Statistilite 171

Israel at 70

הלשכה המרכזית לסטטיסטיקה
Central Bureau of Statistics
دائرة الإحصاء المركزية

About the CBS

This year, the Central Bureau of Statistics (CBS), like the State of Israel, is celebrating the 70th anniversary of its establishment. The CBS collects, processes and publishes data on the population, the economy and society. These data are interwoven with the story of Israel throughout its years. They serve as a basis for decision making, policy planning and budgeting, and are available to each and every one of us.

The CBS data has accompanied Israel as it transformed from a developing country into a developed country with many achievements in science, industry, education, health, agriculture, and almost all aspects of life.

The CBS was established as an independent auxiliary unit in the Prime Minister's Office, as a direct continuation of the statistics departments of the Mandate government and of the Jewish Agency that operated during the Mandate period.

The CBS is headed by the National Statistician, and the Public Council for Statistics accompanies its professional-scientific work, alongside Israel's membership in international organizations such as the OECD, the IMF and others.

The CBS operates by virtue of the Statistics Ordinance [New Version] 5732-1972, which defines the functions of the CBS, its work procedures, the public's obligation to provide information to the CBS, the obligation of the CBS to maintain the confidentiality of the information received, as well as the CBS's obligation to publish the results of its work.

The aim of the CBS is to provide updated, quality and independent statistical information to a variety of users in Israel and around the world. The CBS's intended audience includes the Knesset, the government, local authorities, international organizations, research institutions, companies in the economy, media, students, pupils and the general public.

The CBS conducts dozens of surveys a year, mainly business surveys and family surveys. Among them are the following: The Labour Force Survey, which provides data on the number of employed and unemployed persons in the Israeli economy; the Household Expenditure Survey, which is used to formulate the consumption basket of the consumer price index and a presentation of the population's standard of living; and the Social Survey, which presents the public's views on assorted and variable issues. Approximately 90,000 households and individuals participate in the CBS surveys on families annually, and the response rates range around 80%.

The CBS also conducts a population census every decade. Prof. Roberto Bachi, who headed the CBS until 1971, was one of the initiators of Israel's first population census, conducted in November 1948. This census was used to register residents and distribute identity cards prior to the elections for the first Knesset (it was performed under curfew and during the War of Independence).

Since the first census, five additional censuses have been held (in 1961, 1972, 1983, 1995, and 2008). The CBS is currently preparing for the next population census, which is expected to take place in 2020.

Through the population census, the various surveys and the sources of information at its disposal, for more than seven decades the CBS has been creating the official statistics of Israel, which are needed for its existence as a modern state.

The State of Israel

Area of the country: 22,072 sq. km., about half the size of the Netherlands or Switzerland.

Land area: 21,643 sq. km. (98%)

Area of lakes: 429 sq. km. (2%)

This includes the Sea of Galilee (164 sq. km.) and the Dead Sea (265 sq. km.)

Administrative division: Six districts are defined in the official administrative division of Israel (Jerusalem, Northern, Haifa, Central, Tel Aviv and Southern), 15 Sub-Districts and Israeli localities in the Judea and Samaria Area.

Length of Mediterranean Sea Coast: 194 km., by comparison, the length of the Red Sea Coast is 12 km.

Lowest point: The Dead Sea (430.93 m. below sea level)

Highest point: Mount Hermon (2,224 m.)

Northern-most locality: Metula

Southern-most locality: Elat

The only river in Israel: The Jordan River, approximately 250 km.

Main streams: Alexander, HaBesor, HaYarqon, HaQishon, Hadera, Kziv, Lakhish, Soreq, Shiqma, and Tanninim.

Climate: The area of Israel covers three climatic zones: the Mediterranean climate in the center and north of the country, the arid (desert) climate in the south and east, and the semi-arid climate in the areas between the Mediterranean climate and the desert climate. The rainy season is from October to May, and most of the precipitation is obtained during the main winter months - December, January and February. The rainy season is characterized by a large variation in precipitation from year to year and between regions. The dry season is from May to September, and its middle is in the summer months - June, July and August, in which there is almost no rain.

Land Use (2013)

64.7% bare land, rocky land, shrubs or excavated area

20.0% agricultural area

7.3% forest, groves or park area

5.6% built up area

2.4% area of water bodies (including natural water reservoirs – the Sea of Galilee and the Dead Sea, and man-made water reservoirs).

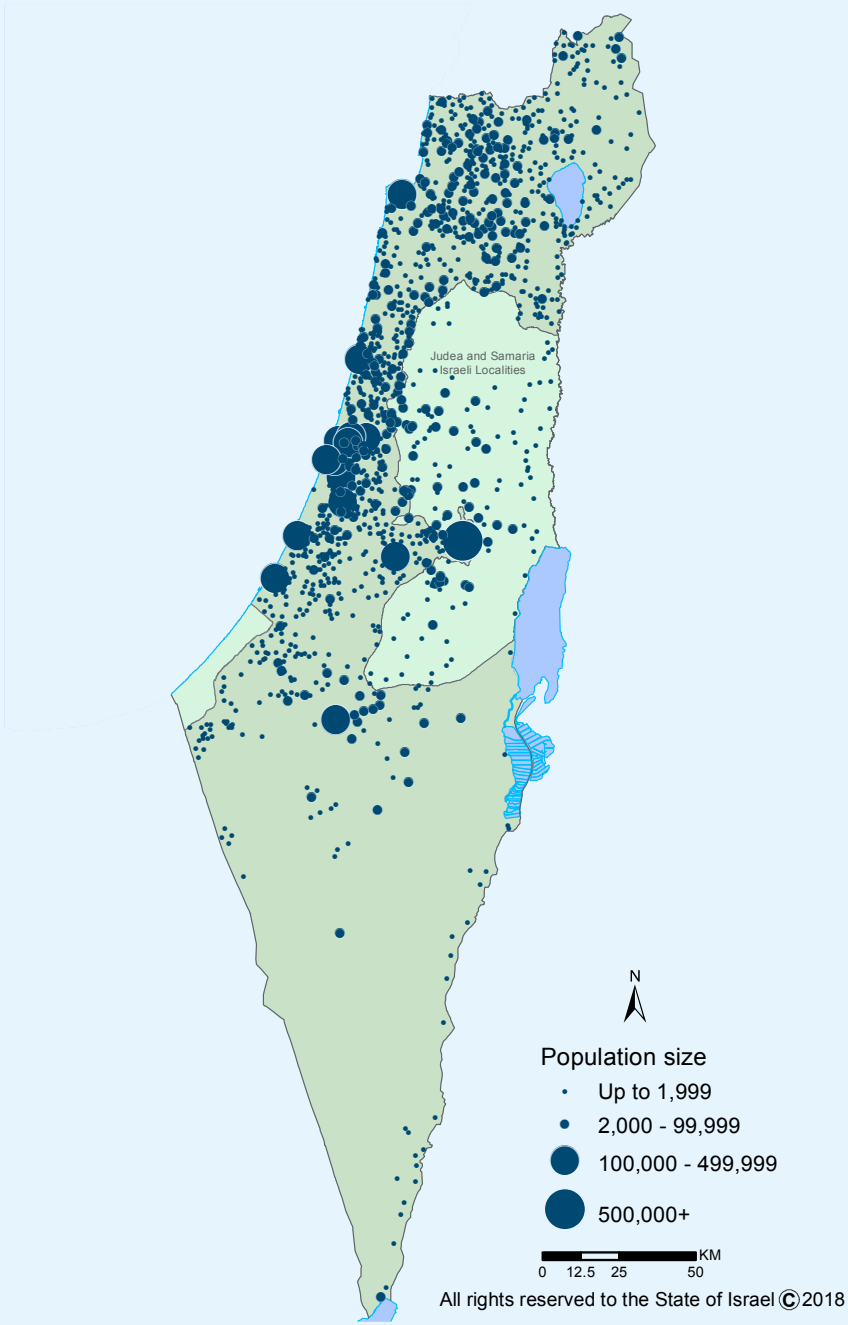
Built-up area (2013): The largest built-up areas are in Jerusalem (59.03 sq. km.), in Tel Aviv-Yafo (37.87 sq. km.), in Haifa (35.89 sq. km.) and in Be'er Sheva (25.74 sq. km.).

The largest built-up area of a municipality area is in Giv'atayim (94.8%) and the smallest built-up area of a municipality area is in Dimona (3.2%).

Population Density for Residential Built-Up Area (2013)

The population density values range from 1,429 persons per sq. km. in the Savyon Local Council to 54,075 persons per sq. km. in the municipality of Bene Beraq.

Distribution of Localities by Population Size, 2016



Population

Did you know?

Since the State's establishment, the population of Israel has increased ten times over.

The population of Israel numbers 8,841,800 persons on the eve of Israel's 70th Independence Day. Of those, about 6,993,100 are Jews and others[1] and 1,848,700 are Arabs (preliminary estimate at the end of March, 2018).

At the time of the declaration of the State in 1948, the population of Israel was about 806,000 persons.

Percentage of Population Growth

In the first decade: more than 8% on average annually

In the 1980s: less than 2%

In the 1990s: more than 3% in the wake of the wave of immigration from the former USSR

In the last decade: stabilization at a level of about 2%.

Population Projection for 2015 to 2065

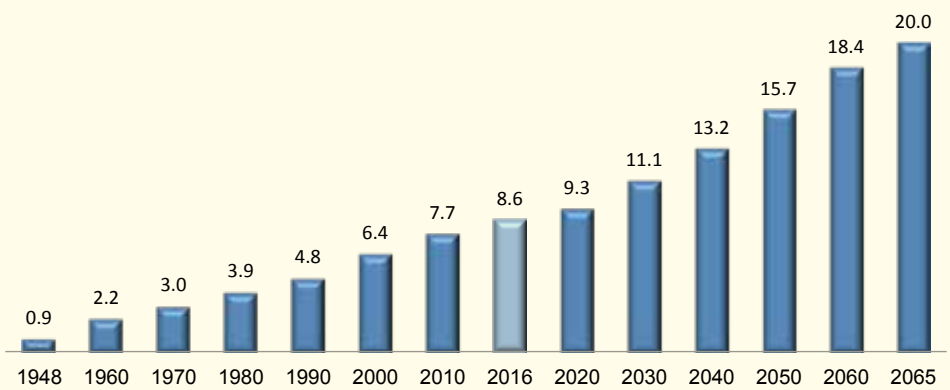
On the 100th Independence Day (in 2048): 15 million residents (79.2% Jews and others and 20.8% Arabs)

In 2065: 20 million (80.7% Jews and others and 19.3% Arabs)

The annual growth rate of the population will gradually decline from 2.0% in 2016 to 1.7% in 2048 and 1.6% in 2065.

(According to the medium alternative scenario)

1 Israel's Population in the Past and Future, Millions (End of Year Data)



1 Others are non-Arab Christians, members of other religions, and persons not classified by religion in the Population Registry.

Immigration to Israel

Did you know?

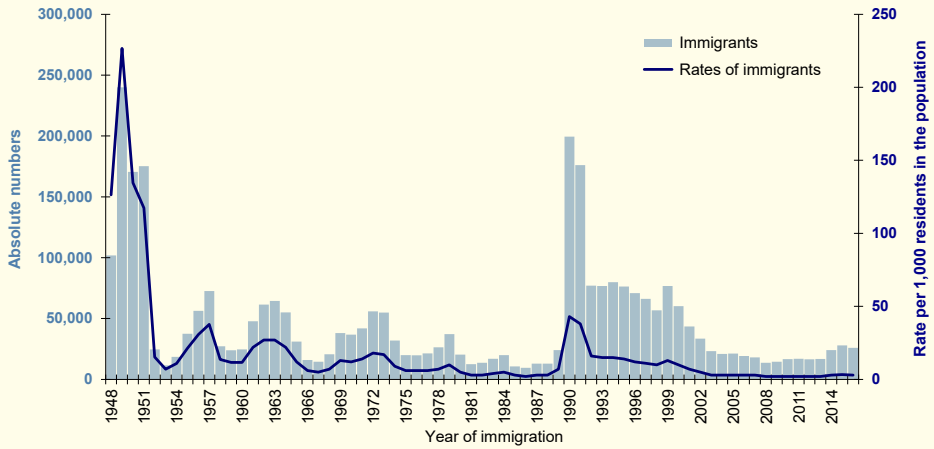
40% of all immigrants from 1948 to 2016 were born in the former USSR.

Approximately 3.2 million immigrants immigrated to Israel since the establishment of the State of Israel. Since then (even before the state's establishment) immigration to Israel was characterized by waves of immigration concentrated in a few consecutive years, with periods of slow-down in-between, which usually lasted for several years as well.

The two largest waves of immigration were:

- The wave of immigration since the state's founding until the mid-1950s led to a doubling of the country's population within four years (more than 700,000 immigrants).
- The wave of immigration in the 1990s led to an increase of more than 10% in the Israeli population (more than 900,000 immigrants, about 43% of all immigrants).

2 Immigrants to Israel, 1948-2016



The main countries from which the immigrants arrived in the last decade were Russia, Ukraine, France, the United States, Ethiopia and the United Kingdom.

Following the immigration to Israel, the share of Jews in Israel of the total worldwide Jewish population increased from about 6% on the State's first Independence Day to about 44% today.[1]

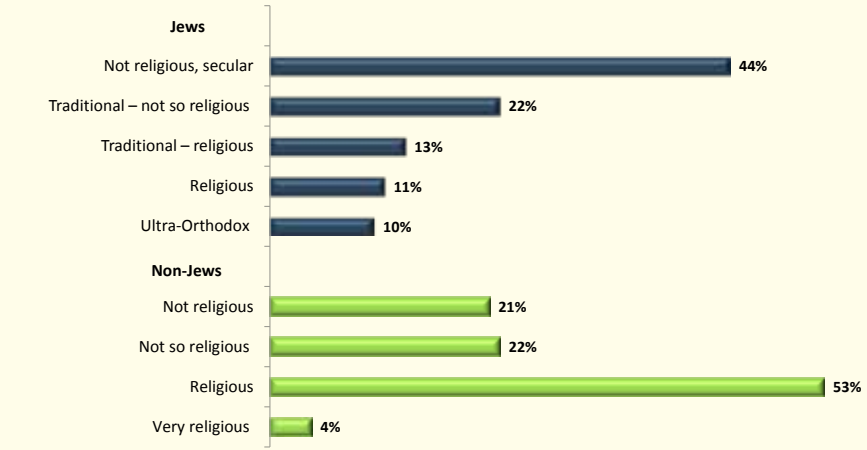
Since the State's founding until today, about 7 million children were born in Israel. The share of native Israelis among the total population (Jews and Arabs) rose from 48% in the first census (November 1948) to 79% at the end of 2016.

1 Data from the Avraham Harman Institute of Contemporary Jewry, the Hebrew University of Jerusalem.

Religion and Religiosity

In 2016 secular Jews were the largest group among the Jews (44%) and among non-Jews – it was religious persons (53%).

3 Persons Aged 20 and Over, by Level of Religiosity, Social Survey 2016



Due to a relatively high fertility rate among the ultra-Orthodox, their share of the younger population is higher than their share in the mature population: 17% of Jews aged 20-29 are ultra-Orthodox, compared with 4% of those aged 60 and over.

Population Distribution

› Did you know?

In 1949, there were 500 localities in Israel, and in 2016 – 1,214 localities.

Today, about half of the population (44%) is concentrated in the 15 largest cities, with more than 100,000 residents. The largest city is Jerusalem (882,000 residents).

With the State's establishment, 75% of the population lived in cities or urban localities. Only one city had more than 100,000 residents - Tel Aviv (about 240,000 residents, which constituted 28% of the country's population).

In 2016, the largest urban locality: Jerusalem, 882,700 residents.

The smallest urban locality: Kefar Vitkin, 2,000 residents.

The largest rural locality: Shetulim (moshav), 2,000 residents.

The smallest rural locality: Newe Zohar (in the Tamar Regional Council), 70 residents.

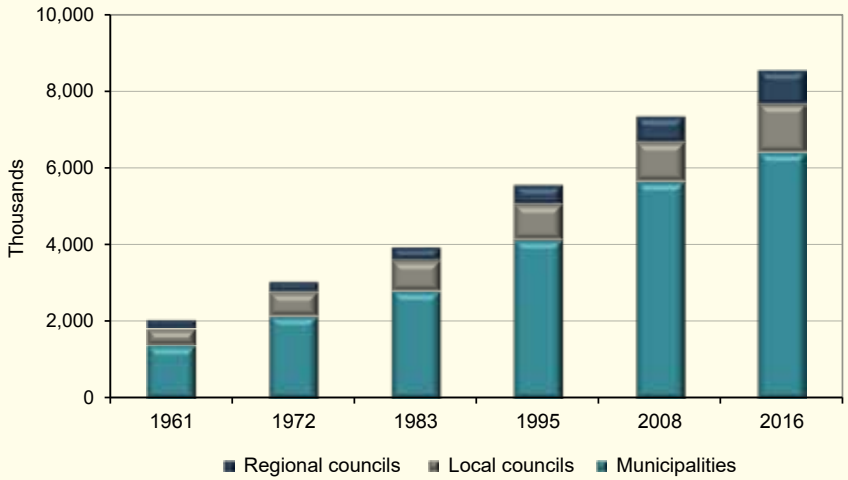
Local Authorities

In 2016 there were 255 local authorities in Israel (excluding the two local industrial councils: Ne'ot Hovav and Migdal Tefen). They included 77 municipalities, 124 local councils and 54 regional councils.

About 74.4% of the population lived in the municipal areas, about 14.7% in local councils, and about 10.2% in regional councils.

The share of the population residing in the municipal boundaries increased over the years from 59% (in 20 municipalities) in 1951, to 67% (in 29 municipalities) in 1970, and, as noted, to 74.4% (in 77 municipalities) in 2016.

4 Population, by Municipal Status in Selected years



Households[1]

In 1960: 549,000 households

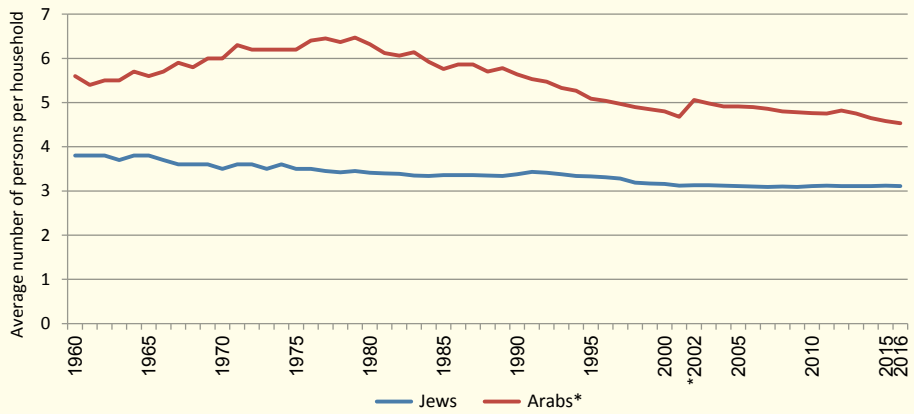
In 2016: 2.47 million households

The increase in the number of households over the years was steeper than the increase in population. Among the factors contributing to this are changes in the composition and size of households, which reflect social and demographic processes.

At the head of 82% of the households was a Jew, of about 15% was an Arab and the rest were households headed by "others".

Over the years there has been a gradual decline in the average size of the household (number of persons) in all population groups. In the last decade there have been no significant changes in the size of the household.

5 Average Household Size, by Population Group 1960-2016



* As of 2002, not including persons of other religions

The share of households with one person out of all households

In 1960: about 12%

In 2016: about 19%

The share of large households (with 7 or more persons) out of all households

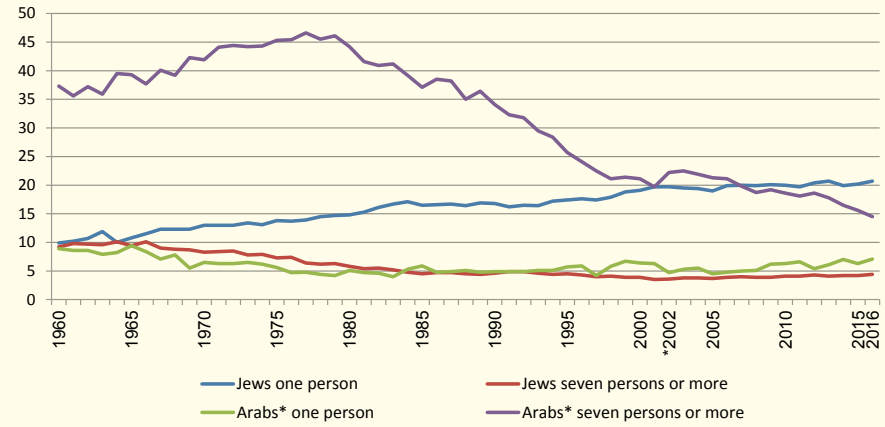
In 1960: about 10%

In 2016: about 6%

1 A household is defined as one person or a group of persons living in one dwelling on a permanent basis most of the week, who have a joint expense budget for food. They may be related or unrelated persons, or a combination of persons both related and not related. The data do not include households in kibbutzim, institutions and student dormitories, as well as households outside localities (Bedouins in the South).

Source of data: Labour Force Survey.

6 Households with One Person and Households with Seven Persons or More, by Population Group, Percentages, 1960-2016



*As of 2002, not including persons of other religions

The Composition of Families in 2016[1]

Living within a nuclear family is the most common framework in Israel.

The composition of families in Israel is different among different population groups and has not changed significantly in the last decade.

Couple of parents and children up to age 17

64% of the Arab population

46% of the Jewish population

Couple only

28% of the Jewish population

11% of the Arab population

Lone-parent families (with children of any age)

About 12% of the Jewish population

About 11% of the Arab population

1 Family: Two persons or more who share the same household and are related to one another as husband and wife, as an unmarried couple, or as parent and child (including an adopted child). Thus, a family can be only a couple, a couple with children (in various age groups, defined by the age of the youngest child), or a single parent with children (lone parent family).

A family also includes a family of grandparents with grandchildren without parents, or only siblings who live together without spouses or children.

Marriage and Divorce

Number of couples who married in Israel annually

In 1955: 14,742

In 2015: 53,579

The number of couples who divorced in Israel annually

In 1955: 2,156

In 2015: 14,487

Crude marriage rate

(Number of marriages per 1,000 residents)

In 1955-1959: 8.2

In 2015: 6.4

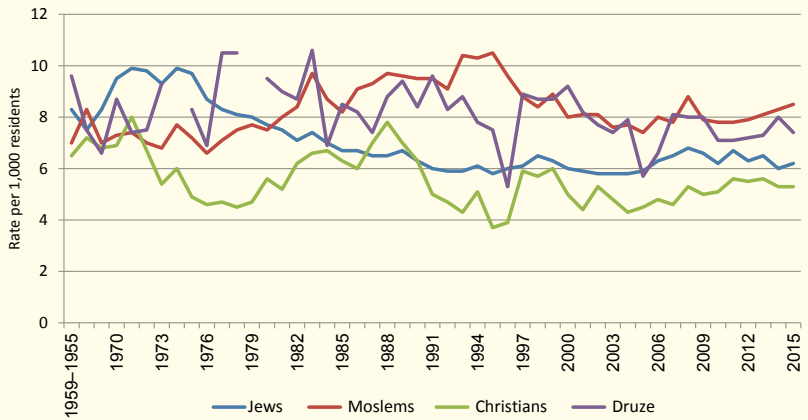
Gross divorce rate

(Number of divorces per 1,000 residents)

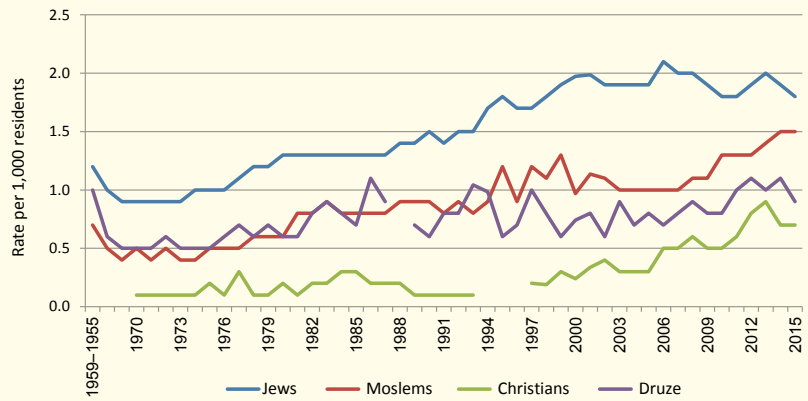
In 1955-1959: 1.1

In 2015: 1.7

7 Crude Marriage Rate by Religion, 1955-2015

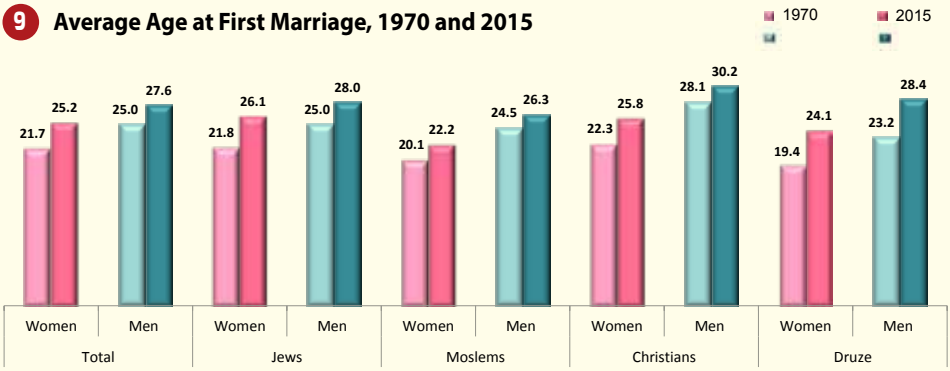


8 Crude Divorce Rate by Religion, 1955-2015



The average age at first marriage rose over the years in all religions, among Jews and Druze more than among Moslems and Christians, and among women more than among men.

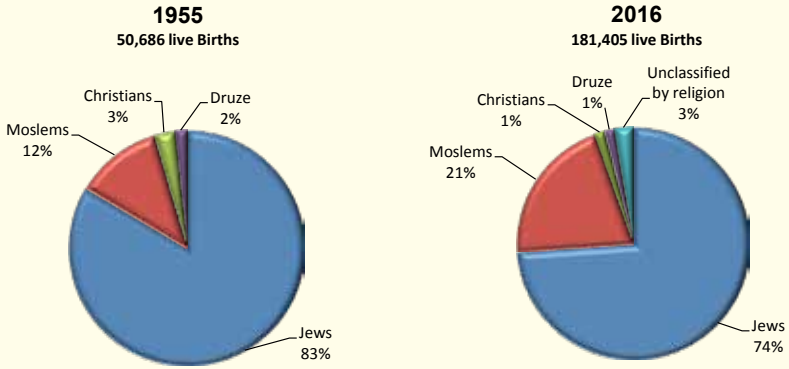
9 Average Age at First Marriage, 1970 and 2015



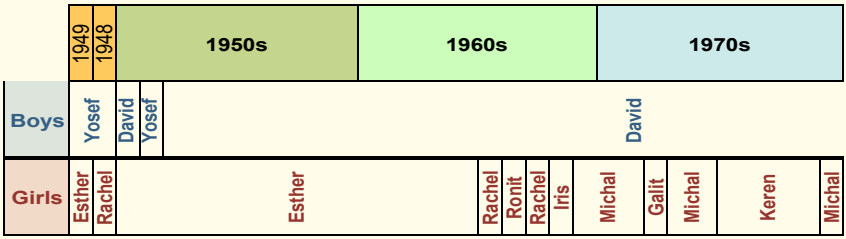
Births and Fertility

Births are a major and leading factor in the growth of the country's population today. In 2016 there were 181,405 live births compared to 50,686 in 1955. Most of the increase stems from an increase in the number of live births of Jewish women (from 42,339 in 1955 to 134,100 in 2016) and Moslem women (from 6,034 to 37,592, respectively).

10 Live Births by Mother's Religion, 1955 and 2016



11 The Most Common Names Given to Jewish Boys and Girls



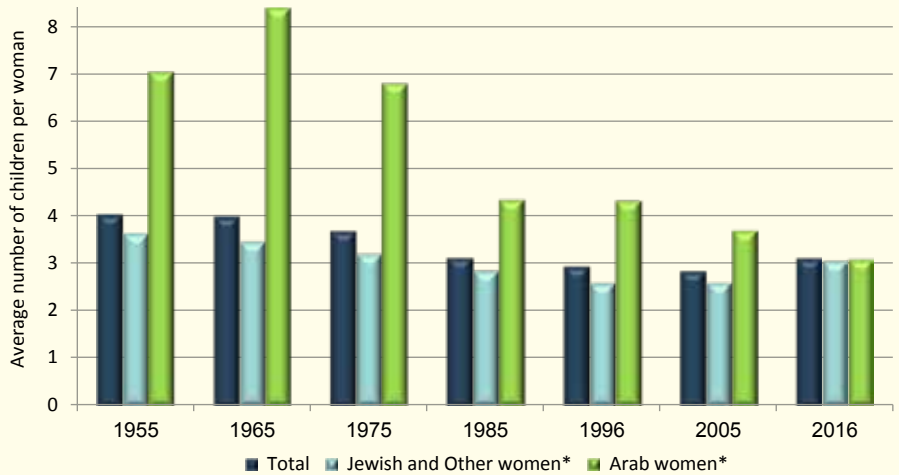
Total fertility rate (average number of children a woman is expected to bear during her lifetime)

2016	1955
3.11 children per woman	4.03 children per woman
(similar to the rates in Israel in the first half of the 1980s)	
3.06 among Jewish and other women	3.64 among Jewish women
3.11 among Arab women	7.07 among Arab women (including others)

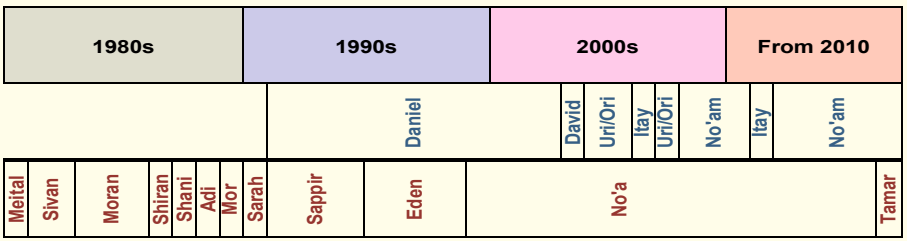
Did you know?

The total fertility rate per woman in Israel in 2016 (3.11 children per woman) was higher than all the fertility rates of the OECD member countries (average 1.68).

12 Total Fertility Rate by Population Group of Woman in Selected Years



* Until 1995, "Jews and others" included only Jews, and "others" were included under Arab women.



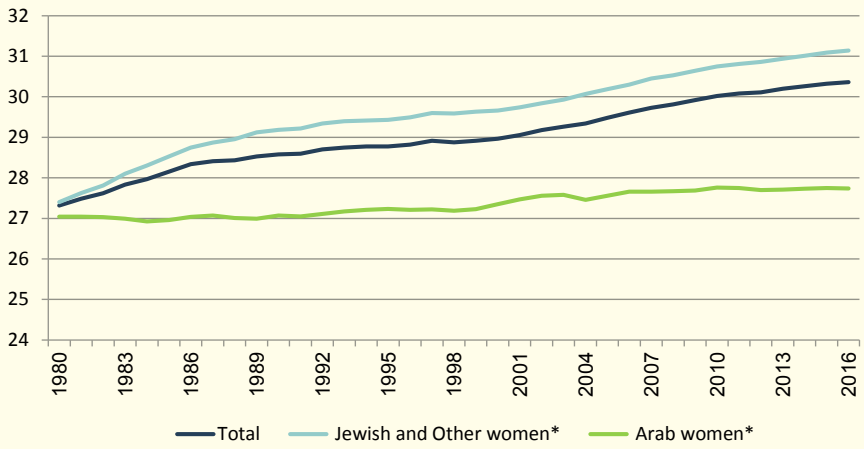
Average age of mother at birth in 2016

30.4 (after an increase of more than 3 years since 1980)

31.1 among Jewish and other women

27.7 among Arab women

13 Average Age of Mother at Birth by Population Group, 1980-2016



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The Names Zion and Israel

According to the Population Registry 2017:

Zion is the first name of 6,928 men and 116 women.

Ziona is the first name of 2,491 women.

Zion is the last name of 876 men and 819 women.

Six men are named Zion Zion (first and last name).

Israel is the first name of 21,777 men and 5 women.

Israela is the first name of 1,106 women.

Israel is the last name of 3,423 men and 3,349 women.

Nine men are named Israel Israel (first and last name).

Health

National Expenditure on Health

In 2016, the national expenditure on health amounted to NIS 90.3 billion – 7.4% of the GDP. In 1962/63 expenditure constituted 5.4% of the GDP.

The share of government and health funds in the provision of health services has declined, and the share of for-profit producers has increased gradually over the past six decades.

Despite this, the government's share of the state budget in financing health services increased in the three decades, as did the share of households in financing, compared with the tax-financed portion that declined during this period.

National Expenditure on Health, Percentages

By operating sector

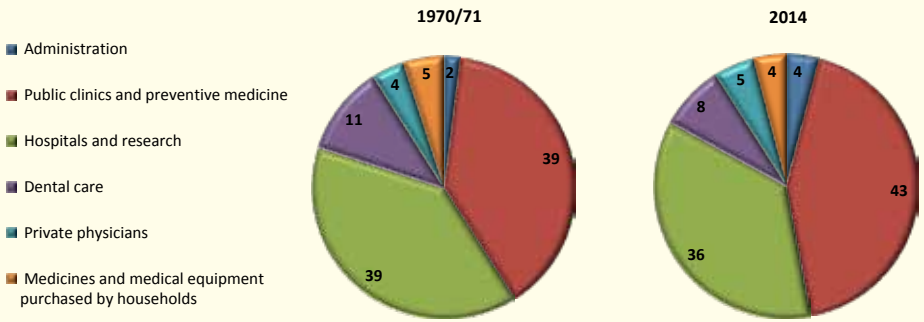
	1972/73	2016
Government and local authorities	24	19
Health funds	45	42
Private non-profit institutions	11	10
For-profit producers	20	29

By financing sector

	1995	2016
Government budget	23.1	38.0
Taxes	42.8	24.3
Private financing	31.5	36.1
Donations from abroad	2.6	1.6

In recent decades, the share of hospitals and research and dental care has gradually declined, and concomitantly, the share of public clinics and preventive medicine and private physicians has increased.

15 Current National Expenditure on Health, by Type of Service, Percentages



Mortality and Life Expectancy

The **mortality rate** in Israel is lower than most countries, and is improving in all age groups. However, there are gaps between Jews and Arabs and between men and women, and they have been preserved over the years.

In 1955, 10,532 residents died, a rate of 6.0 deaths per 1,000 residents.

In 2016, 44,191 residents died, a rate of 5.1 deaths per 1,000 residents.

Life expectancy in Israel is high relative to OECD countries. In 1971, Israel ranked 13th, and in 2015 - 11th place. The life expectancy of Arabs is lower than that of Jews throughout the years, and the gap between them was about three years on average.

Life Expectancy (Years)

In 1950, among Jews: 66.3 for men and 69.5 for women

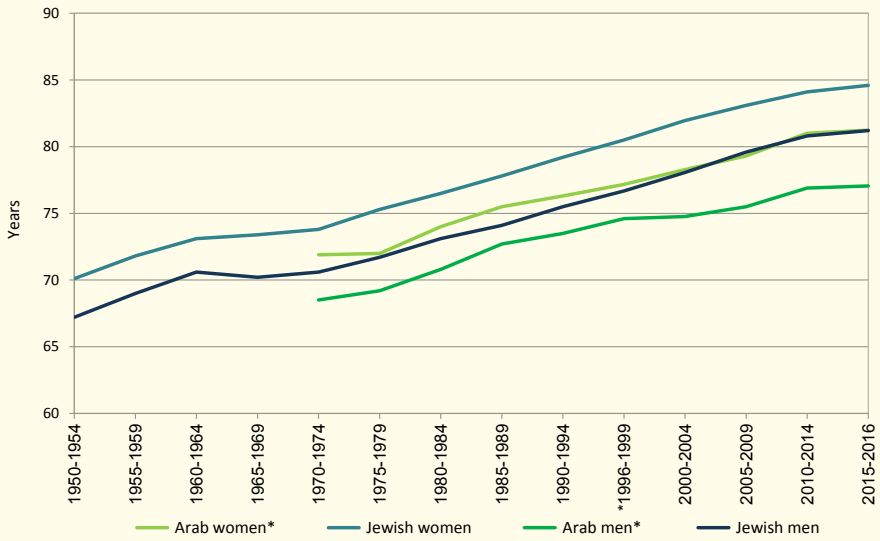
In 1971, among the total population: 70.1 for men and 73.4 for women

In 2016, among the total population: 80.7 for men and 84.2 for women

Among Jews: 81.5 for men and 84.7 for women

Among Arabs: 77.2 for men and 81.4 for women

16 Life Expectancy by Sex and Population Group



* Until 1996 - other religions

Infant Mortality

In the entire world and in the State of Israel, there has been a general decline in infant mortality during the 20th and 21st century.

The rates among Arabs are higher than among Jews throughout the years. Until 2016, the rates declined in both population groups, but the gap between them remained and even increased slightly.

Infant mortality rate (per 1,000 live births)

In 1950 among Jews: 45.6

In 1955, in the general population: 37.3

Among Jews: 32.3

In 1975, in the general population: 22.9

Among Jews: 17.8

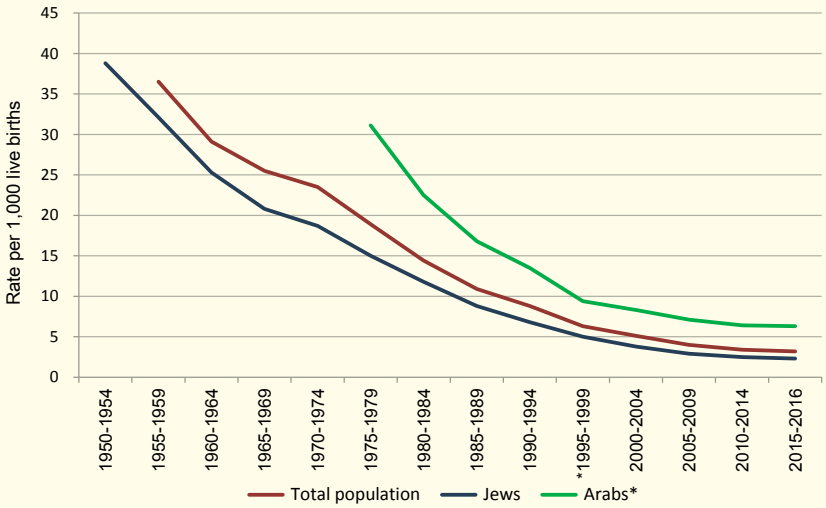
Among Arabs: 39.5

In 2016, in the general population: 3.1

Among Jews: 2.3

Among Arabs: 6.1

17 Infant Mortality by Population Group, 1950-2016



* Until 1996 - other religions

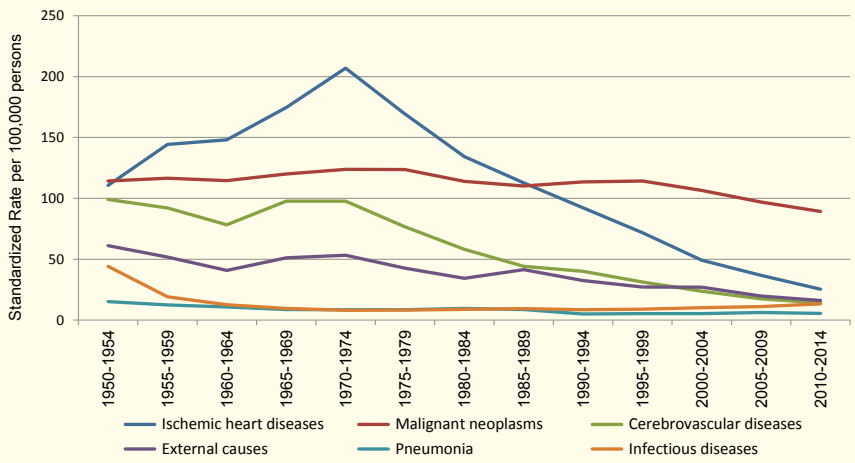
Causes of Death

The age-standardized mortality rate for all causes of death decreased from 1950 to 2015 by approximately 67% (among Jews). Over the years there has been a significant decline in mortality rates from most diseases, but there have been changes in the main causes of death.

Main Causes of Death, Percentage Among the Deceased

	Malignant neoplasms	Ischemic heart diseases	Cerebro-vascular diseases	Infectious diseases	Diabetes mellitus	External causes
1950-1954 Jews	13	16	10	13	1	8
2015 General popula-tion	25.1	8.8	5.5	5.7	5.7	4
Jews	25.3	8.9	5.6	6	5.5	3.6

19 Mortality Rates from Selected Causes of Death – Jews, 1950-2014



Hospitalization Institutions

In the number of hospitalization institutions for general care, there was almost no change over the years, but there was a large increase in the number of beds. The number of mental health institutions increased until the mid-1970s, and since then it has been declining significantly, as have the number of beds. The number of institutions for chronic diseases has increased steadily throughout the years, as have the number of beds.

Beds in Hospitals

In the early years of the state, there was a large increase in the number of hospital beds, and by 1960 the number doubled (from 7,627 in 1950 to 14,244). Until the end of the 1970s, the number of beds per 1,000 residents was increasing, and since then it has been declining.

The number of beds for **general care** was on the rise until 1978, and since then it has been steadily declining.

The number of beds for **mental health care** increased until 1984, and has since declined significantly due to the policy of transferring mental health care to the community.

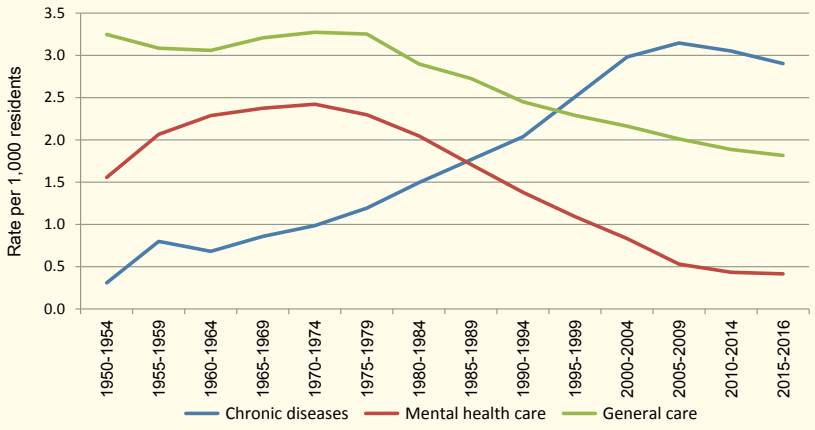
The number of beds for **chronic diseases** has increased significantly over the years, and only since 2014 there has been a slight decline.

In the early years of the country, the number of beds for **tuberculosis** reached 1,600, and since 2000, only 10 beds were allocated to tuberculosis.

Number of Hospitalization Institutions and Hospital Beds, by Type of Institution

	Total	General care	Mental health care	Chronic diseases	Rehabilitation	Tuberculosis
Number of hospitalization institutions						
1950	80	47	22	9	2	9
2016	339	44	12	281	2	
Beds in hospitals, rate per 1,000 residents						
1950	5.54	3.43	1.39	0.00	0.11	0.61
2016	5.18	1.80	0.41	2.87	0.10	0.00

21 Beds in Hospitals, by Type of Hospitalization, 1950-2016



Doctors

In 1960 there were approximately 3,200 doctors, 1.50 doctors per 1,000 residents.

In 2016, there were 36,223 doctors, 4.20 doctors per 1,000 residents.

Did you know?

The largest increase in the number of doctors was in 1991-1992, the years of mass immigration from the former USSR.

Nurses

At the end of 2000 there were 45,095 nurses,

62% professional, and 38% associate professional

5.1 nurses employed per 1,000 residents

At the end of 2016 there were 64,120 nurses

About 80% professional nurses and about 20% associate professional nurses

4.8 nurses employed per 1,000 residents

The percentage of men was 12% in 2015 compared with 8% in 2000.

Education

National Expenditure on Education

In 2016, the national expenditure on education amounted to NIS 94.8 billion, which is 7.8% of the GDP. In 1990, the expenditure constituted 7.9% of the GDP, and stood at NIS 8.8 billion.

The share of government in the provision of educational services has been reduced somewhat, while the share of local authorities and non-profit institutions has increased gradually over the past six decades.

In contrast, the share of government in financing education services has increased in the last five decades, and the share of the local authorities in financing has decreased.

National Expenditure on Education, Percentages

By Operating Sector

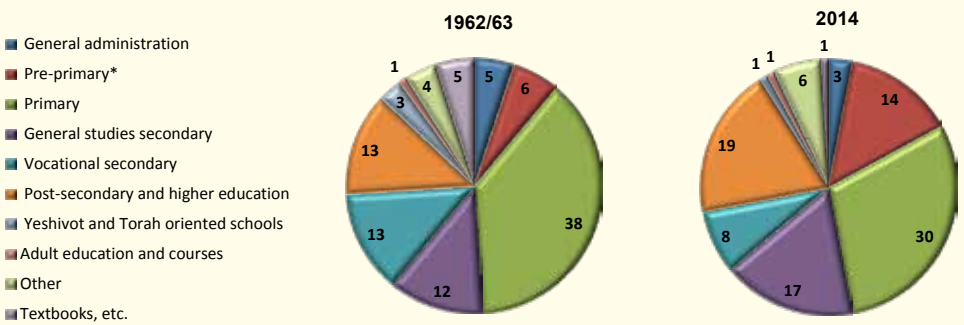
	1962/63	2016
Government	34	31
Local authorities	21	24
Non-profit institutions	36	35
Other	9	10

By Financing Sector (two sectors)

	1966/67	2014
Government	55	67
Local authorities	16	10

In recent decades, the share of the following levels of education has declined gradually: primary, vocational secondary, yeshivot and Torah oriented schools. At the same time, the share of these education levels rose: pre-primary, general studies secondary, post-secondary, and higher education.

23 Current National Expenditure on Education, by Level of Education, Percentages



* In 2014, pre-primary education also includes education for ages 0-3.

Higher Education

With the establishment of the State, there were only two universities in Israel (the Hebrew University and the Hebrew Technion), in which 2,833 students studied in 1950/51.

In 2016/17 there were 63 institutions of higher education (of which 9 were universities, 32 academic colleges and 21 academic colleges of education), in which 313,400 students studied (including 44,700 students who studied in the Open University).

Of the 268,600 students who studied in universities, academic colleges, and academic colleges of education in 2016/17:

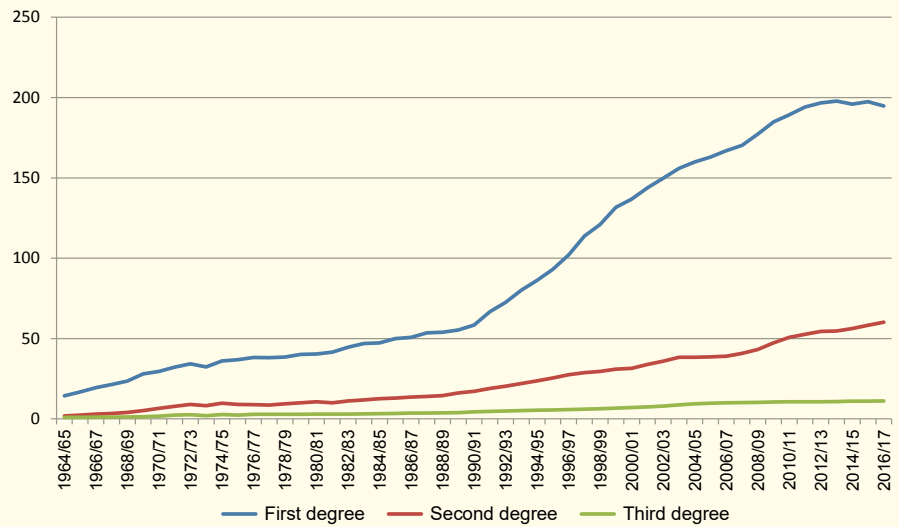
72.8% (195,500) studied towards a first degree (B.A.)

22.4% (60,200) - towards a second degree (M.A.)

4.2% (11,200) - towards a third degree (Ph.D.)

The rest studied towards an academic certificate (such as a teaching certificate, a diploma in translation).

24 Students in Institutions of Higher Education, by Degree, 1964/65-2016/17, thousands



› Did you know?

In the 1990s and in the first decade of the 2000s, many academic colleges were added, and since then there has been a 14.5 fold increase in the number of students studying in them (including academic colleges of education). Their number rose from about 9,600 at the beginning of the 1990s to 140,000 in 2016/17.

Culture, Entertainment and Sports

National Expenditure on Culture, Entertainment and Sports

In 2016, the national expenditure on culture, entertainment and sports amounted to NIS 54.7 billion, which is 4.5% of the GDP. In 1984/85, the expenditure constituted 5.1% of the GDP.

In the last three decades, the share of government and local authorities in the provision of culture, entertainment and sport services has decreased, while the share of public non-profit institutions and the business sector has increased gradually. During this period the share of government ministries and national institutions, public non-profit institutions and local authorities in financing culture, entertainment and sport services decreased, while the share of households in financing them increased considerably.

National Expenditure on Culture, Entertainment and Sports, Percentages

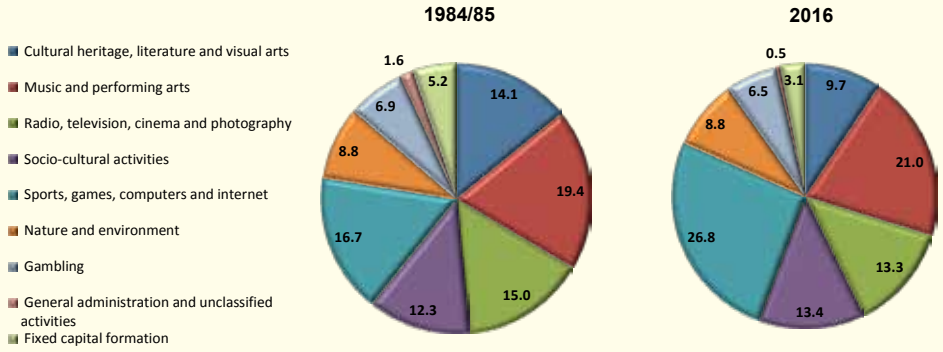
By Operating Sector

	1984/85	2016
Government	5.0	2.0
Local authorities	15.4	9.2
Public non-profit institutions	7.3	10.8
Private non-profit institutions	11.3	10.5
Business sector	61.0	67.5

By Financing Sector

	1984/85	2016
Government and national institutions	13.0	3.0
Local authorities	15.0	10.8
Public and private non-profit institutions	3.9	0.6
Households	68.1	85.6

26 Distribution of Operation by Type of Service, Percentages



In the past three decades, the share of the following service types has decreased gradually: cultural heritage, literature and visual arts, and gambling; while the share of sports, games, computers and internet has increased.

In 2015, 7,646 **book and booklets** were published, compared to 1,466 in 1965/66.

In 2015, there were 153 **museums** in Israel, with 6.7 million visits.

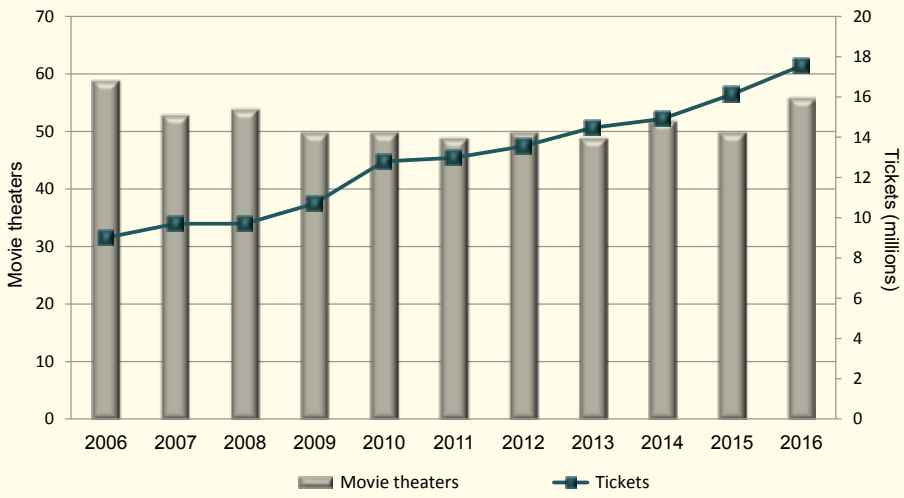
Over the years, there have been changes in the number and nature of **movie theaters**. The number of movie theaters has been reduced (from 181 in 1956/57 to 56 in 2016). But the number of screens in each movie theater has increased, and today most movie theaters have more than one screen. In 2016, the total number of screens in movie theaters and cinematheques was 389.

Did you know?

In 2016 the movie theater with the largest number of screens (26) was located in the Tel Aviv District.

In 2016, 17.5 million tickets were sold in Israeli movie theaters (not including tickets sold at film festivals). In contrast, in 1956/57, 27.8 million tickets were sold (at that time television as well as other communications and entertainment products were not found in most households).

27 Number of Movie Theaters and Tickets Sold in 2006-2016



Standard of Living of Households

The standard of living reflects the economic welfare of the individual and is based on income, expenditure and capital.

Data on standard of living include the income of households from various sources (labour, allowances and support, capital, pensions and provident funds), the expenditure of households on goods and services, ownership of durable goods, and data on housing.

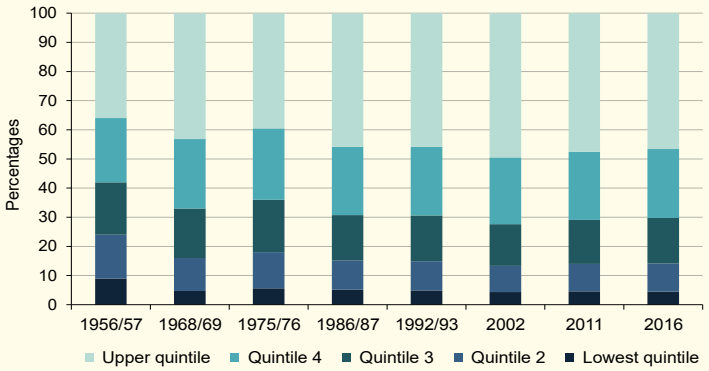
Distribution of Income

Since the 1950s, inequality in the distribution of income among households in the various quintiles has increased.[1]

In 1956/57, the share of the lowest quintile in total gross money income was 9%, and the share of the upper quintile was 36% (4 times).

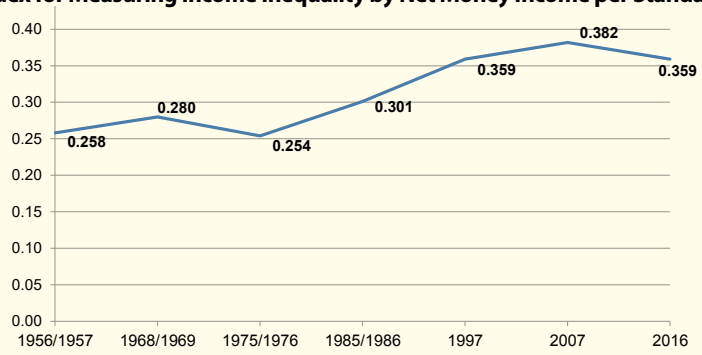
In 2016, the share of the lowest quintile was reduced to 4%, while the share of the upper quintile rose to 47% (11 times).

28 Distribution of Income in Quintiles of Households by Gross Money Income in Selected Years



In accordance with the rise in inequality in the distribution of income among households, the Gini index[2] also increased, from 0.258 points in the mid-1950s to 0.359 in 2016. However, in the last decade there has been a decline in inequality.

29 Gini Index for Measuring Income Inequality by Net Money Income per Standard Person



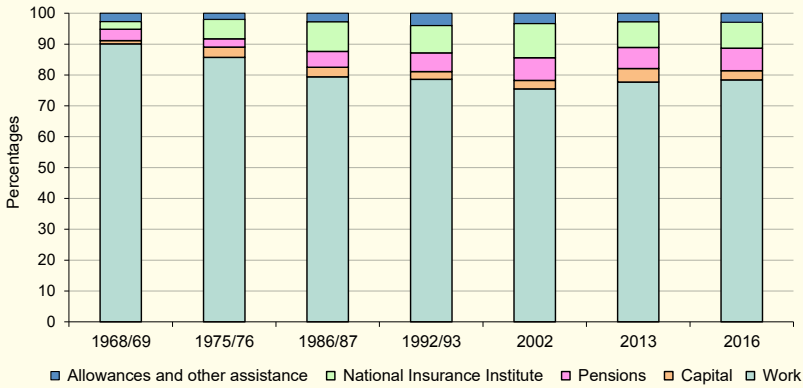
1 An income quintile is a group that includes 20% of households (i.e., two income deciles).

2 Gini index – An accepted index for measuring inequality in division of income among households. The value of the index varies between 0, representing full equality, and 1, which represents full inequality. The index was calculated according to the net money income (after deducting direct taxes) of households divided by the number of standard persons in the household. These represent the number of persons weighted to the size of the household to express the advantages of size. In 1956/57 alone, the Gini index was calculated according to the gross income of the household.

Income Composition

Until 2002, there was a steady decline in the percentage of income from work out of the total gross money income of the household, compared with an increase in the percentage of income from pensions and National Insurance Institute allowances.

30 Composition of Gross Money Income in Selected Years



Composition of Consumption Expenditure

Since the mid-1950s, the standard of living in Israel has steadily increased. The process was characterized by a decline in the rate of households' expenditure on goods (food, clothing and footwear) and an increase in the percentage of expenditure on services (transport and communications), as well as on housing.

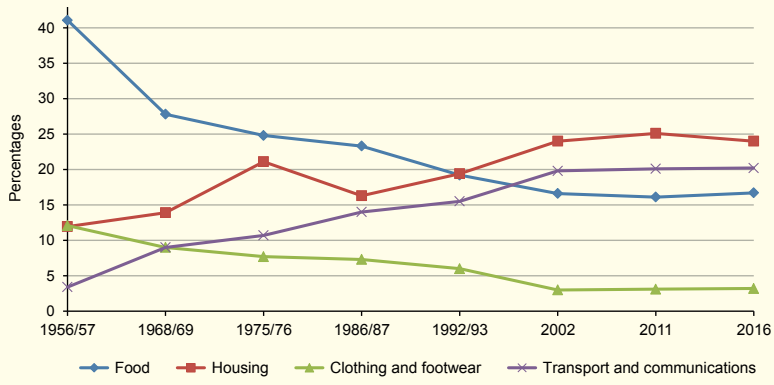
Food expenditure in the mid-1950s was the largest expenditure item, reaching 42% of total consumption expenditure, compared with only 16.7% in 2016.

Clothing and footwear was the second largest expenditure item in the mid-1950s - 12.1%, compared to 3.2% in 2016.

The percentage of **housing** expenditure rose significantly over the years, from 12% in the mid-1950s to 24% in 2016.

Transport and communications also increased, and its share of the consumption basket increased from 3.4% in the mid-1950s to 20.2% in 2016. The increase is due in part to the growth in the scope of ownership of motor vehicles and the technological and communications revolutions that have taken place over the last three decades.

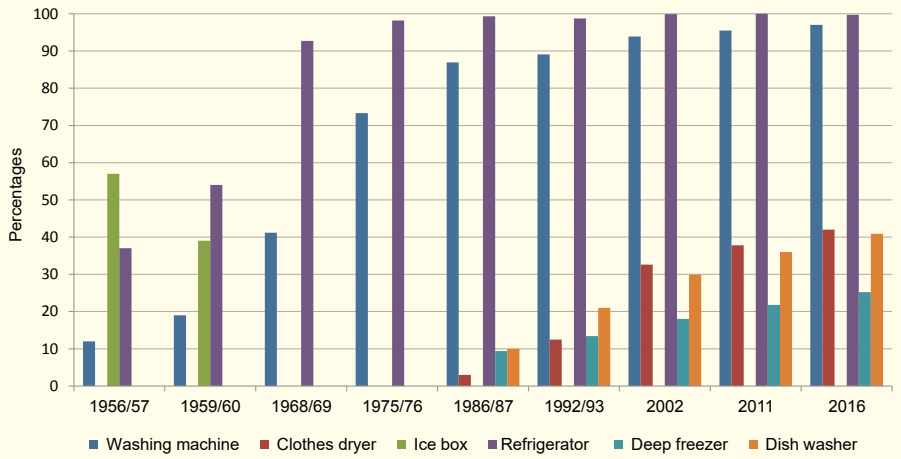
31 Composition of the Monthly Consumption Expenditure in Selected Years



Ownership of Durable Goods

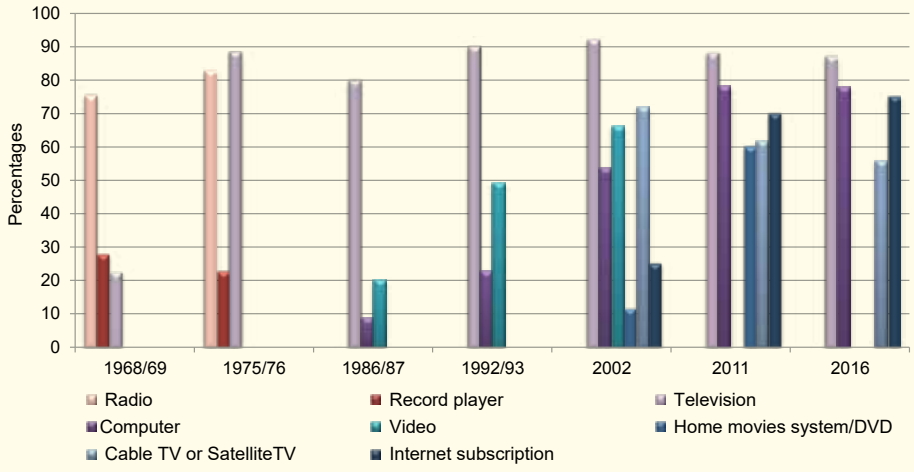
With the rise in the standard of living and the development of technology, the variety of durable goods available to households in Israel has increased.

32 Ownership of Electrical Appliances in Selected Years

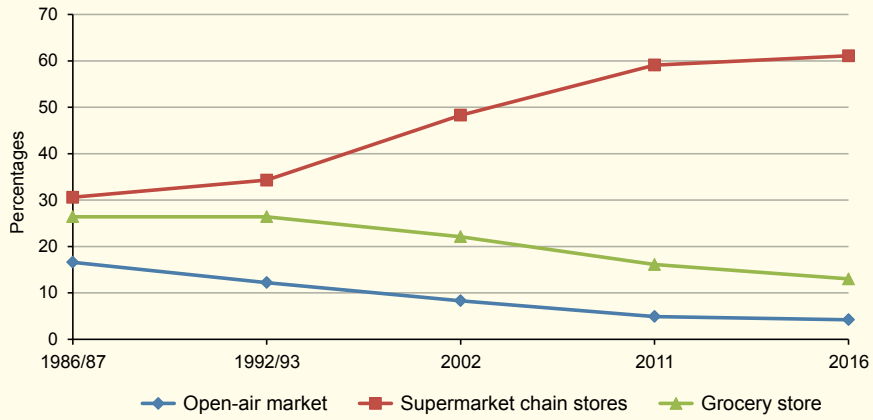


Over the years, there has been an increase in the percentage of households that own communications and entertainment products, and changes have occurred in the type of media. The percentage of computer ownership and internet subscription, which are advanced technological substitutes for watching television series and films, has increased steadily over the last three decades.

33 Ownership of Communication and Entertainment Products in Selected Years



34 Distribution of Expenditure on Food (Including Fruits and Vegetables) by Type of Store in Selected Years

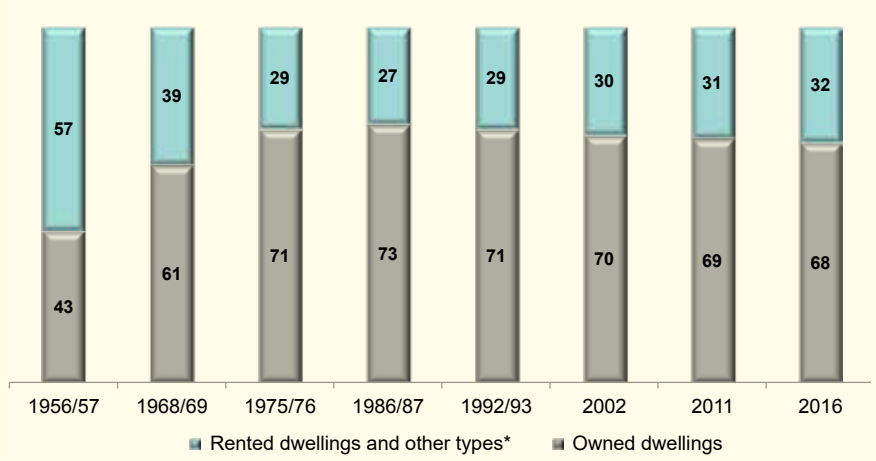


At the end of the 1950s, only 6% of the households had a **landline phone** and in the 1990s almost every household had a landline phone. In the past two decades, the **mobile phone** has been widely used and in 2016 97% of the households had a mobile phone. The widespread use of mobile phones led to a decline in the ownership of landline phones and from the mid-2000s the rate of household ownership of a mobile phone was higher than that of landline phones (in 2016 only 65% of the households had a landline).

Housing Conditions

From the mid-1950s to the mid-1970s, there was a significant increase in the percentage of households living in owned dwellings. Since then and until 2016, there has been a moderate decrease in the percentage of those living in owned dwellings.

35 Type of Residence in Selected Years, Percentages



* Other residential types include "key-money" dwellings and "free" dwellings.

Housing density also changed, and it fell from an average of 1.6 persons per residential room in the mid-1950s to 0.9 persons in 2016.

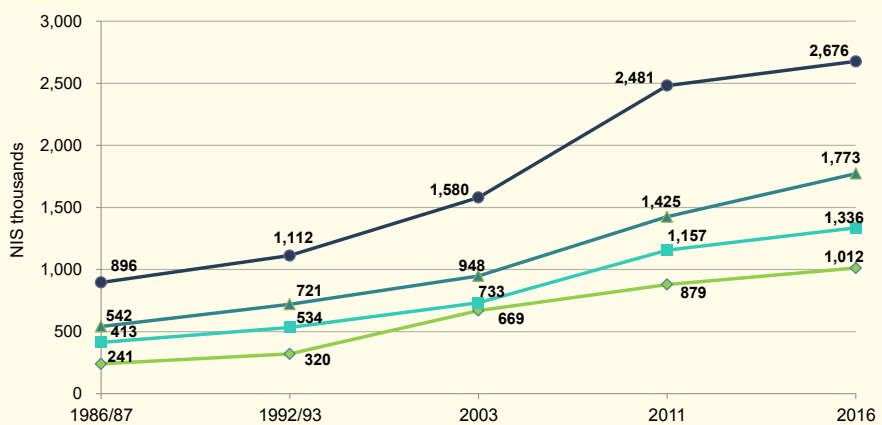
The percentage of housing expenditure out of total consumption expenditure rose gradually over the years, from 12% in the 1950s to 24.3% in 2016.

36 Percentage of Housing Expenditure Out of Total Consumption Expenditure in Selected Years

From 1986/87 to 2016, the average value of dwellings rose significantly in all income deciles, but the gaps between the deciles decreased over the years.

The following diagram presents the value of owned dwellings (for those living in owned dwellings), according to the owners' estimates, according to the deciles of net income per standard person.[1]

37 Value of Owned Dwellings, by Deciles of Net Income per Standard Person in Selected Years, at Constant Prices for 2016



1 In order to take into account the economic advantages of family size, a scale of standard persons was established. According to this approach, every additional person in the family has a smaller marginal impact in terms of the burden on the family budget, as an expression of the advantages of size.

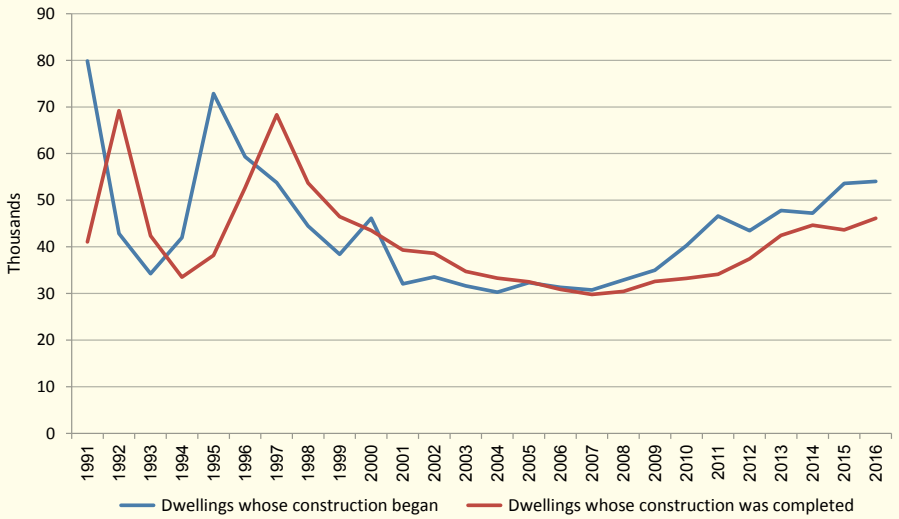
Construction (1991-2016)

The number of **housing starts** peaked in 1991 (approximately 80,000 apartments) and in 1995 (about 73,000 dwellings), mainly following the large wave of immigration from the former USSR. Since then, there has been a decline to about 30,000 in 2004-2007. Since 2008, there has been an increase again, up to about 54,000 dwellings in 2015 and 2016 (each).

The **rate of dwellings whose construction began** decreased from 16.1 per 1,000 residents in 1991 to 6.5 in 1993, and rose again to 13.1 in 1995. Thereafter, there was a consistent decline to 4.7 dwellings per 1,000 residents in 2009 and a moderate increase to 6.3 in 2016.

The **rate of dwellings whose construction was completed** reached a peak of 13.5 per 1,000 residents in 1992 and of 11.7 in 1997. Afterwards, there was a decrease to 4.7 dwellings per 1,000 residents in 2012 and a moderate increase to 5.4 dwellings in 2016.

38 Dwellings Whose Construction Began and Dwellings Whose Construction was Completed, 1991-2016



The size of the dwellings whose construction was completed (number of rooms per dwelling) has undergone changes from the early 1990s until 2016.

Dwellings by Size as a Percentage of Total Dwellings Whose Construction Was Completed

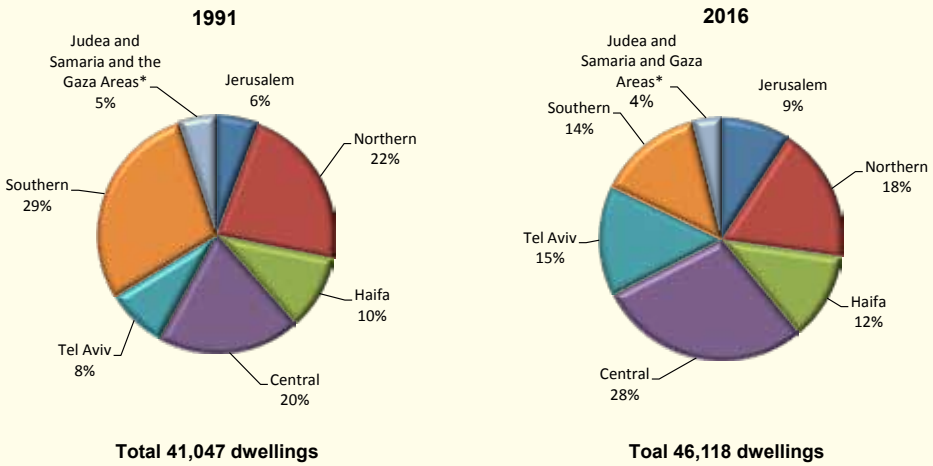
Small dwellings (1-3 rooms)	4-room dwellings	Large dwellings (5 or more rooms)
In the early 1990s – about 34% 1995-2006 – about 20% From 2007 – less than 10% In 2016 – about 6%	Was fairly stable In 2016 – about 42%	In 1991 – 28% In 2011 – a record of 60% In 2016 – 52%

40 Dwellings by the Number of Storeys in the Building as a Percentage of the Total Number of Dwellings Whose Construction Was Completed

10 storeys or more	In 1991 – 2% In 2016 – 24%
5-9 storeys	In 1991 – 20% In 2016 – 37%
3-4 storeys	In 1991 – 28% In 2016 – 7%
One or two storeys	In 1991 – 50% In 2016 – 31%

The distribution of dwellings whose construction was completed among the districts has changed over the years. In the early 1990s, the largest number of completed dwellings was in the Southern District – about 29%, and in 2016 the share of dwellings in this district decreased by half. In contrast, the largest number of dwellings in 2016 was in the Central District, following an increase of about 63% since 1991.

41 Number of Dwellings Whose Construction Was Completed, by District

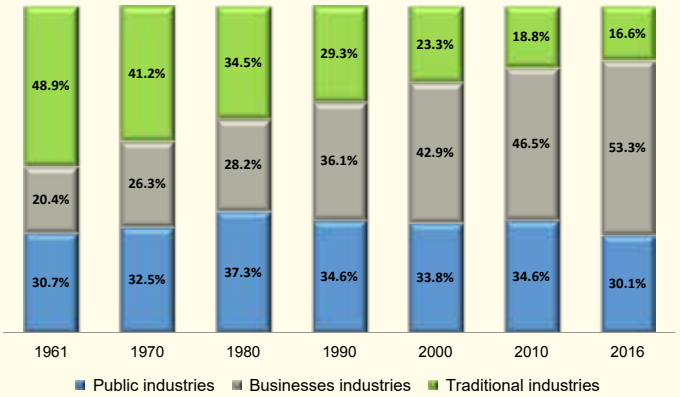


* The Judea and Samaria Area cannot be compared between the two years due to the implementation of the Disengagement Plan Law in 2005.

Labour and Wages

In 1961 there were 532,400 employee jobs in Israel, and the average wage per employee job was IL 275 per month, whereas in 2016 there were 3,493,800 employee jobs, and the average wage was NIS 9,799 at current prices.

42 Employee Jobs by Type of Industry, 1961-2016

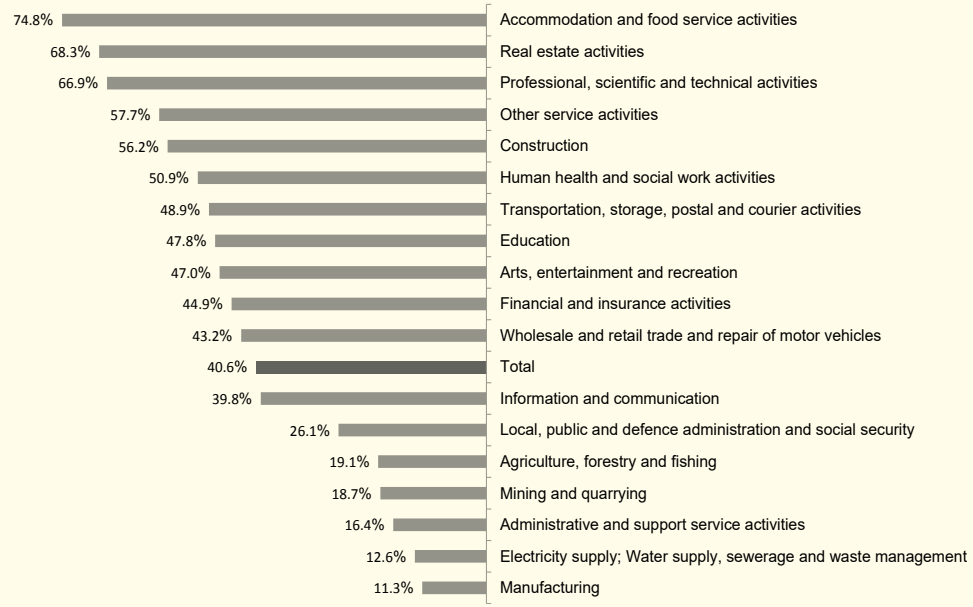


Traditional industries (agriculture, construction and manufacturing)
in 2016 accounted for only 16% of all employee jobs
in 1961 - about half

Public sector (such as education, public administration, welfare) remained stable - about a third of all employee jobs

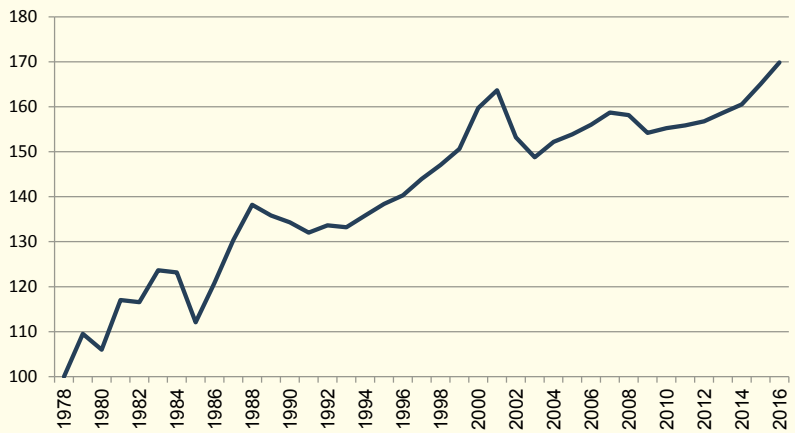
Businesses (such as business services, banking)
in 2016 accounted for more than half of all employee jobs in the economy
in 1961- about 20%

43 Increase in the Number of Employee Jobs by Industry, 2005-2016



The following diagram presents indices of average wages adjusted by the Consumer Price Index, so that a comparison can be made between different years without the effect of price increases/decreases in the economy. From 1978 to 2016, there was an increase of about 70% in the average wages per employee job at constant prices.

44 Average Wages per Employee Job at Constant Prices, Linked Indices, Base 1978 = 100



National Accounts

Between 1950 and 2017 the **Gross Domestic Product** (GDP) in Israel, at constant prices, increased by an annual average of 5.9%.

In those years the **GDP per capita** increased by an annual average of 2.9%. In 2017, the GDP per capita amounted to NIS 143,400, 6.9 times the GDP per capita in 1950 (according to preliminary estimates).

The Increase in GDP per Capita

Until 1972, the increase was particularly high – an annual average of 5.5%.

In 1973-1984, the increase was reduced to an annual average of 1.1% (following the Yom Kippur War, the oil crisis and high inflation).

In 1985-1996, the growth accelerated to an annual average of 2.5% (following the implementation of the Economic Plan, the reduction in the rate of inflation and the absorption of immigrants from the former USSR).

In 1997-1999 there was a slowdown in the growth rate of GDP per capita, which reached an annual average of 1.3% (due to the economic crisis in the Far East and Russia, the security uncertainty in the region, the decrease in the number of immigrants and the reduction of capital formation in residential buildings by public initiative).

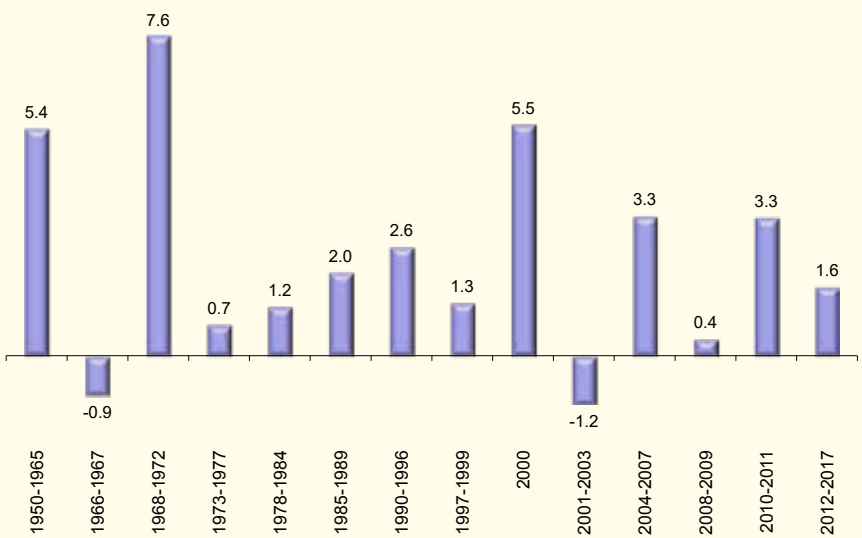
In 2000, which was a particularly rapid year of growth in the high-tech industries, there was a relatively sharp growth of 5.9%, which halted with the outbreak of the Second Intifada in the last quarter of the year.

In 2001-2003, when the intifada continued, there was a negative growth of -1.5% on average per year.

The years 2004-2007 were characterized by rapid and stable growth of 3.4% on average per year (following the acceleration of national trade and the relative security calm).

In 2008-2017, the growth in GDP per capita was 1.6%. In 2009, the year of the global financial crisis, the decline was 0.3%, and the most significant increase was 3.6% in 2010 with the recovery from the crisis.

45 Gross Domestic Product per Capita, 1950-2017, Annual Average Change in Percentages, at 2015 Prices

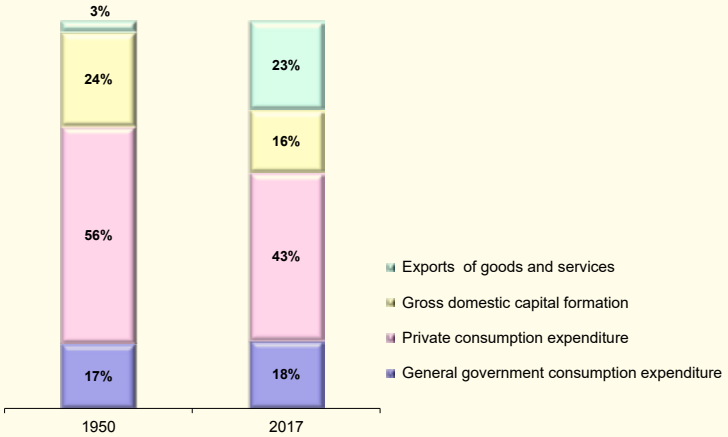


From 1970 to 2016, the GDP per capita rose by 2.0%, compared with an average of 1.8% in OECD member countries.

Labour productivity rose by an annual average of 3.2% from 1960 to 2017.

At the same time as the increase in GDP, **imports of goods and services** at constant prices increased at an annual average rate of 6.5%, so that the total **resources** available to the State in 2017 from domestic production and imports, according to preliminary estimates, were 53.7 times higher than the resources in 1950.

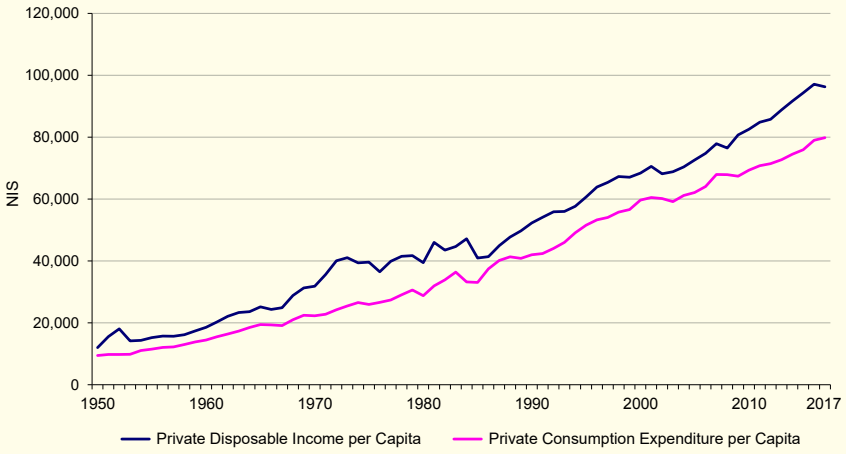
46 Distribution of Components of the Use of Resources, 2017 Versus 1950



Private consumption expenditure per capita rose from 1950 to 2017 by an annual average of 3.2%, and in 2017 it was 8.5 times higher than in 1950.

Private disposable income per capita[1] rose from 1950 to 2017 by an annual average of 3.2%, and in 2017 it was 8.0 times higher than in 1950.

47 Private Consumption Expenditure per Capita and Private Disposable Income per Capita, 1950-2017, at 2015 Prices



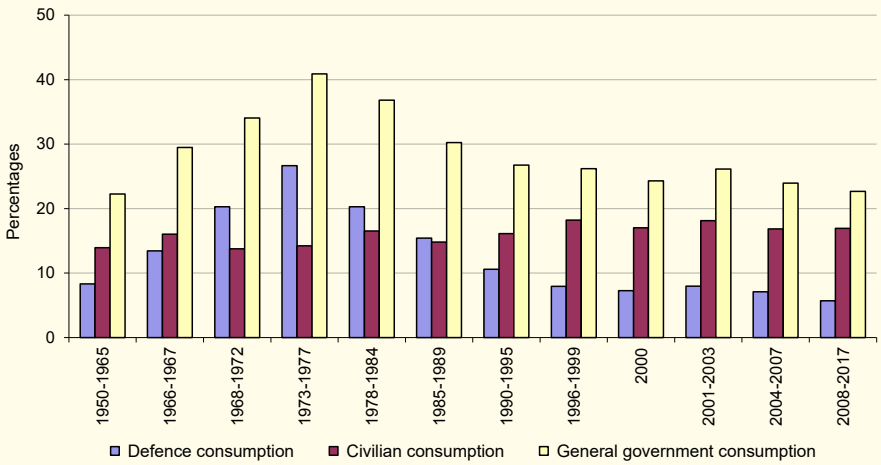
1 Private disposable income is equal to national income less taxes on income, national insurance payments and property income paid to the general government sector, plus interest payments and other transfers to the private sector from the government and from abroad.

General government consumption expenditure, which includes **civilian consumption and defence consumption**, rose by 5.0% in 1950-2017, and in 2017 it was 23.4 times greater than in 1950.

The average increase in **civilian consumption** (for services of education, health, welfare, etc.) rose by an annual average of 4.9% in 1950-2017.

The average increase in **defence consumption** in 1950-2017 was 4.8% annually.

48 **General Government Consumption Expenditure as a Percentage of Gross Domestic Product (Annual Average), 1950-2017**



With the development of public services, the **tax burden** (taxes as a percentage of GDP) rose to 32.8% in 2017, compared with 23.9% in the earlier years of the state. (The tax rate in 2017 is similar to that in developed countries such as Canada and the United Kingdom, and is much lower than the Scandinavian countries - about 45%).

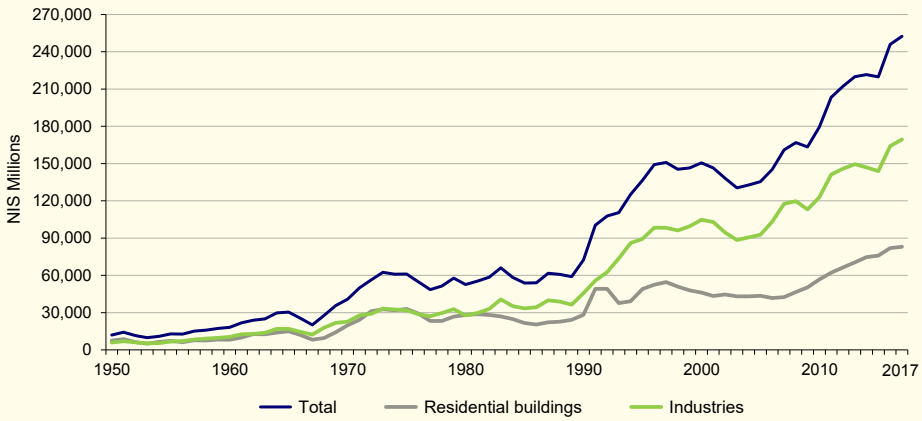
On the other hand, the scope of **transfers and allowances** paid to households increased from 2%-3% of the GDP in the earlier years of the state to 9%-10% in the last twenty years.

The **government debt** increased from 52% of the GDP in the early years of the state to almost 300% of the GDP in 1978-1984, and since then it has been decreasing. In 1990-1998, the government debt fell to 114% of the GDP, in 1999-2006 to 86%, and in 2007-2016 the debt decreased to 67% of the GDP.

Fixed capital formation (in machinery and equipment, buildings and other construction works and transport equipment) increased over the years by an annual average of 4.7%.

In the early years of the state, a considerable portion (about 48%) of all fixed capital formation was allocated to residential construction, compared with 33.4% in 2017. Fixed capital formation in residential construction increased by an annual average of 3.1% in 1950-1966, in 1967-1992 by 7.5% and in 1993-2017 by an annual average of 3.4%.

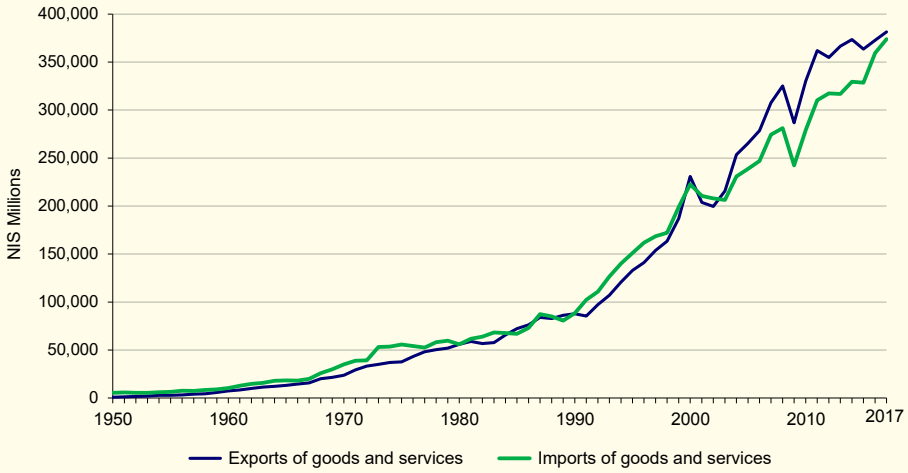
49 Fixed Capital Formation, 1950-2017 at 2015 Prices



Exports of goods and services rose by an annual average of 9.5% at constant prices from 1950 to 2017, and in 2017 it was 431.4 times greater than in 1950.

Imports of goods and services rose by an annual average of 6.5% at constant prices from 1950 to 2017, and in 2017 it was 68.3 times higher than in 1950.

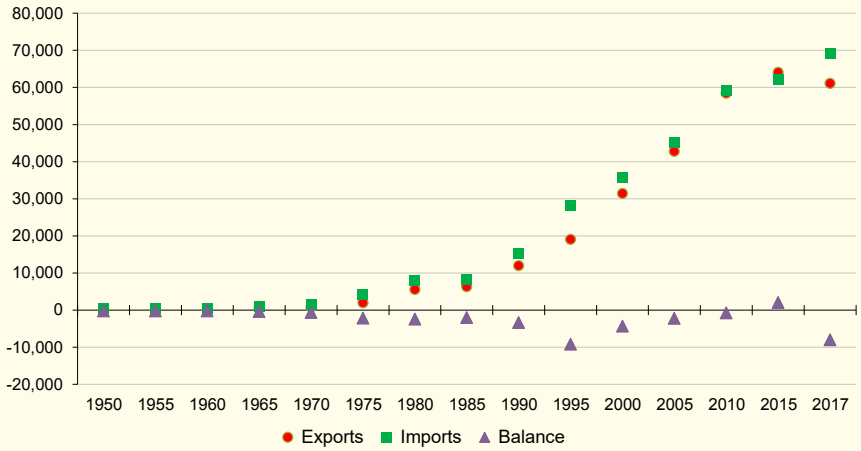
50 Exports and Imports of Goods and Services, 1950-2017, at 2015 Prices



Imports and Exports of Goods

The changes that have occurred since the State's establishment in the volume of trade in goods (imports and exports) reflect the changes that took place in the structure of the economy and its needs. From 1950 to 2017, imports of goods (gross) increased from USD 300 million to USD 69.143 billion, and exports of goods (gross) increased from USD 35 million to USD 61.087 billion.

51 Development of International Trade in Goods, 1950-2017



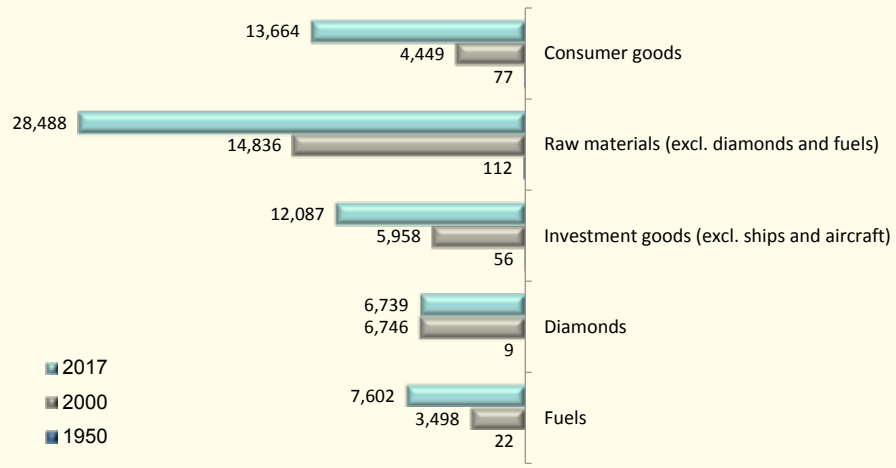
52 Imports, Exports and Deficit per Capita in Goods, Millions of Dollars, 1950-2017

	1950	1960	1970	1980	1990	2000	2010	2017
Imports per capita	237	234	481	2,014	3,188	5,600	7,700	7,751
Exports per capita	28	100	246	1,358	2,449	4,506	6,674	6,040
Deficit per capita	209	134	235	656	739	1,094	1,026	1,711

Imports of Goods

Of the total imports of goods in 2017, 62% was the import of raw materials (of which 9% were fuels and 11% were diamonds), 20% – imports of consumer goods, 17% – imports of investment goods, and 0.8% were imports of ships and aircraft. In contrast, in 1950, only 48% of total imports of goods were imports of raw materials (including diamonds and fuels), 25% - imports of consumer goods, and 27% - imports of investment goods.

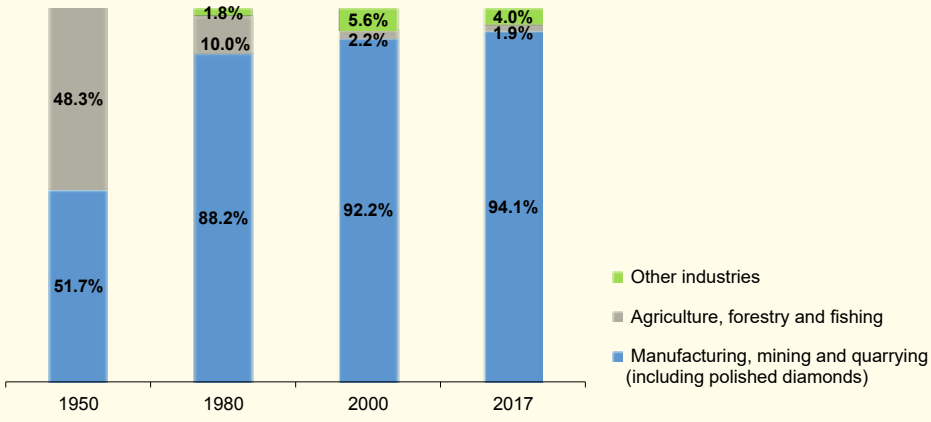
53 Imports of Goods in Selected Years, by Economic Use, Millions of Dollars



Exports of Goods

The breakdown of exports of goods by industry shows that the largest increase was recorded in the share of manufacturing exports, from 52% of all exports of goods in 1950 to 94% in 2017. A large decrease was recorded in the share of agricultural exports (agriculture, forestry and fishing), from 48% in 1950 to only 2% in 2017. Diamond exports in 2017 were 24%, similar to 25% in 1950.

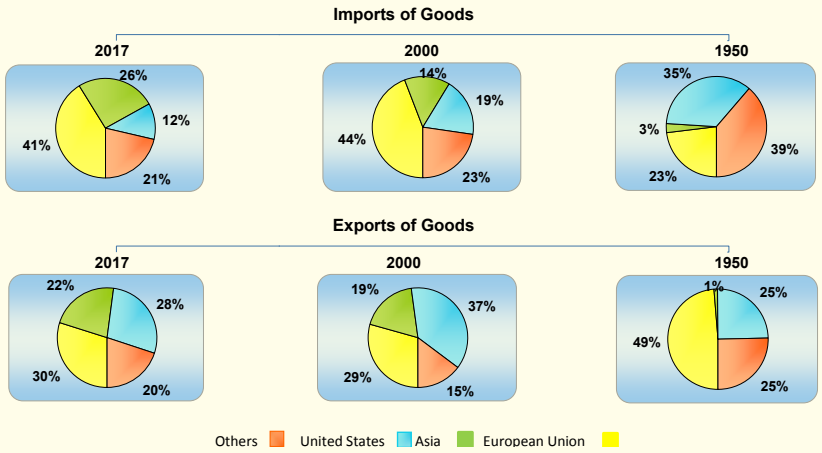
54 Exports of Goods in Selected Years, by Industry (2011 Classification)



The share of imports of goods from the United States decreased from about 35% of all imports in 1950 to 12% in 2017. Imports from Asian countries increased from 3% in 1950 to 26% in 2017.

The share of exports of goods to European Union countries decreased from about 49% in 1950 to 30% in 2017. Exports of goods to Asian countries increased steadily from 1% in 1950 to 22% in 2017.

55 Imports and Exports by Group of Countries in Selected Years, Percentages

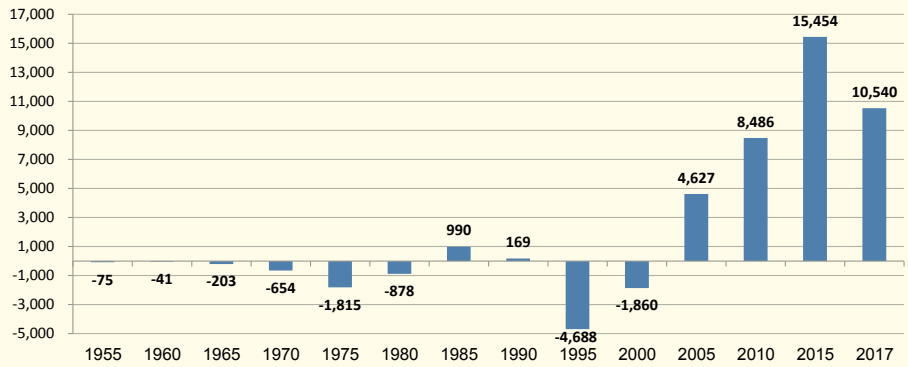


International Accounts

In the 1950s, there was a persistent deficit in the current account, until in 2003 Israel moved from a deficit in the current account to a surplus in the current account.

The surplus in the current account in 2017 was USD 10.5 billion.

56 Current Account Deficit/Surplus, 1955-2017, Original Data, Millions of Dollars



Israel's net external debt at the end of 1986 was USD 18.4 billion.

Since 2002 Israel's net external debt has been negative (meaning that Israeli residents have surplus assets over liabilities vis-à-vis foreign residents, in debt instruments only).

Israel's net foreign debt at the end of 2017 was USD -161.7 billion.

› Did you know?

One of the components that contributed to the surplus in the current account in recent years was the export of high-tech services (excluding start-up companies). In 2017 it amounted to USD 22.0 billion.

Manufacturing

Manufacturing in Israel began to develop from the middle of the 20th century. Influenced by Israel's wars and the wave of immigration in the early 1990s, manufacturing ranged between accelerated development and slowdown. These fluctuations were reflected in the number of manufacturing establishments and the number of jobs in them.[1]

In 1936, there were 1,500 manufacturing establishments, with about 28,000 jobs.

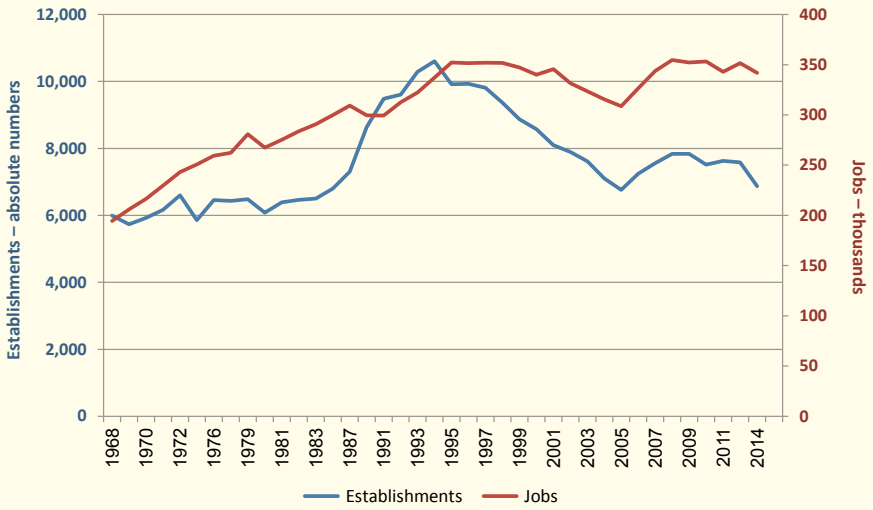
In 1952, there were about 20,000 manufacturing establishments, with 98,000 jobs.

In 1965, there were about 25,000 manufacturing establishments, with 223,000 jobs.

In 2014, there were about 21,000 manufacturing establishments, with 352,000 jobs.

Most of the manufacturing establishments that operated in the 1950s were small workshops and factories, which were usually engaged in the production of food, textiles, clothing, leather goods, etc. (low technology). Over the years, their share in the GDP diminished, while the share of large establishments increased. Since the 1990s, most of the growth was in the high technology industries (pharmaceuticals, computers, electronic and optical equipment, etc.) under the impact of globalization and the opening up of the economy to competition.

57 Manufacturing Establishments With 5 or More Jobs and Jobs in Manufacturing Establishments With 5 or More Jobs, 1968-2014



1 As of 2004, the jobs include self-employed dealers who do not employ employees.

58 Establishments, Jobs and Gross Value Added in Manufacturing by Size Group of Jobs per Dealer and by District, Percentages, 1958 Compared With 2014

	2014			1958		
	Establish-ments	Jobs	Gross Value Added	Establish-ments	Jobs	Gross Value Added
Number of Jobs per Dealer						
Up to 49	93.6	27.7	16.6	96.0	54.2	41.6
50-99	3.0	12.5	8.5	2.3	12.0	13.0
100-299	2.6	25.2	23.5	1.3	17.0	21.4
300+	0.8	34.6	51.4	0.4	16.8	24.0
District						
Jerusalem	7.3	5.7	5.9	6.8	6.3	5.2
Haifa and Northern	32.3	39.7	37.9	18.9	24.6	30.0
Tel Aviv and Central*	50.6	37.4	31.7	72.9	66.1	60.7
Southern	9.8	17.2	24.5	1.4	3.0	4.1

* In 2014, including the Judea and Samaria Area as well.

Research and Development

National Expenditure on Civilian R&D

National expenditure on civilian R&D is composed of four operating sectors: general government, business sector, higher education, and non-profit institutions.

In the past two decades, the expenditure of government ministries on civilian R&D increased significantly for the following objectives: exploration and exploitation of space, exploration and exploitation of the earth, general university funds and infrastructure development. On the other hand, the expenditure of government ministries on R&D decreased for the following objectives: advancement of industrial technology, agriculture, forestry and fishing, and social services.

59 Expenditure of Government Ministries on Civilian Research and Development, by Objectives, Percentages, 2003 Compared With 2016

Objectives	2003	2016
Exploration and exploitation of the earth	0.3	1.1
Environmental protection	0.9	0.8
Exploration and exploitation of space	0.1	0.7
Infrastructure development	0.5	2.3
Production and utilization of energy	0.2	0.5
Advancement of industrial technology	41.8	30.7
Health	0.7	0.4
Agriculture, forestry and fishing	6.9	5.3
Social services	5.4	3.0
General university funds*	40.0	52.1
Non-oriented research	3.2	3.1

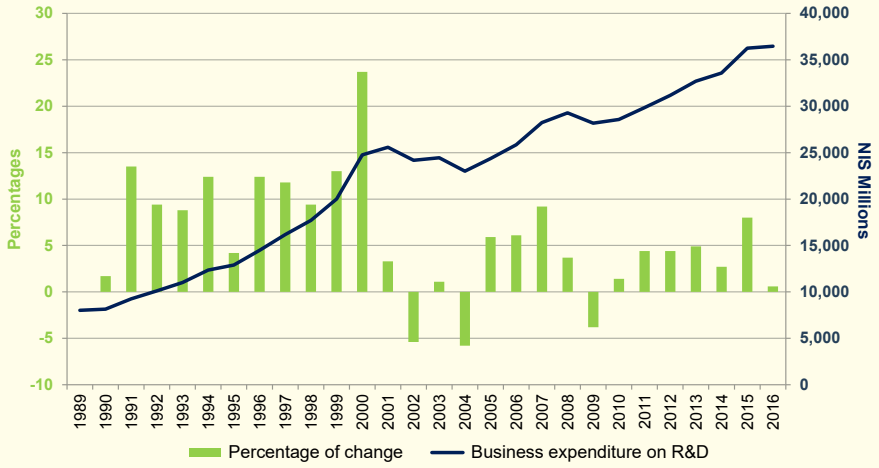
* The Planning and Budgeting Committee of the Council for Higher Education

The business sector contributes the lion's share of the national expenditure on civilian R&D (86% in 2016).

Since 1989, the expenditure on R&D in the business sector (at constant prices) has increased 4.5 times over, at an average annual rate of 5.8%.

Since 2000, there has been a decrease in the growth rates of business R&D expenditure, compared with previous years.

60 Expenditure on Research and Development in the Business Sector, 1989-2016, at 2010 Prices



Did you know?

The share of R&D expenditure of the business sector out of Israel's GDP is one of the highest in OECD countries – 3.6% in 2016.

Tourism and Hotels

Visitor Arrivals from Abroad and Departures Abroad of Israelis

Since the State's founding until the end of 2017 there were:

- Approximately 90 million visitor arrivals (tourists and day visitors) to Israel
- Approximately 112 million departures of Israelis abroad

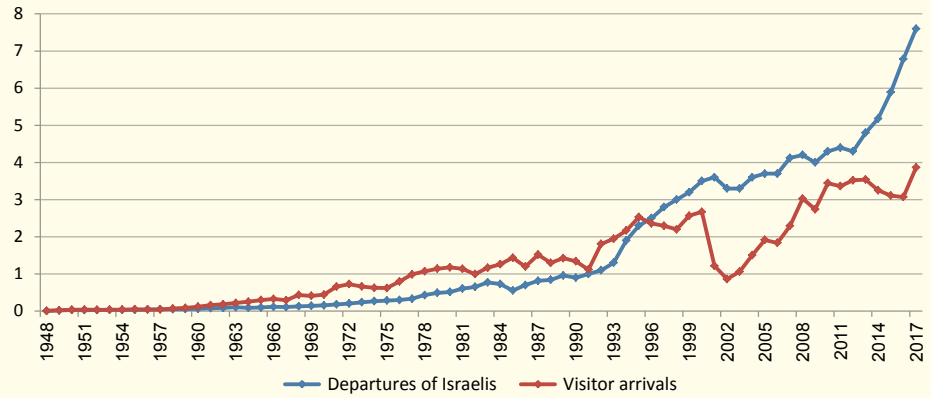
The number of visitors is in an upward trend characterized by fluctuations, according to the security situation in Israel, while the increase in the number of departures of Israelis abroad was almost continuous.

In 1996, for the first time, the number of departures of Israelis was greater than the number of visitor arrivals, and thus it remained in the following years.

In 2017

- there was a record of 3.9 million visitor arrivals in Israel
- and a record 7.6 million departures of Israelis abroad

61 Visitor Arrivals from Abroad and Departures Abroad of Israelis, Millions, 1948-2017



Tourist Hotels

In the early 1960s there were 190 tourist hotels with 6,550 rooms. About 30 years later, in the early 1990s, there were 280 hotels with about 31,000 rooms. In 2000, following the massive construction of the 1990s, the number of hotels reached 340 and the number of rooms was about 46,000. In the years that followed, the accelerated construction halted, and in 2012 the number of hotels and rooms remained almost unchanged (342 hotels and 48,000 rooms). From 2013 onwards, there was an upward trend in the number of hotels and rooms, and in 2017 there were 407 hotels and about 54,000 rooms.

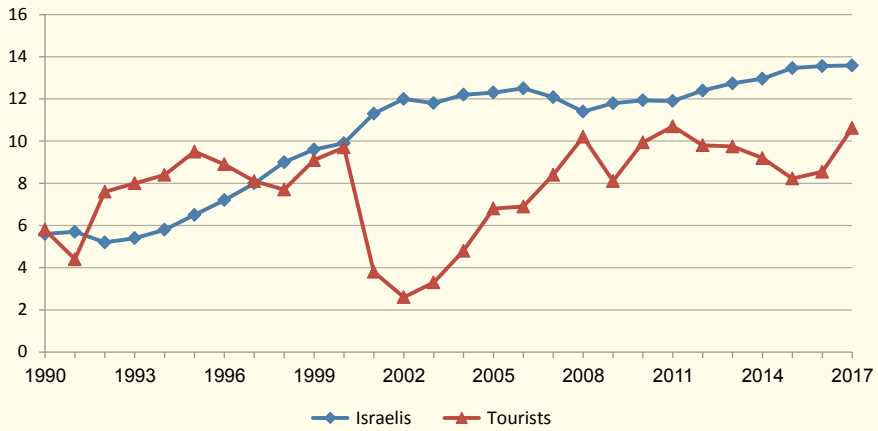
Person-Nights in Tourist Hotels

Approximately 80% of all person-nights in guest accommodation services in Israel are in tourist hotels.

In 2017 there were 24.2 million person-nights in tourist hotels.
Of those, 44% were tourist person-nights.

Since 1997, the number of person-nights of Israelis in tourist hotels was higher than the number of tourist person-nights.

62 Person-Nights in Tourist Hotels, Millions, 1990-2017



Transport

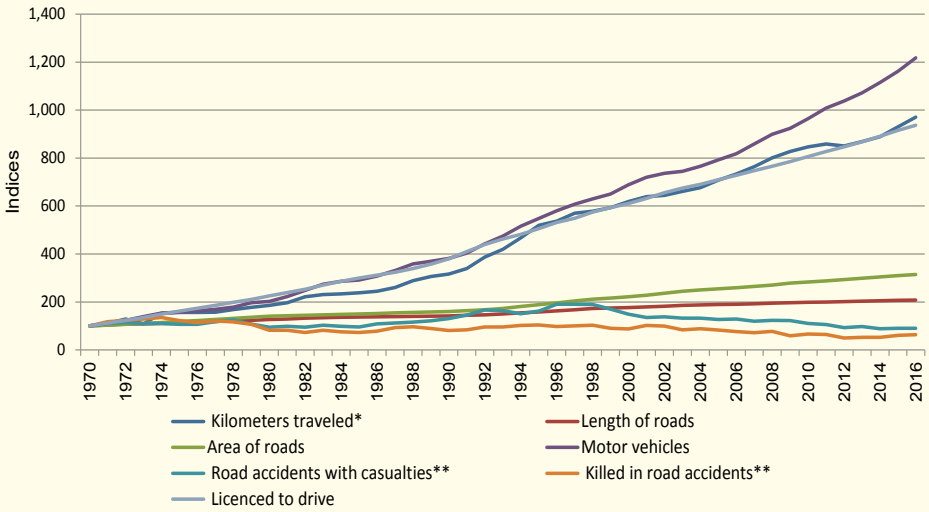
The state's economic development process was accompanied by an increase in the length and area of paved roads.

In 1970 the length of the roads was 9,300 kilometers, and the area was 54,700 square kilometers.

In 2016, their length was 19,400 kilometers, and their area was 172,500 square kilometers.

From 1970 to 2016, the rate of growth in road length and area was lower than the rate of growth in the number of vehicles and kilometers traveled. The number of vehicles increased by 12 times, and the number of kilometers traveled increased by 10 times, while the length of the roads increased by two times and their area by three times.

63 Main Indices of Transport, 1970-2016
Base 1970 = 100.0



* In 2011, the method of computing the kilometers traveled was changed.

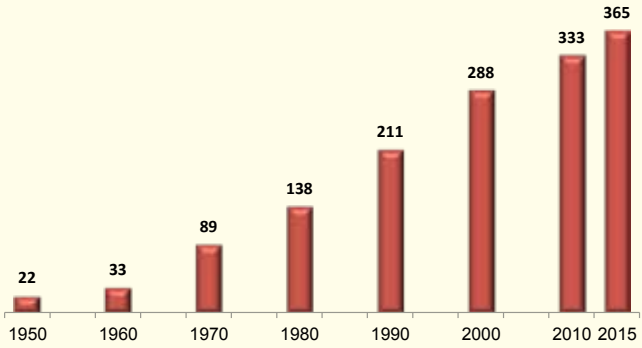
** Road accidents of RA type (which were investigated by the Israel Police), excl. road accidents that occurred in the Judea and Samaria Area.

In 2016, more than NIS 12 billion was invested in transportation infrastructure, about 52% of all infrastructure capital formation, more than half of which was invested in roads, similar to 2006.

Motor Vehicles

The motorization rate has increased significantly over the years, but remained low relative to that in OECD countries.

64 Motorization Rate (Number of Motor Vehicles per 1,000 Residents)



In 1970 there were 266,000 motor vehicles, of which 148,000 were private cars.
In 2016 there were 3.2 million motor vehicles, of which 2.7 million were private cars (in the last decade the number of vehicles increased by 1.4).

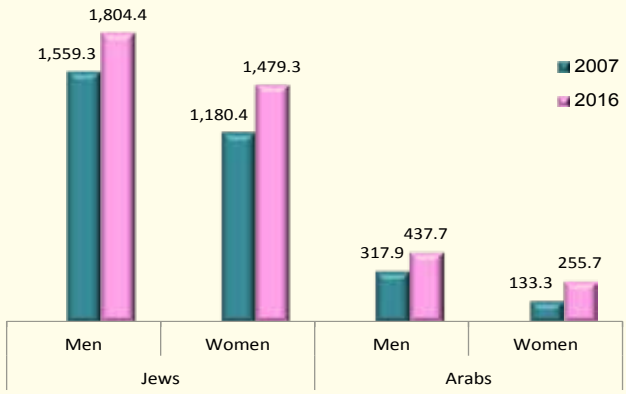
Kilometers Traveled

In 1970, motor vehicles traveled 5.9 billion kilometers. The average annual kilometers traveled by a private car was 19,300 kilometers.
In 2016, motor vehicles traveled 57.2 billion kilometers, 10 times more than in 1970 (an increase of 27.1% in the past decade).The average annual kilometers traveled by a private car was 16,300 kilometers.

Licenced to Drive

At the end of 1970 there were 439,000 persons licenced to drive.
At the end of 2016 there were 4.1 million licenced drivers, 9.3 times more than the early 1970s.
The number of women licenced to drive was 1.8 million (43.5% of all persons licenced to drive).
The percentage of Arab women licenced to drive was lower than that of Jewish women (36.9% versus 45.0%, respectively). In 2006, the percentage of Arab women licenced to drive was 28.5%, and since then their number has almost doubled.

65 Persons Licenced to Drive by Population Group and Sex, Thousands, 2016 Compared With 2007



Road Accidents with Casualties[1]

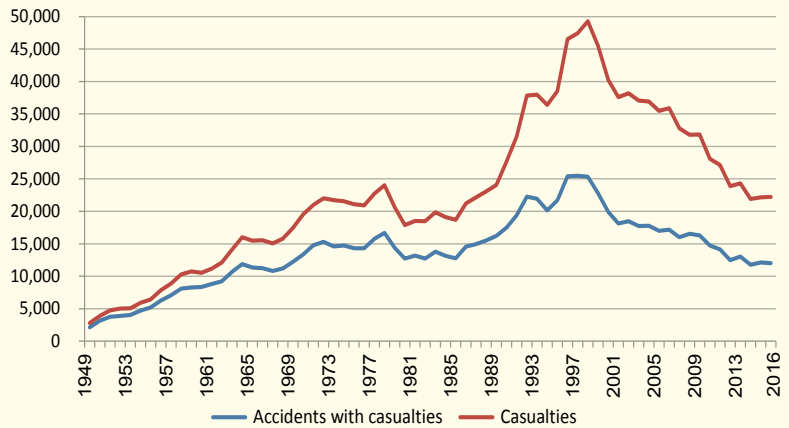
In 1950, the Israel Police recorded 3,132 road accidents with casualties.

In 1970: 13,355

In 1990: 17,496

In 2016: 12,015 road accidents with casualties, a decrease of 25.0% in the last decade.

66 Road Accidents with Casualties and Casualties, Absolute Numbers, 1949-2016



Casualties in Road Accidents[2]

In 1950 there were 3,875 casualties in road accidents

In 1970 there were 19,526 casualties

In 1990 there were 27,668 casualties

In 2016 there were 22,236 casualties, a decrease of 32.2% in the last decade and of 19.6% compared with 1990.

Rate of Casualties per 1,000 Licenced Vehicles

In 1990 – 28

In 2007 – 15

In 2016 – 7.0

Rate of Fatalities per 100,000 Residents

In 1990 – 9.2

In 2007 – 5.3

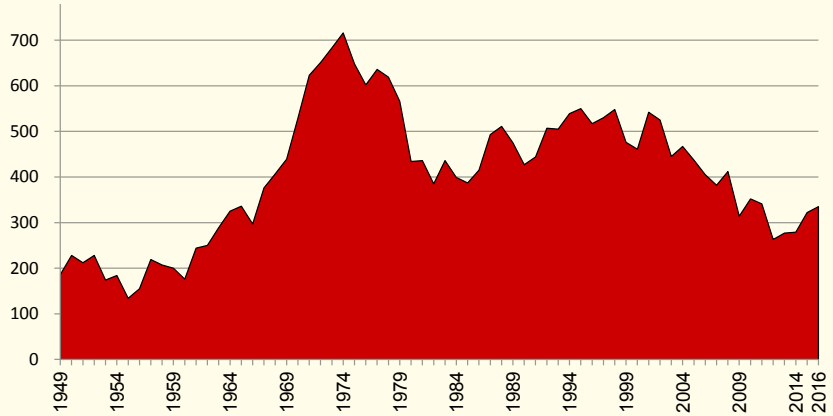
In 2016 – 4.0

It should be noted that in 1974 the population increased by 2.5 times and the number of vehicles – by 7.9 times, and therefore the decrease in the number of fatalities is significant.

The total number of fatalities in road accidents throughout the country (not including the Judea and Samaria and the Gaza Areas) since the establishment of the State reached 27,512.

1 Road accidents of the RA type (which were investigated by the Israel Police), excl. road accidents that occurred in the Judea and Samaria Area.
2 Casualties of road accidents of RA type (which were investigated by the Israel Police), excl. road accidents that occurred in the Judea and Samaria Area.

67 Persons Killed in Road Accidents, Absolute Numbers, 1949-2016



Buses

The Number of Buses of Companies Whose Main Activity is the Operation of Scheduled Routes

In the early 1970s: 3,654 buses and 163,000 seats

In the 1980s: 5,622 buses and 274,000 seats

In 2007: 5,686 buses and 272,000 seats
11,242 employee jobs and the average wage per employee job was NIS 11,340 per month

In 2016: 9,024 buses and 373,000 seats
16,835 employee jobs and the average wage per employee job was NIS 12,389 per month

Railway

In 1995 there were 858 km. of active railways, with 110 passenger cars and 689 freight cars.

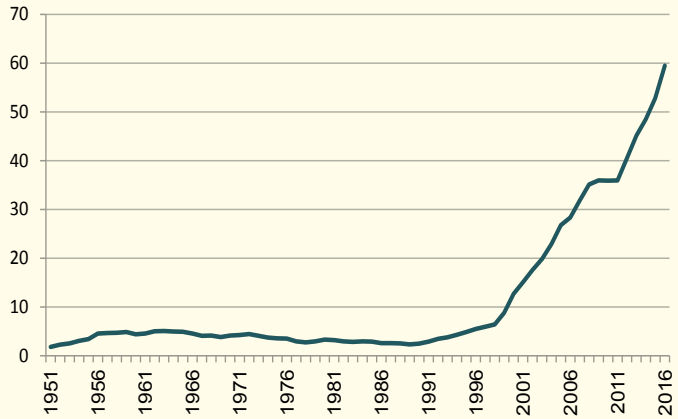
In 2016 there were 1,340 km. of active railways, with 645 passenger cars and 882 freight cars.

Number of Passengers on the Train

In 1950 1.6 million

In 2016 more than 59 million

68 Railway Passengers, Millions, 1951-2016



Freight Transport by Train

In 1990: 7.0 million tons

In 2000: 10.3 million tons

In 2007: 7.9 million tons

In 2016: 9.2 million tons

Aircraft

In 1950, 2,272 planes landed in Israel and the number of passengers who entered and left the country was 117,000.

In 2016, 17.4 million passengers passed through Israel's international airports.
The total number of aircraft movements (departures and landings) at Israel's international airports was 115,126.
303,102 tons of freight were unloaded and loaded at Israel's international airports.

Ships

In 1980, 2,904 ships arrived at the commercial ports.
In these ports, 5,496,000 tons of freight were unloaded
and 6,257,000 tons were loaded

In 2016, 6,509 ships arrived at the commercial ports
36,311,000 tons of freight were unloaded
and 20,738,000 tons were loaded

In the 1960s, an average of 94,400 passengers passed through the commercial ports each year.

In 2016, 190,000 passengers passed through the commercial ports.

Energy

The **supply of energy** available to the economy in Israel has changed over the years both in the fuel mix and in their source.

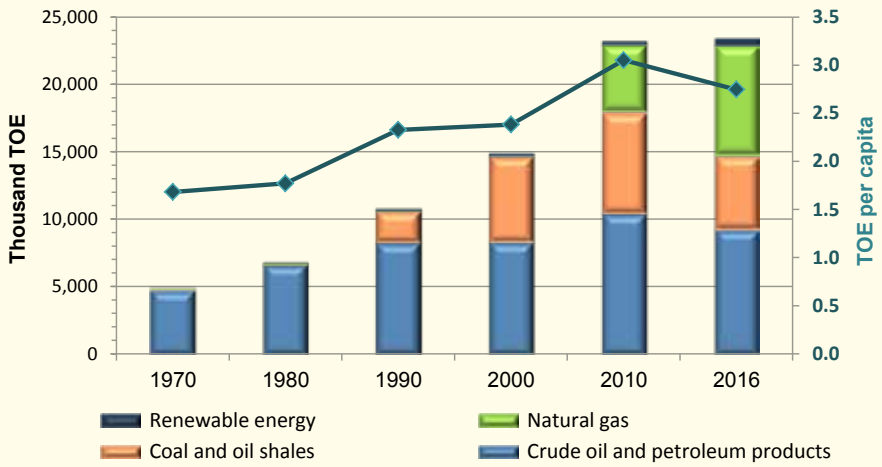
In 1970, 96% of the supply of energy was based on crude oil and petroleum products (imported).

In 2016: 40% was crude oil and petroleum products
35% natural gas
23% coal and oil shales
2% renewable energy

Natural gas originates in local production, and therefore contributes to Israel's independence in the field of energy.

From 1970 to 2016, the total supply of energy at the disposable of the economy increased by 370% and the supply of energy per capita rose by 63%.

69 Primary Energy Supply by Type and Supply per Capita



TOE = tons of oil equivalent

As a result of the development of the economy and the rise in the standard of living, annual household electricity consumption per capita rose from 501 kWh in 1970 to 2,060 kWh in 2016 (an increase of 312%), and gasoline consumption for transportation per capita doubled from 212 liters to 464, respectively.

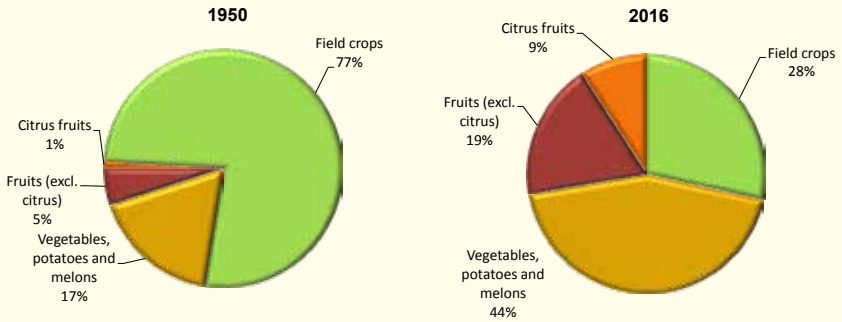
Agriculture

Agriculture in Israel today is mainly intensive agriculture, whose goal is to maximize the yield per unit of land and agricultural inputs.

From the early 1950s until the late 1980s, the area where field crops (such as wheat, corn and hay) were grown was about 60% of the total agricultural area. In 2016, its share was only 42%.

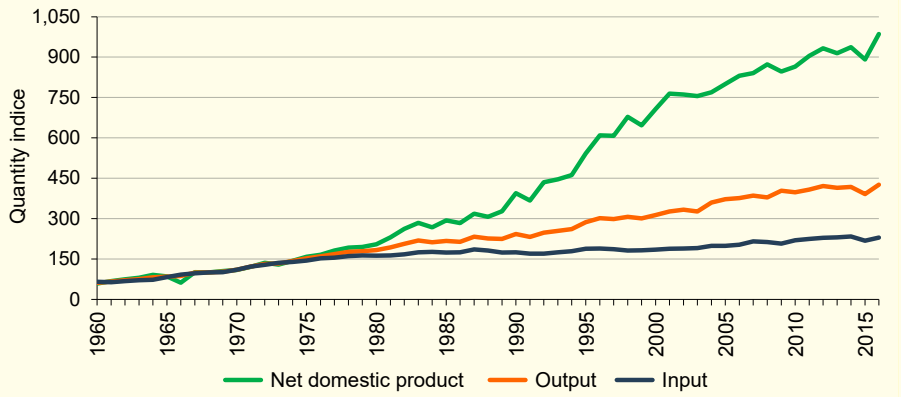
At the same time, the share of field crops in total crop output declined from 77% in 1950 to 28% in 2016. In contrast, the share of vegetables, potatoes and melons rose from 17% in 1950 to 44% in 2016.

70 Distribution of Crop Output



In the 1960s and 1970s, the quantities of output, input, and net domestic agriculture product rose moderately and at a similar rate. Since 1980, the quantity of output has risen significantly more than the quantity of input. As a result, there was also a sharp increase in net domestic agriculture product, and in the years 1990-2016 it increased threefold. These indices point to a continuous trend of increasing efficiency in the agriculture industry, due to a reduction in the quantities of input required for the agricultural output, among other things. For example, water consumption in agriculture did not rise from the 1970s to the 1990s (about 1.364 billion cubic meters), and has since decreased to 1.118 billion cubic meters in 2016.

71 Output, Input, and Net Domestic Product, Quantity Indices, 1960-2016

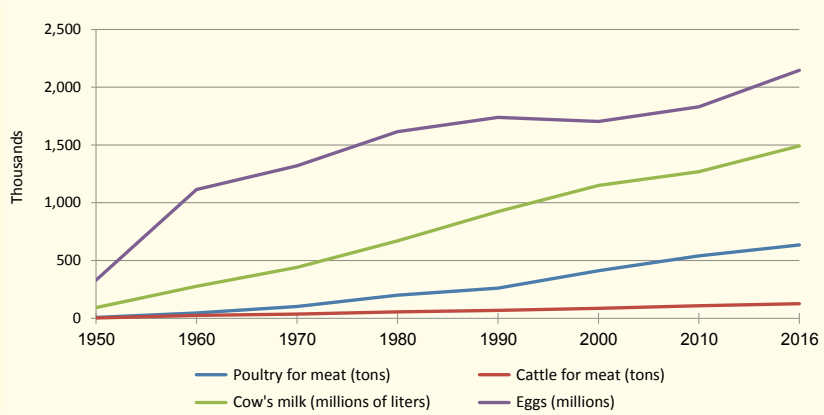


Increase in the Production of Animal Products

1950-1960: Poultry for meat - 6 fold
Cattle for meat - 13 fold
Production of eggs and cow's milk - 3 fold

1960-2016: Poultry for meat - 14 fold
Cattle for meat - 5 fold
Beekeeping - 3 fold
Egg production - almost twice

72 Production of Animal Products, 1950-2016



Until 2000, **citrus fruit** was the main export of the agriculture industry. The quantity exported increased from 155,000 tons in 1949 to a peak of 965,000 in 1979 (an increase of 500%). Since 1979, exports have dropped to 189,000 tons in 2016.

Flower exports began in the 1950s to a small extent, increased from the end of the 1970s and peaked in 1998, when the export value of flowers amounted to USD 224 million. Since then there has been a decline in flower exports, and in 2016 it was worth only USD 51 million.

Of all **employed persons in agriculture** in 1960, about 60% were self-employed and kibbutz members, and about 40% were Israeli employees. Over the years (except in the 1970s) the number of self-employed persons has declined by 80%. In the 1960s, foreign workers began to enter the industry, first from the Judea and Samaria and the Gaza Areas, and then from foreign countries. In 2016, about 50% of all employed persons in agriculture were foreign workers.

The use of pesticides for agriculture has increased over the years. In the 1950s and 1960s there was a significant increase in the amount of pesticides. Since the end of the 1990s there has been a decline, and in the decade that followed, an increase. As a result of efforts by the Ministry of Agriculture to reduce quantities and an increase in the awareness of pesticide damages, there was a decrease in quantities from 2008 to 2013.

The **supply of calories per capita per day** increased from 2,610 kilocalories in 1950 to 3,666 in 2015. The largest increase (8%) was recorded in the second decade - from 2,772 kilocalories in 1960 to 2,988 in 1970. Since 2000 and onwards, the calorie supply is stable.

Water

Israel is located in an area characterized by shortage and fluctuations in natural water sources, and therefore it is required to cope with complex challenges in the management of the water economy. In order to meet these challenges, Israel uses advanced technologies for the recycling of treated sewage (effluents) and desalination of seawater.

Water sources in Israel are divided into surface water reservoirs (mainly the Sea of Galilee) and subterranean reservoirs of groundwater (aquifers). These sources are affected by pumping of water for various uses and precipitation amounts. The amount of water pumped from the Sea of Galilee declined from 153 million cubic meters in 1990 to only 50 in 2015. In recent years, however, the water level of the Sea of Galilee has decreased due to a lack of precipitation, while committedly there has been an improvement in the aquifer levels due to the reduction of pumping and the increasing use of desalinated seawater.

Level of the Dead Sea

-392.42 in December 1950

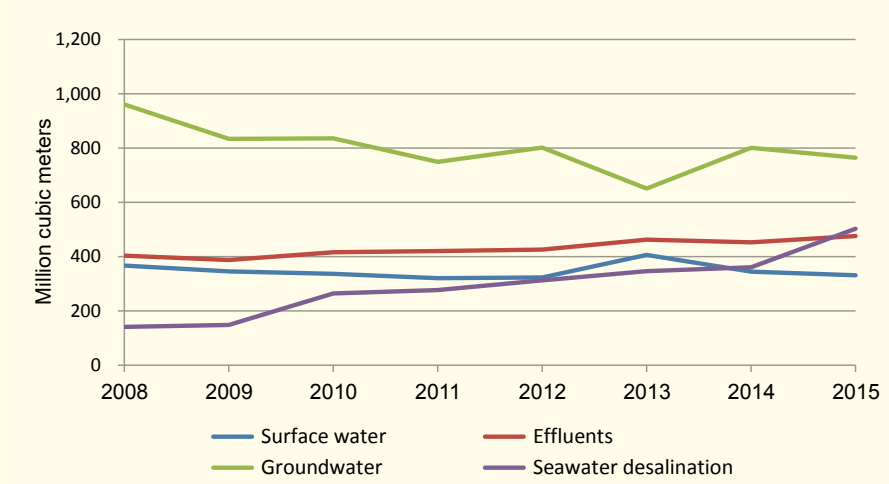
-430.93 in December 2016, a decrease of 38.51 meters

The continuous decline in the level of the Dead Sea is caused by the decrease in the volume of water discharged to the southern Jordan, the industrial activity in the southern Dead Sea, and the physical conditions that cause accelerated evaporation.

Water Consumption and Desalination

In order to cope with the severe water crisis and in accordance with the government decision of 2008, five seawater desalination plants were established in Israel. Water production in these facilities has grown steadily and today they constitute a significant share of total water produced in Israel. In 2015 desalination plants produced 503 million cubic meters of desalinated water - 24% of the water production in that year.

73 Water Consumption by Type



Quality of Drinking Water

In recent years, actions have been taken to improve the quality of the drinking water in Israel, the infrastructures have been improved and the standards have been made stricter. The number of tests conducted on drinking water has also increased significantly.

In 1987, 6,018 tests were performed for the detection of coliforms, and exceedances were found in 3.8% of the tests.

In 1992, 3,528 tests were performed, and exceedances were found in 4.8% of the tests.

In 2016, 94,611 microbiological tests were carried out, and exceedances were found in only 0.6% of them (even though the drinking water quality standard has been tightened in 2012).

Quality of Streams

The streams in Israel served in the past as a route for the discharge of sewage. However, in recent years efforts have been made to reduce the amount of sewage discharged to the streams by developing sewage discharge systems, and to rehabilitate damaged streams.

Treatment of Raw Sewage

Israel is an international leader in the recycling of raw sewage. The treatment plants for raw sewage significantly improve the quality of the water and allow it to be reused for the benefit of the water economy, especially agriculture. From the 1960s to the present, the amount of sewage treated has steadily increased: from 41.1 million cubic meters (29.9% of total raw sewage) in 1963 to 493.4 million cubic meters (96.8%) in 2016.

Environment

The amount of waste produced in 2016 was 1.7 kg per person per day, similar to 1.6 kg in 2003. From 2000 to 2016, the amount of waste sent for recycling increased by 138% (from one million tons to 2.4 million tons).

The growing awareness of the importance of environmental protection and the recognition of the damage to human health and well-being has led to increased actions to treat and prevent environmental damage. The economic costs of these activities are expressed on the level of the individual and business as well as on the national and international level.

The expenditure on environmental protection in the public sector (government, government enterprises, local authorities and non-profit institutions) was NIS 13.3 billion in 2015, an increase of 300% compared with 1995 (NIS 3.3 billion).

Satisfaction with Residential Area Among Persons Aged 20 and Over

83% are generally satisfied with their area of residence.

55% of Israelis are satisfied with the number of green spaces, public parks and gardens in their residential area.

53% are satisfied with cleanliness in the residential area.

69% are satisfied with the waste collection services.

Air Pollution

Industrial and economic development over the years was accompanied by a marked rise in energy consumption and fuel combustion, and they contributed to an increase in emissions of air pollutants. At the same time, there have been technological improvements in fuel combustion and in the composition of fuels, and they have slowed the rise in emissions of air pollutants and even reduced them.

In the years 2000-2016 emissions decreased:

Carbon monoxide (CO) from 60 to 16 kg per person

Sulfur oxides (SOx) from 44 to 12 kg per person

Nitrogen oxides (NOx) from 35 to 18 kg per person

Suspended Particulate Matter (SPM) from 3 to 1 kg per person

Air Pollution from Transportation

The main air pollutants generated by fuel combustion of vehicles are carbon monoxide and nitrogen oxides. In 2016, approximately 90% of all carbon monoxide emissions and approximately 19% of total emissions of nitrogen oxides were caused by fuel combustion of vehicles.

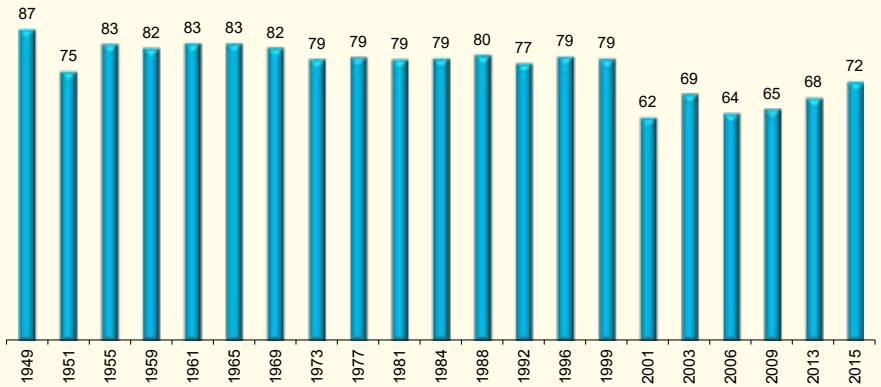
From 2007 to 2016, the level of pollution of carbon monoxide and nitrogen oxides from fuel combustion decreased by approximately 44% and by 53%, respectively. This decrease stems from an increase in the share of new vehicles (with technological improvements) in the total number of motor vehicles on the one hand, and a decrease in the share of more polluting older vehicles on the other. This trend has been moderated by the steady increase in the number of vehicles and the decline in the number of polluting old vehicles that are removed from the road, especially since 2012.

74 **Emissions of Carbon Monoxide (CO) and Nitrogen Oxides (NO_x) Due to Fuel Combustion by Vehicles**

Elections to the Knesset

The percentage of participation in the elections since the State's founding until the end of the 1990s was stable (around 80%). In the 2001 elections there was a very significant drop in voter turnout, which was 62.3%. By 2013, voter turnout was stable and stood at 65% with slight fluctuations. In the 2015 elections (for the 20th Knesset) the voter turnout rose and reached 72.3%.

75 Voter Turnout in the Elections to the Knesset, 1949-2015



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Cover page photo: Dana Friedlander for the Ministry of Tourism and Haim Zach for Government Press Office

Design: Scorpio 88 | October 2018