



Israel Vehicle Importers Association – Monthly Review September 2020

Preface – Economic Climate

The composite index published by Bank of Israel dropped mildly by 0.6% in August, echoing the decline during July. The index started dropping in February against the backdrop of the COVID-19 crisis, with sharper declines in March-May. In June, when many restrictions were dropped and most industries went back to work, the index registered moderate increase. However, the second outbreak of COVID-19 and the return of the restrictions caused the index to drop again. Given the closure the market is in, it seems that in Sep-Oct the index will continue falling, even sharply than before. The annual change rate of the composite index shows a continued decline in GDP due to COVID-19 crisis.

The OECD estimates that the recovery of the Israeli economy from this crisis will be moderate. The 2nd closure is expected to burden the activity in the short run and delay the recovery process. Also, the absence of a vaccine for COVID-19 contributes to a high level of uncertainty. In addition, social distancing affects local demand for consumption and investment. On the other hand, OECD estimates that government assistance plans support local demand, but weakness of global demand for goods and services will affect Israel's export. Given all this data, OECD estimates that 2020 will end with a decline of 6% in GDP, as a result of the slow and careful exit of the closure, and in 2021 it expects an increase of 2.9%. as for unemployment rates, the organization estimates that it will be significantly higher in 2020 compared with 2019, and will drop gradually only during 2021.

Statistical Profile: Israel September 2020

Society

Population: 9.228 Million

Economy

Gross Domestic Product Q2 2020: 325,463 Million NIS Composite

Inflation: -0.79% Annual Growth Rate Index based on 2015=100

Composite leading indicator (CLI): 93.6 The composite leading indicator (CLI) is designed to provide early signals of turning points in business cycles showing fluctuation of the economic activity around its long-term potential level (100). CLIs show short-term economic movements in qualitative rather than quantitative terms.

Business confidence index (BCI): 100.2 This business confidence indicator provides information on future developments, based upon opinion surveys on developments in production, orders and stocks of finished goods in the industry sector. It can be used to monitor output growth and to anticipate turning points in economic activity. Numbers above 100 suggest an increased confidence in near future business performance, and numbers below 100 indicate pessimism towards future performance.

Finance

US Dollar Exchange rate: 3.41

Euro Exchange rate: 4.03

Long-term interest rates: 0.70%

Short-term interest rates: 0.06%

Government

Tax Revenue: 31.09% of GDP

Tax on personal income: 6.4% of GDP

Tax wedge: 22.720% of labour cost

Motorization

Level of motorization: 394 vehicles/1,000 residence

Innovation and Technology

Gross domestic spending on R&D: 4.94% of GDP

Environment

CO2 emissions: 7.0 tonnes per capita

Jobs

Unemployment rate: 4.89%

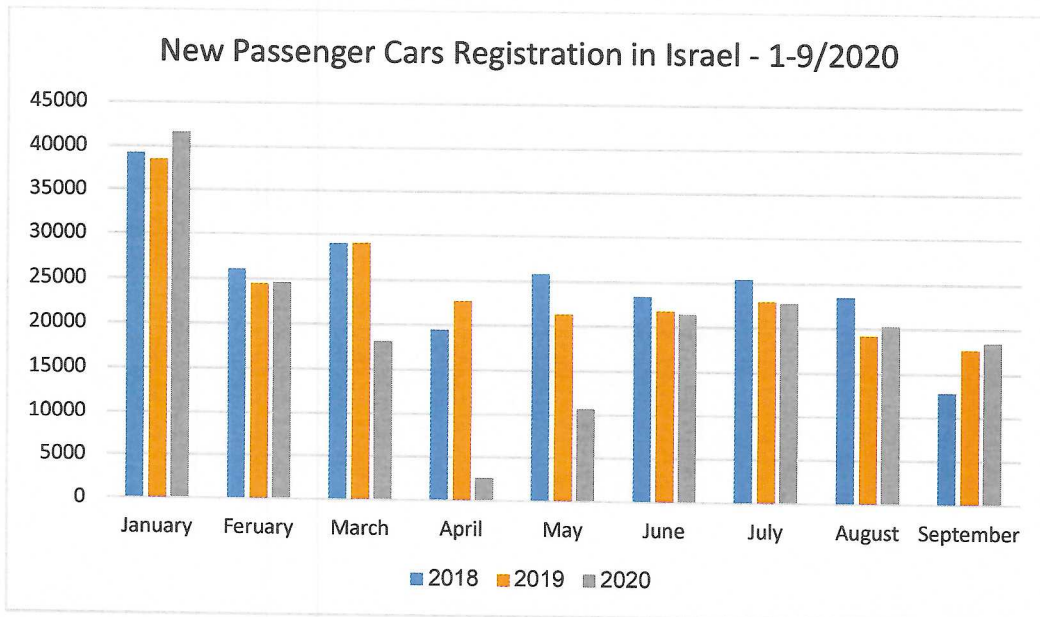
Average monthly salary per employee (Israeli jobs): 11,651 NIS

New Cars and CV Registrations

Israel New Passenger Car Registration – September 2020

Passenger car registration: -17.2% eight months into 2020; +3.99% in September

In September, the Israeli passenger car market registered an increase of 3.99% compared with September 2019, with 18,447 new registrations. From January 2020, the market dropped 17.2% - 180,527 units in 2020 compared with 218,094 last year.



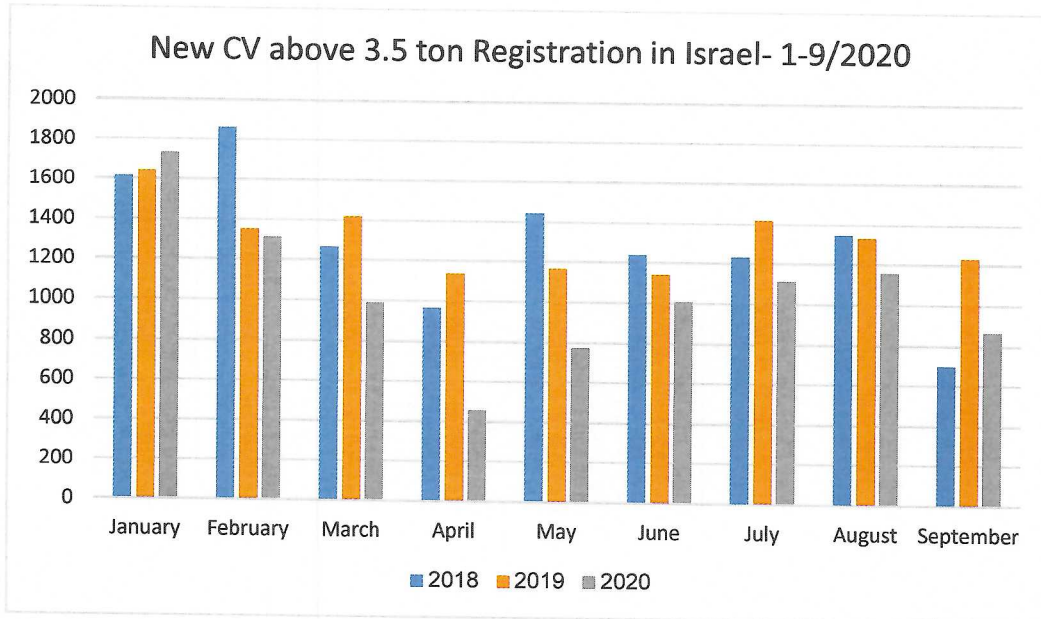
New Passenger Cars Registration in Israel 1-9/2020 According to Brands

No.	Brand	September					Jan-Sep				
		Share%		Units		Change%	Share%		Units		Change%
		2020	2019	2020	2019		2020	2019	2020	2019	
1	Hyundai	16.3	15.0	3015	2653	13.6	15.5	16.4	27922	35838	-22
2	Toyota	11.1	15.2	2044	2700	-24.2	12.1	14.1	21883	30700	-28.7
3	Kia	11.0	9.6	2031	1703	19.2	12.1	12.2	21773	26711	-18.5
4	Skoda	8.5	5.2	1575	931	69.2	8.8	7.1	15966	15394	3.7
5	Mitsubishi	6.0	5.2	1103	923	19.5	6.5	5.9	11687	12933	-9.6
6	Seat	4.7	6.4	868	1128	-23.0	5.2	3.4	9329	7370	26.6
7	Mazda	5.1	4.5	943	791	19.2	4.6	4.4	8280	9639	-14
8	Suzuki	3.5	5.6	640	1001	-36.0	4.0	4.9	7222	10595	-31.8
9	Nissan	3.2	4.1	588	729	-19.3	3.3	4.3	6004	9373	-35.9
10	Chevrolet	2.1	2.3	382	405	-5.7	3.3	2.6	5954	5588	6.5
11	Renault	3.4	2.0	630	352	79.0	3.2	3.5	5790	7605	-23.9
12	Citroen	2.7	4.2	492	740	-33.5	2.8	2.6	5051	5769	-12.4
13	Peugeot	3.6	3.6	666	646	3.0	2.6	2.7	4764	5991	-20.5
14	Volkswage	2.9	2.0	540	360	50.0	2.0	1.5	3657	3349	9.2
15	Subaru	1.2	1.4	219	252	-13.1	1.7	1.6	3109	3528	-11.9
16	Audi	1.4	2.3	250	409	-38.9	1.7	1.6	3007	3465	-13.2
17	Mercedes	1.3	1.3	232	225	3.1	1.5	1.3	2711	2820	-3.9
18	Honda	1.4	2.0	262	353	-25.8	1.2	2.1	2176	4569	-52.4
19	BMW	1.6	1.2	295	212	39.2	1.0	1.1	1876	2297	-18.3
20	Dacia	1.1	0.8	206	140	47.0	0.9	1.2	1649	2580	-36.1
21	Other	7.9	6.1	1466	1087	34.9	5.9	5.5	10717	11980	-10.5

New CV above 3.5 ton Registration in Israel 1-9/2020

Commercial Vehicles above 3.5 ton registration: -20.7% nine months into 2020; -29.9% in September

In September, the Israeli market for CV above 3.5 ton registered a decrease of 29.9% compared with September 2019, with 865 new registrations. From January 2020, the market dropped 20.7% - 9,403 units in 2020 compared with 11,859 last year.



New CV above 3.5 ton Registration in Israel 1-9/2020 According to Brands

No	Brand	September				Jan-Sep					
		Share%		Units		Share%		Units		Change%	
		2020	2019	2020	2019	2020	2019	2020	2019		
1	Mercedes	8.9	14.7	65	132	-50.8	12.8	14.1	996	1277	-22.0
2	Chevrolet	12.0	12.0	88	108	-18.5	12.9	11.4	1002	1031	-2.8
3	DAF	8.9	11.2	65	101	-35.6	10.5	10.1	821	914	-10.2
4	Volvo	8.5	8.6	62	77	-19.5	10.0	10.5	780	954	-18.2
5	Scania	7.8	6.8	57	61	-6.6	7.9	7.3	613	667	-8.1
6	Isuzu	7.1	8.4	52	75	-30.7	7.6	8.4	595	762	-21.9
7	Renault	6.1	3.5	45	31	45.2	6.5	7.8	510	712	-28.4
8	MAN	5.1	5.6	37	50	-26.0	5.6	5.1	437	464	-5.8
9	Dodge-Ra	4.5	4.9	33	44	-25.0	5.1	3.5	401	320	25.3
10	FIAT	12.0	5.9	88	53	66.0	5.1	5.5	398	502	-20.7
11	Ford	7.1	1.6	52	14	271.4	4.6	3.5	356	322	10.6
12	VW	4.1	6.7	30	60	-50.0	3.4	2.4	267	222	20.3
13	Iveco	2.6	3.2	19	29	-34.5	2.8	3.4	218	312	-30.1
14	Peugeot	2.6	1.4	19	13	46.2	2.1	2.2	161	198	-18.7
15	HINO	0.8	1.7	6	15	-60.0	1.5	1.3	114	119	-4.2
16	Hyundai	1.6	2.2	12	20	-40.0	0.8	1.8	63	161	-60.9
17	Fuso	0.3	0.9	2	8	-75.0	0.4	0.9	35	85	-58.8
18	JAC	0.0	0.0	0	0	0.0	0.2	0.0	19	0	1900.0
19	TATRA	0.0	0.1	0	1	-100.0	0.1	0.0	5	1	500.0
20	Sinotruk	0.0	0.0	0	0	0.0	0.0	0.0	1	0	100.0
21	Dennis Eagl	0.0	0.1	0	1	-100	0	0.0	0	1	-100
22	Navistar	0.0	0.0	0	0	0	0	0.0	0	0	0

New Bus Registration in Israel 1-9/2020 According to Brands

No.	Brand	September					Jan-Sep				
		Share%		Units		Change%	Share%		Units		Change%
		2020	2019	2020	2019	20/19	2020	2019	2020	2019	20/19
1	Ford	0.0	0.0	0	0	0.0	0.7	0.3	11	7	57.1
2	Isuzu	0.0	0.3	0	1	-100.0	1.2	3.5	20	97	-79.4
3	Mercedes	55.6	51.5	74	173	-57.2	48.6	34.7	783	963	18.7
4	Renault	0.0	7.4	0	25	-2500.0	0.6	0.9	9	25	-64.0
5	VW	13.5	12.5	18	42	-57.1	5.6	4.3	90	119	-24.3
6	Volvo	0.8	4.8	1	16	-93.8	13.0	7.5	210	208	1.0
7	Iveco	3.8	0.6	5	2	150.0	1.6	1.4	26	39	-33.3
8	MAN	20.3	13.1	27	44	-38.6	10.2	9.1	164	252	34.9
9	Scania	0.0	2.1	0	7	-700.0	3.0	3.7	48	104	-53.8
10	Golden Dragon	27.8	8.6	37	29	27.6	4.8	8.2	78	228	-65.8
11	Yutong	0.0	3.0	0	10	-1000.0	3.3	7.3	53	202	-73.8
12	Solaris	1.5	1.8	2	6	-66.7	1.6	0.4	25	12	108.3
13	King Long	0.0	0.0	0	0	0.0	0.1	2.2	2	62	-96.8
14	BYD	0.0	0.0	0	0	0.0	0.1	0.3	1	7	-85.7
15	Higer	2.3	0.0	3	0	0.0	2.0	2.6	33	71	-53.5
16	Zhong Tong	0.0	1.2	0	4	-400.0	2.1	0.1	34	2	1700.0
17	IRIZAR	0.0	0.6	0	2	-200.0	0.9	0.6	14	16	-12.5
18	Otokar	7.5	0.0	10	0	-1000.0	0.6	0.7	10	19	-47.4
19	VDL	0	0	0	0	0	0	0.3	0	8	-800

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

SaverOne registers 5th patent for safety system

Israeli Auto-Tech company SaverOne developed a unique system to prevent road accidents caused by driver distraction. SaverOne's technology prevents access to Apps while driving, thus creating a quiet and safe driving environment. Now, the company adds to its' system a new 5th patent, in addition to the 4 patents already registered by it. The new feature allows the system to identify not only the driver's phone, but also additional cellphones within the vehicle's passenger compartment. The company runs a number of pilot tests using its' safety system, and has recently received an order for 250 systems that will be installed in Millennium Logistics Group cars and trucks. SaverOne also announced that it has signed an agreement with Israeli Police for carrying out a pilot in which police officers behavior during driving will be monitored using SaverOne's technology.

Israeli Auto-Tech Company Aurora Labs raises \$23m

Aurora Labs, provider of remote software management and diagnostics software to Tier-1 companies, announced that it has

raised \$23m in a series B financing round from LG Technology Ventures with participation from Porsche SE, Toyota Tsusho and additional investors. This follows a recent investment of \$2.5m from Porsche SE, and an announcement regarding Aurora Labs' technology going into serial implementation within the next two years. Aurora provides carmakers and Tier-1 companies with innovative conduct remote software management, remote diagnostics and over-the-air software updates.

Geely to use Mobileye Autonomous Driving Tech in its' cars

Chinese automaker Geely announced during the Beijing Auto show that it intends to install autonomous driving technology developed by Israeli Auto-tech company Mobileye in its future vehicles. Geely presented its new premium electric vehicle, Zero Concept from Lync & Co, that comes installed with Mobileye's SuperVision surround-view advanced driver-assistance system (ADAS) that includes over-the-air update capabilities. Vehicles produced by Geely with Mobileye's technology will be available next year.

Israel to Participate in Developing a New International Standard for Auto Cyber Protection

Representatives of Israel's Auto-Tech industry will take part in developing a new international standard for Auto Cyber Security. The participation of Israeli representatives is not obvious since there are no auto manufacturing plants in the country, however, Israel's leading Auto-Tech industry opened the door for the co-operation. In order to contribute to the development process, the Israeli Standards Institution formed a special committee, led by Chairman Slava Bronfman of the start-up Cybellum. David Mor-Ofek, senior security architect and head of Security Compliance at HARMAN Israel will serve as vice-chairman in charge of working vis-à-vis the International committee.

Israeli Company Micronet Reports a First Order from a Leading Truck Manufacturer

Micronet, an Israeli company providing Telematics and fleet management solutions, reported an order from "a major European Truck manufacturer". The order, for 100 units of the company's best-sellers, SmartHub (a "black-box" for motor vehicles) and SmartTab (a rugged dedicated tablet) will be used as part of a field trial

conducted by the manufacturer, and scrutinized for a possible future agreement. According to Micronet, the trial will be carried out by "one of the three largest truck manufacturers in Europe".

Via acquires Israeli Start-Up Fleetonomy

Via Transportation, the smart ride-sharing solutions company, acquired Israeli start-up Fleetonomy for an estimated \$15-25m. Fleetonomy was founded in 2016 and in the following year launched its' cloud-based fleet management product for smart transportation. The company has been co-operating with car manufacturers such as Audi, Land-Rover and Jaguar.

Electric Road Pilot in Tel-Aviv

Tel-Aviv municipality, Dan public transportation and Electreon will start a pilot for an electric road in Tel-Aviv from November 2020. The 600 meters road will be installed near the bus terminal at Tel-Aviv University and will be used by Dan's electric buses. This pilot follows two additional tests carried out by Electreon, in Germany and in Sweden.

Dr. Hanan Golan



Mr. Hezi Shayb
CEO – IVIA

