Updated presentation
April 2018

# Israel
## Island of Success

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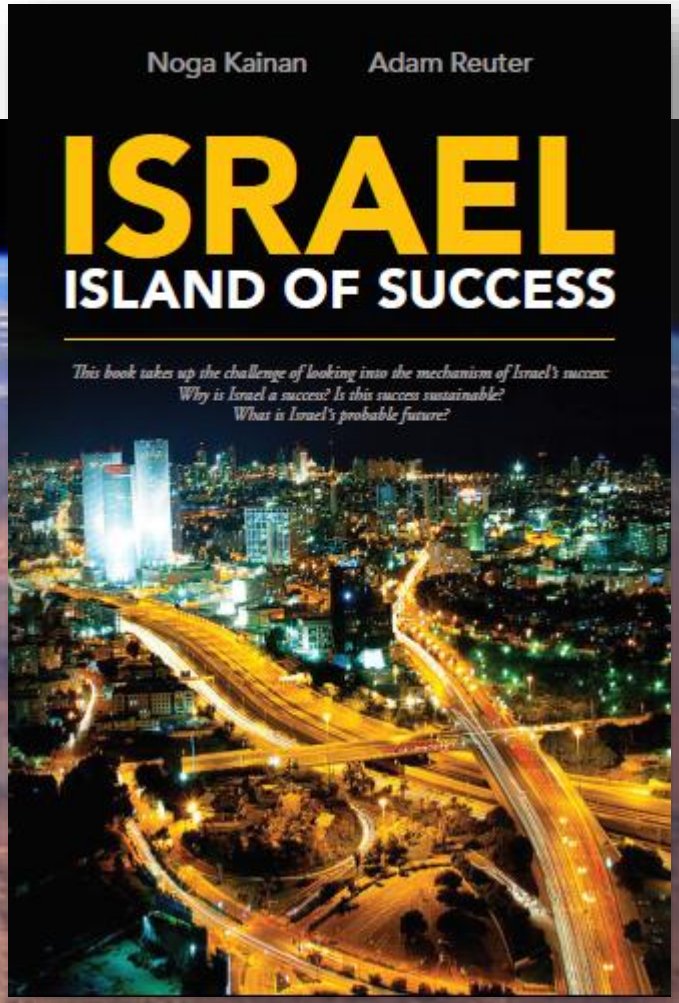
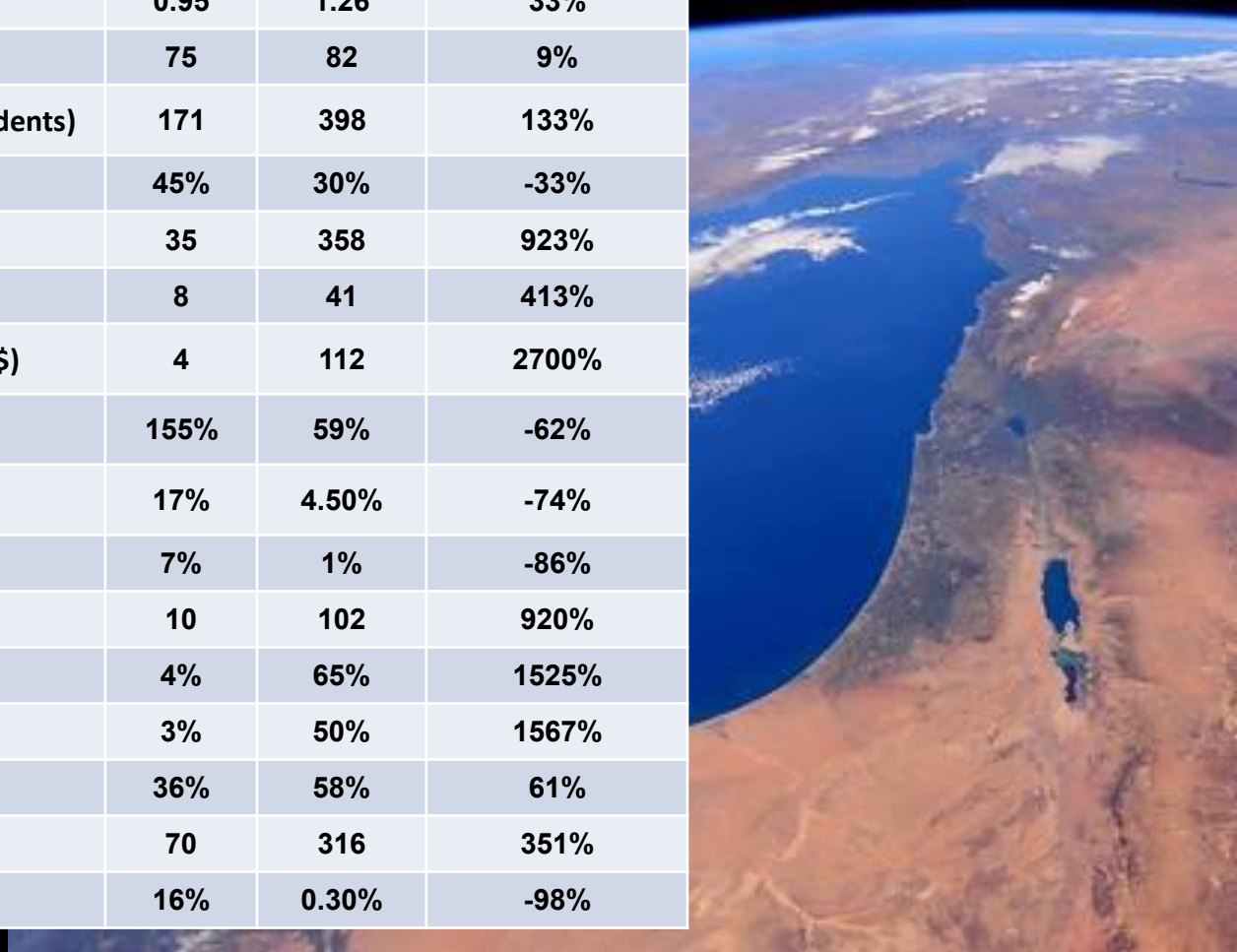
# Available on Amazon



# Israel
## Island of Success

### What has been achieved over the past 30 years?

| | 1987 | 2017 | Change % |
|---|---|---|---|
| Residents (Millions) | 4.4 | 8.75 | 99% |
| Average Rooms Per Capita | 0.95 | 1.26 | 33% |
| Life Expectancy (in Years) | 75 | 82 | 9% |
| Number of Vehicles (Per Thousand Residents) | 171 | 398 | 133% |
| The Tax Burden | 45% | 30% | -33% |
| GDP (Billion $) | 35 | 358 | 923% |
| GDP Per Capita (Thousand $) | 8 | 41 | 413% |
| Foreign Currency Reserves (Billion $) | 4 | 112 | 2700% |
| Government Debt % of GDP | 155% | 59% | -62% |
| Defense Expenditure (% of GDP) | 17% | 4.50% | -74% |
| American Foreign Aid (% of GDP) | 7% | 1% | -86% |
| Total Exports (Billion $) | 10 | 102 | 920% |
| Energy from Local Sources | 4% | 65% | 1525% |
| Desalinated Water Usage | 3% | 50% | 1567% |
| Employment of Women | 36% | 58% | 61% |
| Number of Students (Thousands) | 70 | 316 | 351% |
| Annual Inflation | 16% | 0.30% | -98% |



# Israel
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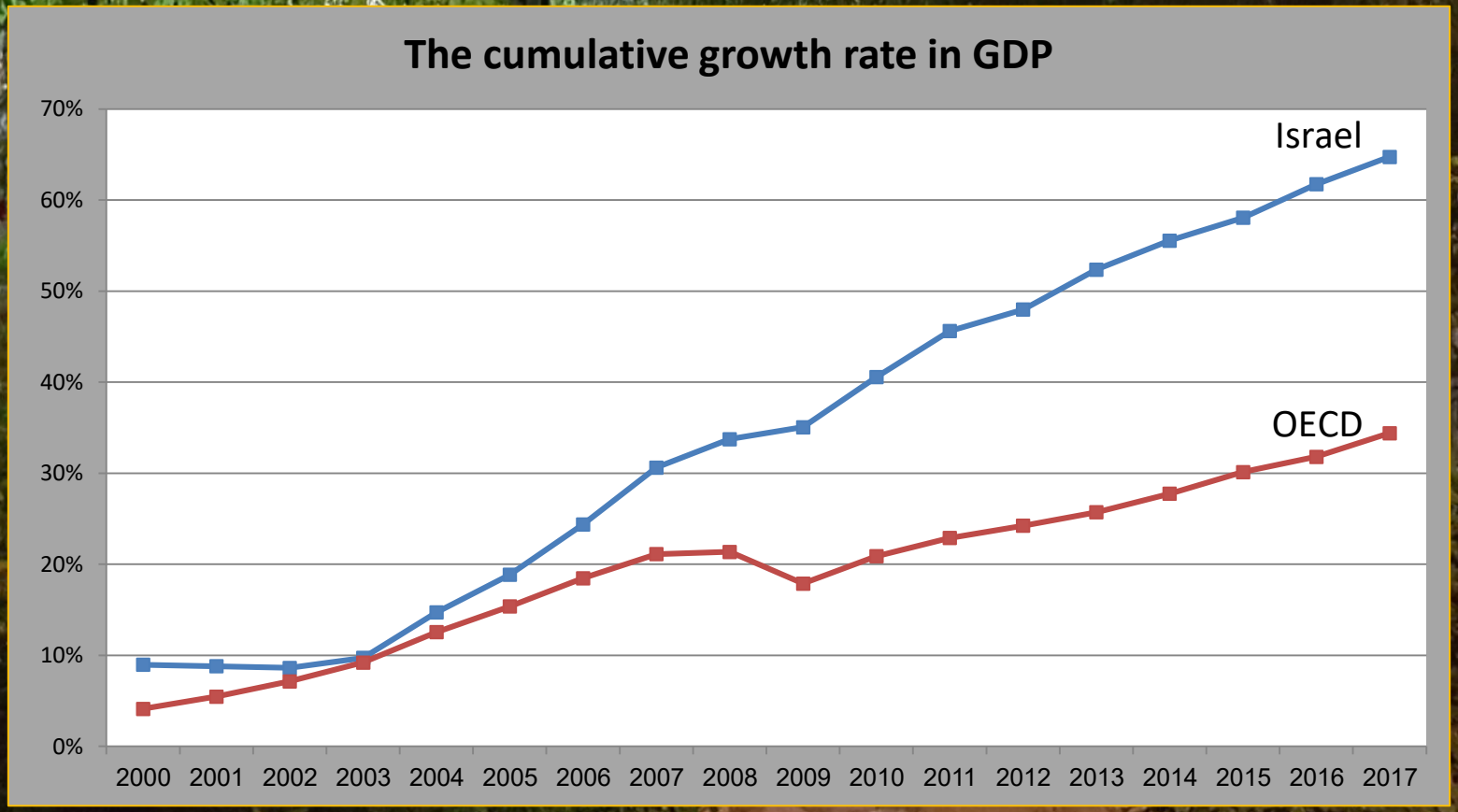
## THE ISRAELI ECONOMY CONTINUED TO grow IN 2017, AND MAINTAINED ITS ADVANTAGE VIS-À-VIS THE OECD COUNTRIES

**SINCE THE BEGINNING OF THE 21ST CENTURY, THE ISRAELI ECONOMY HAS GROWN AT A CUMULATIVE RATE OF 65%, 2ND PLACE IN THE OECD, AND ALMOST DOUBLE THE AVERAGE OF THE 34 OECD COUNTRIES**



# Israel
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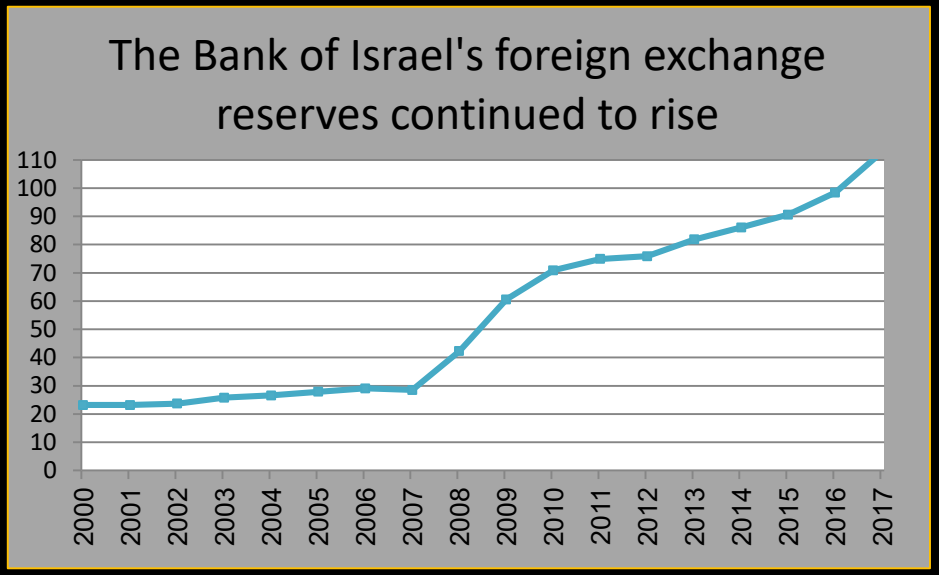
**The strength of the economy stems from integration of financial stability and flexibility**



### High flexibility

**Israel's economic flexibility stems from the fact that the economy is based on thousands of companies, most of which specialize in niche areas.**

**Industrial diversification and sub-sectors enable the economy to cope better with changes.**

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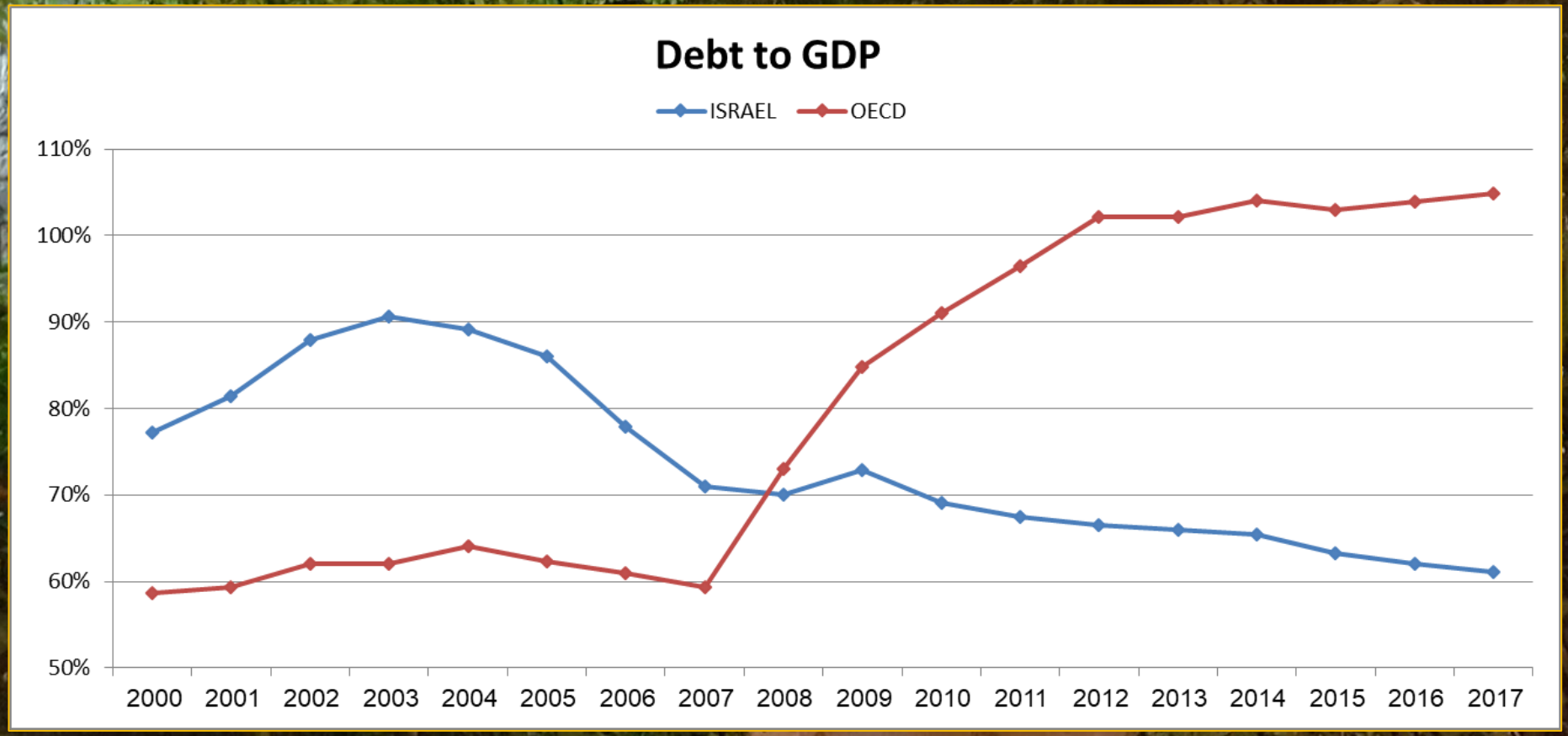
**The Debt-to-GDP ratio continued to contract, and the gap in comparison to OECD countries continued to grow.**

**Israel is one of only two developed countries where Debt-to-GDP ratio is shrinking**



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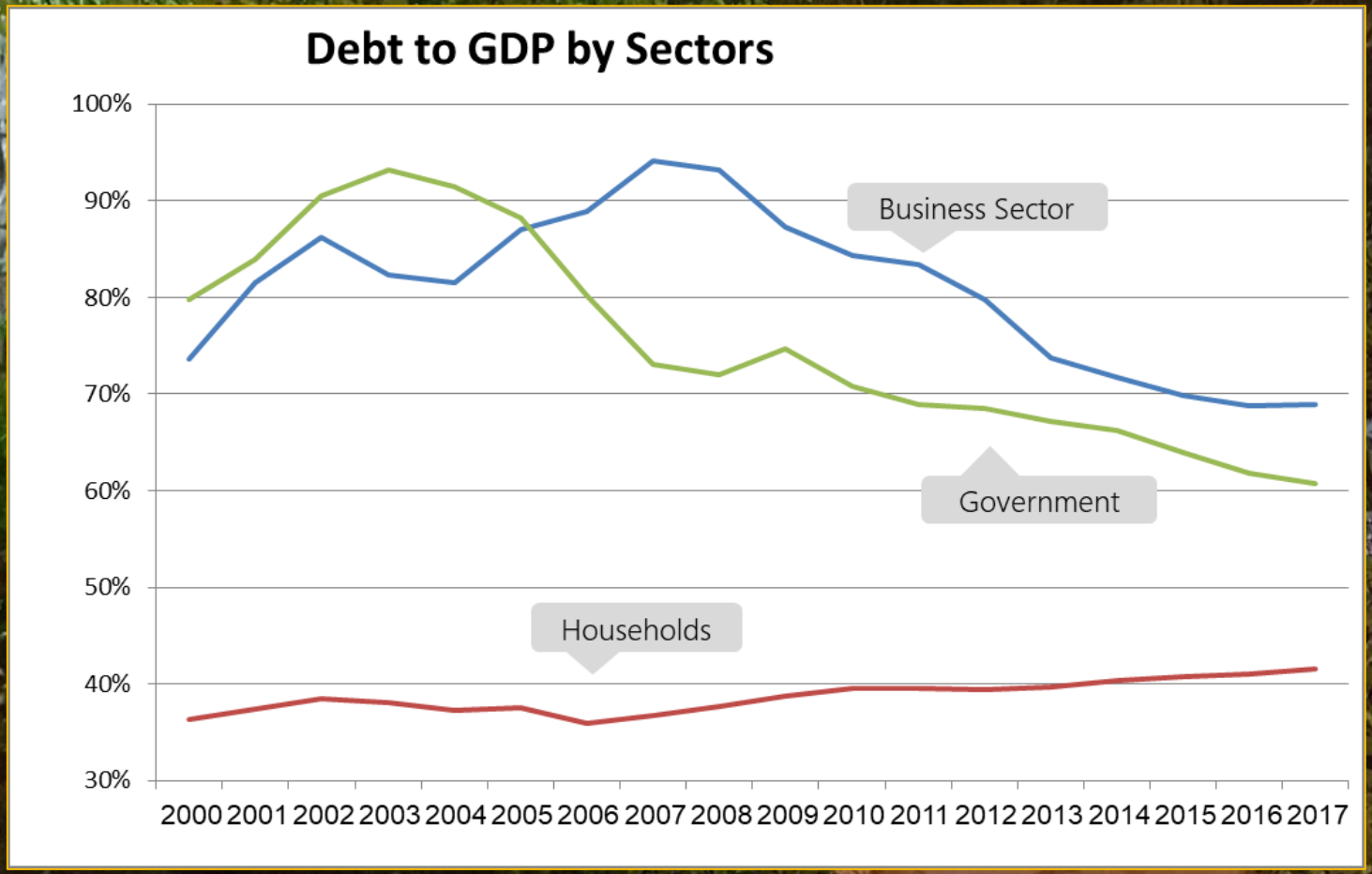
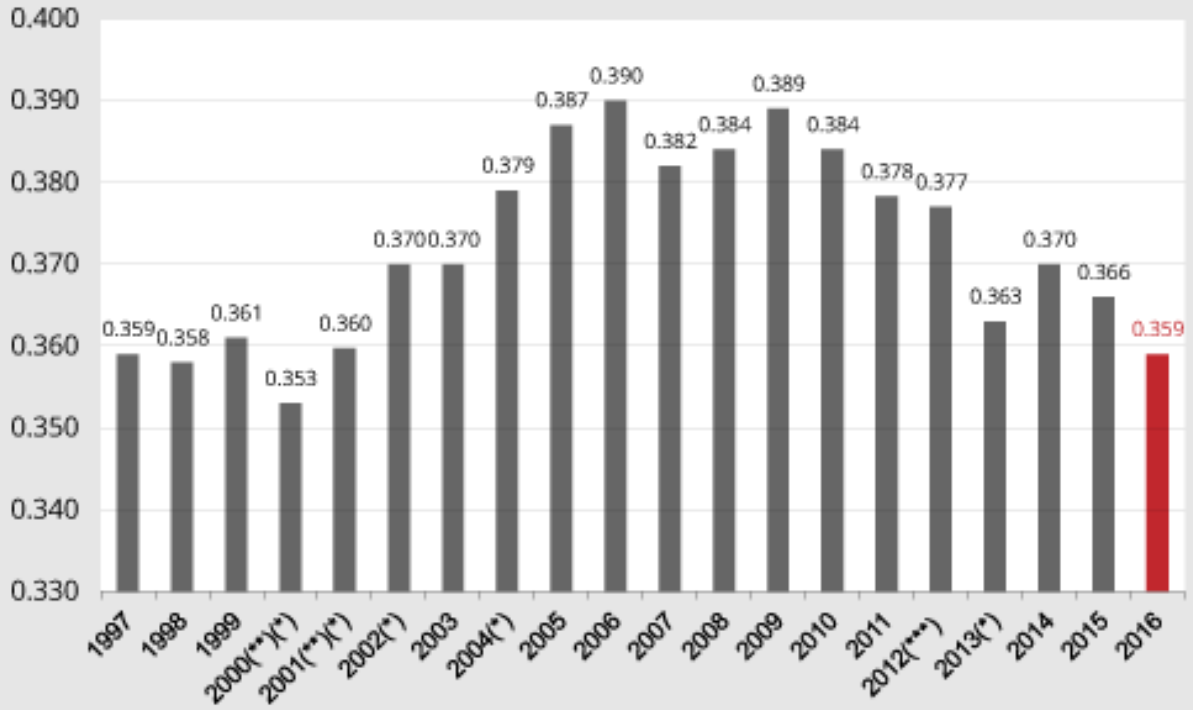
**Credit risks in the economy are declining,**
**as business sector debt shrinks.**
**Even Household Debt rises only moderately**



# Society and Welfare

**Israel**
**Island of Success**

## A significant decline in Israel's Inequality (Gini Index)




*A significant change in the findings of the Gini Index in comparison to the previous year
**Not including the population of East Jerusalem
***Starting this year the data is based solely on housekeeping expenses

Davar Rishon, March 11, 2018

# Society and Welfare

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**The financial income of households in all deciles has grown between 10% and 17%**
**(over the past five years)**

★

**The percentage of women earning more than the average wage grew from 18.6% to 25.9%**
**(2000-2015)**

★

**A significant jump of 23.6% in the median wage**
**(2000-2016)**

★

**The proportion of households that contributed to pension savings jumped from 65% to 74%**
**(2000-2016)**

# Society and Welfare

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**The four lowest deciles entered with a huge leap into the labor market**

**The number of wage earners increased**
**in the lowest decile by 58%,**
**in the second decile by 73%,**
**in the third decile by 45%,**
**and in the fourth decile by 35%**
**(2000-2016)**

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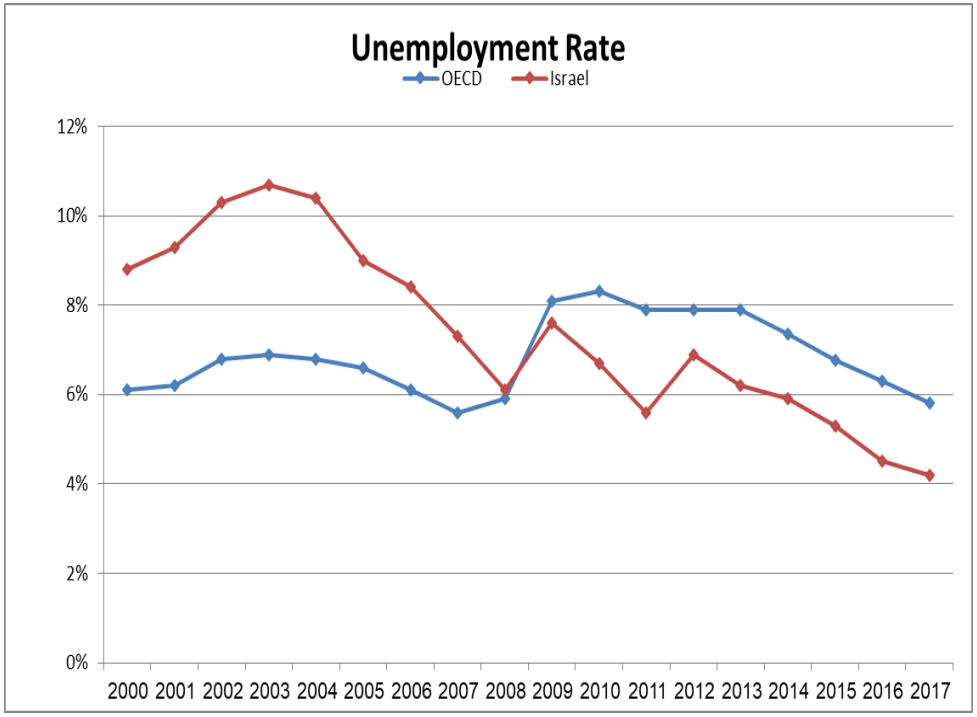
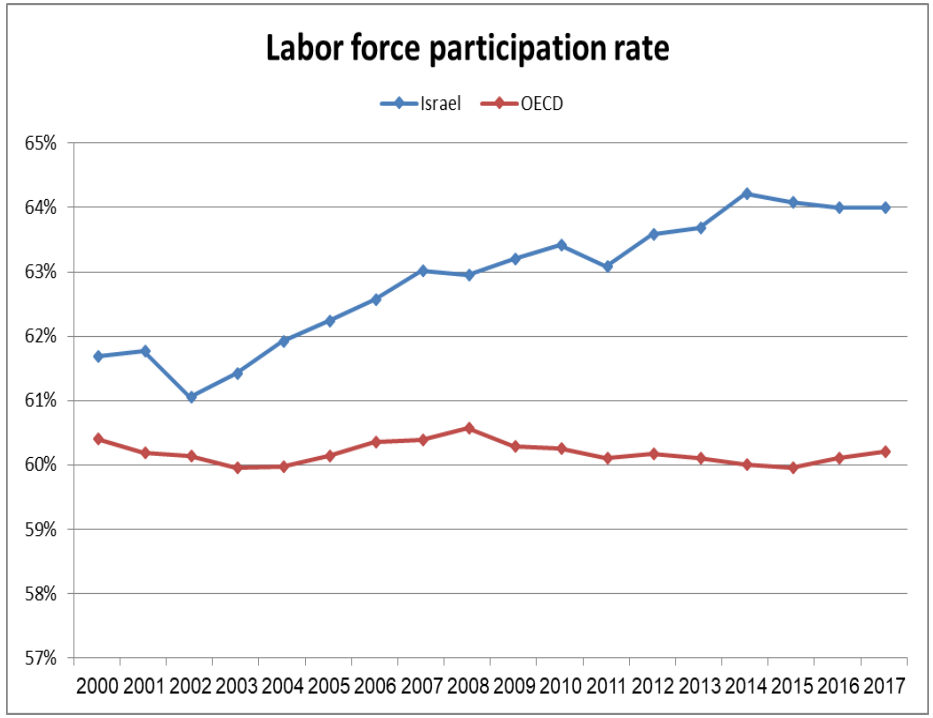
# The labor market in Israel continues to be better than the OECD's:

**The labor force participation rate is stable and much higher than the OECD average**
**The decline in the unemployment rate continues and is lower in comparison to the OECD**
**Israel enjoys the lowest unemployment rate in 40 years**



# Positive immigration to Israel of more than 20,000 people a year. Nearly 100,000 were acclimatized in the Past five years.

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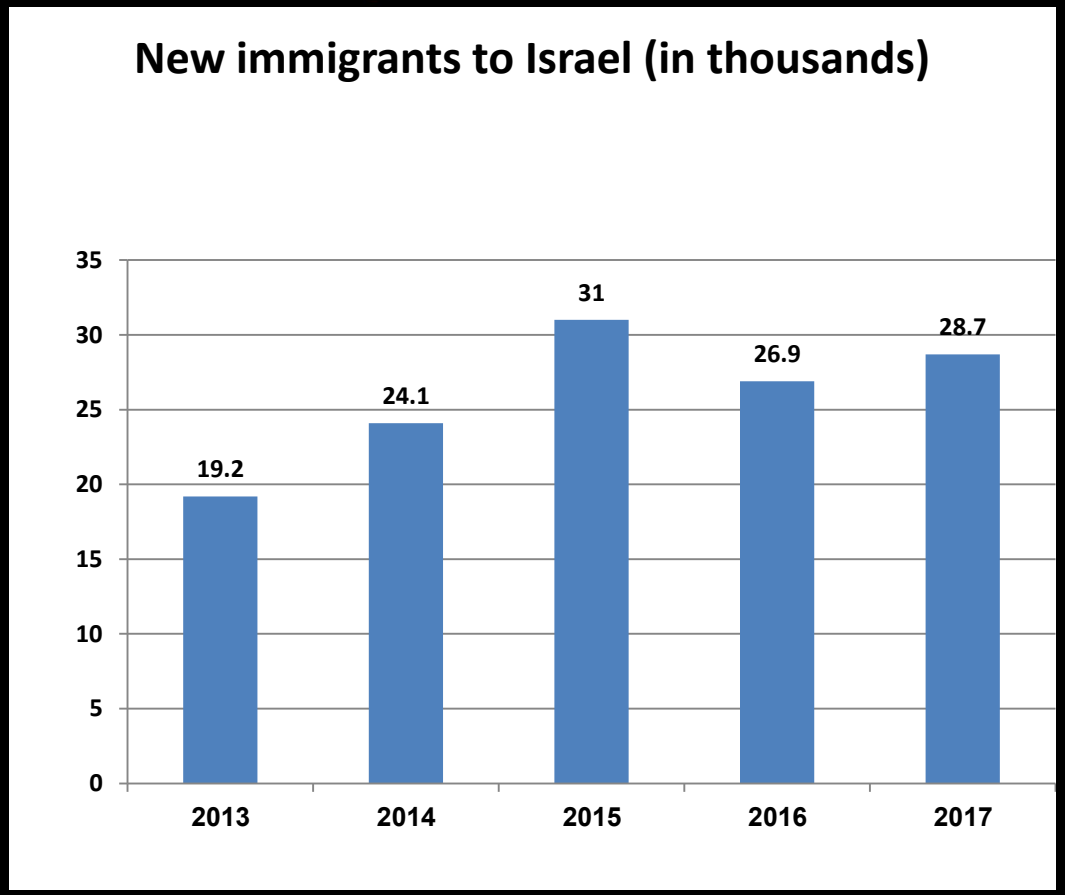

**An OECD study from 2015:**

**Israel excels in absorption of immigrants in all fields, compared to immigrants in other countries.**

**Israel is ranked No. 11 in the world**
**at the Level of Happiness Index**
**more than Germany (# 15), USA (# 18), and England (# 19).**
World Happiness Report 2018

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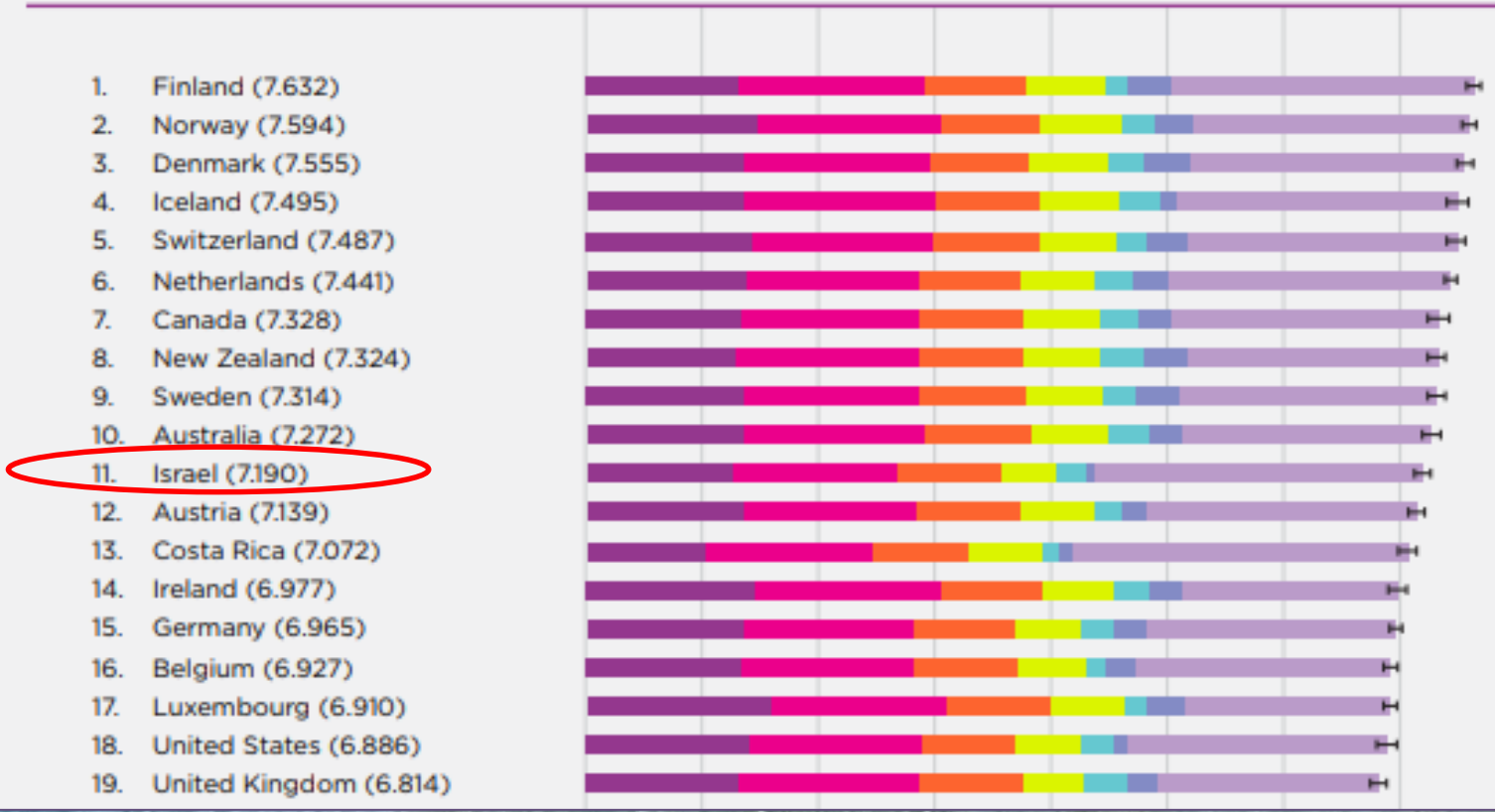
**Figure 2.2: Ranking of Happiness 2015–2017** (Part 1)




**And 12th place in the world in the level of happiness of immigrants to Israel**

# Brain drain? No. Brain gain!

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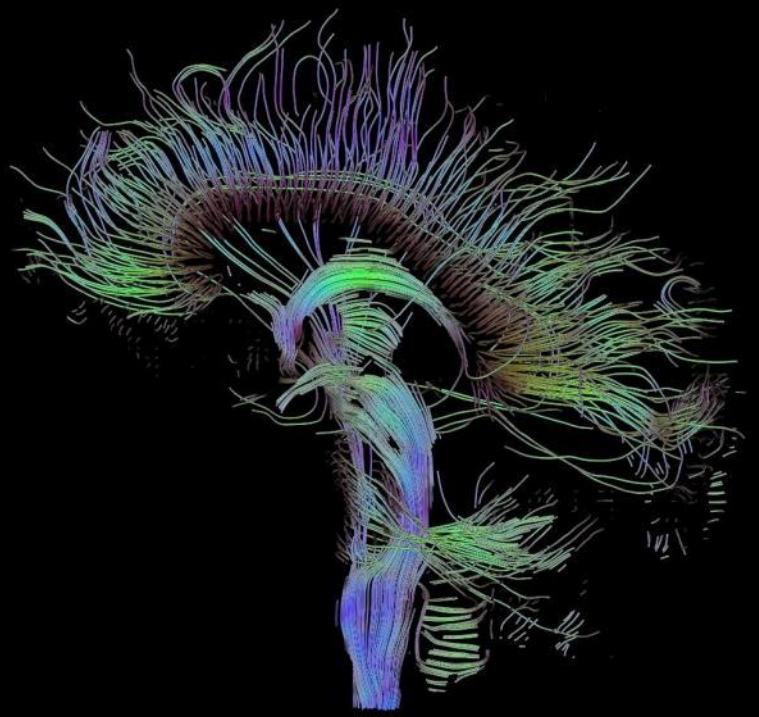
**Since 2010, approximately 4,000 PhD and Professors have returned to Israel. More than half of them were absorbed in universities and the rest in industry and entrepreneurship.**

In contrast to the 55,000 Israelis who studied for degrees in Israeli academies and left the country (1980-2010), about 290,000 academics came to Israel, who received "ready-made" immigrants from Russia, Ukraine, France and the United States.

In total, there was a massive net “brain-gain” of approximately 235,000 academics in these years, and the positive trend continues.



# The Israeli Health System is ranked 9# In the World Health Index

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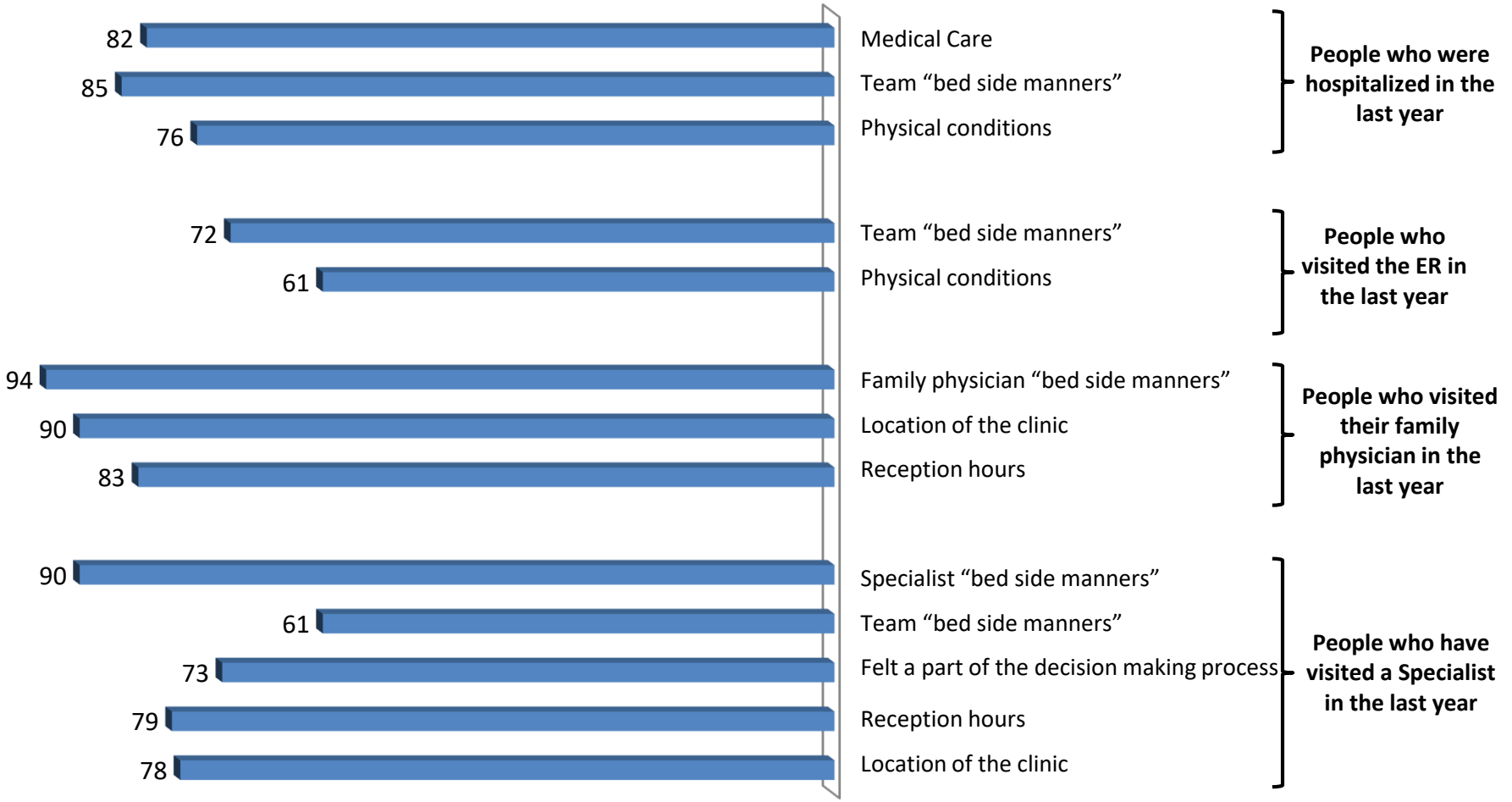
## Phenomenon: High satisfaction rates from health services




Central Bureau of Statistics, Social Survey, July 26, 2016

Only 19% used private medical services in 2017 (and did so in order to choose a doctor)

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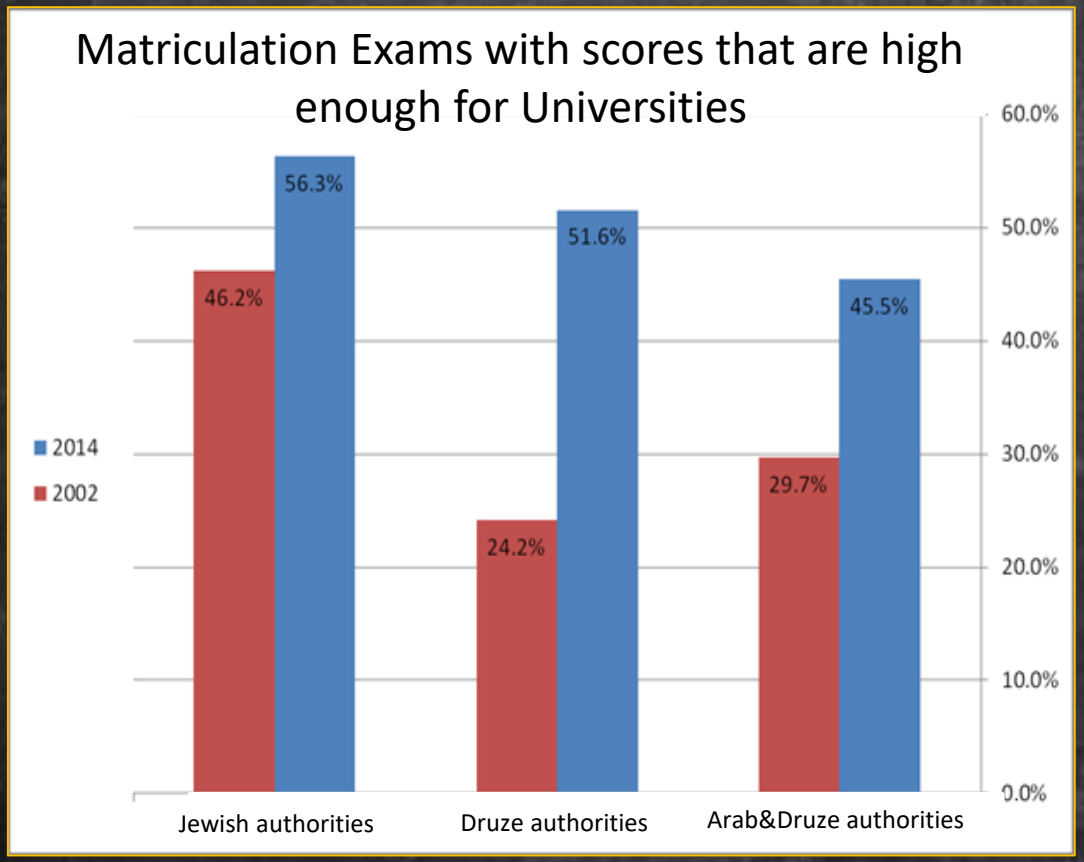
## Significant improvement in the results of the matriculation exams
(A dramatic improvement in the Druze and Arab sectors)




**THE PROPORTION OF ARAB ISRAELI STUDENTS STUDYING FOR A FIRST DEGREE ROSE BY 58% (2010-2017)**

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**The Wolf Prize is considered the second highest in the world after the Nobel Prize, and is distributed annually in Israel to scientists from around the world in the fields of medicine, chemistry, physics, mathematics, agriculture and art (architecture, music, painting and sculpture).**

**The Wolf Prize is a prime indication of winning the Nobel Prize: more than a third of the prize winners, in parallel fields (physics, medicine and chemistry), were later awarded the Nobel Prize.**

WOLF FOUNDATION | קרן וולף
ISRAEL ישראל

לקידום המדע והאמנות לטובת האנושות
To promote science and art for the benefit of mankind

**NO LESS INTERESTING: 19 SCIENTISTS, WHO ARE ABOUT 12% OF THE WOLF PRIZE WINNERS IN THE FIELDS OF MEDICINE, CHEMISTRY AND PHYSICS, ARE ISRAELIS.**
**THREE OF THEM HAVE ALREADY WON A NOBEL.**

**IN OTHER WORDS, AT LEAST ACCORDING TO THE WOLF PRIZE, THERE IS STILL A GREAT POTENTIAL FOR ISRAELIS WINNING THE NOBEL PRIZE.**

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# A phenomenon:
# The Women's Warfare Revolution

**The number of female combatants rose five-fold between 2012 and 2017.**
**In rescue and air defense, close to 50% of the fighters are women fighters.**
**In the Border Police, the rate reached 35%.**
**At that time, the number of female clerks in the IDF declined by 30%.**

Photos courtesy of the IDF

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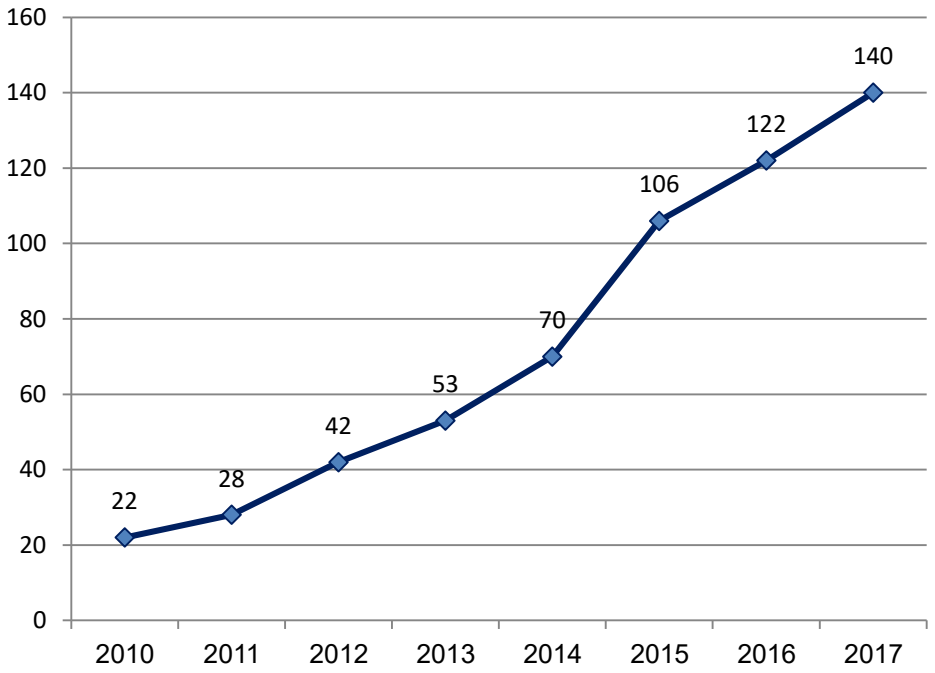
## CULTURAL BOYCOTT ON ISRAEL?
## NO

**Number of international artist performances in Israel**



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**Israel's geopolitical situation better than it had been since ever**

Maj. Gen. (res.) Amos Yadlin, President of INSS:
"Israel is militarily strong, the direct military threat has decreased significantly, and it is able to avoid confrontations and large-scale wars, especially in view of the continuing downward trend in the threat it faces from the Arab countries in its vicinity ..."

**Defense expenditure, dropped to 4.5% of GDP: the lowest rate since the establishment of Israel**

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בעולם

**אקונומיסט: מצב הדמוקרטיה בישראל משתפר; ארה"ב נחפכה לדמוקרטיה פגומה**

**מדד הדמוקרטיה השנתי של אקונומיסט מצביע על זינוק של חמישה מקומות בדירוג של ישראל, ומזהיר מפני אובדן האמון בנבחרי הצבור בעולם**

ישראל פישר, אקונומיסט | 14:19 27.01.2017

שמור 9

מצב הדמוקרטיה בישראל השתפר בשנה שעברה – כך קובע מדד הדמוקרטיה של "אקונומיסט". הציון של ישראל במדד הניע השנה ל-7.85 נקודות – והיא הניעה למקום 29 במדד – זינוק של חמישה

**:The Economist**

**Israel's Democracy index is changing FOR THE BETTER**

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*Israel ranked 19th in the UN Human Development (2016) Index*

**Israel is placed before nations such as Luxembourg, Belgium, Austria, France and Finland in this index. The index is calculated according to life expectancy, education and income.**

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**An absolute decrease of 60% in the number of casualties from traffic accidents and a decrease of 74% in comparison to the population (1995-2015)**

**Within two years, Israel has marked an improvement of 11 places in the World Economic Forum's Competitiveness Index**

**Recycling plastic bottles in Israel is higher than the OECD average. Israel is recycling 61% compared with 59% in Europe.**

**The Jewish mind is inventing patents: 5th place in the world with a number of patents per capita**

# Energy

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## Revolution in the Making

**66% of Israel's electricity consumption comes from its own sources,
90% of this comes from gas and the rest is almost exclusively solar energy.**

**In 2020, Israel is expected to achieve energy independence.**

**Green Energy in the Ashalim Project, the world's tallest solar tower: More than 50,000 mirrors on an area of 665 football fields.**

# 2018 - Israel's 70th anniversary

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**Compared with OECD countries**
**Israel is already a success ***

**It has four relative advantages:**
**A global entrepreneurial people, a very high scientific and technological level, a very young population**
**And three revolutions in the process: abundant water,**
**cheap energy and a growing transportation infrastructure**

**When the four relative advantages and three revolutions in the process**
**will have reached their full effect in the near future**

## Israel will achieve

## Even greater success

*** Israel has other significant challenges that require solutions:**
**Low median wages, high real estate prices, surplus of bureaucracy and regulation, traffic congestion, aggressive public discourse, high defense spending and more**

Past presentations and more can be found on
Facebook, LinkedIn and YouTube

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# Israel
## Island of Success

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## Noga Kainan

**MBA Business Administration, Tel Aviv University. Founder and director of the Forum of Heads of Companies, including owners, chairpersons and CEOs of leading companies. Chairperson of the CFO Forum, which brings together the CFOs of the leading companies in the economy.**

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