

Media Release

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Israel's Foreign Trade, Exports & Imports of Goods: September 2019

Trade Deficit in Goods Totaled NIS 6.0 Billion

September 2019

- Exports of goods totaled NIS 13.5 billion.
- Imports of goods totaled NIS 19.5 billion.
- Trade deficit in goods totaled NIS 6.0 billion¹.

Trend data²: July - September 2019 (annual rate)

- Decreases in most components of imports and exports.
- Imports of investment goods (excl. ships and aircraft) decreased by 23.2%.

*Million NIS	September 2019	September 2018	January – September 2019	January – September 2018
Exports*	13.5	13.0	141.0	144.5
Imports*	19.5	17.1	203.3	200.9
Trade Balance*	-6.0	-4.1	-62.3	-56.4
Export, as % of Import	69.3%	76.1%	69.3%	71.9%

¹ Data on exports and imports of goods are temporary data on all goods that were cleared by the Customs Authority. Final data for 2019 will be published in April 2020. The data do not include trade between Israel and the Palestinian Authority or exports and imports of services (including software). Data on all exports and imports of goods and services are published quarterly as part of the Balance of Payments.

² The seasonally adjusted data are calculated by adjusting the original data for the influence of seasonality and festival and trading day effects. Trend data are estimated by removing the irregular influences (noise) from the seasonally adjusted data.

The seasonally adjusted data and the trend are subject to revisions as they are calculated anew, each month or quarter, on the basis of original data that include an additional observation (concurrent season adjustment).

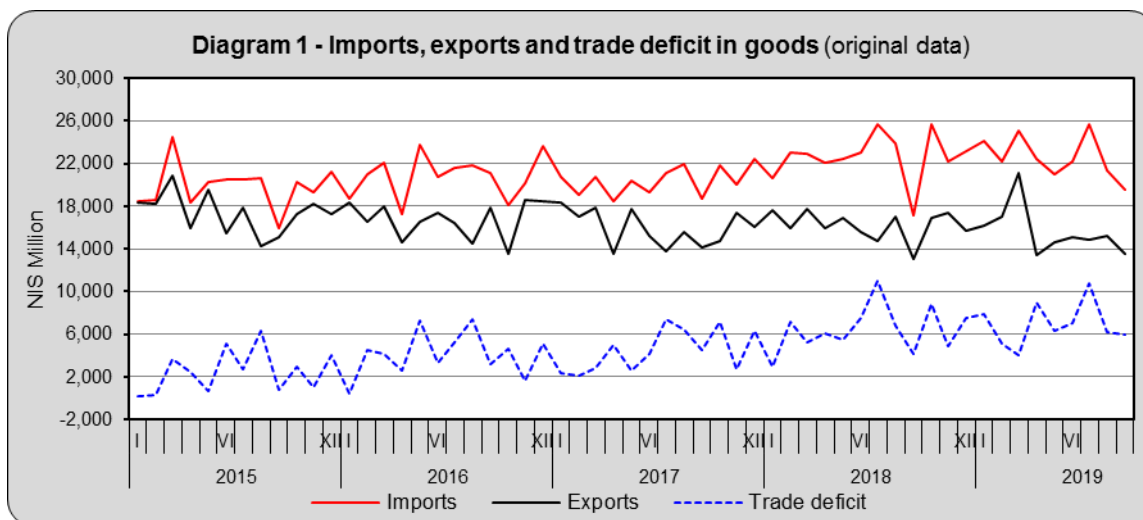
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January - September 2019

In January - September 2019, **exports of goods**, as a percentage of the imports (excluding ships, aircraft and diamonds) constituted 68.6% compared with 69.2% in January - September 2018³.

The trade deficit (goods only) in January - September 2019 totaled NIS 62.4 billion, compared with NIS 56.4 billion in January - September 2018⁴.



Trend Data

Exports of goods (excluding ships, aircraft and diamonds) decreased by 7.3% at an annual rate in July - September 2019, according to trend data, following a decrease of 5.6% in April - June 2019. **Imports of goods** (excluding ship, aircraft, diamonds and fuels) decreased by 10.2% at an annual rate in July - September 2019, according to trend data, following a decrease of 11.9% in April - June 2019.

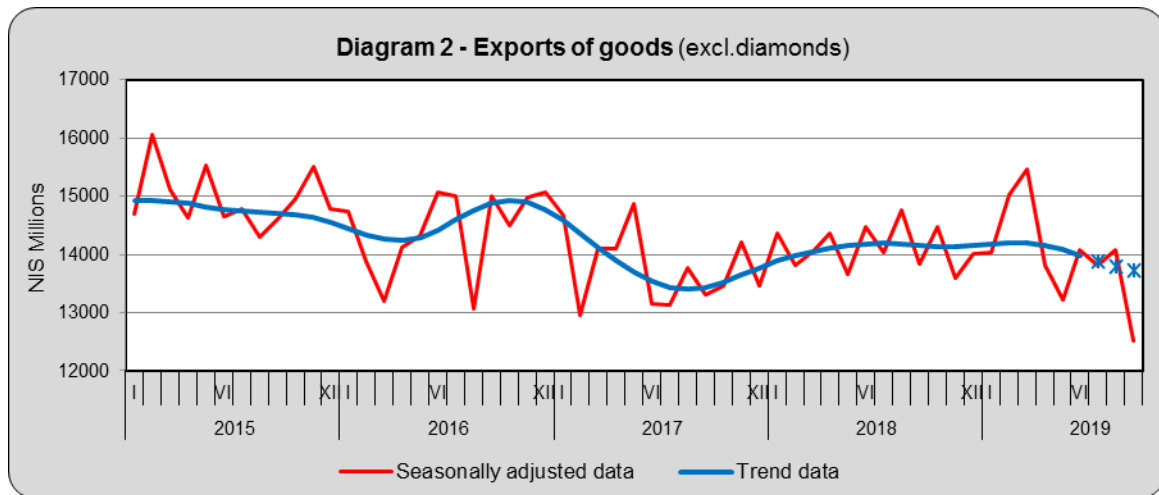
Exports of Goods

Exports of goods totaled NIS 13.5 billion in September 2019. Manufacturing, mining and quarrying exports (excluding diamonds) constituted 86% of all exports of goods, exports of diamonds constituted 13%, and the remaining 1% was agriculture, forestry and fishing exports.

According to trend data, **manufacturing, mining and quarrying exports** (excluding diamonds) decreased by 7.7% at an annual rate in July - September 2019, following a decrease of 6.3% in April - June 2019.

³Ratio of value between exports value and the imports value (excluding ships, aircraft and diamonds)

⁴ Trade in goods is influenced by changes in the value of the NIS relative to the value of the other currencies in which import and export transactions are conducted. In September 2019, the NIS strengthened relative to most of the currencies; by 1.0 % relative to the US Dollar, by 1.8% relative to the Euro, by 3.7% relative to the Pound Sterling and by 2.3% relative to the Canadian Dollar. In contrast, the NIS weakened by 0.9% relative to the Japanese Yen. Source for the average exchange rates is the Bank of Israel.

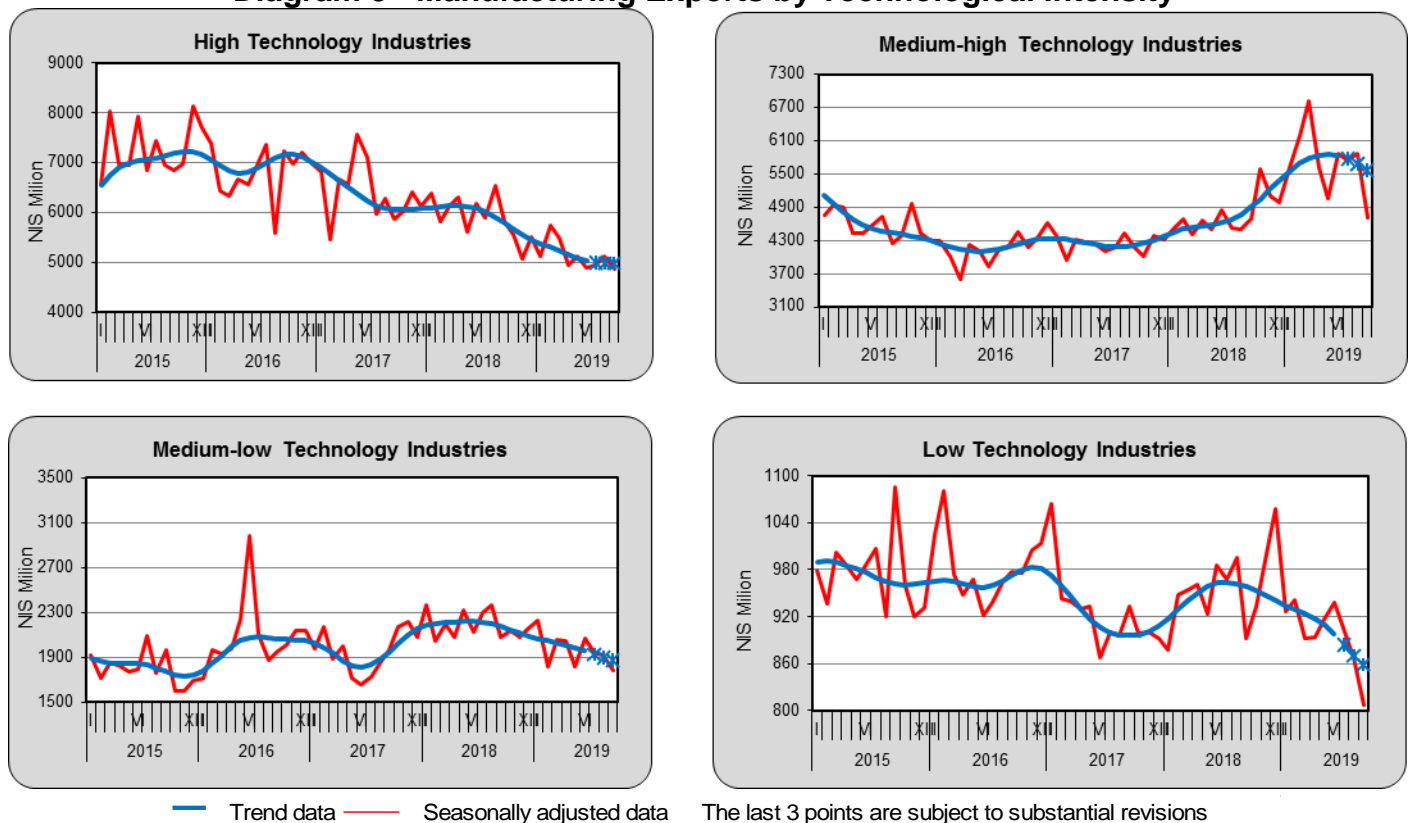


* The last points are subject to substantial revisions

Trend data of manufacture exports, by technological intensity

Trend data point to a 4.1% decrease in **exports by high technology industries** (37% of total manufacture exports excluding diamonds), at an annual rate, in July - September 2019, following a decrease of 14.3% in April - June 2019. A breakdown by economic activity shows a decrease in the exports of the **manufacture of pharmaceutical products industry**.

Diagram 3 - Manufacturing Exports by Technological Intensity



— Trend data — Seasonally adjusted data The last 3 points are subject to substantial revisions

Trend data point to a decrease in **exports by medium-high technology industries** (43% of total manufacture exports) of 16.9%, at an annual rate, in July - September 2019, following an increase of 3.8% in April - June 2019. A breakdown by economic activity shows that exports of the **manufacture of chemicals and chemical products industry** decreased by 3.0% at an annual rate.

According to trend data, **exports by medium-low technology industries** (14% of total manufacture exports) decreased by 16.0% at an annual rate in the last three months, following a decrease of 13.2% in April - June 2019. A breakdown by economic activity shows that exports of the **manufacture of basic metals industry** decreased by 21.2% at an annual rate (2.0% monthly average).

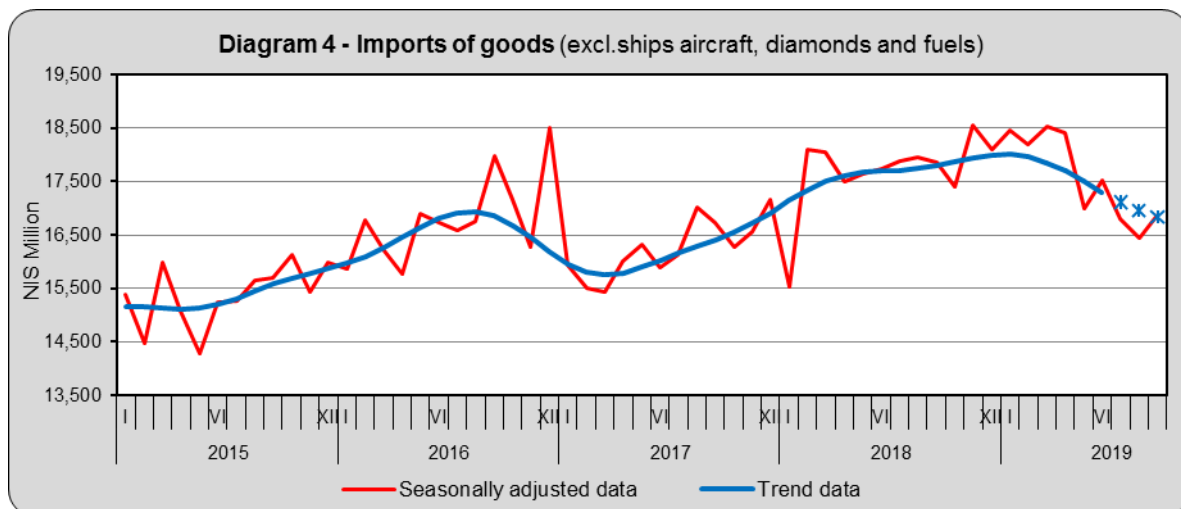
According to trend data, **exports by low technology industries** (6% of total manufacture exports) decreased by 16.3%, an annual rate, in July - September 2019, following a decrease of 10.8% in April - June 2019. A breakdown by economic activity shows that exports of the **manufacture of food products, beverages and tobacco products industry** decreased by 20.4% at an annual rate.

Exports of diamonds (net, polished and rough), in January - September 2019, totaled NIS 13.4 billion (original data) compared with NIS 18.3 billion in the same period of 2018.

Agricultural, forestry and fishing exports in January - September 2019 totaled NIS 3.1 billion (original data), similar to the same period in 2018. The **exports of growing of citrus fruit** increased by 13.2%, whereas the **exports of fishing raising of animals production** decreased by 12.2%.

Imports of Goods

Imports of goods in September 2019 totaled NIS 19.5 billion. 44% of total imports were imports of raw materials (excluding diamonds and fuels); 22% were imports of consumer goods; 14% were imports of machinery, equipment and land vehicles for investment; and 20% were imports of diamonds, fuels, ships and aircraft.



* The last points are subject to substantial revisions

Trend data point to a decrease in **imports of raw materials** (excluding diamonds and fuels) of 4.9% at an annual rate in July - September 2019, following a decrease of 12.0% in April - June 2019. A breakdown by groups shows that **imports for paper manufacturing** decreased by 24.2% at an annual rate (2.3% monthly average) and **imports of fabrics and yarn** decreased by 22.4% at an annual rate (2.1% monthly average).

According to trend data, **imports of investment goods** (excluding ships and aircraft) decreased by 23.2% at an annual rate in July - September 2019 (2.2% monthly average), following a decrease of 18.0% in April - June 2019. **Imports of vehicles for investment** decreased by 5.4% at an annual rate and **imports of machinery and equipment** (64% of investment imports excluding ships and aircraft) decreased by 42.0% (4.4% monthly average).

Trend data point to a decrease in **imports of consumer goods** of 7.5% at an annual rate in July - September 2019, following a decrease of 12.7% in April - June. **Imports of durable goods** (furniture, electrical equipment and transport equipment) decreased by 2.6% at an annual rate, with most of the decreases being of **imports of furniture and electrical equipment**. **Imports of non-durable goods** (medicines, food and beverages, and clothing and footwear) decreased by 10.7% at an annual rate in July – September with most of the decreases being of **imports of food and beverages**.

Imports of diamonds (net, rough and polished) in January - September 2019 totaled NIS 10.5 billion, compared with NIS 14.6 billion in January - September 2018.

Imports of fuels (crude oil, distillates and coal) in January - September 2019 totaled NIS 25.6 billion; a decrease 3.4% relative to January - September 2018.

*Next Media Release on Israel's Foreign Trade in Goods will appear on November 13, 2019.