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Press Release:

The Composite State of the Economy Index increased by 0.3 percent in January

The Composite State of the Economy Index increased by 0.3 percent in January—reflecting the economy’s gradual recovery from the impact of the Swords of Iron War. The war continued in January, but its impact on activity continued to weaken.

The Index was positively influenced by increases in the services revenue index, the retail trade revenue index (December), imports of production inputs, goods exports, the job vacancy rate, and credit card purchases (January). In contrast, services exports and employee posts (November), the Industrial Production Index (December) and imports of consumption goods (January) declined, which negatively influenced the index.

Index figures for the fourth quarter of 2023 were revised downward with the inclusion of National Accounts data for that period. Table 1 presents the retroactive revisions to the Index for previous months. Table 2 presents the development of components of the Index in the past few months.

**Table 1: Revisions in the Composite Index (percent)**

|  |  |  |
| --- | --- | --- |
| **Revision** | **Previous figure** | **New figure** |
| January 2024 |  | 0.29 |
| December | 0.38 | 0.27 |
| November | -0.26 | -0.63 |
| October | -1.80 | -2.41 |
| September | -0.70 | -0.53 |
| August | 0.15 | 0.18 |

**Table 2: Changes in the Index components in recent months**

(monthly percent change, unless otherwise noted)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **January 2024** | **December** | **November** | **October** |
| Industrial Production Index (excluding mining and quarrying) |   | -2.7  | 2.5 | -5.2 |
| Services Revenue Index (excluding education and public administration) |   |  6.4 | 0.5  | -16.0 |
| Retail Trade Revenue Index |   |  10.1 | 3.9 | -8.8 |
| Imports of consumption goods1 | -0.7 | 1.5 | -1.9 | -6.5 |
| Imports of production inputs (excluding fuels)1 | 0.5 | -2.8 | -0.6 | -5.4 |
| Goods exports (excluding agriculture)1 | 0.3 | 11.1 | 0.2 | -10.6 |
| Services exports (excluding transportation)2 |   |   | -3.1 | -3.5 |
| Employee posts in the private sector |   |   | -3.5 | -3.8 |
| Job vacancy rate in the business sector3 | 4.1 | 3.6 | 3.4 | 3.2 |
| Electricity production5 |  | -1.7 | 0.9 | -4.5 |
| Credit card purchases6 | 2.1 | 11.3 | 7.7 | -17.5 |

1 Goods imports and exports are calculated in fixed prices (adjusted for changes in foreign trade price indices).

2 Services exports are calculated in real terms using the Consumer Price Index, and are comprised of the export of other business services and the export of tourism services.

3 The job vacancy rate is calculated out of the total number of employed people, and is included in the index at its seasonally adjusted level.

4 Electricity production is calculated as the rate of change relative to the previous month, adjusted for the effect of the weather and seasonality on daily, weekly, and annual bases.

5 The credit card purchases figure is the monthly seasonally adjusted change according to Central Bureau of Statistics publications. When the CBS figure for a month is not available, the figure listed is an estimate based on the monthly rate of change according to daily data from SHVA, seasonally adjusted.

Detailed explanations regarding how the Composite Index is calculated, as well as detailed long-term tables, can be found at:

<https://www.boi.org.il/en/economic-roles/statistics/the-bank-of-israels-composite-state-of-the-economy-index/>