



Israel Vehicle Importers Association – Monthly Review May 2021

Preface – Economic Climate

The Israeli economy is an advanced economy that belongs to the OECD organization. The GDP per capita is \$ 45,958 and the growth rate in 2010-2019 was the average annual growth rate of 3.3% per year. At the beginning of the Corona crisis, the debt-to-GDP ratio was 60% and was one of the lowest in the Western world. The government deficit was 3.7% and the unemployment rate was 3.4%.

The Corona crisis has affected the Israeli economy significantly, as have other economies in the world. The deficit in June 2020 – May 2021 is 10.5% from the GDP. The debt-to-GDP ratio is 74.9%. The unemployment rate rose to 5.1% but the unofficial unemployment rate climbed to about 9.8%. Along with the economic crisis in Israel, there is also a political complexity. It is too soon to tell if the new government will be able to pass a new budget and formulate a coherent economic policy. On the other hand, from a monetary point of view, the crisis is being managed professionally by the Bank of Israel, which is monitoring the local credit market and solving liquidity problems through plans to purchase bonds and keep interest rates low.

In May, the population immunization intensified and the limits of the corona were lifted, on the other hand the 11 days of war in Gaza and rockets fired on Tel Aviv had a negative impact on the economy. As a result, the Israeli economy is slowly returning to function, and there was a decrease in unemployment. The end of the health crisis will undoubtedly lead to a recovery in the economic situation during 2021. According to the forecasts of the Chief Economist in the ministry of finance, growth in 2021 is expected to reach 4.6%.

Along with economic stabilization, there has been an increase in the inflation rate. As of May, the annual rate is 1.5%. The chief economist in the ministry of finance predicts a similar increase next year as well. An increase in prices and inflation is a factor that must be taken into account in the coming years.

Statistical Profile: Israel May 2021

Society

Population (April 2021): 9.341 Million

Economy

GDP per capita: \$45,958

Inflation: 1.5% Annual Growth Rate

Current Account Balance (Q1 2021): 5.08% of GDP

Trade in Goods and Services (May 2021): \$11.6 billion* (As of this review the Trade figure will be by month)

Finance

US Dollar Exchange rate: NIS 3.24

Euro Exchange rate: NIS 3.94

Long-term interest rates (May 2021): 1.2% Per Annum

Short-term interest rates (April 2021): 0.00% Per Annum

Government

Debt to GDP ratio: 74.9%

Deficit to GDP: 10.5%

Motorization

Level of Motorization (Q4 2019): 394 Vehicles/1,000 Residence

Innovation and Technology

Gross Domestic Spending on R&D (2019): 4.93% of GDP

Environment

CO2 Emissions (2017): 7.3 Tonnes Per Capita

Jobs

Employment Rate (Q1 2021): 65.40% of Working Age Population

Official Unemployment Rate (May 2021): 5.1% of Labour Force

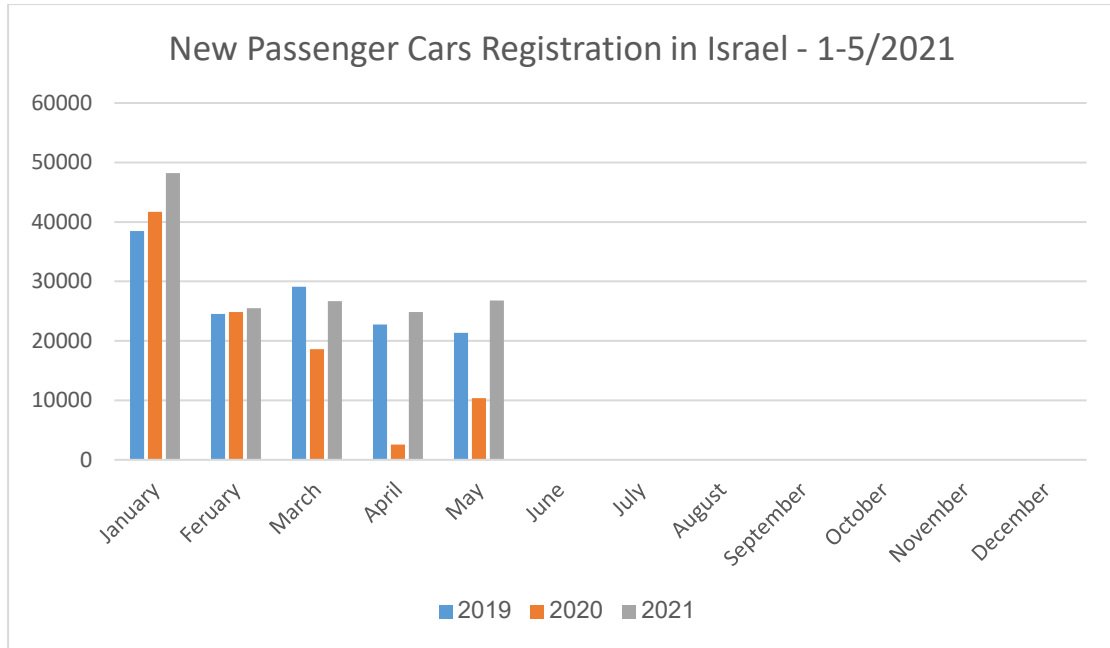
Unofficial Unemployment Rate (May 2021) (including non-paid absence due to Corona): 9.8% of Labour Force

New Cars and CV Registrations

Israel New Passenger Car Registration – January-May 2021

Passenger car registration: +159% compared with May 2020;
Since January 2021, an increase of +55% compared with Jan-May 2020.

In May 2021, the Israeli passenger car market registered 26,800 new cars. This figure represents an increase of 159% compared with May 2020. Since January, 152,079 new cars were registered – an increase of 55% compared with Jan-April 2020.



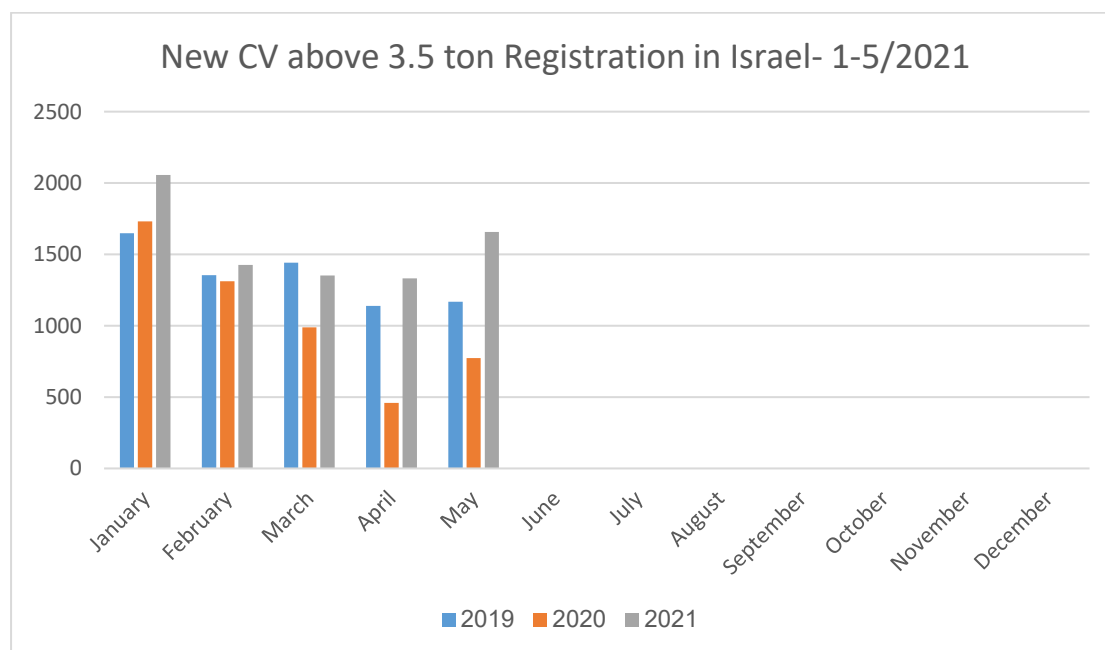
New Passenger Cars Registration in Israel 1-5/2021 According to Brands

No.	Brand	May					Jan-May				
		Share%		Units		Change% 21/20	Share%		Units		Change% 21/20
		2021	2020	2021	2020		2021	2020	2021	2020	
1	Hyundai	16.1	18.8	4303	1949	120.1	15.8	15.5	24019	15220	57.8
2	Toyota	13.1	13.0	3518	1346	161.4	13.2	12.8	20063	12533	60.0
3	Kia	10.2	10.4	2739	1073	155.2	11.4	12.0	17395	11812	47.3
4	Skoda	9.5	8.2	2549	848	200.0	8.5	8.6	12925	8387	54.1
5	Mazda	4.9	2.5	1312	263	398.9	5.4	4.5	8139	4460	82.5
6	Mitsubishi	3.6	6.4	956	660	44.8	5.2	6.6	7885	6440	22.4
7	Seat	3.4	4.9	898	503	78.5	4.4	4.8	6630	4711	40.7
8	Nissan	5.6	1.8	1493	186	702.7	3.7	3.5	5665	3427	65.3
9	Chevrolet	3.2	2.9	855	305	180.3	3.6	3.8	5451	3772	44.5
10	Peugeot	3.4	3.4	911	349	261.0	3.0	2.3	4637	2223	108.6
11	Renault	2.7	2.8	712	289	146.3	3.0	3.4	4619	3311	39.5
12	Suzuki	3.5	3.9	941	405	132.3	3.0	4.1	4559	4013	13.6
13	Citroen	2.2	3.6	577	374	54.3	2.3	2.8	3466	2730	27.0
14	Subaru	1.8	2.0	470	204	130.4	2.1	1.7	3211	1681	91.0
15	Audi	1.5	1.0	391	101	287.1	1.6	1.6	2491	1554	60.3
16	Mercedes	1.3	2.0	354	202	75.2	1.5	1.6	2324	1555	49.5
17	B.M.W	1.2	1.9	317	193	64.2	1.4	1.0	2124	986	115.4
18	VW	1.5	2.0	400	205	95.1	1.3	1.7	1940	1707	13.6
19	Jeep	1.0	1.1	275	109	152.3	1.0	0.8	1446	795	81.9
20	Honda	1.0	1.1	262	113	131.9	0.9	1.3	1431	1289	11.0

New CV above 3.5 ton and Bus Registration in Israel 1-5/2021

Commercial Vehicles above 3.5 ton registration: +114.1% compared with May 2020; Since January 2021, an increase of 48.6%

In May 2021, the Israeli market for CV above 3.5 ton registered an increase of 114.1% in registrations compared with May 2020, with 1,657 new registrations, compared with 774 units in May 2020. Since January 2021, 7,822 new CV and buses were registered – an increase of 48.6% compared with Jan-May 2020.



New CV above 3.5-ton Registration in Israel 1-5/2021 According to Brands

No	Brand	May					Jan-May				
		Share%		Units		Change%	Share%		Units		Change%
		2021	2020	2021	2020		21/20	2021	2020	2021	
1	Mercedes	13.3	18.0	159	121	31.4	13.6	12.8	880	553	59.1
2	Chevrolet	11.0	18.2	131	123	6.5	11.9	11.7	770	505	52.5
3	Volvo	10.1	9.9	121	67	80.6	10.0	10.9	650	471	38.0
4	DAF	9.0	13.1	108	88	22.7	8.6	11.1	557	479	16.3
5	Scania	8.4	6.4	100	43	132.6	7.9	8.0	513	344	49.1
6	Renault	5.8	7.9	69	53	30.2	6.2	6.8	400	292	37.0
7	Isuzu	7.7	5.2	92	35	162.9	6.1	8.9	396	384	3.1
8	FIAT	3.8	5.3	45	36	25.0	6.1	4.8	394	205	92.2
9	MAN	6.9	3.0	82	20	310.0	5.9	6.0	381	260	46.5
10	Dodge-Ra	5.5	1.9	66	13	407.7	5.9	4.8	380	206	84.5
11	Ford	5.0	2.5	60	17	252.9	4.8	3.8	311	166	87.3
12	VW	4.4	1.9	52	13	300.0	4.6	2.7	300	116	158.6
13	Peugeot	4.6	1.2	55	8	587.5	3.6	2.5	234	108	116.7
14	Iveco	2.9	2.8	35	19	84.2	3.2	2.6	206	111	85.6
15	HINO	0.7	1.2	8	8	0.0	1.1	1.4	70	62	12.9
16	Fuso	0.8	0.9	10	6	66.7	0.3	0.5	22	22	0.0
17	JAC	0.1	0.4	1	3	-66.7	0.1	0.1	8	6	33.3
18	MAXUS	0.0	0	0	0	0.0	0.0	0	1	0	100.0

New Bus Registration in Israel 1-5/2021 According to Brands

No.	Brand	May					Jan-May				
		Share%		Units		Change%	Share%		Units		Change%
		2021	2020	2021	2020	21/20	2021	2020	2021	2020	21/20
1	Mercedes	43.8	31.0	203	31	554.9	42.5	48.7	573	462	24.0
2	Volvo	28.3	17.0	131	17	670.6	20.4	11.7	275	111	147.7
3	MAN	11.7	5.0	54	5	908.0	9.9	10.6	134	101	32.7
4	Solaris	0.0	0.0	0	0	0.0	8.5	1.5	114	14	714.3
5	Higer	1.1	12.0	5	12	-58.3	3.3	2.8	44	27	63.0
6	Golden Dragon	6.3	21.0	29	21	38.1	3.1	3.9	42	37	13.5
7	Scania	3.2	11.0	15	11	36.4	2.9	5.1	39	48	-18.8
8	VW	2.2	2.0	10	2	400.0	1.9	3.9	25	37	-32.4
9	Iveco	1.3	0.0	6	0	600.0	1.7	1.7	23	16	43.8
10	Temsa	1.9	0.0	9	0	900.0	1.6	0.0	22	0	2200.0
11	Yutong	0.0	0.0	0	0	0.0	1.6	3.6	21	34	-38.2
12	IRIZAR	0.0	0.0	0	0	0.0	0.7	1.4	9	13	-30.8
13	Ford	0.0	2.0	0	2	-100.0	0.5	1.2	7	11	-36.4
14	Isuzu	0.2	0.0	1	0	100.0	0.5	1.4	7	13	-46.2
15	King Long	0.0	0.0	0	0	0.0	0.5	0.2	7	2	250.0
16	Renault	0.0	0.0	0	0	0.0	0.4	0.9	6	9	-33.3
17	Zhong Tong	0.0	0.0	0	0	0.0	0.1	1.5	1	14	-92.9

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

EV-Edge: Agreement for Installing 100 Charging Points and a Pilot for Operating a Fleet of Electric Cars for Nof-Hagalil Municipality

EV-Edge, operator of a network for electric cars charging, announced a new agreement with real-estate company Amot Investments, according to which the company will install 100 public charging points in commercial and employment centers owned by Amot. The charging points will be installed in strategic locations, beginning with ToHa project in Tel-Aviv, Kfar-Saba Mall and additional locations. EV-Edge also won a tender initiated by the Ministry of Energy, for operating a municipal patrol fleet of electric cars in Nof-Hagalil municipality. The project includes operating the electric cars, installing charging points and a technological platform for managing the energy of the fleet.

Renault to Operate a Shared Electric Car Service in Tel-Aviv

Renault intends to operate shared electric car service in Tel-Aviv, so said the head of its mobility division during Ecomotion conference held in TA. The company even presented the prototype of the vehicle chosen for their task – Renault i-EZ, an electric two-seater with a removable and interchangeable battery, very much like the approach used by Shay Agasi's Better-Place a few years back.

EcoMotion Week 2021: Showcasing Israeli Auto-Tech

EcoMotion week was held in virtual form on May 18-20 and showcased hundreds of Israeli smart mobility companies and start-ups. The conference included virtual startup and community exhibitions, lectures by leading industry executives and dedicated panels. Besides technology, one of the main issues that was discussed was the "The race for SPAC" – the recent trend of Auto-Tech companies to merge into SPAC instead of aiming for IPO's.

Aquarius: Technological Breakthrough and a Memorandum for Opening a Factory in Dubai

Aquarius engines, developer of a linear hydrogen engine, announced that its engine successfully underwent tests held in collaboration with Austrian AVL. The 10 Kg engine operated on hydrogen fuel only and produced near-zero gas emissions. Aquarius also signed a memorandum of understanding (MOU) with energy company KIP for establishing a joint factory in the United Arab Emirates to manufacture products for the automotive industry based on Aquarius technology. The scope of the investment by KIP will be 1.2-1 Billion US\$.

New Device by ADI Car Systems for Preventing "Forgotten Baby Syndrome"

Israeli ADI Car Systems presented "Bcare" – a new system for preventing "Forgotten Baby Syndrome" in cars. The system is composed of a cushion placed on the infant's safety seat and a dedicated App connected via BT. The system was developed at the cost of 300,000 NIS towards the implementation in the beginning of August of a new directive by the ministry of transportation that requires such a system in any vehicle driving infants younger than 4-year-old.

Innovative AI Project Led by "Netivey Israel" and Israeli Smart Mobility Living Lab

A new and innovative project led by "Netivey Israel" and Israeli Smart Mobility Living Lab will use a technological platform and AI in order to reduce traffic congestions and accidents. The project will use AI based integration of multiple data sources (Waze and

"Moovit" users, road cameras footage and drones) in order to recommend traffic management. For the first pilot, a section from road No.2 between Netanya and Gllot interchanges was chosen. In order to gather more information, smart infrastructure will be installed along this section – thermal cameras, Bluetooth detectors and Wi-Fi. Among the companies that will collaborate on this project are "Moovit" , "Nexar," Waycare", "BWR", "Safer Place", "A.D. Knight", "ADASKY", municipalities and the Ministry of transportation.

Fatal Hotels Chain to Deploy Charging Points at its Hotels

Fatal Hotels Chain, one of the largest hotel chains in Israel, announced that it will deploy charging points for electric cars in its hotels. Currently the chain has 26 points in 16 hotels, the amount will grow into 47 double charging points in 26 hotels and by the end of the year DC fast charging points will also be added.

Herzliya Municipality: Innovative Traffic Monitoring and Charging Points for all New Buildings

Herzliya municipality announced a new pilot for smart analytics and traffic data monitoring. The municipality will start monitoring the number of vehicles in main intersections and feed the information into a deep-learning technological system developed by "Magalcom". The system will analyze the data, alert if it detects anomalies and produce reports that will be used for improving traffic flow. The municipality also announced that all new buildings with a parking lot built in Herzliya will require charging points for electric cars.

"SaverOne": Pilot Agreements with 5 New Companies

"SaverOne", developer of a system for monitoring driver behavior, announced new pilot agreements with 5 new companies. These join dozens of similar collaborations in which "SaverOne" system is installed in large commercial fleets. The company recently announced that it started a collaboration with IVECO in order for the Italian truck manufacturer to install the system in its trucks.