financial institutions.

SOURCE: Bank of Israel calculations.

GROWTH OF FINANCIAL ASSETS OF THE PUBLIC, 1979-83

(IS million)

	1979	1980	1981	1982	1983		
					Total	I-III	IV
1. Contribution of injections and financial intermediation							
a. Total injection ^a	3,922	10,722	27,612	29,193	47,533	49,902	-2,369
(1) Addition to liquid asset base ^b	1,559	5,383	7,515	4,260	105,546	51,271	54,275
(2) Purchase (-) of bank shares by the govt.	0	0	0	0	-54,096	0	-54,096
(3) Addition to medium- and long-term asset base	2,363	5,340	20,097	24,933	-3,917	-1,369	-2,548
b. Expansion generated by domestic financial intermediation	85	641	391	26,980	-15,448	20,380	-35,828
c. Purchase of assets by the public ^c	4,007	11,363	28,003	56,173	32,085	70,282	-38,197
(1) Liquid assets	1,248	3,715	3,158	9,584	45,198	38,516	6,682
(2) Shares of financial concerns ^c	-57	1,209	2,820	9,910	-58,040	1,343	-59,383
(3) Medium- and long-term assets	2,816	6,439	22,025	36,679	44,927	30,423	14,504
2. Contribution of asset revaluation							
d. Total revaluation ^d	38,495	123,983	256,749	789,577	2,183,288	1,198,510	984,778
(1) Liquid assets	10,030	28,580	68,808	145,396	559,442	234,960	324,482
(2) Shares of financial concerns	3,136	17,704	46,865	183,318	99,590	249,498	-149,908
(3) Medium- and long-term assets ^d	25,329	77,698	147,076	459,517	1,524,256	714,052	810,204
3. Total contribution (1c+2)							
e. Change in asset balances ^d	42,502	135,346	284,752	845,750	2,215,373	1,268,792	946,581
(1) Liquid assets	11,278	32,295	65,966	156,326	604,640	273,476	331,164
(2) Shares of financial concerns	3,079	18,913	49,685	193,228	41,550	250,841	-209,291
(3) Medium- and long-term assets ^d	28,145	84,137	169,101	496,196	1,569,183	744,475	824,708

^a Public sector and Bank of Israel injections, less leakage through the balance of payments (Table VIII-2, line 8).

^b Monetary base plus linked liquid asset base.

^c The data are upward-biased since they do not include shares sold by the public to affiliates that supported bank share prices; the sales are estimated at 4 percent of GNP.

^d As defined in Table VIII-A16, less compulsory loans and export credit.

Table VIII-A13
REAL RATES OF RETURN ON FINANCIAL ASSETS AND THEIR STANDARD DEVIATIONS, 1981-83
 (Percentages)

	Average monthly return during the period					Monthly standard deviation in last 12 months			
	1981	1982	1983			1981	1982	1983	
			Total	I-III	IV			Sept.	Dec.
Money (M1) ^a	-6.06	-7.25	-9.64	-8.10	14.26	1.55	0.99	2.82	3.97
Negotiable certificates of deposit ^b									
Before tax	-0.56	-2.26	-3.31	-2.52	-5.70	1.57	0.86	2.1	2.73
Less tax deducted at source ^c	-2.36	-2.65	-3.31	-2.52	-5.70	1.49	0.97	2.1	2.73
Patam deposits (U.S. \$)									
Demand	0.24	-0.58	0.66	-0.61	4.48	3.91	1.82	2.93	4.89
Time ^d	1.01	0.00	1.08	-0.21	4.93	3.98	1.91	2.95	4.91
Restitution time deposits (DM)	-0.48	-0.53	-0.11	-1.41	3.80	3.77	2.21	2.8	4.94
Indexed bonds	-0.69	0.02	-0.57	-0.91	0.45	2.42	2.46	4.53	4.68
Shares									
All shares	2.16	4.66	-8.58	-4.36	-21.24	7.46	4.41	13.91	10.67
Bank shares	2.50	2.14	-5.10	0.16	-20.90	5.27	2.74	3.54	11.48
Nonbank shares	2.25	7.88	-12.49	-7.63	-21.40	15.59	8.40	13.40	11.70

^a Currency held by the public and demand deposits.

^b The return varies considerably between customers.

^c Since August 1981 the at-source tax deduction is 15 percent; in the second half of 1982 the tax on interest received by individuals was abolished.

^d Less tax deducted at source.

SOURCE: Bank of Israel calculations.

Table VIII-A14

ESTIMATED CONVERSION OF PATAM RESTITUTION DEPOSITS, 1981-83

(IS million)

	Personal restitution		Currency valuation changes (3)	Total potential increase (1+2+3) (4)	Actual increase (5)	Converted into IS (4-5) (6)	Conversion rate (%)	
	receipts (1)	Accrued interest (2)					A ^a (6/4) (7)	B ^b (6/[1+2]) (8)
1981	4,780	2,676	15,971	23,427	17,739	5,688	24	76
1982	10,704	6,031	42,022	58,757	46,786	11,971	20	72
1983	20,870	9,486	162,872	193,228	179,464	13,764	7	45
January	1,341	590	2,782	4,713	4,283	430	9	22
February	1,302	368	5,594	7,263	5,563	1,700	23	102
March	1,423	1,083	4,690	7,197	5,474	1,723	24	69
April	1,304	572	4,485	6,361	5,728	633	10	34
May	1,469	347	4,048	5,864	5,514	349	6	19
June	1,569	828	6,053	8,450	6,782	1,668	20	70
July	1,297	641	3,448	5,387	5,811	-424	-8	-22
August	1,480	561	16,014	18,055	17,826	229	1	11
September	1,862	980	15,675	18,517	14,677	3,840	21	135
October	2,210	1,001	49,763	52,974	50,222	2,752	5	86
November	2,737	894	22,799	26,430	27,382	-952	-4	-26
December	2,878	1,621	27,520	32,019	30,202	1,816	6	40

^a This calculation assumes that the recipients treat currency valuation changes in the same manner as restitution and interest receipts.

^b This calculation assumes that the recipients treat currency valuation changes as capital gains on the deposits.

Table VIII-A15

VELOCITY OF DEMAND DEPOSITS AND MONETARY AGGREGATES, 1960-83

	Average turnover of demand deposits in IS ^a	Average turnover of Patam deposits ^b	Average annual velocity of monetary aggregates relative to domestic uses ^c		
			Money (M1) ^d	M1 and unlinked deposits	Total liquid assets ^e
1960	16.4		6.3		
1966	21.8		6.7		
1970	21.5		8.4		
1976	35.8		13.2		
1980	104.3		22.3	17.0	3.1
1981	161.0	12.3	27.1	18.3	3.4
1982	193.7	15.5	32.0	17.9	3.6
1983	222.2	13.4	38.4	17.4	3.7

^a Total debits to Israeli currency demand deposits in banks, divided by the average annual volume of such deposits.

^b Foreign currency deposits of local residents.

^c Total domestic uses excluding direct defense imports (as defined in Table II-1), divided by the annual average balance of the monetary aggregates.

^d Currency and demand deposits.

^e M1, tradable bonds held by the public, and Patam (which did not exist during most of 1977).

Table VIII
ESTIMATED WEALTH OF THE PRIVATE
 (IS million at current prices,

Assets	1980	1981	1982	1983
Short-term assets^a	81,924	197,575	547,129	1,193,319
Money (M1)	7,006	12,494	26,380	61,335
Time deposits and CDs	2,314	6,852	29,700	77,318
Foreign currency deposits	27,301	64,736	142,856	557,733
Tradable bonds	20,033	38,538	80,010	187,200
Shares of financial intermediaries	25,270	74,955	268,183	309,733
Medium-term financial assets^b	70,812	153,356	403,825	1,167,359
Earmarked deposits of the public	2,946	7,536	19,137	60,135
Savings schemes and linked long-term deposits	39,857	90,688	257,615	713,946
Patam restitution deposits	19,634	37,478	84,159	263,623
Exporters' customer credit	8,374	17,654	42,914	129,655
Long-term financial assets	88,826	198,263	509,329	1,536,310
Deposits in social insurance funds	68,931	157,703	410,100	1,243,400
Life insurance	5,095	12,160	30,760	89,840
Compulsory loans ^c	14,800	28,400	68,469	203,070
Tangible assets^d	364,111	841,776	1,971,960	6,216,174
Durables	37,422	89,986	211,402	820,857
Dwellings	134,639	338,105	795,234	2,349,805
Nonresidential structures and equipment	170,750	374,665	873,704	2,767,322
Inventories	12,300	39,020	91,619	278,190
Total assets	605,673	1,390,970	3,432,243	10,113,162

^a The differences between this item and the liquid assets item in Table VIII-A10 stem from the difference in the definition of "the public" and the "private nonfinancial sector" (see note a to Table VIII-A10). Time deposits and CDs consist of deposits in commercial banks and other financial institutions. Foreign currency deposits consist of demand and time deposits in the banking system, nonresident deposits of Israeli residents, Israeli residents' Patam deposits, and importers' deposits. Tradable bonds are total bonds issued to the public less bonds held by the Bank of Israel, commercial, investment, and mortgage banks, other financial institutions required to report to the Examiner of Banks, and insurance companies; they do not include dollar-linked bonds issued by the business sector. Shares of financial intermediaries consist of shares issued by commercial banks, mortgage banks, specialized financial institutions, and insurance companies.

VIII-A16

NONFINANCIAL SECTOR, 1980-83

(end-of-year data)

Liabilities	1980	1981	1982	1983
Short-term liabilities^c	40,441	81,990	197,797	502,242
Nondirected credit				
Israeli currency	8,680	19,066	64,767	141,934
Foreign currency	6,509	14,041	34,644	84,354
Directed credit				
Israeli currency	3,805	6,714	14,976	33,067
Foreign currency	16,284	28,749	52,251	150,804
Credit from abroad (supplier and direct)	5,163	13,420	31,159	92,083
Medium- and long-term liabilities^f	21,900	64,259	222,039	858,392
Total liabilities	62,341	146,249	419,836	1,360,634
Net wealth^g	543,331	1,244,721	3,012,407	8,752,529

^b The differences between this item and the corresponding items in Table VIII-A10 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.

^c Calculated by discounting the adjusted stream of repayments at a 5 percent interest rate (the interest on social insurance fund bonds). The present value of the Operation Peace for Galilee Loan is assumed to be equal to 25 percent of the adjusted value.

^d Revised data.

^e Nondirected Israeli currency credit comprises credit from the commercial banking system and short-term credit from 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 oil imports. Credit from abroad is granted by overseas branches of Israeli banks, suppliers, and others (excludes credit to local authorities).

^f The subsidy component of long-term Israeli 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.

^g Calculated as the difference between total assets and total liabilities of the private nonfinancial sector; includes the estimated subsidy component of long-term Israeli and foreign currency credit.

SOURCE: Bank of Israel calculations.

Table VIII-A17
SOURCES OF CHANGE IN THE PRIVATE NONFINANCIAL SECTOR'S FINANCIAL WEALTH, 1981-83
 (IS million, at current prices)

	1981	1982	1983	1982		1983	
				1st half	2nd half	1st half	2nd half
1. External injection generated by public sector domestic deficit ^a	24,168	29,741	40,607	14,937	14,804	-930	41,537
2. Private sector balance of payments deficit on current account	6,400	39,724	127,520	15,069	24,655	43,932	83,588
3. Flows of liabilities between the public and other sectors	10,235	66,157	122,999	16,442	49,716	92,559	30,440
a. Development and other credit from the public sector ^b	8,817	26,925	61,039	10,621	16,304	26,595	28,844
b. Bank of Israel external injection	-1,112	2,522	44,121	1,596	926	8,610	35,511
c. Credit from domestic sources of financial intermediaries, other factors, and unidentified sources ^c	9,137	20,284	-20,998	4,681	15,604	32,081	-47,480
d. Net flow of liabilities with the rest of the world ^d	-6,608	16,426	38,837	-456	16,882	25,273	13,564
4. Purchase of assets by the public (1-2+3)	28,003	56,175	36,085	16,310	39,865	47,697	-11,612
5. Revaluation of financial items in portfolio ^e	279,629	854,914	2,407,219	300,838	554,076	727,383	1,679,836
6. Total change in public's financial assets (4+5)	307,632	911,089	2,443,305	317,148	593,941	775,080	1,668,225
7. Revaluation of the public's liabilities ^e	73,673	207,429	817,799	67,750	139,679	141,489	676,310
8. Total change in the public's liabilities (3+7)	83,908	273,587	940,797	84,192	189,395	234,048	706,749
9. Change in public's financial wealth (6-8)	223,724	637,502	1,502,508	232,956	404,545	541,032	961,476

^a The difference between these figures and those presented in Table VIII-A5 for the external injection generated by the public sector deficit is due to a difference in the sources of data.

^b Includes net government credit to the private nonfinancial sector, less net long-term capital raised for local authorities and the National Institutions.

^c Includes other Bank of Israel income and expense accounts, items related to security and real estate transactions between the public and financial intermediaries, and errors and omissions.

^d Calculated as the difference between the import surplus of the private sector net of unilateral transfers and its net purchase of foreign currency.

^e Valuation changes during the period due to linkage and exchange rate differentials, variations in market prices of tradable assets, and changes in liabilities on account of long-term credit due to its subsidy component.

liabilities on account of long-term credit due to its subsidy component.

Table VIII-A18

NET FINANCIAL WEALTH OF THE PUBLIC IN FOREIGN CURRENCY AND ITS
SHARE IN TOTAL NET FINANCIAL WEALTH, 1970-83

(\$ million)

	Total foreign currency assets ^a (1)	Total foreign currency liabilities ^b (2)	Net financial wealth in foreign currency (1-2) (3)	(3) as a percent of total net financial wealth (4)
31.12.70	1,478	489	989	30
31.12.73	2,281	1,119	1,162	16
31.12.77	4,169	2,674	1,495	12
31.12.81	8,666	4,931	3,735	14
30.6.82	9,079	4,660	4,419	17
31.12.82	9,239	5,952	3,287	11
30.6.83	10,000	6,110	3,890	12
30.9.83	10,651	6,172	4,479	15
31.12.83				
Excl. bank shares	10,551	6,311	4,240	18
Incl. bank shares	12,611	6,311	6,300	27

^a Patam and Patach deposits of Israeli residents, dollar- or index-linked bonds, restitution deposits, dollar-linked saving schemes, and supplier credit to foreign customers.

^b Directed and nondirected credit in foreign currency (excl. that for oil imports), supplier and direct credit from abroad (excl. oil imports), and credit from earmarked foreign currency deposits. The data do not include part of the foreign currency credit granted to the public from mortgage and investment banks' own means, which is included in Israel's foreign currency liabilities.

Table VIII-A19
MAIN INDICATORS OF CREDIT GROWTH, 1979-83
 (IS billion, at current prices)

	1979	1980	1981	1982	1983			Percent real increase ^a		
					Total	1st half	2nd half	1981	1982	1983
1. Commercial bank credit, excl. oil—average balance ^b	12.5	25.9	52.7	105.9	238.9	189.7	288.1	-6.1	-8.8	-8.2
2. Gross long- and medium-term credit ^c	4.7	10.2	24.7	77.2	169.8	70.9	98.7	13.9	36.8	-4.7
a. To households	1.3	2.9	7.9	24.2	60.8	27.5	33.3	30.7	37.0	7.4
b. To business sector	3.3	6.9	16.2	51.8	105.8	42.2	63.6	6.0	41.0	-10.8
3. Long- and medium-term credit, less repayments	2.8	5.9	15.6	52.7	100.9	45.5	55.4	26.3	41.0	-11.9
4. Long- and medium-term credit—average balance ^d	12.0	23.9	56.6	152.6	511.0	341.9	680.2	9.2	22.3	36.3
5. Long- and medium-term credit—balance at end-of-period ^d	16.1	35.1	84.1	251.5	928.0	432.3	928.0	18.9	29.2	26.9

^a Deflated semiannually by the consumer price index.

^b Excludes credit to local authorities and the National Institutions.

^c Includes credit to the public through the National Institutions which cannot be classified by economic sector.

^d Before subtraction of subsidy component.

SOURCE: Bank of Israel calculations.

Table VIII-A20
OUTSTANDING CREDIT TO THE PUBLIC FROM THE BANKING SYSTEM, 1981-83
 (Balances in IS million, at current prices)

End of period	For financing exports					For financing domestic activities					Total credit to the public, excl. diamonds and oil (3+10) (11)	Total credit to the public (5+9) (12)
	Credit in Israeli currency (1)	Foreign currency credit, excl. diamonds (1+2) (2)	Total export credit, excl. diamonds (3)	Diamond Fund (4)	Total export credit (3+4) (5)	Nondi-directed Israeli currency credit (6)	Directed Israeli currency credit ^a (7)	Nondi-directed foreign currency credit ^b (8)	Total (6+7+8) (9)	Total, excl. oil (10)		
1981	6,275	16,750	23,025	12,001	35,025	19,619	435	33,625	53,679	36,500	59,524	88,704
1982	14,466	33,637	48,103	18,614	66,717	67,168	510	71,936	139,614	104,006	152,109	206,331
1983	32,337	102,745	135,083	48,059	183,142	134,251	980	175,198	310,430	214,778	349,860	493,571
January	13,817	37,422	51,240	19,428	70,667	73,240	527	74,893	148,661	109,197	160,436	219,328
February	13,633	40,016	53,649	20,149	73,798	74,709	542	74,944	150,195	110,906	164,555	223,994
March	12,687	40,626	53,313	20,627	73,940	80,894	588	75,815	157,297	117,891	171,205	231,237
April	18,237	42,167	60,405	22,234	82,639	79,890	664	80,881	161,435	119,039	179,444	244,074
May	18,217	44,560	62,776	23,128	85,904	84,039	674	85,550	170,264	127,584	190,361	256,168
June	17,881	45,975	63,856	23,336	87,192	93,239	696	87,525	181,460	139,107	202,963	268,651
July	22,321	49,029	71,350	25,122	96,472	92,390	744	92,859	185,993	138,499	209,848	282,464
August	23,263	55,487	78,750	27,723	106,474	95,740	787	106,317	202,844	148,244	226,994	309,318
September	23,368	59,918	83,285	30,591	113,877	112,018	841	114,367	227,226	168,590	251,875	341,103
October	29,513	79,573	109,087	39,566	148,653	123,784	872	144,358	269,014	195,791	304,878	417,667
November	31,420	90,110	121,530	43,485	165,015	119,304	932	160,649	280,885	198,665	320,196	445,900
December	32,337	102,745	135,083	48,059	183,142	134,251	980	175,198	310,430	214,778	349,860	493,571

^a Includes indexation increments.

^b Includes credit from Israeli bank branches abroad.

SOURCE: Monthly balance sheet and monthly liquidity report of the banking institutions.

Table VIII-A21
COMMERCIAL BANK CREDIT TO THE PUBLIC, 1982-83

	End-year balance (IS billion)		Percent increase over previous year						
			Dec. levels		Annual average	1982		1983	
	1982	1983	1982	1983	1983	1st half	2nd half	I-III	IV
Credit for financing domestic activities (excl. oil imports) ^a	104.0	214.8	185	107	142	54	85	62	27
Thereof:									
Overdraft facilities and excess drawings	35.8	76.0	258	112	112				
Linked credit in Israeli currency	17.8	37.0	151	108	108				
Other credit in Israeli currency	14.1	22.2	377	58	58				
Nondirected credit in foreign currency	36.3	79.5	121	119	120	33	66	53	43
Directed export credit	66.7	183.1	90	175	113	34	42	71	61
Excl. diamonds	48.1	135.1	109	181	127	38	51	73	62
Diamond Fund ^b	18.6	48.1	55	158	82	26	23	64	57
Credit for oil imports	35.6	95.7	107	169	107	39	49	65	63
Total bank credit, excl. diamonds and oil	152.1	349.9	156	130	136	48	73	66	39
Total bank credit, excl. oil	170.7	397.9	139	133	129	44	65	65	41
Total bank credit	206.3	493.6	133	139	125	43	62	65	45
Consumer price index			132	191	146	50	54	87	56

^a Includes linkage differentials on the linked portion of nondirected credit in Israeli currency and credit from Israeli bank offices abroad; also includes credit to local authorities, which amounted to IS5.5 billion at the end of 1982 and an estimated IS12 billion approximately at the end of 1983.

^b Includes doubtful accounts of diamond industrialists.

Table VIII-A22
OUTSTANDING ISRAELI CURRENCY CREDIT TO THE GOVERNMENT FROM THE BANKING SYSTEM, 1982-83
 (IS million)

End of period	From the Bank of Israel			From banking institutions ^c			Total net Israeli currency credit to the govt. (3+7) (8)	
	Credit to the govt. ^a (1)	Govt. and National Institution deposits ^b (2)	Net Bank of Israel credit (1-2) (3)	Credit to the govt. ^d (4)	Govt. securities ^e (5)	Less: Govt. deposits ^f (6)		Net credit from banking institutions (7)
1982	81,253	30,861	50,392	21,086	17,474	692	37,868	88,260
1983	423,240	141,966	281,274	38,566	54,321	1,471	91,416	372,690
January	66,790	25,995	40,795	21,375	19,361	599	40,137	80,932
February	67,599	25,602	41,997	22,141	19,197	636	40,702	82,699
March	58,079	22,232	35,847	22,335	18,218	902	39,651	75,498
April	72,139	25,870	46,269	23,086	16,961	771	39,276	85,545
May	82,411	25,869	56,542	23,788	19,766	702	42,852	99,394
June	102,248	25,957	76,291	24,983	21,074	1,003	45,054	121,345
July	106,465	19,083	87,382	26,158	22,561	950	47,769	135,151
August	102,430	3,182	99,248	29,564	28,462	1,210	56,816	156,064
September	140,596	9,258	131,338	31,134	29,188	1,088	59,234	190,572
October	184,127	-16,270	200,397	33,702	34,059	2,324	65,436	265,833
November	228,346	-28,715	257,061	35,010	48,163	1,286	81,887	338,948
December	423,240	141,966	281,274	38,566	54,321	1,471	91,416	372,690

^a Includes the monthly debits to the government's account for Bank of Israel profits transferred to the Ministry of Finance.

^b Includes the Bank of Israel's capital and the "other accounts" item in its balance sheet.

^c Excludes linkage differentials.

^d The big increase in such credit originated in linked long-term deposits of banking institutions with the Accountant General, which for the most part were placed against dollar-linked savings schemes.

^e Excludes treasury bills and Short-Term Loan certificates held by the banks.

^f The government's Israeli currency deposits, its participation in the working capital funds, and the difference between its deposits for loan purposes and the loans actually granted.

SOURCE: Bank of Israel balance sheet and the monthly balance sheet of the banking institutions.

Table VIII-A23
NOMINAL INTEREST RATES ON NONDIRECTED CREDIT AND CHANGES IN
CONSUMER PRICE INDEX AND EXCHANGE RATE, 1981-83

(Percentages, at monthly rates)

	Average effective interest on overdraft facilities in Israeli currency ^a	Interest on excess drawings on overdraft accounts	Interest on nondirected foreign currency credit in dollar terms ^b	Increase in consumer price index	Change in IS/\$ rate
1981					
I	8.8	10.5	2.5	5.9	5.5
II	8.6	10.3	2.5	5.5	9.6
III	8.7	10.3	2.6	6.0	4.8
IV	8.5	10.2	2.4	6.6	5.1
1982					
I	7.8	10.2	2.3	6.4	7.1
II	7.6	10.0	2.3	7.6	7.9
III	7.4	10.0	1.9	8.2	6.5
IV	7.5	10.0	1.5	6.8	5.0
1983					
I	7.5	10.0	1.3	6.7	5.6
II	7.9	10.4	1.6	7.4	6.3
III	8.9	11.7	1.6	7.5	10.3
October	10.9	12.1	1.6	21.1	31.5
November	12.0	13.4	1.7	15.2	14.2
December	12.3	14.2	1.9	11.6	12.7

^a The basic interest rate, commitment fees, and the higher interest charged for drawings in excess of approved ceilings.

^b The basic interest rate on dollar credits granted during the quarter for a three-month period, plus the interest charged by the Bank of Israel at monthly rates.

SOURCE: Bank of Israel.

Table VIII-A24
REAL COST OF CREDIT BEFORE AND AFTER TAX, 1981-83
 (Percentages, at annual rates)

	Before tax			After maximum tax deductions ^{a,b,c}		
	1981	1982	1983	1981	1982	1983
1. Nondirected short-term bank credit						
Overdraft accounts	34	5	-3	-16	2	-2
In Israeli currency, indexed ^b	7	7	7	-25	3	3
In foreign currency	43	20	36	-18	9	17
2. Directed credit						
In Israeli currency	-28	-38	-44	-43	-18	-20
In foreign currency	18	7	13	-22	3	6
3. Total short-term credit ^c						
Average cost	17	4	8.5	-24	2	3.9
Standard deviation	21.1	15.2	34.2	6.7	7.0	15.5
4. Long-term credit ^d						
Directed housing credit	-14	-10.9	-10.7			
Industrial development loans	-6	-2	0.5	-16	-2	-0.7

^a Assuming that interest on credit is recognized as an expense for tax purposes and that the tax rate was 60 percent in 1980-81 and 54 percent in 1982; for development loans the tax is assumed to be 30 percent. Until 1981 nominal interest was recognized as an expense for tax purposes, as were linkage differentials on development loans. Beginning in 1982, following the passage of the law for taxation under inflationary conditions, only real interest may be deducted for tax purposes—i.e. nominal interest deflated by the rise in prices.

^b Assuming a 100 percent annual inflation rate during the period of the loans.

^c Weighted average of the interest rates on the different components of short-term credit according to their share in the total.

^d Assuming an 80 percent average annual price rise during the period of the loans. The cost of such credit is estimated by weighting linked and unlinked loans actually granted.

SOURCE: Bank of Israel.

Table VIII-A25
FINANCIAL OPERATIONS OF THE PUBLIC SECTOR AND ITS ESTIMATED DEMAND SURPLUS, 1980-83
 (IS million, at current prices)

	1980	1981	1982	1983	1982		1983	
					1st half	2nd half	1st half	2nd half
1. Bond issues and receipt of earmarked and other deposits	10,844	29,004	55,740	131,153	23,417	32,323	40,400	90,753
2. Redemption of bonds and earmarked and other deposits	4,831	10,559	28,950	189,743	11,475	17,475	42,747	146,996
3. Net govt. borrowing from the public ^a (1-2)	6,013	18,445	26,790	-58,590	11,942	14,848	-2,347	56,243
4. Govt. credit to the private sector	5,726	11,522	36,387	78,084	12,450	23,937	35,347	42,737
5. Repayment of govt. credit to the private sector	1,207	2,843	10,884	20,232	2,384	8,500	9,139	11,093
6. Net govt. credit ^b (4-5)	4,519	8,679	25,503	57,852	10,066	15,437	26,208	31,644
7. Financial resources raised by the government (3-6)	1,494	9,766	1,287	-116,442	1,876	-589	-28,555	-87,887
8. Long-term resources raised by the local authorities and National Institutions ^c	-400	-138	-1,422	-3,187	-555	-867	-387	2,800
9. Total net long-term resources raised by the public sector (7+8)	1,094	9,628	-135	-119,629	1,321	-1,456	-28,942	-90,687
10. Public sector injection	4,916	17,235	34,036	160,236	15,125	18,911	28,012	132,224
11. Public sector injection generated other than through its domestic demand surplus ^d	812	2,695	4,160	0	1,509	2,651	0	0
12. Injection generated by public sector demand surplus ^e (9+10-11)	5,198	24,168	29,741	40,607	14,937	14,804	-930	41,537

^a Sale of tradable bonds, deposits, and nontradable bonds held against long- and medium-term savings.

^b Excludes credit to local authorities and repayments thereof; since 1982 includes credit granted for the purchase of savings schemes and repayments thereof.

^c Includes long-term credit inflows and outflows between local authorities and the National Institutions on the one hand and the private sector on the other; excludes changes in the Institutions' short-term credit balances.

^d Early redemption of Israel Bonds, which is included in the public sector injection until 1982 (line 10) and does not finance the government's real activity.

^e The difference between this estimate and the national accounts estimate in Chapter V is due to the inclusion of several financial items in the demand surplus as defined in the national accounts, as well as to advance payments; there is also a small difference between this estimate and that appearing in the text to this chapter and in Table VIII-A5, which is due to a difference in the sources of data and the inclusion of item (8) in this table.

SOURCE: Bank of Israel calculations.

Table VIII-B1
MARKET VALUE OF SECURITIES LISTED FOR TRADING ON THE TEL AVIV STOCK EXCHANGE, 1981-83^a

	Market value (IS billion)			Weight in total listed secur- ities at market value (%)			Percent real increase in market value		
	1981	1982	1983	1981	1982	1983	1981	1982	1983
A. Bonds									
1. Linked to and traded in foreign currency	5.36	16.00	56.89	3.1	2.3	5.8	12.2	28.9	22.3
2. Index-linked issued to the public ^b	55.06	129.03	358.67	31.9	18.7	36.4	-8.24	1.2	-4.4
3. Double-option (linked to the index or dollar)	3.3	7.33	20.88	1.9	1.1	2.1	-13.8	-4.1	-2.0
4. Estimated bonds not yet listed for trade ^c	0.03	0.00	0.00	0.0	0.0	0.0			
5. Total bonds	63.75	152.36	436.44	36.9	22.2	44.3	-8.3	3.2	-1.5
B. Shares and convertible securities									
6. Traded in Israeli currency	108.26	533.53	543.43	62.8	77.5	55.2	49.9	112.9	-65.0
7. Traded in foreign currency	0.54	2.09	4.57	0.3	0.3	0.5	-23.4	61.6	-24.8
8. Total shares and convertible securities	108.80	535.62	548.00	63.1	77.8	55.7	49.2	112.7	-64.8
C. Total securities	172.55	687.98	984.44	100.0	100.0	100.0	21.1	72.2	-50.8

^a Excludes securities not intended to be listed for trade, such as certain institutional bonds.

^b Excludes bonds issued to institutional investors; includes option-type loans (linked and unlinked).

^c The market value, calculated as the face value plus accrued linkage differentials and interest.

SOURCE: Tel Aviv Stock Exchange and Bank of Israel

Table VIII-B2
STOCK EXCHANGE TURNOVER, 1980-83

Year	Bonds					Shares and convertible securities			Total shares and convertible securities traded on and off the floor ^a	
	Total	Linked to consumer price index		Linked to exchange rate or traded in foreign currency	Double-option	Total shares	Commercial banks	Total securities	Total	Commercial banks
		Short-term	Medium- and long-term							
IS million										
1980	3,655	194	3,243	121	97	13,092	7,260	16,747	33,590	24,433
1981	10,619	49	10,157	267	146	48,000	29,229	58,619	134,087	85,958
1982	40,723	7,052	30,329	2,220	1,122	161,602	62,162	202,325	405,092	172,053
1983	105,299	14,753	77,196	8,370	4,980	245,659	143,824	350,958	630,560	337,801
Percent annual increase										
1981	190.5	-74.7	213.2	120.7	50.5	266.6	302.6	250.0	299.2	283.2
1982	283.5	14,291.8	198.6	731.5	668.5	236.6	112.7	245.2	202.1	100.2
1983	158.6	109.2	154.5	277.0	343.9	52.0	131.4	73.5	55.7	96.3
Weight in total stock exchange turnover (%)										
1980	21.6	1.1	19.2	0.7	0.6	78.2	43.4	100.0	39.0	32.4
1981	18.1	0.0	17.3	0.5	0.3	81.9	49.9	100.0	35.8	34.0
1982	20.1	3.5	15.0	1.1	0.6	79.9	30.7	100.0	39.9	36.1
1983	30.0	4.2	22.0	2.4	1.4	70.0	41.0	100.0	39.0	42.6

^a According to reports of Stock Exchange members; excludes convertible bonds.

SOURCE: Tel Aviv Stock Exchange.

Table VIII-B3
SECURITIES HELD BY THE PUBLIC, 1981-83^a

End of year	Market value (IS billion)			Percentage distribution			Percent real annual increase in market value		
	1981	1982	1983	1981	1982	1983	1981	1982	1983
Bonds									
1. Total tradable bonds	63.75	152.27	436.44	100.00	100.00	100.00	-8.3	3.2	-1.4
2. Bonds held by commercial banks	15.85	48.40	171.00	24.86	31.79	39.18	1.3	31.9	21.5
3. Bonds held by Bank of Israel	6.18	13.66	47.24	9.69	8.97	10.82	35.0	-4.5	19.0
4. Estimated holdings of the public ^a (1-2-3)	41.72	90.21	218.2	65.45	59.24	50.00	-15.4	-6.6	-16.8
Shares and convertible securities									
5. Total shares and convertible securities	108.80	535.62	548.00	100.00	100.00	100.00	49.2	111.7	-64.8
6. Shares and convertible securities held by banks	2.98	9.00	16.00	2.74	1.69	2.91	13.7	30.5	38.8
7. Shares held by the government	-	-	61.39	-	-	11.20	-	-	-
8. Estimated holdings of the public ^b (5-6-7)	105.82	526.62	470.61	97.26	98.31	85.89	50.4	114.9	-69.3
Total securities held by the public (4+8)	147.54	616.83	688.81	85.5	89.6	70.0	23.3	80.6	-61.6

^a This estimate is biased upward since some institutional investors hold bonds of the type issued to the public; includes investment through mutual funds.

^b Includes shares held by institutional investors.

SOURCE: Tel Aviv Stock Exchange and Bank of Israel.

Table VIII-B4
SECURITY ISSUES AND ESTIMATED NET BORROWING FROM THE PUBLIC, 1980-83
 (IS million, at current prices)

	Net borrowing through bonds								
	From the public ^a				Savings schemes (5)	Provident and pension funds and insurance companies (6)	Total net borrowing through bonds (4+5+6) (7)	Shares and convertible securities ^c (8)	Total net borrowing (9)
	Amount issued (1)	Amount redeemed (2)	Open-market operations ^b (3)	Net borrowing (1-2-3) (4)					
1980	3,399	2,182	-264	1,481	323	4,161	5,965	1,432	7,397
1981	1,625	3,430	1,539	-3,344	7,186	8,348	12,190	5,884	18,074
1982	5,209	5,788	-1,973	1,394	4,101	15,247	20,742	21,264	42,006
1983	9,374	13,822	-2,244	2,204	-39,136	27,426	-13,914	12,042	-1,872
January	752	283	808	-339	-1,641	1,141	-839	1,814	975
February	1,005	554	464	-13	-839	2,417	1,565	1,599	3,164
March	464	1,151	2,203	-2,890	-2,705	4,296	-1,299	1,983	684
April	187	1,552	-1,327	-38	-1,478	1,917	401	231	632
May	1,602	1,634	-1,569	1,537	-3,835	-409	-2,707	1,358	-1,349
June	467	991	834	-1,358	-2,695	628	-3,425	1,501	-1,924
July	397	1,186	-87	-702	-2,277	1,280	-1,699	2,039	340
August	824	923	-939	840	-240	2,506	3,106	194	3,300
September	261	1,169	-397	-511	-792	4,968	3,665	468	4,133
October	2,047	794	-2,193	3,446	-8,015	4,071	-498	162	-336
November	957	1,419	-3,040	2,578	-9,225	3,303	-3,344	0	-3,344
December	411	2,166	2,999	-4,754	-5,394	1,308	-8,840	693	-8,147

^a Includes bonds purchased through mutual funds.

^b Net purchases (+) by the Bank of Israel on and off the floor.

^c Where shares were issued by both the parent company and its subsidiary, only the parent company's issue is included.

SOURCE: State Loans Administration.

Table VIII-B5
MAIN SHARE MARKET INDICATORS, 1981-83
 (IS billion)

	1981	1982	1983		
			Total	1st half	2nd half
1. New issues ^a	51.7	70.6	26.4	20.3	6.1
Bank shares (%)	65	41	19.7	23.7	10.4
Other shares (%)	35	59	80.3	76.3	89.6
2. Market value, end of year ^a	731.9	1,556.5	548.0	1,348.2	548.0
Bank shares (%)	66	43	63.4	55.5	63.4
Other shares (%)	34	57	36.6	44.5	36.6
3. Stock exchange trade on and off the floor ^a	1,207.9	1,610.0	1,213.2	840.5	372.7
Bank shares (%)	64	38	51	50	54
Other shares (%)	36	62	49	50	46
4. Annual rate of turnover ^b	3.04	1.75	1.03	1.27	0.79
Bank shares	2.77	1.25	0.99	1.26	0.73
Other shares	3.64	2.36	1.08	1.33	0.83
5. Overall real rate of return (%)	25.3	71.0	-68.5	-18.9	-61.2
Bank shares	32.5	28.3	-51.4	9.3	-55.5
Other shares	14.3	140.2	-81.7	-39.7	-69.6

^a At December 1983 prices; new issues and trading volume have been deflated monthly.

^b 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.

SOURCE: Central Bureau of Statistics and Bank of Israel.

Table VIII-B6
MARKET VALUE OF EXISTING SHARES BY ISSUING GROUP AND NEW ISSUES OF SHARES AND
CONVERTIBLE SECURITIES, 1980-83^a
 (IS million)

	Market value of listed shares and convertible securities			Weight of group in total new issues of shares and convertible securities against cash (%) ^b					Weight of new issues in total market value of group's shares at beginning of year (%)
	Weight of group in total market value, end-1983	Percent real increase in market value of shares in 1983	IS million	1980	1981	1982	1983		
							%	IS million	
Commercial banks and bank holding companies	347,365	63.9	-47.8	70.3	64.7	44.8	24.4	2,473	0.8
Mortgage banks	19,429	3.6	-67.1	4.6	1.2	2.6	8.7	1,112	3.7
Specialized financial institutions	1,558	0.3	-88.4	1.6	1.7	0.6	0	0	0
Insurance companies	9,771	1.8	-84.0	5.7	1.7	4.7	5.1	645	2.6
Total financial sector	378,123	69.6	-52.7	82.2	69.3	52.7	38.2	4,230	1.1
Commerce and services	14,157	2.6	-80.8	2.6	0.5	4.0	8.8	1,115	2.7
Land, building, development, and citrus ^c	24,761	4.5	-85.4	4.7	6.6	10.3	18.7	1,691	2.0
Industry	81,504	15.0	-69.3	3.6	10.7	18.3	23.4	3,136	2.5
Investment and holding companies	44,886	8.3	-81.5	6.9	12.9	14.7	10.9	1,997	2.0
Total	543,431	100.0	-65.0	100.0	100.0	100.0	100.0	12,169	1.7

^a Excludes stock dividends, conversion of convertible bonds, issues not against cash, and existing shares listed for trade on the stock exchange.

^b In 1981-83 issues to the public do not include convertible bonds and the exercise of options.

^c Includes oil exploration companies.

SOURCE: Tel Aviv Stock Exchange and Bank of Israel.

Table VIII-B7
OVERALL RATE OF RETURN INDEX FOR LISTED ORDINARY AND PREFERRED SHARES, 1980-83
 (December 1982=100)

End of period	General stock exchange index	Finance and insurance						Industry	Commerce and services	Land, building, development
		Total	Commercial banks	Insurance companies	Mortgage banks	Specialized financial institutions	Investment companies			
1980	10.0	11.8	12.5	8.6	9.2	10.1	8.5	9.9	4.8	5.2
1981	25.4	31.0	33.4	15.7	18.8	21.1	17.0	22.3	16.0	13.5
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983										
I	104.1	132.4	128.6	68.2	104.0	77.2	98.1	67.0	60.3	85.3
II	120.0	166.5	162.6	65.5	145.1	80.4	112.7	66.9	52.4	71.7
III	130.8	204.2	202.5	51.5	173.6	83.9	96.7	58.2	42.1	59.9
IV	93.6	144.6	145.4	45.1	86.1	60.9	47.3	57.0	34.7	41.9
Real change in 1983 (%)										
December levels	-67.8	-50.3	-50.0	-84.5	-70.4	-79.0	-83.7	-80.4	-88.0	-85.6
Annual average ^a	-48.4	-21.0	-12.7	-73.8	-33.0	-60.4	-62.0	-65.5	-83.5	-71.7

^a Deflated monthly by the consumer price index.

SOURCE: Central Bureau of Statistics.

Table VIII-B8
REAL MONTHLY OVERALL RATE OF RETURN ON VARIOUS FINANCIAL
ASSETS, 1980-83

(Index: December 1981=100)

	Linked bonds	Shares and conver- tible securities		Foreign currency deposits ^a		Mutual funds
	Linked to consumer price index	Total	Commercial banks	German mark	Dollar	
1980	109.0	47.0	59.0	114.0	89.0	66.3
1981	100.0	58.5	78.0	106.8	100.0	68.6
1982	100.0	100.0	100.0	100.0	100.0	100.0
1983						
January	96.2	84.7	98.3	97.2	98.3	83.7
February	95.3	88.7	102.8	97.9	99.0	86.9
March	92.5	84.4	103.6	94.3	95.8	90.4
April	92.0	77.1	102.2	90.3	93.2	77.4
May	99.3	75.6	103.8	90.0	95.3	84.1
June	102.4	81.1	109.3	90.6	97.0	93.9
July	100.8	75.0	107.0	87.7	97.8	80.0
August	101.7	72.2	108.3	90.4	103.4	82.9
September	91.2	65.5	100.9	87.7	97.8	83.4
October	96.0	44.8	69.3	100.0	110.5	73.4
November	95.0	40.0	65.0	98.3	112.3	73.6
December	92.3	31.5	48.6	97.4	112.2	78.0
		Real overall rate of return (%)				
Jan.-June	2.4	-18.9	9.3	-9.4	-3.0	-6.1
July-Dec.	-9.9	-61.2	-55.5	7.5	15.7	-16.9
Jan.-Dec.	-7.7	-68.5	-51.4	-2.6	12.2	-22.0

^a Includes interest for a three-month period on Patam deposits, net of at-source tax deduction of 35 percent until September 1983 and 45 percent from October 1983.

SOURCE: Central Bureau of Statistics; foreign currency and mutual funds—Bank of Israel.

Table VIII-B9
MAIN BOND MARKET INDICATORS, 1981-83
 (IS billion)

	1981	1982	1983		
			Total	1st half	2nd half
1. Market value of listed bonds (end of period) ^a	436.2	443.0	436.4	450.1	436.4
Thereof:					
Held by the public (%)	65.5	59.2	50.0	56.7	50.0
Held by commercial banks (%)	24.9	31.8	39.2	30.9	39.2
2. Stock exchange bond trade (at current prices)	11.0	40.8	99.9	38.0	61.9
Bank of Israel intervention (%) ^b	37.6	73.3	65.7	67.3	64.7
3. Net issue of tradable bonds ^a	-28.5	2.6	-5.6	-7.5	1.9
4. Annual rate of turnover ^c	0.23	0.40	0.40	0.41	0.38
5. Overall real rate of return on indexed bonds (%)	-8.22	-0.3	-7.8	2.4	-9.9

^a At December 1983 prices. The rest of the bonds were held by the Bank of Israel.

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

^c The ratio between total stock exchange trade in bonds and the market value of the total stock of bonds; calculated as a monthly average over the year.

Table VIII-B10
AVERAGE REAL NET YIELD TO MATURITY OF INDEXED BONDS,
MONTHLY, 1983^a

(Percentages)

Percent indexation	100		
	80	100	
Years to maturity	1-2½	5-6	10
1982			
1st half (monthly average)	1.6	1.6	2.0
2nd half (monthly average)	1.8	1.7	1.8
1983			
January	2.2	3.2	2.8
February	1.9	3.8	3.3
March	3.0	6.1	3.6
April	3.5	4.0	3.6
May	2.1	4.3	3.4
June	3.5	3.8	3.2
July	2.8	3.1	3.1
August	3.5	2.0	2.1
September	2.2	1.6	1.9
October	3.0	2.4	2.5
November	0.0	2.5	2.8
December	1.8	3.0	3.2

^a The yields shown in this table are averages of end-of-week data for government bonds. The yields were calculated according to the actual price index, with an adjustment made for the loss of one monthly indexation increment on redemption. The rate of inflation at maturity is assumed to be the same for all bonds, viz. 80 percent.

Table VIII-B11
BANK OF ISRAEL OPERATIONS ON THE STOCK EXCHANGE, 1980-83
 (IS million)

	1980	1981	1982	1983		Total
				Jan.- June	July- Dec.	
Net purchases in the secondary market ^a	-232	-1,145	-4,628	-2,333	3,224	891
Total trade in bonds	348	3,995	29,878	26,389	42,747	69,136
Bank of Israel's share in total trade (%) ^b	9.5	37.6	73.3	67.3	64.7	65.7

^a Does not include off-the-floor transactions. Net purchases in Table VIII-B4 include redemptions and purchases of newly issued bonds for the Bank of Israel's portfolio, and so they differ from the data presented here.

^b The Bank of Israel's share in total trade indicates its intervention in the market. It is calculated by summing its purchases and sales and dividing by the total volume of stock exchange trade. The data are biased upward since they do not include off-the-floor transactions.

SOURCE: State Loans Administration

Table VIII-B12
MUTUAL FUND OPERATIONS, 1980-83

	1980	1981	1982	1983	
				1st half	2nd half
1. Mutual fund assets at end of period (IS billion, at December 1983 prices)	184.9	153.3	287.3	180.2	107.1
2. Net issues/mutual fund assets, at beginning of period (%)	20.8	-0.9	45.1	-18.0	-20.7
3. Mutual fund assets/tradable assets, at end of period (%) ^a	16.7	11.8	13.9	9.4	8.9
Bonds denominated in Israeli currency	39.9	37.0	40.9	41.0	33.5
Foreign currency assets (incl. securities)	6.5	4.2	6.1	6.8	5.0
Shares denominated in Israeli currency	8.6	6.2	11.4	5.2	4.0
4. Composition of mutual funds' portfolio at end of period (%) ^b	100.0	100.0	100.0	100.0	100.0
Bonds denominated in Israeli currency	66.6	62.0	33.3	47.5	58.1
Foreign currency assets (incl. securities)	11.7	9.1	7.0	13.5	21.7
Shares denominated in Israeli currency	21.7	28.9	59.7	39.0	20.2

^a Tradable assets consist of bonds held by the public, foreign currency deposits, and shares and convertible securities listed on the Tel Aviv Stock Exchange.

^b Excludes cash.

SOURCE: Bank of Israel calculations.

Table VIII-B13
ASSETS PORTFOLIO OF MUTUAL FUNDS AND THEIR OVERALL RATES OF RETURN, 1983

Classification of funds by specialization ^a	Composition of assets portfolio, 31.12.1983 (%) ^b			Market value of assets (end-year) (IS million)		Rate of return weighted by market value of funds, 1983 (%)			Standard deviation of real monthly rate of return, 1983 (%) ^c
	Indexed and option bonds	Foreign currency	Shares in Israeli currency			Jan.- June	July Dec.	Jan.- Dec.	
				1982	1983				
Indexed securities	83.5	5.3	11.2	23,132	47,251	46.5	70.7	150.0	6.5
Foreign currency	10.1	68.8	21.1	1,621	10,477	50.4	83.1	175.3	5.6
Shares	12.5	4.6	82.9	39,597	5,388	-2.5	13.5	10.7	28.4
Dual foreign currency-indexed	47.1	34.5	18.3	2,418	10,145	51.7	76.0	167.0	6.0
Dual shares-indexed	60.7	12.0	27.3	9,154	9,573	32.2	43.6	89.8	11.5
Dual shares-foreign currency	5.5	82.4	12.0	919	2,296	46.0	58.6	131.6	8.5
Mixed with guaranteed indexed	71.4	15.4	13.2	7,010	8,124	48.2	68.7	150.0	6.0
Mixed with guaranteed foreign currency	23.9	69.5	6.6	1,127	4,662	51.0	78.7	169.8	5.9
Mixed with guaranteed shares	38.3	26.2	35.6	1,401	1,729	26.6	27.2	61.0	17.0
Pure mix	35.5	29.9	34.6	5,048	5,108	41.2	49.1	110.5	10.5
Money market fund	37.5	13.9	48.6	7,736	2,357	19.1	33.3	58.8	27.1
Total funds	58.1	21.7	20.2	99,163	107,110	45.1	67.2	142.6	9.0

^a A speciality fund is one which invests at least 75 percent of its assets in a particular category. A dual fund is one where the weight of the two asset categories comes to at least 80 percent. A mixed fund is one which invests at least 50 percent of its assets in a particular category. A money market fund is one with no spread between its bid and ask price. A pure mix refers to those funds not included in the above classification. The classification here is based on the average composition of the funds' portfolios in the last 18 months.

^b Does not add up to 100 percent because of the omission of cash and rounding.

^c The standard deviation measures the risk associated with quarterly changes in the real return on mutual fund shares in the last 18 months. The data here are not comparable with the standard deviations of the returns on other financial assets which appear in Table VIII-A16, since they were calculated here as three-month moving averages and not on a monthly basis.

SOURCE: Bank of Israel calculations.

Table VIII-B14
BALANCE SHEET OF SOCIAL INSURANCE FUNDS, 1981-83^a
 (IS million)

	1981	1982	1983	Percentage distribution		
				1981	1982	1983
Assets						
Securities	149.7	390.6	1,187.7	94.9	95.2	95.5
Loans to members ^b	0.8	1.6	4.9	0.5	0.4	0.4
Deposits and loans to others	5.2	11.5	32.6	3.3	2.8	2.6
Fixed assets	0.5	2.3	7.4	0.3	0.6	0.6
Employers' debt	0.4	0.9	2.2	0.3	0.2	0.2
Accrued interest and indexation increments receivable and other current assets	1.1	3.2	8.6	0.7	0.8	0.7
Total assets	157.7	410.1	1,243.4	100.0	100.0	100.0
Liabilities						
Pension reserve	58.5	142.0	417.8	37.1	34.6	33.6
Provident and advanced study reserve	77.4	212.1	661.8	49.0	51.7	53.2
Severance pay, social benefit, and other reserves	14.6	35.6	105.4	9.3	8.7	8.5
Other reserves and undistributed profits	6.6	19.2	54.3	4.2	4.7	4.4
Current liabilities	0.6	1.2	4.1	0.4	0.3	0.3
Total liabilities	157.7	410.1	1,243.4	100.0	100.0	100.0

^a Linkage increments are included in the relevant balance sheet items.

^b Directly and through banks and financial institutions.

SOURCE: Central Bureau of Statistics.

Table VIII-B15^aFLOW OF SAVINGS IN SOCIAL INSURANCE FUNDS, 1981-83^a

(IS million)

	1981	1982	1983	Percent real annual increase ^b		
				1981	1982	1983
Deposits						
Pension funds	4,283	9,664	26,798	2.0	3.6	11.6
Provident funds	6,659	14,059	40,231	7.7	-3.7	15.2
Financial sector	5,408	11,685	33,731	7.5	-0.7	16.1
Histadrut and companies	1,251	2,374	6,500	8.3	-16.8	10.5
Severance pay funds	1,707	4,045	8,384	18.8	4.2	10.6
Other funds	2,510	7,052	19,265	40.9	22.2	15.8
Total	15,159	34,820	94,678	11.5	3.5	11.4
Payments to members and withdrawals						
Pension funds	3,184	7,181	17,604	16.0	1.5	3.4
Provident funds	2,094	6,792	17,577	30.2	52.3	2.6
Financial sector	1,761	5,258	15,241	38.2	44.4	11.6
Histadrut and companies	333	1,534	2,336	0.1	93.8	-32.7
Severance pay funds	566	2,270	4,333	-20.2	60.2	-17.0
Other funds	731	1,987	6,562	6.9	19.0	31.3
Total	6,575	18,230	46,076	14.2	24.9	3.8
Net accumulation						
Pension funds	1,099	2,483	9,194	-24.9	9.8	34.3
Provident funds	4,565	7,267	22,654	-0.2	-29.1	27.6
Financial sector	3,647	6,427	18,490	-2.7	-22.0	20.1
Histadrut and companies	918	840	4,164	11.7	-58.5	86.5
Severance pay funds	1,141	1,775	4,051	59.9	-25.2	-3.3
Other funds	1,779	5,065	12,703	63.1	23.6	9.4
Total	8,584	16,590	48,602	9.6	-12.9	19.8

^a The social insurance funds are classified according to function and not the institutional division used previously.

^b Deflated by the average semiannual change in the consumer price index.

SOURCE: Based on Central Bureau of Statistics data.

Table IX-A1
CHANGES IN MONETARY POLICY INSTRUMENTS, 1983

A. Liquidity Ratios

	Date of change	Liquidity ratio (%)
1. Required liquidity on sheqel deposits		
a. Ordinary deposits		
	29.7.82	35
	3.2.83	40
	17.2.83	50
	25.8.83	45
b. Time deposits		
	5.8.82	7-20
	3.2.83	10-23
	25.8.83	7-19
	17.11.83	2-4
	12.1.84	2-6
c. CDs		
	15.7.82	18
	3.2.83	21
	25.8.83	17
	17.11.83	4
d. Nondirected credit		
	18.11.82	5
	13.1.83	9
	3.2.83	10
	17.2.83	12
	22.9.83	9
2. Required liquidity on foreign currency deposits		
a. Patam demand deposits		
	18.11.82	95
	7.11.83	100
b. Patam time deposits		
	2.12.82	82
	30.6.83	87
	22.9.83	90
	7.11.83	93
	10.11.83	96
	14.11.83	98
	8.12.83	100
c. Patam restitution deposits		
	1982	100
	30.6.83	95
	22.12.83	100

Table IX-A1 (cont.)

B. Interest on Liquid Assets on Deposit with the Bank of Israel (%)

Date of change	1st interest rate step	2nd interest rate step	Liquidity surplus
At annual rates, quarterly payment			
5.8.82	0	70	80
3.2.83	0	72	80
24.2.83	0	73	80
9.6.83	0	78	85
18.8.83	0	88	95
At monthly rates, monthly payment			
16.2.84	0	9	10
23.2.84	0	11	12
29.3.84	0	15	16
5.4.84	0	15	17

C. Interest on Discount-Window Loans (%)

Date of change	Ordinary loans	Special loans	Special (B) loans	To individual banks
At annual rates, quarterly payment				
11.2.82	80			
9.6.83	85			
18.8.83	95			
18.9.83	95	170		
7.10.83	95	140		
13.12.83	95	140	170	
12.1.84	95	140	192	
At monthly rates, monthly payment				
1.2.84	7.4	10.5	14	
16.2.84	10.0	-	14	
23.2.84	12.5	-	14	17
29.3.84	16.5	-	18	21
5.4.84	17.5	-	19	22

D. Changes in Foreign Currency Credit Ceilings

1. On 2.12.82 the ceiling was reduced by 7.5 percent, which was then equivalent to about \$50 million.
2. On 13.1.83 the ceiling was reduced by approximately 9 percent, which was then equivalent to about \$50 million.
3. On 17.2.83 the ceiling was reduced by approximately 10 percent, then equivalent to about \$55 million.
4. On 23.2.84 the ceiling was reduced by 10 percent, then equivalent to about \$50 million.

Table IX-A2
BANK OF ISRAEL OPEN-MARKET OPERATIONS, 1981-83
 (IS million, at current prices)

	Net purchases (sales-) of govt. bonds on the Stock Exchange							Percent of total Stock Exchange bond trade ^a
	Index-linked				Double-option	Dollar-linked	Total	
	(3% int.) 100%	(7% int.) 80%	(4% int.) 90%	(4% int.) 100%				
1981	926	586	15	-115	-3	6	1,415	19
1982	-548	-1,763	-248	-1,479	-290	-299	-4,628	37
1983	401	-1,520	682	-282	531	-746	-934	34
January	612	-178	5	-114	126	-121	330	40
February	167	60	-28	-28	-50	40	161	30
March	695	1,113	34	145	29	-54	1,962	39
April	-110	1,449	-4	-80	34	-159	1,130	35
May	664	-2,259	76	-125	182	-139	-1,601	43
June	25	378	42	118	124	72	511	35
July	69	-218	68	38	-25	-191	-259	35
August	-57	-429	-32	-155	-115	-176	-964	32
September	232	717	23	203	219	-213	1,181	33
October	-1,302	-1,386	34	42	145	-6	-2,473	35
November	-2,702	-593	78	-339	-24	-102	-3,682	31
December	2,108	-174	386	16	134	303	2,773	33

^a Measured as half the sum of purchases and sales of government bonds, divided by total Stock Exchange trade in bonds.

Table IX-A3

**FUNDS RAISED BY THE BANK OF ISRAEL FOR FINANCING THE GOVERNMENT
BUDGET, BY SOURCE, 1982-83**

(IS million)

	1982	1983	Percent distribution in 1983	Percent increase in 1983
Original-issue tradable bonds	4,387	8,312	6.3	89
Savings schemes	12,639	34,854	26.6	175
Thereof: Through Bank of Israel bond issues	1,255	3,904	3.0	211
Provident funds	25,407	53,130	40.5	109
Thereof: Through Bank of Israel bond issues	4,456	13,790	10.5	209
Pension schemes	10,731	30,254	23.1	182
Thereof: Through Bank of Israel bond issues	298	639	0.5	114
Insurance companies (Bank of Israel bond issues)	2,262	4,571	3.5	102
Non earmarked deposits	345	37		-89
Total gross funds	55,771	131,158	100.0	135
Thereof: Through Bank of Israel bond issues	12,658	31,216	23.8	147
Total bond redemption	28,307	131,447		364
Total net funds	27,464	-290		

Table IX-A4

REDEMPTION OF COMPULSORY STATE LOANS, 1982-83^a

(IS million)

	1982			1983		
	Redemp- tion of principal	Interest and in- dexation incre- ments	Total	Redemp- tion of principal	Interest and in- dexation incre- ments	Total
Defense Loan, 1970-74	7.0	612.1	619.1	9.9	1,313.4	1,323.3
Savings Loan, 1970-79	72.7	1,557.2	1,629.9	106.6	4,852.8	4,959.4
War Loan, 1973-75 ^b	8.4	460.8	469.2	8.1	944.6	952.7
Cost-of-Living						
Allowance Loan	0.4	11.0	11.4	0.1	20.3	20.4
Absentees Property Loan	0.1	10.2	10.3	0.2	93.2	93.4

^a Includes late redemptions (until August 31, 1982 such payments carried interest of 102 percent p.a.; since then the interest is indexed).

^b Includes the Voluntary War Loan.

Table IX-A5
DIRECTED EXPORT CREDIT, 1982-83
 (IS million)

	1982		1983		Percent increase	
	End-year balance	Average balance	End-year balance	Average balance	End-year balance	Average balance
In Israeli currency						
Export production ^a	15,015	10,478	33,056	21,413	120.2	104.4
In foreign currency						
Imports for export production	6,723	5,678	19,712	10,573	193.2	86.2
Export shipments	20,637	15,045	66,206	36,444	220.8	142.2
Long- and medium-term export finance	5,352	3,300	18,426	9,448	244.3	186.3
Total, excl. Diamond Fund	32,712	24,023	104,344	56,465	219.0	135.0
Diamond Fund	16,222	13,444	34,282	22,215	111.3	65.2
Total foreign currency credit	48,934	37,467	138,626	78,680	183.3	110.0
Total credit from export funds	63,949	47,945	171,682	100,093	168.0	108.8
Foreign currency credit in dollar terms (\$ million)						
Imports for export production	204	234	184	188	-9.8	-19.7
Export shipments	628	620	618	648	-1.6	4.5
Long- and medium-term export finance and other credit	163	136	172	168	5.5	23.5
Total, excl. Diamond Fund	995	990	974	1,004	-2.1	1.4
Diamond Fund	493	554	320	395	-35.1	-28.7
Total foreign currency credit	1,488	1,544	1,294	1,399	-13.0	-9.4

^a Citrus, indirect exports, and export reorientation funds.

SOURCE: Liquidity report of the banking institutions.

Table IX-A6
STRUCTURE AND TERMS OF DIRECTED CREDIT FUNDS, 1982-83
(Percentages)

End of period	Sources of funds in 1982			Sources of funds in 1983		
	Commercial banks	Bank of Israel		Commercial banks	Bank of Israel	
		Liquidity exemptions	Rediscounts or loans		Liquidity exemptions	Rediscounts or loans
Export funds in foreign currency						
Imports for export production	100.0	-	-	100.0	-	-
Regular export shipments	100.0	-	-	100.0	-	-
Long- and medium-term export finance	-	-	100.0	-	-	100.0
Diamonds	100.0	-	-	100.0	-	-
Export funds in Israeli currency						
Export production ^a	5.5	19.5	75.0	-	-	100.0
Indirect exports	5.5	19.5	75.0	-	-	100.0
Export reorientation	30.0	-	70.0	30.0	-	70.0
Working capital funds in Israeli currency						
Assistance to agricultural settlements	40.0	-	60.0 ^b	40.0	-	60.0 ^b
Assistance to industrial enterprises	40.0	-	60.0 ^b	40.0	-	60.0 ^b

^a Includes the Citrus Fund.

^b From a Finance Ministry deposit with the Bank of Israel.

Table IX-A7
DIRECTED CREDIT FOR DOMESTIC PRODUCTION, 1982-83
 (IS million)

	1982		1983		Percent increase	
	End-year balance	Average balance	End-year balance	Average balance	End-year balance	Average balance
Industry and crafts	185	136	402	291	117.3	114.0
Assistance to agricultural settlements	164	158	372	302	126.8	91.1
Conversion loans to agriculture	50	110	103	117	106.0	6.4
Total directed credit for domestic production	399	404	877	710	119.8	75.8

SOURCE: Liquidity report of the banking institutions.

Table IX-A8
NUMBER OF BANKING CORPORATIONS UNDER BANK OF ISRAEL SUPERVISION, 1981-83^a

End of period	1981	1982	1983
Banks ^b	26	27	27
Foreign banks	1	1	1
Investment banks	2	2	1
Mortgage banks	15	15	15
Investment finance banks ^c	9	9	9
Financial institutions	11	11	8
Joint services companies ^d	2	2	1
Total	66	67	62

^a Classified in accordance with the Banking Law (Licensing), 5731-1981.

^b Excludes the Israel Bank of Agriculture, which has a bank license but operates mainly as an investment bank; includes the Bank of Palestine in Gaza.

^c Includes the Israel Bank of Agriculture.

^d Excludes two new banks whose establishment was approved but had not yet started operation on December 31, 1984.

Table IX-A9
BANKNOTES AND COINS IN CIRCULATION BY DENOMINATION, 1982-83^a

End of period	1982		1983	
	IS million	%	IS million	%
Banknotes				
Israeli pound series				
IL1 and IL½	0.3	-	0.3	-
IL5	2.4	-	2.4	-
IL10	6.1	-	6.0	-
IL50	8.4	-	8.3	-
IL100	12.7	-	12.7	-
IL500	15.4	-	14.0	-
Total	45.3	-	43.7	-
Sheqel series				
IS1	9.2	-	7.5	-
IS5	20.7	-	12.0	-
IS10	42.2	-	24.6	-
IS50	537.2	5	409.3	2
IS100	7,131.7	70	1,888.7	6
IS500	2,348.0	23	17,317.0	58
IS1,000	-	-	10,327.5	34
Total	10,089.0	100	29,986.6	100
Total banknotes	10,134.3	100	30,030.3	100
Trade coins				
Israeli pound series				
1-500 prutot	0.2	-	0.2	-
1 agora	0.3	-	0.3	-
5 agorot	0.9	-	0.9	-
10 agorot	3.1	-	3.1	-
25 agorot	0.9	-	0.9	-
IL½	2.3	-	2.3	-
IL1	7.3	-	7.2	-
IL5	5.0	-	4.9	-
Total	20.0	4	19.8	2
Sheqel series				
1 new agora	0.9	-	1.0	-
5 new agorot	2.7	-	2.9	-
10 new agorot	27.9	5	31.6	3
IS½	28.9	5	32.3	4
IS1	101.6	18	145.8	16
IS5	73.7	13	129.4	15
IS10	311.3	55	539.9	60
Total	547.0	96	882.9	98
Total trade coins	567.0	100	902.7	100
Total banknotes and trade coins	10,701.3		30,933.0	
Commemorative coins				
Israeli pound series	15.5		15.5	
Sheqel series	5.0		5.6	
Total	20.5		21.1	
Total banknotes and coins	10,721.8		30,954.1	

^a Includes Israeli pound banknotes still in circulation.

Table IX-A10
COMMEMORATIVE AND SPECIAL COINS ISSUED BY THE BANK OF ISRAEL,
1982/83 AND 1983/84 (UPDATE)

Coin	Mint	Issue	No. minted— previous figures	No. de- stroyed	Updated mintage
Independence Day coins					
1982/83 (Valour)	Stuttgart	B.U.	16,000	–	16,000
	Stuttgart	Proof	10,000	–	10,000
	Bern	Gold	5,000	1,000	4,000
Hanukka coins					
1983/84 (Hanukka lamp from Prague)	Paris	B.U.	15,000	–	15,000
	Bern	Proof	12,000	–	12,000
Special coins					
1982/83 (Herodion)	Munich	B.U.	12,000	–	12,000
	Munich	Proof	15,000	–	15,000
	Munich	Gold	5,000	–	5,000

Table IX-A11
NUMBER OF BANKNOTES AND TRADE COINS IN SHEQEL SERIES IN
CIRCULATION, END-1983
(In millions)

Banknotes		Trade coins	
Denomination	Number	Denomination	Number
IS 1	7.5	1 new agora	96.0
IS 5	2.4	5 new agorot	57.4
IS 10	2.5	10 new agorot	315.8
IS 50	8.2	IS½	64.5
IS 100	18.9	IS 1	145.8
IS 500	34.6	IS 5	25.9
IS 1,000	10.3	IS 10	54.0
Total	84.4	Total	759.4

Table IX-A12
NUMBER OF TRADE COINS MINTED FROM 1979/80 TO 1982/83
AND PLACE MINTED

Coin	Mint	1979/80	1980/81	1981/82	1982/83	Total
1 new agora	Canada	110,000,000 ^a	1,000,000			
	Stuttgart			1,000,000		112,000,000
5 new agorot	Canada	69,532,000	1,000,000			
	Stuttgart			5,000,000		75,532,000
10 new agorot	Canada	167,932,000				
	Stuttgart		123,000,000	23,000,000		
	France		90,000,000			
	Israel		28,160,000		2,500,000	
			241,160,000			364,392,000 ^b
IS½	Bern	52,308,000				
	France		15,296,000			
	Israel		37,976,000	18,808,484	250,000	
			53,272,000			124,638,484
IS1	France		99,000,000	15,850,000		
	Bern		15,570,000			
	Israel		39,970,000		26,360,200	
			154,540,000			196,750,200
IS5	Chile			18,000,000		
	France			12,000,000		
				30,000,000		
IS10	Israel				994,000	30,994,000
	Stuttgart			18,000,000		
	Israel			18,084,123	17,850,750	
				36,084,123		53,934,873

^a After 90 million coins were melted.

^b After 70.2 million coins were melted.

Table IX-A13
COINS WITHDRAWN FROM CIRCULATION AND MELTED, FEB. 22, 1980
TO DEC. 31, 1983^a

Denomination	Number in circulation on Feb. 22, 1980	Number in circulation on Dec. 31, 1983	Number withdrawn during the period
1 agora	312,642,438	310,012,620	2,629,818
5 agorot	209,070,574	184,205,964	24,864,610
10 agorot	389,336,445	306,354,587	82,981,858
25 agorot	47,734,537	37,076,937	10,657,599
IL½	75,462,990	45,916,537	29,546,453
IL1	151,203,315	72,384,981	78,818,334
IL5	30,597,362	9,781,290	20,816,072

^a Does not include special series (with small Star of David mintmark.)

**BANK OF
BALANCE SHEET AS
(Millions of**

	Notes	Dec. 31, 1983	Dec. 31, 1982
Foreign assets			
Gold, foreign exchange, and foreign securities		398,104	129,070
Other foreign assets		7,544	7,347
		405,648	136,417
Government debt			
Long-term debt	2	223,833	29,662
Provisional advances		199,406	51,675
		423,239	81,337
Loans			
In foreign currency	3	17,224	5,207
In local currency		65,378	13,148
		82,602	18,355
Securities			
Tradable	4	45,706	13,279
Nontradable		24,744	8,765
		70,450	22,044
Other accounts	5	19,736	5,634
		1,001,675	263,787

NOTE: The accompanying notes are an integral part of the financial statements.

ISRAEL
AT DECEMBER 31, 1983
 sheqalim)

	Notes	Dec. 31, 1983	Dec. 31, 1982
Banknotes and coins in circulation		30,954	10,722
Allocations of Special Drawing Rights	6	11,978	3,960
Foreign liabilities			
Liabilities to the IMF	7		1,011
Other liabilities	8	1,450	490
		1,450	1,501
Foreign currency deposits of the government and National Institutions		86,531	14,866
Foreign currency deposits of banking institutions in Israel			
Against resident deposits—restitution		259,383	84,122
Against resident deposits—other		427,503	86,371
Against nonresident deposits		88,499	28,306
		775,385	198,799
Deposits of banking and financial institutions in Israel		21,528	12,687
Other deposits	9	4,597	1,465
Other accounts	10	68,252	18,787
Capital and general reserve	11	1,000	1,000
		1,001,675	263,787

**STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED
DECEMBER 31, 1983**

(Millions of sheqalim)

	Notes	1983	1982
Income	13		
From investments abroad	14	301,564	79,933 ^a
From the government		230,306	35,800
From loans		17,669	16,069
From discount-window loans to banking institutions		11,170	2,576
From banking institutions in respect of deviations from Bank of Israel liquidity and other requirements		6,922	768
From securities	15	43,018	13,283
Other income		3,508	830 ^a
Total income		614,157	149,259
Expenses	13		
On foreign currency deposits of banking institutions in Israel		513,583	118,401
On local currency deposits of banking and financial institutions in Israel		6,762	1,916
On foreign currency deposits of the government and National Institutions		45,672	6,943
On other deposits and liabilities		13,879	4,674
Administrative and general expenses	16	2,117	937
Printing banknotes and minting coins		351	244
Total expenses		582,364	133,115
Excess of income over expenses		31,793	16,144
Transfer to the government—Net income	17	2,991	9,923

NOTE: The accompanying notes are an integral part of the financial statements.

^a Reclassified.

NOTES TO THE FINANCIAL STATEMENTS, DECEMBER 31, 1983

1. Accounting Policies

(a) *Income and Expenses*

Income and expenses are recorded on the accrual basis.

Accrued interest and income receivable are included in "Other accounts" (assets), except for accrued interest and linkage differentials on securities denominated in local currency, which are included in the balance sheet in "Securities". Accrued interest and expenses payable are included in "Other accounts" (liabilities).

(b) *Foreign Currency Accounts*

Assets and liabilities in foreign currency are translated into sheqalim at the representative rates published by the Bank of Israel. The representative rate for the U.S. dollar was IS107.77 on December 31, 1983 and IS33.65 on December 31, 1982. Special Drawing Rights (SDR) are translated into sheqalim on the basis of the SDR-U.S. dollar rate, i.e. IS112.62 per SDR on December 31, 1983 and IS37.23 on December 31, 1982.

(c) *Gold*

Gold is stated at the rate of SDR 35 per fine ounce.

(d) *Foreign Securities*

These are stated at their foreign currency cost (weighted average purchase price) or market value, whichever is lower, calculated separately for each type of security.

(e) *Securities Denominated in Local Currency*

These are stated in the balance sheet at their adjusted value (nominal value plus accrued interest and linkage differentials) or market value, whichever is lower, calculated separately for each type of security. Securities not quoted on the stock exchange are stated at their adjusted value. The adjusted value is calculated on the basis of the last consumer price index published before the balance sheet date.

(f) *Premises and Equipment*

Bank premises and equipment, included in "Other accounts" (assets), are stated at cost net of accumulated depreciation.

(g) *Participation in International Financial Institutions*

The participation is included in "Other accounts" (assets) and stated at cost. The cost includes amounts required to maintain the value of the participation in foreign currency terms, in accordance with the terms of the participation in the various institutions (for the participation in the IMF see note 7).

(h) *Employee Pensions and Severance Pay*

Provision for employee pensions and severance pay, actuarially computed and adjusted at the balance sheet date, is included in "Other accounts" (liabilities). Part of the domestic securities is held against the employee pensions and severance pay liability. Income from these securities is set off against the increase in this liability in the Statement of Income and Expenses, over and above the current provision.

2. Government Debt—Long-Term

This item consists mainly of (a) IS5,000 million linked to the basket of foreign currencies, bearing unlinked interest of 5 percent per annum and repayable in annual instalments over the years 1984–2005, with interest and linkage differentials payable on December 31 of each year (similar amount on December 31, 1982); (b) IS66,400 million, with both principal and interest at 8 percent per annum linked to the basket of foreign currencies and the principal repayable in annual instalments over the years 1987–2007 and interest and linkage differentials payable on December 31 of each year (IS23,500 million on December 31, 1982); (c) IS148,900 million, until March 31, 1984 bearing interest of 122 percent per annum payable on March 31, 1984, and from April 1, 1984 principal and interest at 8 percent per annum linked to the basket of foreign currencies, with the principal repayable in annual instalments over the years 1989–2008 and interest and linkage differentials payable on December 31 of each year (this item is in effect from December 30, 1983); and (d) U.S. \$33 million (same amount on December 31, 1982).

3. Loans in Foreign Currency

This item is presented net of IS32,385 million—the participation of banking institutions in the credit funds (net of IS15,630 million on December 31, 1982).

4. Securities

Tradable securities consist of government bonds, most of them linked to the consumer price index; their market value is IS47,126 million (IS13,667 million on December 31, 1982).

Nontradable securities consist mainly of compulsory government bonds purchased from firms in accordance with the Government Loans (Sundry Provisions) Law, 5738–1977.

5. Other Accounts (Assets)

This item consists mainly of (a) accrued interest and other accrued income; (b) participation in the following international financial institutions: International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), and Inter-American Development Bank (IDB); (c) premises and equipment net of accumulated depreciation.

6. Special Drawing Rights

Allocations of Special Drawing Rights totaled SDR 106 million (same amount on December 31, 1982). The item "Gold, foreign exchange, and foreign securities" includes IS438 million in SDR holdings in the IMF (IS20 million on December 31, 1982).

7. Liabilities to the IMF

The Bank's liability to the IMF on account of the Compensatory Financing Facility, amounting to SDR 27 million on December 31, 1982, was repaid in 1983.

Accounts with the IMF in the General Account are as follows:

	IS million		SDR million	
	Dec. 31, 1983	Dec. 31, 1982	Dec. 31, 1983	Dec. 31, 1982
Quota	50,296	11,447	447	308
Less: Liability	46,380	11,447	412	308
Reserve Position	3,916	0	35	0

The Reserve Position on December 31, 1983 is included in the item "Gold, foreign exchange, and foreign securities".

8. Other Foreign Liabilities

This item represents the liability to international financial institutions. (On December 31, 1982 this item consisted of a IS473 million liability to international financial institutions and IS17 million in foreign bank deposits.)

9. Other Deposits

These consist mainly of deposits of the U.S.-Israel Binational Industrial Research and Development Fund and a deposit of the U.S.-Israel Binational Science Fund.

10. Other Accounts (Liabilities)

This item consists mainly of (a) income from the government subject to matched timing (see note 17); (b) accrued interest, other accrued expenses, and amounts payable; and (c) provision for employee pensions and severance pay.

11. Capital and General Reserve

The Bank's capital at the balance sheet date was IS200 million, and the general reserve IS800 million (same amounts on December 31, 1982).

12. Contingent Liabilities

The contingent liabilities are as follows: (a) uncalled amounts on account of shares and participations subscribed to international financial institutions—IS15,895 million (IS4,567 million on December 31, 1982); (b) documentary credits—IS4,784 million (IS874 million on December 31, 1982); and (c) guarantees—IS2,206 million (IS128 million on December 31, 1982).

13. Exchange Rate Differentials

Income and expenses include differentials resulting from changes in the exchange rates of foreign currencies against the sheqel (see paragraphs 2a and 3a in the Explanatory Notes to the Statement of Income and Expenses for the Year 1983).

14. Income from Investments Abroad

In terms of U.S. dollars this amounted to \$299 million (\$366 million in 1982).

15. Income from Securities

This item does not include income from securities held against the employee pensions and severance pay liability (see note 1h), which covered part of the increase in the liability.

16. Administrative and General Expenses

This item, excluding prior years' expenses and adjusted for the average rise in the consumer price index, declined in 1983 by about 6 percent (in 1982 an increase of about 2 percent).

17. Transfer to the Government—Net Income

Net income, which is the amount to be transferred to the government, is derived according to the

matched-timing principle, i.e. income from the government which is not budgeted and is not payable by the government in the fiscal year ending March 31 following the financial year of the Bank is deducted from the excess of income over expenses, within the range of this excess. Income from securities held against the employee pensions and severance pay liability is not subject to the matched-timing principle (see note 1h).

In 1983 income subject to the matched-timing principle amounted to IS28,802 million (IS6,221 million in 1982); hence the net income transferred to the government was IS2,991 million (IS9,923 million in 1982). The accumulated income subject to matched timing, which was deducted over the years from the excess of income over expenses, was IS39,774 million (IS10,972 on December 31, 1982); this is included in the balance sheet in "Other accounts" (liabilities).

18. Adjustment for Changes in the Purchasing Power of the Sheqel

The Statement of Changes in Assets and Liabilities and the Notes to the Financial Statements include information which permits a comparison of data adjusted for changes in the purchasing power of the Israeli currency, either by deflating by the rise in the consumer price index or by presenting the data in U.S. dollar terms.

BANK OF ISRAEL

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AND MEMBERS OF THE ADVISORY COMMITTEE
AND ADVISORY COUNCIL

MAY 31, 1984

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M.Y. MANDELBAUM

Deputy Governor

Y. PLESSNER

Director-General

J. SARIG

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Y. BADER, *Vice-Chairman*
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* Died June 28, 1984.