



PRESS RELEASE

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About 6,700 Additional Businesses in the Business Sector in 2004

Tables

In 2004, about 43,000 businesses opened, and about 36,400 businesses closed – a net addition of about 6,700 businesses to the business sector. In 2003, the net increase in the number of businesses was 4,400, i.e., the net addition to the business sector during the course of 2004 was 50% greater than the net addition in 2003.

These data are derived from the business registry prepared by the Central Bureau of Statistics in recent years. The registry is based on consolidated data from administrative files, which mainly consist of the business file of the Value Added Tax (VAT) authorities and the file of employers of the National Insurance Institute. One goal of the register is to prepare demographic data on businesses, including data on opening and closing of businesses. Movement of businesses that open and close is registered every year.

Type of business	2003			2004		
	Opening of businesses	Closing of businesses	Net addition: number of businesses	Opening of businesses	Closing of businesses	Net addition: number of businesses
Does not hire employees	19,751	25,158	-5,407	28,935	27,759	1,176
Hires employees	17,945	8,158	9,787	14,113	8,618	5,495

Written by Ms. Avigail Levi

This press release also appears on the CBS website at the address: www.cbs.gov.il/hodaot2005/23_05_93.pdf

For explanations and clarifications regarding the contents of this Press Release,

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Total	37,696	33,316	4,380	43,048	36,377	6,671
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The net increase of 6,700 of businesses in 2004 included about 5,500 businesses that **hire employees** and about 1,200 that **do not hire employees**. By comparison, the net increase in businesses in 2003 included about 9,800 that **hire employees**, but the net decrease of about 5,400 businesses that **do not hire employees** reduced the addition to the number of businesses to 4,400.

The movement of businesses in 2004 amounted to 79,400 openings and closings, where most of the businesses – 71% - were recorded as not hiring employees. By comparison, about 71,000 openings and closings of businesses were recorded in 2003, and 63% of those were businesses that do not hire employees.

The main increase in 2004 (as in 2003) was in the division of **business activities, n.e.c.** (i.e., activities such as legal and notarial services, bookkeeping and accounting services, market research, architectural services, and advertising) which comprised 44% of the net addition to the number of businesses. 13% of the addition was in **retail sales and repairs of goods**, and 10% of the addition was in **research and development services**.

Explanations

The data in this press release refer to the business sector and do not include public sector activities (public and local administration) or services provided by private nonprofit organizations.

The businesses that opened or closed included those that opened a file at the VAT authorities or that reported closing a file during the specified calendar year.

An employer is considered a business that employed workers at least during the calendar year of opening or the year after. Regarding businesses that closed, a business was considered an employer if it employed workers during the calendar year of closure or during the year that preceded closure.