



## **Israel Vehicle Importers Association – Monthly Review December 2020**

### **Preface – Economic Climate**

The Israeli economy is an advanced economy that part of the OECD organization. The GDP per capita is \$ 45,780 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 2020 is 11.7% from the GDP. The debt-to-GDP ratio is 73%. The unemployment rate rose to 4.7% but the unofficial unemployment rate climbed to about 12.4%. Along with the economic crisis in Israel, there is also a political complexity and the declaration of new elections in March 2021 that makes it difficult for the government to pass a 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 mid-December, a third lockdown began in Israel, which slowed economic activity and added many to the circle of unemployment. On the other hand, at the end of December, an extensive vaccination campaign began, in which more than a quarter of Israel's population was vaccinated. If the trend of a high immunization rate continues, Israel will be able to vaccinate the majority of the population as early as March and April 2021. 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%.

## **Statistical Profile: Israel December 2020**

### **Society**

Population: 9.279 Million

### **Economy**

GDP per capita: \$45,780

Inflation: -0.60% Annual Growth Rate

Current Account Balance (Q4 2020): 2.88% of GDP

Trade in Goods and Services: \$50.8 billion

### **Finance**

US Dollar Exchange rate: NIS 3.24

Euro Exchange rate: NIS 3.95

Long-term interest rates: 0.93% Per Annum

Short-term interest rates: 0.06% Per Annum

### **Government**

Debt to GDP ratio: 73%

Deficit to GDP: 11.7%

### **Motorization**

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

### **Innovation and Technology**

Gross Domestic Spending on R&D (2018): 4.94% of GDP

## Environment

CO2 Emissions (2017): 7.3 Tonnes Per Capita

## Jobs

Employment Rate (Q4 2020): 66.15% of Working Age Population

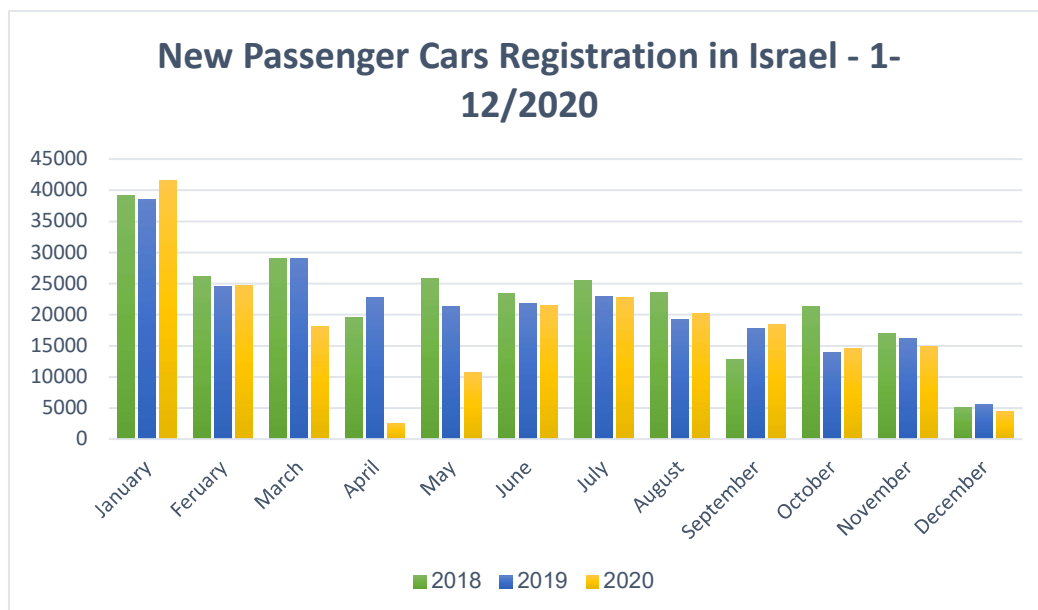
Official Unemployment Rate: 4.6% of Labour Force

Unofficial Unemployment Rate (including non-paid absence due to Corona): 12.4%

### Israel New Passenger Car Registration – December 2020

Passenger car registration: -15.5% during 2020; -20.1% in December.

In December, the Israeli passenger car market registered a decrease of 20.1% compared with December 2019, with 4,458 new registrations. From January 2020, the market dropped 15.5% - 214,544 units in 2020 compared with 253,938 last year.



## New Passenger Cars Registration in Israel 1-12/2020 According to Brands

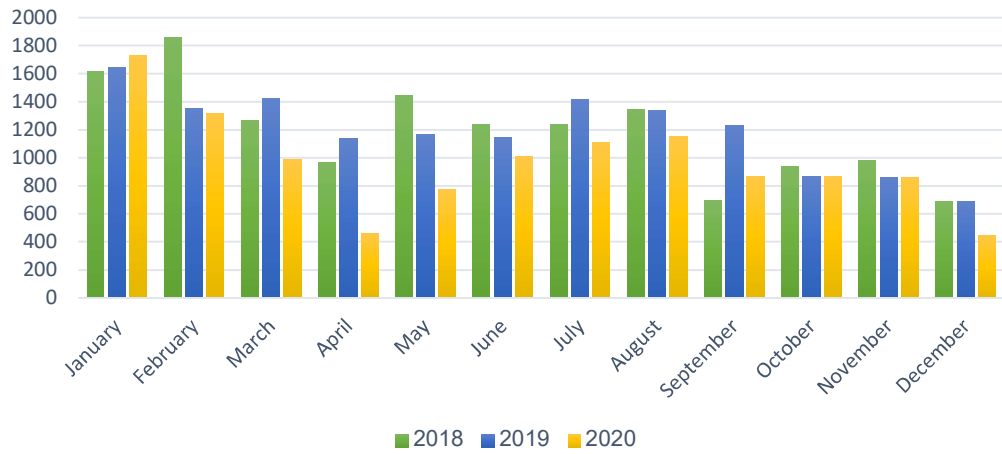
No.	Brand	December					Jan-Dec				
		Share%		Units		Change%	Share%		Units		Change%
		2020	2019	2020	2019	20/19	2020	2019	2020	2019	20/19
1	Hyundai	5.8	8.3	257	461	-44.3	15.6	15.9	33565	40286	-16.7
2	Toyota	19.4	18.5	865	1032	-16.2	13.4	14.1	28756	35898	-19.9
3	Kia	9.4	11.9	418	666	-37.2	11.9	12.6	25483	31978	-20.3
4	Skoda	1.2	3.0	53	170	-68.8	8.3	7.1	17908	17921	0.0
5	Mitsubishi	2.1	2.4	95	135	-29.6	6.0	5.6	12895	14342	-10.1
6	Other	10.6	6.8	472	378	24.9	6.0	5.5	12884	14036	-8.2
7	Seat	1.2	3.1	55	171	-67.8	4.8	3.6	10256	9128	12.4
8	Mazda	3.3	2.4	146	133	9.8	4.4	4.3	9499	10804	-12.1
9	Suzuki	15.9	6.5	711	363	95.9	4.3	4.9	9234	12440	-25.8
10	Renault	9.2	8.8	410	492	-16.7	3.5	3.6	7428	9058	-18.0
11	Nissan	6.1	4.6	271	259	4.6	3.5	4.4	7425	11055	-32.8
12	Chevrolet	0.8	0.9	37	50	-26.0	3.0	2.4	6527	6159	6.0
13	Citroen	2.3	2.4	104	135	-23.0	2.8	2.7	5901	6847	-13.8
14	Peugeot	3.1	2.7	138	150	-8.0	2.7	2.7	5778	6906	-16.3
15	Volkswage	1.8	4.2	80	235	-66.0	2.1	1.7	4464	4297	3.9
16	Subaru	2.7	4.8	120	268	-55.2	1.8	1.8	3763	4515	-16.7
17	Audi	0.1	0.3	6	19	-68.4	1.5	1.5	3180	3827	-16.9
18	Mercedes	0.6	0.6	27	34	-20.6	1.4	1.2	2957	3115	-5.1
19	Honda	1.4	2.2	62	121	-48.8	1.2	2.1	2542	5206	-51.2
20	Dacia	2.8	2.4	123	132	-6.8	1.0	1.2	2052	3162	-35.1
21	BMW	0.2	3.2	8	177	-95.5	1.0	1.2	2047	2958	-30.8

## New CV above 3.5 ton Registration in Israel 1-12/2020

Commercial Vehicles above 3.5 ton registration: -19% during 2020;  
Decrease of 36% in December.

In December, the Israeli market for CV above 3.5 ton registered a decrease of 36% in registrations compared with December 2019, with 442 new registrations. From January 2020, the market dropped 19% with 11,573 units in 2020 compared with 14,282 last year.

## New CV above 3.5 ton Registration in Israel- 1-12/2020



## New CV above 3.5 ton Registration in Israel 1-12/2020 According to Brands

No	Brand	December					Jan-Dec				
		Share%		Units		Change% 20/19	Share%		Units		Change% 20/19
		2020	2019	2020	2019		2020	2019	2020	2019	
1	Chevrolet	7.8	10.8	28	56	-50.0	13.1	11.3	1267	1238	2.3
2	Mercedes	7.2	10.1	26	52	-50.0	12.6	13.7	1213	1493	-18.8
3	DAF	9.7	10.3	35	53	-34.0	10.5	10.2	1010	1116	-9.5
4	Volvo	7.2	7.7	26	40	-35.0	9.6	10.2	928	1118	-17.0
5	Scania	5.0	2.1	18	11	63.4	7.6	6.9	732	748	-2.1
6	Isuzu	7.5	6.0	27	31	-13.0	7.4	8.5	711	927	-23.3
7	Renault	17.7	3.9	64	20	220.0	7.0	7.0	679	764	11.1
8	MAN	4.4	11.4	16	59	-72.9	5.4	5.3	518	583	-11.1
9	FIAT	10.5	8.3	38	43	-11.6	5.6	5.6	539	615	-12.4
10	Dodge-Ra	9.1	6.8	33	35	-5.7	5.4	3.7	521	401	29.9
11	Ford	3.0	2.9	11	15	-26.7	4.4	3.6	423	388	9.0
12	VW	2.2	6.6	8	34	-76.5	3.4	3.1	324	334	-3.0
13	Iveco	3.6	6.2	13	32	-59.5	2.8	3.5	268	377	-28.9
14	Peugeot	0.3	3.9	1	20	-95.0	2.0	2.2	196	245	-20.0
15	HINO	4.2	1.2	15	6	150.0	1.7	1.4	160	148	8.1
16	Hyundai	0.0	0.0	0	0	0.0	0.7	2.2	72	241	-70.1
17	Fuso	0.0	1.5	0	8	-100.0	0.4	1.0	41	108	-62.0
18	JAC	0.6	0.0	2	0	200.0	0.3	0.0	25	3	733.0
19	TATRA	0.0	0.0	0	0	0.0	0.1	0.0	5	2	150.0
20	Dennis Eagl	0.0	0.0	0	0	0	0.0	0.0	2	1	100.0
21	Sinotruk	0.0	0.0	0	0	0.0	0.0	0.0	1	0	100.0
22	Navistar	0.0	0.0	0	0	0.0	0	0.0	0	1	-100

## New Bus Registration in Israel 1-12/2020 According to Brands

No.	Brand	December					Jan-Dec				
		Share%		Units		Change%	Share%		Units		Change%
		2020	2019	2020	2019	20/19	2020	2019	2020	2019	20/19
1	Mercedes	48.1	58.0	39	101	-61.4	46.6	41.8	903	1408	-35.9
2	Volvo	1.2	1.1	1	2	-50.0	11.4	7.3	220	247	-10.9
3	MAN	19.8	13.2	16	23	-30.4	11.0	10.7	214	362	-40.9
4	Golden Dragon	6.2	19.0	5	33	-84.8	7.7	10.7	150	361	-58.4
5	VW	1.2	1.7	1	3	-66.7	5.0	6.9	96	231	-58.4
6	Higer	1.2	1.7	1	3	-66.7	3.0	2.5	58	85	-31.8
7	Yutong	9.9	1.7	8	3	166.7	3.1	6.9	61	232	-73.7
8	Scania	0.0	0.0	0	0	0.0	2.5	3.4	48	113	-57.5
9	Zhong Tong	0.0	0.0	0	0	0.0	1.8	0.2	34	8	325.0
10	Iveco	6.2	2.3	5	4	25.0	1.8	1.5	35	50	-30.0
11	Solaris	0.0	0.0	0	0	0.0	1.5	0.7	29	22	31.8
12	Otokar	0.0	1.1	0	2	-100.0	1.3	0.6	25	21	19.0
13	Isuzu	0.0	0.0	0	0	0.0	1.1	2.9	21	98	-78.6
14	Ford	3.7	0.0	3	0	300.0	0.8	0.2	16	8	100.0
15	IRIZAR	0.0	0.0	0	0	0.0	0.7	0.6	14	21	-33.3
16	Renault	0.0	0.0	0	0	0.0	0.5	0.7	9	25	-64.0
17	King Long	0.0	0.0	0	0	0.0	0.1	1.9	2	65	-96.9
18	BYD	0.0	0.0	0	0	0.0	0.1	0.2	1	7	-85.7
19	VDL	0.0	0.0	0	0	0.0	0.2	0.2	0	8	-100

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

#### Innoviz Technologies on its Way to NASDAQ, Valued at 1.4 B\$

Israeli Auto-Tech company Innoviz Technologies announced a merger with SPAC Collective Growth that will turn it into a publicly traded company valued at 1.4 B\$. The company, operating in the field of Lidar and AI imaging software, launched two months ago a new generation of sensors with improved performance and a decrease of 70% in the cost of serial production.

#### Chakratech Nearing IPO According to an Estimated Value of 400M NIS

Israeli start-up Chakratech will submit a draft prospectus towards an IPO according to an estimated value of 400M NIS – 3 times the value during its last fund raising in 2019. The company specializes in energy storage technologies for electric vehicles and developed a solution for converting electric energy into energy kinetic through a small engine installed on the flywheel. The same engine serves as a generator, and converts the electric energy back into kinetic energy when needed. Chakratech aims at the market for EV fast charging, valued at 60B\$.

## **SaverOne to Install Safety Systems for Local Authorities in Israel**

SaverOne's safety systems will be installed for the first time in vehicles operated by local authorities in Israel. The company that developed a technological solution for cellphone related distractions during driving, signed agreements for pilot testing with additional companies Henson and Plason. These companies join collaborations that are already underway with IDF, the Israeli Electric Company, Israeli Railways and more.

## **American BIRD Energy to Invest 7.15 M\$ in Joint Israeli-American Clean Energy Projects**

The BIRD Energy program announced it will invest 7.15 M\$ in joint American-Israeli clean tech projects. The American Department of energy, Israeli Ministry of energy and the Israeli Innovation authority will invest the money in 8 projects, ranging from developing a battery for an electric airplane to membrane based fuel-cells and solid state batteries. The total cost of the projects is estimated at 17.4 M\$.

## **Smart Traffic Lights Company Axillion to Enter the Stock Market**

Axillion, an Israeli start-up that developed technology for operating smart traffic lights, will enter the Israeli stock market via a merger with APIO AFRICA. The company developed an AI algorithm that operates smart traffic lights according to traffic conditions. The solution is based on Microsoft AZURE that collects information from the field. This information is added to the data collected from vehicle cameras and sensors, in order to create synchronized waves of green lights.

## **Trucknet Heading for a Road Show Towards IPO**

Israeli Trucknet provides a cloud based platform for the optimization of land transport in fleets. The platform allows for smart matching between space in trucks and loads, fleet management optimization and minimization of "empty rides". The company was established in 2016 and aims to raise a few dozen millions NIS.

## **Arbe Mulling IPO, either in TA or in Wall Street**

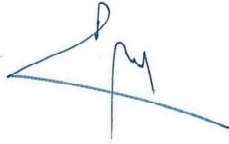
Radar systems developer for autonomous vehicles Arbe is considering an IPO according to an estimated value of 400-450 M\$.

The company aims to raise 100M\$ in order to support its development process. Arbe launched its High-Res radar platform a few months back, aiming at the growing market for ADAS and autonomous vehicles.

### **Israeli Start-Up Presents a Safety Alert System for Motorcycles**

Israeli start-up Ride Vision developed a safety alert system preventing road accidents for motorcycles. The system is based on picture recognition and AI, similarly to the system offered by Mobileye for cars. The company recently announced a 7 M\$ round A fund raising that will support the launch of the product that will be available for purchase in the beginning of 2021.

Dr. Hanan Golan



Mr. Hezi Shayb  
CEO – IVIA



The economic chapter of the review was edited by Mr. Nadav Caspi, the I-via's Chief Economist.