August 25, 2025

Press Release

The Composite State of the Economy Index declined in July by 0.64 percent

This is the final publication of the Composite State of the Economy Index in its current format.

The Composite State of the Economy Index declined in July by 0.64 percent. This decline still reflects Operation Rising Lion’s impacts on the components comprising the Index from June. In contrast, the Index components that have been reported thus far for July have increased, reflecting an improvement in economic activity following the military operation.

Table 1 presents the retroactive revisions to the Index for previous months. Table 2 presents the development of components of the Index in the past few months.

**This is the final publication of the Composite State of the Economy Index in its current format. Starting next month, the Bank of Israel will instead publish a new index—the Monthly Index of Economic Activity.** The new index will be based on an advanced research tool that is intended to provide a more precise and up-to-date picture of the pace of monthly growth in the Israeli economy. The new index will be based on data processing of more than 30 economic series, using a dedicated statistical model developed at the Bank of Israel that signals changes in the growth environment in an earlier stage compared to the Composite Index. A description of the new index and the methodology upon which it is based can be found on the Bank of Israel website.

The Bank of Israel will continue calculating the current Composite Index for the next year for purposes of concatenation and control, and it will be available in the series database on the Bank of Israel website (in Hebrew).

**Table 1: Revisions in the Composite Index (percent)**

|  |  |  |
| --- | --- | --- |
| **Revision** | **Previous figure** | **New figure** |
| July |  | 0.64- |
| June | -0.67 | 1.62- |
| May | -0.17 | 0.33- |
| April | -0.10 | -0.46 |
| March | 0.08 | 0.15 |
| February | 0.06 | -0.02 |

**Table 2: Changes in the Index components in recent months**

(monthly change, percent, unless otherwise noted)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **July** | **June** | **May** | **April** |
| Industrial Production Index (excluding mining and quarrying) |   | -10.7 | 6.9 | 0.1 |
| Services Revenue Index (excluding education and public administration) |   | -7.1 | -1.4 | -2.5 |
| Retail Trade Revenue Index |   | -14.1 | 2.3 | -0.4 |
| Imports of consumption goods1 | 36.2 | -14.2 | -2.8 | 1.6 |
| Imports of production inputs (excluding fuels)1 | 21.8 | -5.8 | -6.5 | 3.4 |
| Goods exports (excluding agriculture)1 | 26.9 | -11.5 | 7.1 | -14.7 |
| Services exports (excluding transportation)2 |  | 3.4 | -8.6 | 0.6 |
| Employee posts in the private sector |  | -2.0 | 0.2 | 0.2 |
| Job vacancy rate in the business sector3 | 4.4 | 4.2 | 4.4 | 4.3 |
| Credit card purchases4 | 14.9 | -9.9 | 0.3 | -0.9 |

1 Goods imports and exports are calculated in fixed prices (adjusted for changes in foreign trade price indices).

2 Services exports are calculated in real terms using the Consumer Price Index, and are comprised of the export of other business services and the export of tourism services.

3 The job vacancy rate is calculated out of the total number of employed people, and is included in the index at its seasonally adjusted level.

4 The credit card purchases figure is the monthly seasonally adjusted change according to Central Bureau of Statistics publications. When the CBS figure for a month is not available, the figure listed is an estimate based on the monthly rate of change according to daily data from SHVA, seasonally adjusted.

Detailed explanations regarding how the Composite Index is calculated, as well as detailed long-term tables, can be found at:

<https://www.boi.org.il/en/economic-roles/statistics/the-bank-of-israels-composite-state-of-the-economy-index/>