



ANNUAL REPORT 1998

Presented to the Government and the Finance Committee of the Knesset
in accordance with section 59 of the Bank of Israel Law, 5714–1954

ENGLISH EDITION PUBLISHED MAY 1999–SIVAN 5759

A word to the reader

As in previous years, the English edition of the Annual Report is an abridgement of the Hebrew Report. Chapter 1, however, appears in its entirety. Most of the tables in the Hebrew edition are included.

© Bank of Israel.

Passages may be cited provided source is specified.

ISSN 0067-635X

Catalogue # 30705-99005/6

Typesetting by Publications Unit, Bank of Israel

<http://www.bankisrael.gov.il>

Printed in Israel by Maor-Wallach Press Ltd.

The Government and the
Finance Committee of the Knesset,
Jerusalem

It is with pleasure that I submit the Annual Report of the Bank of Israel for 1998, in accordance with section 59 of the Bank of Israel Law, 5714–1954.

The Report, which has been prepared by the Research Department of the Bank of Israel, includes material and analyses based on data from the Central Bureau of Statistics and monetary data of the Bank of Israel.

Economic developments in Israel and the world in 1998 presented a challenge for Israel's economic policy; it had to deal with the effect of severe shocks in international financial markets—especially from August to October—expressed in a steep decline in capital inflows to emerging markets and a marked slowdown in world economic growth and international trade. Israel's progress in the last two years in adopting a macroeconomic framework that is conducive to economic stability had prepared the ground for coping appropriately with the dramatic developments in world financial markets towards the end of 1998. This progress was reflected in adherence to monetary and fiscal discipline, significantly narrowing the current-account deficit, and consistently reducing inflation. The successful policy was also supported by the continued liberalization of foreign-currency controls, rendering the foreign-exchange regime more flexible, as well as by the efficient supervision of the banking system. The considerable volatility of global financial markets led *inter alia* to the reduction of foreign financial investment in emerging markets, including Israel, and the enhanced internalization of the risks endemic in activity in foreign-currency markets. These developments brought about steep local-currency depreciation in August and September, and even more so in October. In this context, the Bank of Israel responded to a surge in inflation expectations by sharply raising the interest rate while maintaining its strategy of non-intervention in the foreign-currency market, thereby succeeding in rapidly restoring inflation to a low rate and reestablishing relative stability in domestic capital markets, including the foreign-currency market. An important lesson to be learned from Israel's successful experience in dealing with global financial turmoil and preventing contagion is the need to continue with a macroeconomic policy that is firmly committed to preserving economic and financial stability while persisting with economic reform and making progress with integration into the global economy. In view of the considerable uncertainty in world markets, this policy will provide a framework that is conducive to attaining sustainable growth.

The main challenge confronting economic policy today, in view of the uncertainty and slowdown of the global economy as well as the slower growth and higher unemployment rates in 1998, is to restore growth at a rate that can be

sustained over time. This will also serve to correctly reduce unemployment—Israel's main economic and social problem. For this purpose, a budgetary policy that is consistent with the long-term deficit target set in the Budget Deficit Reduction Law is necessary, at the same time switching government expenditures towards investment in the physical infrastructure—principally transport and communications—as well as in human capital and research and development, while allowing for the easing over time of the heavy tax burden. In addition, it is necessary to deepen the process of structural reform, which will contribute to greater efficiency and competition, improved productivity, and enhanced profitability in the business sector. Together with the attainment of long-term stability targets, these measures will serve to strengthen Israel's rating in international financial markets and encourage domestic and foreign investment.

Yours sincerely,

Jacob A. Frenkel
Governor, Bank of Israel

Jerusalem
29 March, 1999
12 Nissan, 5759

CONTENTS

Letter to the Government and the Finance Committee of the Knesset	iii
Chapter 1 <i>The Economy: Developments and Policies</i>	1
1. The Background	2
2. Real Economic Developments	7
3. Fiscal Policy	14
4. Monetary Policy, Monetary Developments, and Prices	17
5. Policy Objectives for the Next Few Years	20
Chapter 2 <i>Output and Demand</i>	
1. Main Developments	25
2. Aggregate Demand and Supply	28
3. Supply, Demand, and the Real Exchange Rate	38
4. Saving, Investment, and the Current Account	40
5. The Principal Industries	43
Business-sector structure, product, and inputs	43
Manufacturing	48
Agriculture	56
Transport, communications, and roads infrastructure	62
Construction	70
Commerce and services	80
Chapter 3 <i>Prices</i>	
1. Main Developments	87
2. Developments During the Year	90
3. Factors Affecting the Development of Prices	95
4. The Development of Prices	103
Chapter 4 <i>Employment and Wages</i>	
1. Main Developments	105
2. Israeli Labor Supply	109
3. Labor Demand and Employment in the Principal Industries	109
4. Unemployment	113
5. Wages	120

Chapter 5	<i>The Public Sector</i>	
	1. Main Developments	128
	2. Fiscal Policy	129
	3. Fiscal Policy and Economic Activity, a Long-Term Perspective, 1994–98	135
	4. Resource Allocation Policy and Economic Inequality in the 1990s	137
	5. Main Trends in National Insurance Payments in 1985–98	141
	6. Issues Relating to the Tax System in Israel	144
Chapter 6	<i>The Balance of Payments</i>	
	1. Main Developments	147
	2. The Current Account	148
	3. Capital Flows	162
Chapter 7	<i>The Money and Capital Markets</i>	
	1. Main Developments	178
	2. Monetary Policy	183
	3. The Public's Financial Portfolio and Wealth	192
	4. Bonds	197
	5. The Stock Market	200
	6. Institutional Investors	202

TABLES

Chapter 1	<i>The Economy: Developments and Policies</i>	
1.1	Israel: Basic Economic Data, 1986–98	5
1.2	Conditions of Business-Sector Activity, 1990–98	7
1.3	Balance of Payments, 1990–98	10
1.4	Saving, Investment, and the Current Account, 1990–98	11
1.5	Main Indicators of Fiscal Policy, 1990–98	16
1.6	Indicators of Inflation, 1990–98	18
1.7	Monetary Indicators, 1990–98	19
Chapter 2	<i>Output and Demand</i>	
2.1	Indicators of Economic Activity, 1986–98	27
2.2	Use of Resources, 1986–98	29
2.3	Supply of Business-Sector Product, 1986–98	32
2.4	Business-Sector Product, Demand and Supply, 1986–98	39
2.5	The Real Exchange Rate and the Traded Sector, 1986–98	40

TABLES

2.6	Investment in Inventory, 1995–98	41
2.7	Characteristics and Changes in Principal Industries, 1998	44
2.8	Manufacturing Industry Indicators, 1981–98	49
2.9	Indicators of Profitability in Manufacturing, 1991–98	51
2.10	Changes in Manufacturing Industry	54
2.11	Indicators of Agricultural Production, 1991–98	57
2.12	Transport and Communications, Main Indicators, 1991–98	62
2.13	Real Product and Prices in Transport and Communications, 1997–98	63
2.14	Investment in Transport and Communications, 1996–98	63
2.15	Output and Product in Construction, 1986–98	71
2.16	Indicators of Construction Activity, 1986–98	74
2.17	Indicators of Supply and Demand, the Housing Market, 1990–98	76
2.18	Relative Construction Prices, 1986–98	78
2.19	Principal Commerce and Services Indicators, 1996–98	80
2.20	Business Services Revenue, 1995 and 1998	81
2.19	Product, Employment, and Wages in Commerce and Services, 1996–98	82
 Chapter 3 <i>Prices</i>		
3.1	Prices and Exchange Rates, 1996–98	88
3.2	Indicators of the Inflation Environment, 1992–98	92
3.3	The Inflation Target and Actual Inflation, 1992–98	100
3.4	Determinants of Prices, 1987–98	102
 Chapter 4 <i>Employment and Wages</i>		
4.1	Principal Labor Market Indicators, 1995–98	106
4.2	Principal Labor Market Indicators, 1996–98	110
4.3	Employment and Labor Input in the Business Sector, by Industry, 1996–98	111
4.4	Contribution to Change in Unemployment Rate, 1996–98	114
4.5	Unemployment Rate, by Years of Education, 1995–98	115
4.6	Change in Real Wage per Employee Post, by Industry, 1995–98	124
 Chapter 5 <i>The Public Sector</i>		
5.1	The Public Sector: Receipts and Expenditure, 1994–98	131
5.2	The Government Deficit: Planned and Actual, 1996–98	134
5.3	Selected Indicators of Fiscal Policy, 1994–98	136
5.4	Development of the Principal National Insurance Categories, 1985–98	142

Chapter 6	<i>The Balance of Payments</i>	
6.1	The Current Account and its Financing 1992–98	149
6.2	Background Conditions, 1992–98	150
6.3	Direct Contributions to the Increase in the Import Surplus, 1992–98	151
6.4	Exports (excluding capital services), 1992–98	154
6.5	Goods Exports (Nominal), (excluding diamonds) by Geographical Destination, 1994–98	157
6.6	Changes in Foreign Trade (Goods and Services) of Industrialized Countries, 1994–98	158
6.7	Total Exports Excluding Capital Services, 1992–98	161
6.8	Capital Inflow, 1994–98	163
6.9	Foreign Investment in Israel and Residents' Investment Abroad, 1994–98	165
6.10	Implied Capital Imports, 1994–98	170
6.11	Foreign-Currency Reserves/GDP Ratio and M2/Reserves Ratio in Selected Countries, 1996–98	174
6.12	Debt/GDP Ratio, 1986–98	175
Chapter 7	<i>The Money and Capital Markets</i>	
7.1	Monetary Indicators, 1992–98	179
7.2	The Capital Market as at 31 December 1998, and Change from Previous Year	182

FIGURES

Chapter 1	<i>The Economy: Developments and Policies</i>	
1.1	Key Economic Indicators	4
1.2	A. Rates of Change of Selected Price Indices in Last 12 Months .	6
	B. Bank of Israel Interest Rate, Inflation Inflation Expectations, . And Implicit Real Interest	6
	C. Real Indexed Interest Rates	6
	D. NIS/Currency Basket Exchange Rate	6
1.3	Contribution of Various Uses to Slowdown of Rate of	
	Growth of Domestic Uses, 1997–98 vis-à-vis 1990–96.....	9
	Contribution of Investment Components to Reversal of Trend	
	of Investment in Fixed Assets, 1997–98 vis-à-vis 1990–96.....	9
	Contribution of Investment Components to Change in Level of Gross Investment, 1998 vis-à-vis 1996	9
1.4	A. Real Exchange Rate, in Export Terms	13
	B. Real Exchange Rate, in CPI Terms	13

FIGURES

Chapter 2		<i>Output and Demand</i>	
2.1	Business-Sector Product, 1987–98		27
2.2	Share of Gross Capital Stock and Investment in Business-Sector Product, 1980–98		28
2.3	Rates of Return on Gross and Net Capital, in Business Sector, 1980–98		32
2.4	Indices of Prices of Imports and Exports and of Domestic Uses Relative to Implicit Price Index of Business-Sector Product, 1980–98		41
2.5	National Saving Rate. Gross Domestic Investment, and Current Account on Balance of Payments, 1964–98		42
2.6	Gross National Saving Rate, by Sector, 1964–98		42
2.7	Structure of Business-Sector Product, 1998		47
2.8	Product, Exports, and Labor Input (Hours), 1990–98		50
2.9	Manufacturing Product in Selected Industries, 1994–98		52
2.10	Labor Input in Hours in Selected Industries, 1994–98		52
2.11	Agriculture: Selected Indicators, 1987–98		58
2.12	Relative Consumer and Producer Prices of Fresh Vegetables and Fresh Fruit, 1988–98		60
2.13	Relative Price Indices of Transport and Communications, 1988–98		64
2.14	Growth of Transport and Communications Product, 1988–98		64
2.15	Share of Investment in Communications and Transport in GDP, 1960–98		65
2.16	Israeli Airlines: Passenger Numbers, Output, and Share of Passengers Landing in Israel, 1976–98		67
2.17	Israeli Shipping: Activities in Domestic and Foreign Ports, 1975–98		67
2.18	Indices of Roads Congestion, 1975–98		70
2.19	Direct Contribution of Construction Product to Business-Sector Product, 1981–98		72
2.20	Product of Commerce and Services, 1990–98		83
Chapter 3		<i>Prices</i>	
3.1	Main Price Indices, 1996–February 1999		91
3.2	Expected Inflation, the Business Forecasters' Index, the CPI,		
	and the Inflation Target, 1996–February 1999		94
3.3	Nominal and Real Interest Rates, 1996–February 1999		99
Chapter 4		<i>Employment and Wages</i>	
4.1	Employment in Public and Business Sectors, and the Unemployed, 1988–98		107

4.2	The Share of Workers from the Autonomy and the Administered Areas, and Foreign Workers, in the Business Sector, 1990–98	112
4.3	The Unemployment Rate, 1988–98	116
4.4	Indices of Real Wage per Employee Post in Business and Public Sectors, 1980–98	121
4.5	Index of Real Wage per Employee Post in Business Sector, and Unemployment Rate, 1986–98	121
4.6	The Minimum Wage, 1987–98	123
Chapter 5 <i>The Public Sector</i>		
5.1	Domestic Budget Deficit/GNP Ratio, 1992–99	135
5.2	National Expenditure on Education, Health, and Public-Sector Investment, 1988–98	137
5.3	Index of Inequality Among Families Where Wage-Earner is Employed or Not Working, 1988-97	139
5.4	Transfer Payments and Subsidies, 1980–98	139
5.5	Defense Expenditure, 1980–98	141
Chapter 6 <i>The Balance of Payments</i>		
6.1	Imports, Exports, and the Import Surplus, 1980–98	149
6.2	Indices of Relative Prices of Tradable and Nontradable Goods, 1981–98	152
6.3	Geographical Distribution of Exports and Imports (excluding diamonds), 1998	158
6.4	Industrial and Software Exports, by Type of Industry, 1988 and 1998	159
6.5	Nonresidents' Capital Inflow, 1994–98	166
6.6	Nonresidents' Investment in the TASE and Changes in the NASDAQ Index, 1997–98	166
6.7	Residents' Investment Abroad and Foreign Investment in Israel, 1989–98	167
6.8	Daily Standard Deviation of Change in Exchange Rates of Dollar and Currency Basket in Latest Thirty Trading Days, 1995–98	169
Chapter 7 <i>The Money and Capital Markets</i>		
7.1	Bank of Israel Interest Rate and Expected Real Interest Rates, 1995–February 1999	180
7.2A	The Spread Between Interest on Credit in Local Currency and that in Foreign Currency, 1998	184
7.2B	The Exchange-Rate Band, 1997–February 1999	184

STATISTICAL APPENDIX

7.3	Expected Inflation for 12 Months Ahead, and the Annual Inflation Targets, June 1995–February 1999	187
7.4	Bank of Israel Real Interest Rate, 1997–February 1999	187
7.5	Monetary Announcements, Inflation Expectations, the Exchange Rate, and Bank of Israel Rate of Interest During Developments Abroad, 1998	190
7.6	Composition of Government Debt, December 1998	195
7.7	Interest on CPI-Indexed Mortgages, Yield to Maturity on Corporate Bonds, and Interest-Rate Spreads, 1992–February 1999	198
7.8A	Total Returns for Selected Stock Exchanges, 1990–98	199
7.8B	Total Returns in Selected Stock Exchanges, 1995–12.3.1998	199
7.9	Standard Deviation of Daily Total Return on TASE, 1994–98	201

STATISTICAL APPENDIX

Chapter 2 *Output and Demand*

2.A.1	Resources and the Use of Resources, 1961–98	207
2.A.2	Resources and the Use of Resources, 1961–98	208
2.A.3	Gross Domestic Investment, by Type of Asset, 1961–98	209
2.A.4	Gross Domestic Investment, by Type of Asset, 1961–98	210
2.A.5	Private Consumption, 1961–98	211
2.A.6	Private Consumption, 1961–98	212
2.A.7	The Business Sector: Distribution of Demand and Product Between Traded and Nontraded Sectors, 1981–98	213
2.A.8	Private Disposable Income, Consumption, and Saving, 1981–98	214
2.A.9	Indicators of Business-Sector Production, 1961–98	215
2.A.10	Business-Sector Product, by Principal Industries, 1961–98	216
2.A.11	Gross Capital Stock, by Principal Industries, 1961–98	217
2.A.12	Net Capital Stock, by Principal Industries, 1961–98	218
2.A.13	Gross Domestic Investment, 1961–98	219
2.A.14	Labor Input of Israelis, by Principal Industries, 1961–98	220
2.A.15	Total Factor Productivity, by Principal Industries, 1961–98	221
2.A.16	National Saving, Domestic Investment, and the Current Account, 1964–98	222
2.A.17	National Income and Saving, 1964–98	223
2.A.18	Infrastructure Investment: Electricity, Water, and Transport and Communications, 1970–98	224
2.A.19	Manufacturing Production, 1980–87	225
2.A.20	Labor Input, in Hours, 1980–98	227
2.A.21	Wage-Earners in Manufacturing, 1980–98	229
2.A.22	Investment in Manufacturing, 1980–98	231

2.A.23	Real Gross Capital Stock in Manufacturing, 1980–98	233
2.A.24	Production per Hour Worked in Manufacturing, 1980–98	235
2.A.25	Cost per Hour Worked in Manufacturing, 1986–98	237
2.A.26	Current Account of Agriculture, 1987–98	239
2.A.27	Agricultural Production, 1990–98	240
2.A.28	Agricultural Production for Direct Export, 1990–98	242
2.A.29	Agricultural Production for Direct Export, 1990–98	242
2.A.29	Real Output and Inputs in Transport and Communications,, 1986–98	243
2.A.31	Prices of Transport and Communications, 1986–98	244
2.A.32	Investment in Transport and Communications, 1986–98	245
2.A.33	Buses in Transport Cooperatives, 1986–98	246
2.A.34	Revenue of Israeli Maritime Freight, 1986–98	247
2.A.35	Indices of Road Congestion, 1975–98	248
2.A.36	Air Freight, 1986–98	249
2.A.37	Construction, Selected Data A, 1960–98	250
2.A.38	Construction, Selected Data B, 1960–98	252
2.A.39	Financing and Subsidization of Loans to Immigrants and Young Couples, 1989–98	254
2.A.40	Commerce and Services, Principal Indicators, 1989–98	255
2.A.41	Commerce and Services Product and Employment, 1989–98	256
2.A.42	Hotel Services, Principal Indicators, 1988–98	257
2.A.43	Indicators of Change in Banking Activity, 1989–98	258
 Chapter 3 <i>Prices</i>		
3.A.1a	The CPI and Implicit Price Indices, 1962–98	259
3.A.1b	The CPI and Implicit Price Indices, 1962–98	261
3.A.2a	The CPI, Main Categories, 1962–98	263
3.A.2b	The CPI, Main Categories, 1962–98	265
3.A.3a	Implicit Price Indices, (National Accounts Data), 1965–98	267
3.A.3b	Implicit Price Indices, (National Accounts Data), 1965–98	269
3.A.4a	Selected Price Indices, 1965–98	271
3.A.4b	Selected Price Indices, 1965–98	273
 Chapter 4 <i>Employment and Wages</i>		
4.A.1	The Mean Permanent and Working-Age Population, 1969–98	274
4.A.2	The Participation Rate and the Civilian Labor Force, 1969–98 ...	275
4.A.3	Total Number of Employees in the Public and Business Sectors, 1969–98	276
4.A.4	The Unemployment Rate and the Number of Unemployed, 1969–98	277
4.A.5	Number of Israeli Employees in the Principal, Industries, 1969–98	278

STATISTICAL APPENDIX

4.A.6	The Real Wage in the Principal Industries, 1980–98	280
4.A.7	Depth of Unemployment, 1980–98	281
4.A.8	Total Labor Input in the Public and Business Sectors, 1990–98 ..	282
4.A.9	Hours Worked per Week per Employee in the Principal Industries, 1980–98	283
4.A.10	Employment and Contribution to Unemployment, by Industry, 1996–98	284
Chapter 5	<i>The Public Sector</i>	
5.A.1a	Principal Components of Public-Sector Expenditure, 1960–98 ...	286
5.A.1b	Principal Components of Public-Sector Receipts, 1960–98	288
5.A.2a	Public-Sector Receipts: Current and Capital Accounts, 1980–98	291
5.A.2b	Public-Sector Expenditure: Current and Capital Accounts, 1980–98	292
5.A.2c	Financing the Deficit, 1989–98	293
5.A.3a	Direct Demand of the Public Sector, 1981–98	294
5.A.3b	Direct Demand of the Public Sector, 1981–98	296
5.A.4	Public-Sector Expenditure, by Type of Intervention, 1980–98 ...	298
5.A.5	Composition of Public-Sector Deficit, Receipts and Expenditure, 1988–98	300
5.A.6	Indicators of Expenditure on Civilian Public Services and Defense, 1980–98	302
5.A.7	Taxes, Subsidies and Transfer Payments, 1960–98	303
5.A.8	Direct Taxes, 1981–98	305
5.A.9	Wages, Taxes, and Disposable Wage, per Employee Post, 1988–98	306
5.A.10	Components of Transfer Payments, 1980–98	307
5.A.11	Indirect Taxes and Subsidies on Domestic Production, 1981–98	311
5.A.12	Taxes on Imports and Export Subsidies, 1981–98	312
5.A.13	Selected Tax Rates, 1980–98	313
Chapter 6	<i>The Balance of Payments</i>	
6.A.1a	Balance of Payments, Principal Indicators, 1981–98	314
6.A.1b	Balance of Payments, Principal Indicators, 1981–98	315
6.A.2a	Balance of Payments, Private Sector, 1975–98	316
6.A.2b	Balance of Payments, Private Sector, 1975–98	317
6.A.2c	Balance of Payments, Public Sector, 1975–98	318
6.A.3a	Goods and Services Account: Imports and Factor Inputs, 1976–98	319
6.A.3b	Goods and Services Account: Exports and Factor Inputs, 1976–98	320
6.A.4a	Merchandise Exports (f.o.b.), by Industry, 1976–98	321

6.A.4b	Merchandise Exports (f.o.b.), by Industry, 1976–98	322
6.A.5a	Manufacturing Exports (f.o.b.), by Industry, 1976–98	323
6.A.5b	Manufacturing Exports (f.o.b.), by Industry, 1976–98	325
6.A.6	Components of Volume Change in Imports and Exports, 1992–98	327
6.A.7	Rate of Change of Trade Volume, by Source, 1989–98	328
6.A.8a	Merchandise Imports, by Economic Use, 1976–98	329
6.A.8b	Merchandise Imports, by Economic Use, 1976–98	330
6.A.9	Import Taxation, Selected Years, 1980–98	331
6.A.10a	Services and Factor Inputs Account, Imports, 1976–98	332
6.A.10a	Services and Factor Inputs Account, Exports, 1976–98	333
6.A.11	Net Unilateral Transfers, 1975–98	334
6.A.12a	Long- and Medium-Term Loans, Receipts, 1975–98	335
6.A.12b	Long- and Medium-Term Loans, 1975–98	336
6.A.13	Investment in Israel by Nonresidents, and Abroad by Residents, 1975–98	337
6.A.14	Components of Capital Movements of the Banking System, 1975–98	339
6.A.15	Israel's Gross Foreign Assets and Liabilities, 1975–98	340
6.A.16	Indicators of the Foreign Debt Burden, 1975–98	341
6.A.17	The Structure of the Net External Debt, 1975–98	342
 Chapter 7 <i>The Money and Capital Markets</i>		
7.A.1a	Data on Selected Aggregates, 1973–98	343
7.A.1b	Data on Selected Aggregates, 1973–98	344
7.A.2a	Credit to the Public from Commercial and Mortgage Banks, 1974–98	345
7.A.2b	Credit to the Public from Commercial and Mortgage Banks, 1974–98	346
7.A.3	Inflation, the Exchange Rate, and Effective Interest Rates, 1973–98	347
7.A.4a	Changes in Unindexed Local-Currency Assets, 1973–98	350
7.A.4b	Changes in Unindexed Local-Currency Assets, 1973–98	351
7.A.5	The Public-Sector Domestic Deficit and its Financing: Change in the Consolidated Balance Sheet of the Government and the Bank of Israel, 1988–98	352
7.A.6	The Monetary Base and the Public's Assets in Banks and the Bank of Israel, 1975–98	353
7.A.7	Banks' Credit to the Public and Direct Credit from Abroad, 1973–98	355
7.A.8a	Main Indicators of the Bond Market, 1985–98	357
7.A.8b	Main Indicators of the Negotiable Bond Market, 1986–98	358

STATISTICAL APPENDIX

7.A.8c	Main Indicators of the Bond Market, 1989–98 Net Real Interest on Redemption of Negotiable CPI-Indexed Government Bonds	358
7.A.8d	Main Indicators of the Bond Market, 1990–98 Net Interest on Redemption of Treasury Bills	359
7.A.8e	Main Indicators of the Bond Market, 1995–98 Net Interest on Redemption of ‘Shahar’ Negotiable Bonds	359
7.A.9	Main Indicators of the Stock Market, 1982–98	360
7.A.10a	Corporate Return on Equity, 1988–98	361
7.A.10b	Corporate P/E Ratio, 1988–97	362
7.A.10c	Corporate Dividend Yield, 1988–97	362
7.A.10d	Corporate Price to Cash Flow Ratio, 1989–97	363
7.A.10e	Corporate Return on Fixed Assets, 1988–98	364
7.A.10f	Corporate Net Income as Percentage of Revenue, 1988–98	365
7.A.11a	Provident Funds’ Assets, 1988–98	366
7.A.11b	Provident and Pension Funds’ Assets, 1988–98	367
7.A.12	The Mutual Funds, 1988–98	368
7.A.13	The Public’s Financial Assets, 1986–98	369
7.A.14	Estimated Wealth of the Nonfinancial Private Sector, 1970–98	371
7.A.15	Funds Raised Through Public Offerings and Non-Negotiable Bonds, 1988–98	375
7.A.16	Index of Total Yield on Bonds and Quoted Shares, 1973–98	376

