

**Table 2.A1**  
**Resources and Use of Resources (Annual Data), 1982-91**

	(real annual change, percent)									
	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
<b>Resources</b>										
Gross domestic product	1.1	2.8	2.5	4.0	3.8	6.2	2.6	1.7	5.4	5.9
Imports of goods and services <sup>a</sup>	4.0	6.7	-1.0	-0.6	9.7	18.9	-2.2	-6.9	9.0	15.8
<i>of which</i> Civilian	11.7	11.4	-3.7	-3.7	16.2	11.3	0.5	-1.7	8.5	15.8
Total resources <sup>b</sup>	2.2	4.3	1.1	2.2	6.0	10.6	0.8	-1.4	6.6	9.0
<b>Use of resources</b>										
Private consumption	8.1	8.8	-7.0	0.7	14.8	9.0	4.3	0.0	5.3	7.6
Public consumption										
Total	-6.5	-3.8	6.3	3.5	-9.3	17.8	-2.5	-8.6	4.8	3.4
Excluding direct defense imports	3.1	2.2	1.9	-1.1	-2.4	4.0	2.5	0.8	3.1	1.8
Gross domestic investment										
Total	14.6	9.9	-7.0	-10.0	9.9	3.0	0.7	-4.5	22.6	43.4
Fixed	5.1	12.4	-11.0	-7.1	-0.4	13.5	-0.4	-3.7	19.6	41.8
Domestic use of resources <sup>b</sup>	8.0	7.2	-4.7	-2.0	9.2	6.7	3.3	-0.6	7.6	12.4
Exports <sup>a</sup>	-3.1	2.4	13.7	8.8	5.9	11.0	-1.7	3.9	3.0	-2.3
<b>Use of resources</b>										
Excluding direct defense imports	4.7	5.9	0.1	1.2	8.2	7.8	1.9	0.6	6.4	8.8
Total	2.2	4.3	1.1	2.2	6.0	10.6	0.8	-1.4	6.6	9.0
Gross product of business sector at market prices <sup>c</sup>	0.1	3.4	2.8	5.6	5.9	8.3	2.4	2.0	6.6	7.0

<sup>a</sup> Imports (c.i.f.), exports (f.o.b.), excluding factor payments and general government interest from or to rest of world. Exports at effective exchange rate.

<sup>b</sup> Excluding direct defense imports.

<sup>c</sup> GDP less gross product of public services and ownership of dwellings.

SOURCE: Central Bureau of Statistics.

**Table 2.A2**  
**Gross National Product and National Income, 1987-91**

	1987	1988	1989	1990	1991
<i>NIS million</i>					
GNP at market prices	55,072	68,116	83,658	102,210	132,442
less Depreciation	8,865	10,405	12,908	15,854	19,596
less Net indirect taxes	6,842	7,953	9,939	12,919	17,037
less Indirect taxes on domestic production	7,893	9,432	11,409	14,660	19,589
Subsidies to domestic production	1,051	1,479	1,470	1,741	2,552
Subsidy element of government loans	790	702	568	569	583
National income	40,155	50,460	61,379	74,006	96,392
National income, excl. loan subsidy	39,365	49,758	60,811	73,437	95,809
<i>Real annual change percent<sup>a</sup></i>					
GNP at market prices	6.8	6.4	1.7	5.4	9.9
less Depreciation	3.6	1.0	2.7	6.0	4.8
less Net indirect taxes	5.1	-0.0	3.5	12.2	11.8
less Indirect taxes on domestic production	4.5	2.8	0.1	10.9	13.3
Subsidies to domestic production	0.5	21.0	-17.7	2.2	24.3
Subsidy element of government loans	5.3	-23.6	-33.0	-13.5	-13.1
National income	7.8	8.1	0.7	4.1	10.5
National income, excl. loan subsidy	7.8	8.7	1.2	4.2	10.6

<sup>a</sup> Deflated by implicit price index of private consumption.

SOURCE: Central Bureau of Statistics.

**Table 2.A3**  
**Gross Income from All Sources and Gross Saving, 1987-91<sup>a</sup>**

	(NIS million)									
	Effective exchange rate calculation					Official exchange rate calculation				
	1987	1988	1989	1990	1991	1987	1988	1989	1990	1991
<i>NIS million</i>										
GNP at market prices	55,072	68,116	83,658	102,210	132,442	59,137	72,417	87,220	106,985	139,481
Unilateral transfers <sup>b</sup>	6,561	6,197	8,352	10,689	13,831	5,899	5,564	7,723	9,873	12,767
Gross income	<b>61,633</b>	<b>74,312</b>	<b>92,010</b>	<b>112,899</b>	<b>146,273</b>	<b>65,036</b>	<b>77,981</b>	<b>94,944</b>	<b>116,858</b>	<b>152,248</b>
Private consumption	36,333	44,059	53,215	64,955	82,423	36,333	44,059	53,215	64,955	82,423
Public consumption <sup>c</sup>	15,181	18,787	23,039	28,076	34,984	15,181	18,787	23,039	28,076	34,984
Direct defense imports <sup>d</sup>	3,036	2,846	2,841	3,597	4,691	2,739	2,560	2,627	3,327	4,331
Total consumption	<b>54,550</b>	<b>65,692</b>	<b>79,096</b>	<b>96,628</b>	<b>122,098</b>	<b>54,253</b>	<b>65,405</b>	<b>78,882</b>	<b>96,357</b>	<b>121,738</b>
<b>Gross saving</b>										
National	7,083	8,621	12,915	16,271	24,175	10,783	12,576	16,062	20,501	30,510
Private	9,409	11,038	17,712	21,113	28,826	9,409	11,038	17,712	21,113	28,826
General government <sup>e</sup>	-2,326	-2,417	-4,797	-4,842	-4,651	1,374	1,538	-1,650	-613	1,684
<i>Percent</i>										
<b>Gross saving/total income</b>										
National	11.5	11.6	14.0	14.4	15.5	16.6	16.1	16.9	17.5	20.0
Private <sup>f</sup>	15.3	14.9	19.3	18.7	19.7	14.5	14.2	18.7	18.1	18.9
General government	-3.8	-3.3	-5.2	-4.3	-3.2	2.1	2.0	-1.7	-0.5	1.1

<sup>a</sup> Balance-of-payments flows (net receipts) converted to NIS at the average effective exchange rate (left-hand panel) or the official exchange rate (right-hand panel) for imports and exports.

<sup>b</sup> Unilateral transfers less net interest payments to rest of world by general government.

<sup>c</sup> Excluding direct defense imports.

<sup>d</sup> Includes advances.

<sup>e</sup> Residual.

<sup>f</sup> Calculated from Table 2.A5 as the difference between gross private disposable income from all sources and private consumption.

**Table 2.A4**  
**Private Disposable Income and the Saving Rate, 1987-91**

	1987	1988	1989	1990	1991
<i>NIS million</i>					
National income	40,155	50,460	61,379	74,006	96,392
less Government income from property	609	813	1,321	2,134	2,486
Depreciation (private sector)	7,893	9,271	11,531	14,225	17,623
Gross private income from economic activity	<b>47,439</b>	<b>58,918</b>	<b>71,589</b>	<b>86,097</b>	<b>111,529</b>
less Direct taxes	12,002	14,568	16,102	18,865	22,594
Income tax	8,814	10,795	11,597	13,404	15,989
National Insurance contributions <sup>a</sup>	3,188	3,773	4,505	5,461	6,605
less Fees, levies, and fines	331	369	472	565	671
less Net compulsory loans <sup>b</sup>	-252	-955	-1511	-488	-99
Net transfer payments	4,572	5,765	7,428	9,863	12,802
Interest on the domestic public debt	3,905	4,437	5,642	6,987	8,242
<b>Gross private disposable income</b>					
<i>With nominal interest</i>					
From domestic sources	<b>43,835</b>	<b>55,137</b>	<b>69,597</b>	<b>84,006</b>	<b>109,406</b>
Private transfers from rest of world	2,198	1,987	3,072	3,255	3,925
From all sources	<b>46,033</b>	<b>57,124</b>	<b>72,669</b>	<b>87,261</b>	<b>113,331</b>
<i>With real interest<sup>c</sup></i>					
From domestic sources	<b>43,544</b>	<b>53,109</b>	<b>67,855</b>	<b>82,813</b>	<b>107,324</b>
Private transfers from rest of world	2,198	1,987	3,072	3,255	3,925
From all sources	<b>45,742</b>	<b>55,096</b>	<b>70,927</b>	<b>86,068</b>	<b>111,249</b>
<b>Private consumption</b>	<b>36,333</b>	<b>44,059</b>	<b>53,215</b>	<b>64,955</b>	<b>82,423</b>
<b>Saving rate (percent)</b>					
<i>With nominal interest</i>					
Out of domestic income	17.1	20.1	23.5	22.7	24.7
Out of total income	21.1	22.9	26.8	25.6	27.3
<i>With real interest</i>					
Out of domestic income	16.6	17.0	21.6	21.6	23.2
Out of total income	20.6	20.0	25.0	24.5	25.9

<sup>a</sup> Including employer contributions to medical insurance.

<sup>b</sup> Gross compulsory loans *less* repayments.

<sup>c</sup> Bank of Israel estimate.

SOURCE: Central Bureau of Statistics.

**Table 2.A5****Rate of Change of Private Disposable Income, 1987-91<sup>a</sup>**

(real annual change, percent)

	1987	1988	1989	1990	1991
National income	7.8	8.1	0.7	4.1	10.5
Government income from property	-32.8	14.8	34.5	39.4	-1.2
Depreciation (private sector)	3.0	1.0	3.0	6.5	5.1
Gross private income from economic activity	7.8	6.8	0.6	3.9	9.8
Direct taxes	2.1	4.4	-8.5	1.1	1.6
Income tax	3.7	5.4	-11.1	-0.2	1.2
National Insurance contributions	-2.1	1.8	-1.1	4.6	2.6
Fees, levies, and fines	-35.6	-4.1	5.9	3.3	0.7
Net transfer payments	6.7	8.5	6.7	14.6	10.1
Interest on the domestic public debt	-3.8	-2.3	5.3	6.9	0.0
<b>Gross private disposable income</b>					
<i>With nominal interest</i>					
From domestic sources	8.4	8.2	4.5	4.2	10.4
Private transfers from rest of world	18.7	-22.2	28.0	-8.6	2.3
From all sources	8.8	6.7	5.3	3.6	10.1
<i>With real interest</i>					
From domestic sources	6.7	4.9	5.8	5.3	9.9
Private transfers from rest of world	18.7	-22.2	28.0	-8.6	2.3
From all sources	7.2	3.6	6.6	4.7	9.6
<b>Private consumption</b>	9.0	4.3	0.0	5.3	7.6

<sup>a</sup> Deflated by the implicit price index of private consumption. See also notes to Table 2.A4.

SOURCE: Central Bureau of Statistics.

**Table 2.A6**  
**Per Capita Income and Consumption, 1981-91**

(real annual rate of change, percent)

	1981-85	1986-87	1988-89	1990-91	1989	1990	1991
<b>Private consumption</b>							
Total	2.6	10.1	0.4	1.8	-1.7	2.1	1.5
Excl. durables and private nonprofit institutions	2.7	9.6	1.4	1.2	-0.2	1.2	1.2
Consumer durables	4.1	27.7	-5.5	13.8	-14.3	13.5	14.1
<b>Disposable income</b>							
Total from domestic sources	1.6	4.4	3.6	2.9	4.0	2.2	3.5
From wages and current transfers	1.4	11.4	2.8	0.9	-0.8	0.9	1.0

**Table 2.A7**  
**Fixed Nondwelling Investment by Initiating Sector, 1981-91**

(real annual change, percent)

	1991 (NIS mill.)	1981-85	1986-87	1988-91	1989	1990	1991
<b>Structures</b>							
General government <sup>a</sup>	2,224	-3.1	16.4	0.4	-2.4	-1.9	-2.1
Public sector enterprises <sup>b</sup>	899	-6.9	7.4	2.8	13.2	8.4	0.3
Subtotal	3,122	-4.3	13.8	1.1	1.2	0.7	-1.4
Private sector	737	-1.5	-8.4	4.9	1.0	4.7	12.7
Total	3,859	-3.6	8.8	1.7	1.1	1.4	1.0
<b>Machinery and equipment</b>							
General government	1,113	6.5	7.4	2.8	2.8	5.1	11.9
Public sector enterprises	3,763	0.6	3.6	18.6	8.7	36.5	34.1
Subtotal	4,876	2.5	4.8	13.9	6.7	26.6	28.3
Private sector	6,791	10.5	5.1	9.3	-3.1	23.3	30.4
Total	11,667	7.6	5.0	11.1	0.6	24.6	29.5
<b>Total</b>							
General government	3,337	-0.2	13.0	1.3	-0.8	0.4	2.7
Public sector enterprises	4,662	-1.9	4.5	15.1	9.8	29.5	27.1
Subtotal	7,998	-1.0	8.7	8.5	4.1	14.5	16.1
Private sector	7,527	8.5	3.6	8.9	-2.7	21.4	28.8
Subtotal	15,526	3.8	6.0	8.7	0.8	17.7	22.2
Transport <sup>c</sup>	3,518	-1.1	36.7	9.6	-40.4	46.4	51.8
Total	19,043	3.2	9.3	8.9	-7.7	21.5	26.9

<sup>a</sup> Government services, roads, afforestation, and land reclamation..

<sup>b</sup> Electricity, water, transport equipment (estimate), mining and quarrying, other industrial, transport, and services investment, government enterprises (railways, ports, airports, post office), and some construction equipment.

<sup>c</sup> Motor vehicles and ships and aircraft.

SOURCE: Based on Central Bureau of Statistics data.

**Table 5.A1**  
**Direct General Government Demand, 1989-91**

	NIS million			Percent change over the preceding year <sup>a</sup>							
				Price			Quantity				
	1989	1990	1991	1989	1990	1991	1987	1988	1989	1990	1991
<b>Total consumption</b>											
Civilian											
Wages and salaries <sup>a</sup>	10,260	12,623	16,527	23.8	20.3	24.7	0.6	2.1	1.0	2.2	5.0
Purchases	2,893	3,742	4,684	17.5	15.7	17.3	13.8	11.2	5.6	11.8	6.7
Depreciation	1,377	1,629	1,973	17.5	15.4	18.8	5.6	4.2	3.3	2.5	1.9
Total civilian	14,530	17,994	23,185	21.7	18.5	22.6	3.7	4.2	2.3	4.5	5.1
Defense											
Wages	4,232	5,023	6,123	22.6	17.7	21.9	-2.1	8.4	-3.4	0.9	0.0
Domestic purchases	4,334	5,124	5,740	21.1	17.3	21.9	9.1	-5.5	-0.5	0.8	-8.1
Purchases abroad	2,842	3,737	5,067	25.4	13.3	17.6	94.7	-17.5	-42.9	16.1	15.3
Subtotal	11,408	13,884	16,930	25.8	15.7	20.6	32.3	-7.9	18.6	5.2	1.1
less Sales to rest of world	57	65	64	22.1	11.0	12.3	-13.1	16.7	-11.9	2.7	-12.3
Total defense, net	11,351	13,819	16,866	25.8	15.7	20.6	32.6	-8.0	-18.6	5.2	1.2
Total consumption, net	25,881	31,813	40,051	24.4	17.2	21.8	17.8	-2.5	-8.6	4.8	3.4
<b>Domestic consumption</b>											
Civilian	10,369	12,761	16,381	22.0	17.6	22.1	3.6	4.5	2.2	4.7	5.1
Defense, net	8,543	10,121	11,837	21.6	17.5	21.9	4.3	0.1	-1.7	0.8	-4.1
Defense, gross	8,566	10,147	11,863	21.6	17.5	21.9	4.3	0.1	-1.7	0.8	-4.1
Total, net	18,913	22,882	28,218	21.5	17.2	21.2	3.9	2.7	0.6	3.2	1.8
<b>Nondwelling investment</b>	2,105	2,460	2,854	17.6	13.4	16.8	24.8	15.5	1.0	3.0	-0.7
Total direct demand, net	27,986	34,273	42,905	23.8	17.0	21.3	18.3	-14.	-7.9	4.7	3.2
of which Domestic, net	21,018	25,342	31,072	21.1	16.9	20.6	5.4	3.7	0.7	3.2	1.7
Government-guaranteed construction <sup>b</sup>	399	1,310	6,399	12.9	23.1	21.5	-5.9	-5.2	13.3	166.7	302.1

<sup>a</sup> Change in prices—measured by the change in the wage rate; change in quantity—measured by change in labor input (man-hours). These figures differ somewhat from those of Chapter 4.

<sup>b</sup> See note b to Table 5.5.

SOURCE: Based on Central Bureau of Statistics data.

Table 5.A2

Wages, Taxes, and Disposable Wages per Employee Post, 1986-91<sup>a</sup>

	Percent of gross wage						Real <sup>b</sup> annual change, percent					
	1986	1987	1988	1989	1990	1991	1986	1987	1988	1989	1990	1991
<b>Half average wage</b>												
Income tax <sup>c</sup>	0.1	0.3	1.0	0.5	0.2	0.0	-97.4	360.0	221.7	-44.6	-65.9	-100.0
Net taxes <sup>c</sup>	-9.2	-6.8	-5.4	-6.2	-6.6	-7.2	229.5	-20.2	-15.6	13.5	4.8	7.1
Disposable wage income	109.2	106.8	105.4	106.2	106.6	107.2	18.1	5.9	4.4	-0.4	-0.6	-2.6
Net wage	95.6	94.3	93.7	94.1	94.5	94.7	16.2	6.8	5.0	-0.7	-0.5	-3.0
<b>Average wage</b>							11.6	8.2	5.8	-1.2	-1.0	-3.2
Income tax <sup>c</sup>	13.1	13.3	13.9	13.4	11.7	9.5	-10.2	9.3	10.4	-4.2	-13.7	-21.5
Net taxes <sup>c</sup>	15.1	15.5	16.3	15.8	14.1	11.7	1.5	11.0	10.9	-4.3	-11.8	-19.4
Disposable wage income	84.9	84.5	83.7	84.2	85.9	88.3	13.6	7.7	4.9	-0.5	1.0	-0.6
Net wage	81.5	81.3	80.8	81.2	82.9	85.1	14.8	8.1	5.0	-0.6	1.1	-0.6
<b>Nominal 1986 wage<sup>d</sup></b>												
Income tax <sup>c</sup>	13.2	11.9	11.6	11.3	9.7	8.1	-27.3	-9.5	-3.3	-2.3	-13.6	-17.1
Net taxes <sup>c</sup>	15.2	13.1	11.0	11.8	10.0	9.5	-19.7	-13.7	-15.8	6.9	-14.9	-5.7
Disposable wage income	84.8	86.9	89.0	88.2	90.0	90.5	4.6	2.5	2.4	-0.9	2.0	0.6
Net wage	81.5	82.7	83.1	83.4	84.9	86.6	5.3	1.5	0.5	0.3	1.8	2.0
<b>Double average wage</b>												
Income tax <sup>c</sup>	26.4	25.9	26.4	26.0	25.1	23.7	-4.1	5.9	8.2	-2.7	-4.5	-8.7
Net taxes <sup>c</sup>	30.1	29.7	30.3	29.9	29.0	27.5	1.1	6.7	8.2	-2.6	-4.0	-8.2
Disposable wage income	69.9	70.3	69.7	70.1	71.0	72.5	16.8	8.9	4.8	-0.5	0.3	-1.2
Net wage	68.2	68.8	68.2	68.6	69.5	70.9	17.6	9.2	4.9	-0.6	0.3	-1.2

<sup>a</sup> Net wage is gross wage *less* income tax and employees' National Insurance contribution; disposable wage income is net wage *plus* child allowances.<sup>b</sup> Adjusted to beginning of month (when wages are normally paid).<sup>c</sup> Income tax was calculated assuming one earner and 2 children per family. Net taxes: income tax and employee's National Insurance contributions *less* child allowance for two children.<sup>d</sup> 1986 wages at current tax rates.

SOURCE: Based on data of the Ministry of Finance and the National Insurance Institute.



**Table 5.A3**  
**Effect of Legislative Changes on Tax Revenue, 1991**

	(NIS million)
1990 income-tax reform	-440
Company tax	-200
Accelerated depreciation	-600
Immigration levy	610
Employers tax	-60
VAT	1,540
VAT—nonprofit institutions and financial institutions	430
Fuel excise	260
Tobacco excise	170
Purchase tax <sup>a</sup>	-120
Other	30
Reduction in employer's National Insurance contribution	-500
<b>Total</b>	<b>1,120</b>

<sup>a</sup> Foreign exchange levy, immigrants.

SOURCE: State Revenue Administration, except for last item, which is a National Insurance Institute estimate.

**Table 6.A1**  
**The Balance of Payments, 1986-91<sup>a</sup>**

	(\$ million)					
	1986	1987	1988	1989	1990	1991
1. Net goods and services account	-3,691	-5,600	-5,140	-3,679	-5,080	-7,013
Private sector	-1,239	-1,860	-1,745	-1,411	-2,718	-4,632
Public sector <sup>b</sup>	-2,452	-3,740	-3,395	-2,268	-2,362	-2,381
2. Net unilateral transfers <sup>c</sup>	5,360	4,787	4,620	4,876	5,656	6,156
Private sector	1,209	1,587	1,453	1,816	1,846	1,980
Public sector	4,151	3,200	3,167	3,060	3,810	4,176
3. Net current account (1 + 2)	1,669	-813	-520	1,197	576	-857
Private sector	-30	-273	-292	405	-872	-2,652
Public sector	1,699	-540	-228	792	1,448	1,795
4. Net medium and long-term capital movements <sup>d</sup>	383	638	-653	162	1	-408
Private sector	7	593	-836	91	61	-1,093
Public sector	376	45	183	71	-60	684
5. Net basic balance of payments (3 + 4)	2,052	-175	-1,173	1,359	577	-1,265
Private sector	-23	320	-1,128	496	-811	-3,745
Public sector	2,075	-495	-45	863	1,388	2,479
6. Net short-term capital movements	-271	749	342	-583	-633	18
Private sector	399	28	-173	-376	-452	176
Public sector	-670	720	516	-207	-181	-158
7. Capital movements of banking system	-68	60	-522	-638	-36	-296
8. Errors and omissions	-718	29	182	1,260	607	1,505
9. Increase (-) or decrease (+) in foreign reserves held in central institutions <sup>e</sup>	-993	-661	1,170	-1,398	-515	38

<sup>a</sup> Figures may not add due to rounding.

<sup>b</sup> The public sector deficit on goods and services account is defined as direct defense imports, government n.e.s., and net interest paid to rest of world *less* surplus on port services (excl. fuel) *plus* other imports financed by the government.

<sup>c</sup> For details, see Table 6.A11

<sup>d</sup> Public sector from Table 6.A8; private sector, 'nonfinancial private sector' in Table 6.A8 *plus* line 7 of Table 6.A9.

<sup>e</sup> Adjusted for changes in cross rates.

SOURCE: Based on Central Bureau of Statistics data.

**Table 6.A2**  
**Services Account, 1988-91<sup>a</sup>**

(\$ million)

	1988	1989	1990	1991	Annual percent change		
					1989	1990	1991
<b>Imports</b>							
Transport	1,216	1,291	1,434	1,515	6.2	11.0	5.7
Travel	1,161	1,255	1,437	1,783	8.1	14.6	24.1
Insurance	82	110	186	279			
Government services n.e.s.	111	125	130	144			
Other services	1,640	1,732	2,013	2,076	5.6	16.3	3.1
Subtotal	3,552	3,844	4,417	5,086	8.2	14.9	15.2
Capital services	2,633	2,661	2,739	2,539	1.1	2.9	-7.3
Total	6,842	7,173	7,940	8,336	4.8	10.7	5.0
Of which From J-S&G	657	668	784	711	1.7	17.3	-9.3
<b>Exports</b>							
Transport	1,708	1,779	1,995	2,149	4.1	12.2	7.7
of which Freight on imports <sup>b</sup>	446	441	504	609	-1.1	14.4	20.7
Travel	1,346	1,468	1,396	1,306	9.0	-4.9	-6.5
Insurance	58	24	42	54			
Government services n.e.s.	35	47	48	49			
Other services	1,559	1,603	1,848	2,004	2.8	15.3	8.4
Subtotal	5,706	6,190	6,826	7,223	8.5	10.3	5.8
Capital services	1,000	1,268	1,496	1,660	26.8	18.0	11.0
To Judea-Samaria & Gaza	230	228	257	250	-0.8	12.7	-2.4
Total	4,477	4,694	5,074	5,312	4.9	8.1	4.7
Total deficit	1,136	983	1,114	1,113	-13.4	13.2	-0.0
Capital services deficit	1,633	1,393	1,243	878	-14.7	-10.7	-29.4
Surplus excl. capital and J-S&G	924	850	657	225	-8.1	-22.7	-65.7

<sup>a</sup> Adjusted for c.i.f. valuation of merchandise imports.

<sup>b</sup> Israeli carriers.

SOURCE: Central Bureau of Statistics.

**Table 6.A3**  
**Industrial Exports (f.o.b.) by Industry, 1988-91**

	\$ million				Annual change, percent					
	1988	1989	1990	1991	Price			Quantity		
					1989	1990	1991	1989	1990	1991
Mining and quarrying	252	288	270	272	14.3	-2.3	5.3	-0.0	-4.2	-4.3
Food, beverages, and tobacco	527	567	657	538	-2.7	7.9	-11.0	10.8	7.3	-8.0
Textiles	215	207	232	262	1.7	7.8	-2.5	-5.2	3.8	15.4
Clothing and made-up textiles	416	419	545	574	-4.5	9.8	6.2	5.6	18.4	-0.7
Leather and leather products	10	8	10	15						
Wood and wood products	45	47	60	52	-1.8	12.1	-1.9	5.7	13.3	-11.7
Paper and paper products	26	26	26	34	1.3	5.8	0.6	-1.7	-5.8	30.0
Printing and publishing	22	22	28	33	1.3	5.8	0.6	-1.3	20.1	15.6
Rubber and plastic products	275	312	369	380	4.9	5.0	-0.9	8.0	12.7	4.0
Chemicals and petroleum products	1,115	1,268	1,450	1,455	4.1	7.9	-2.8	9.3	6.0	3.2
Nonmetallic mineral products	23	23	25	28	-3.3	4.3	-5.4	5.7	3.0	18.5
Basic metals	93	111	115	97	5.1	-1.4	-5.6	13.9	5.1	-10.2
Metal products	591	660	691	665	4.1	0.7	-2.0	7.2	4.0	-1.8
Machinery	285	287	317	286	3.2	8.2	-0.8	-2.6	2.4	-9.3
Electrical and electronic equipment	1,403	1,495	1,637	1,608	-0.0	3.6	-0.9	6.6	5.7	-0.9
Transport equipment	462	677	597	584	-0.8	2.0	3.1	47.6	-13.6	-5.0
Miscellaneous	535	617	821	946	3.0	7.8	1.8	11.9	23.6	13.1
Subtotal <sup>a</sup>	<b>6,534</b>	<b>7,068</b>	<b>7,894</b>	<b>7,863</b>	1.9	5.2	-0.9	6.1	6.2	0.5
Polished diamonds, net	2,547	2,704	2,783	2,470	17.3	13.8	4.0	-9.5	-9.6	-14.7
Unpolished diamonds, net	0	323	271	259		20.9	4.8		-30.6	-5.2
Total	<b>9,082</b>	<b>10,095</b>	<b>10,949</b>	<b>10,591</b>	7.0	8.1	0.4	3.9	0.3	-3.7

<sup>a</sup> Includes other merchandise; excludes diamonds, ships, and aircraft.

SOURCE: Based on Central Bureau of Statistics data.

**Table 6.A4****Merchandise Trade by Origin and Destination, 1986-91<sup>a</sup>**

	(percent of total)					
	1986	1987	1988	1989	1990	1991
<b>Imports, by origin<sup>b</sup></b>						
Europe <sup>c</sup>	47	57	55	54	54	53
North America	24	20	21	22	22	23
Other	28	23	24	24	24	24
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Exports, by destination<sup>d</sup></b>						
Europe <sup>c</sup>	40	44	44	42	45	45
North America	29	28	27	27	28	28
Other	31	28	29	31	28	27
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<sup>a</sup> Calculated from current price figures (in dollars). Figures may not add due to rounding.

<sup>b</sup> Excludes diamonds and direct defense imports.

<sup>c</sup> EC and EFTA.

<sup>d</sup> Excludes diamond exports.

SOURCE: Central Bureau of Statistics.

**Table 6.A5****Unilateral Transfers, 1987-91<sup>a</sup>**

	(\$ million)				
	1987	1988	1989	1990	1991
<b>Private sector</b>					
Restitutions from Germany	531	557	584	620	636
Personal transfers	826	670	754	593	641
By immigrants	500	348	623	547	590
Others	328	322	130	45	50
Transfers in kind	24	25	23	37	46
Private nonprofit institutions	290	292	531	695	786
Personal transfers to rest of world	-86	-90	-75	-100	-128
<b>Total</b>	<b>1,587</b>	<b>1,453</b>	<b>1,816</b>	<b>1,846</b>	<b>1,980</b>
<b>General government</b>					
National Institutions	331	356	357	623	611
Intergovernmental transfers <sup>b</sup>	2,869	2,813	2,702	3,187	3,565
<b>Total</b>	<b>3,200</b>	<b>3,169</b>	<b>3,059</b>	<b>3,810</b>	<b>4,176</b>

<sup>a</sup> Figures may not add owing to rounding.

<sup>b</sup> Includes U.S. government aid.

SOURCE: Based on Central Bureau of Statistics data.

**Table 6.A6****Balance of and Premium on Foreign-Exchange Options, 1989-91**

(\$ million, end-of-month)

	1989		1990		1991	
	Balance	Effective premium	Balance	Effective premium	Balance	Effective premium
January			135	3.6	386	2.4
February			147	3.3	387	2.5
March			138	1.6	346	1.7
April			126	1.2	344	1.4
May			117	1.5	383	2.0
June			142	2.7	389	2.4
July			194	2.1	402	2.4
August			267	2.7	335	2.2
September			366	2.6	301	2.8
October			425	2.4	361	3.5
November	39	3.7	444	1.9	364	4.5
December	81	4.2	443	2.0	354	4.1

**Table 6.A7****U.S. Government Aid, 1987-91<sup>a, b</sup>**

(\$ million)

	1987	1988	1989	1990	1991
1. Grants	2,981	2,907	2,769	3,253	3,471
a. Military	1,781	1,707	1,569	2,076	2,198
b. Civilian	1,200	1,200	1,200	1,177	1,273
2. Medium and long-term loans	270	156	0	0	0
3. Repayment of medium and long-term loans <sup>c</sup>	1,128	5,920	1,376	573	541
a. Principal <sup>c</sup>	164	4,867	987	229	235
b. Interest <sup>d</sup>	964	1,053	389	344	306

<sup>a</sup> Figures may not add due to rounding.<sup>b</sup> Does not include U.S. government-guaranteed loans.<sup>c</sup> Includes the redemption of \$4,704 million in 1988 (under the conversion agreement with the U.S. government) and \$723 million in 1989.<sup>d</sup> This figure has been adjusted and no longer includes interest not paid directly to the U.S. government (on guaranteed Treasury bills).

SOURCE: Based on Central Bureau of Statistics data.

**Table 6.A8**  
**Long and Medium-Term Loans, 1986-91<sup>a</sup>**

	(\$ million)					
	1986	1987	1988	1989	1990	1991
<b>Receipts</b>						
Public sector	1,237	1,073	5,877	1,717	1,010	1,695
<i>of which</i>						
State of Israel Bonds	618	620	713	825	734	1,011
Bonds guaranteed by U.S. government	0	0	4,778	723	0	400
U.S. government loans	405	270	156	0	0	0
Nonfinancial private sector	796	1,142	746	595	842	653
<b>Total receipts</b>	<b>2,033</b>	<b>2,215</b>	<b>6,623</b>	<b>2,312</b>	<b>1,853</b>	<b>2,348</b>
<b>Repayment</b>						
Public sector	861	1,029	5,694	1,646	1,070	1,011
<i>of which</i>						
State of Israel Bonds	375	475	510	404	573	551
U.S. government loans	134	164	4,867	987	229	235
Nonfinancial private sector	930	727	966	642	699	1,202
<b>Total repayment</b>	<b>1,791</b>	<b>1,755</b>	<b>6,660</b>	<b>2,287</b>	<b>1,770</b>	<b>2,213</b>
<b>Net receipts</b>						
Public sector	376	45	183	71	-60	684
<i>of which</i>						
State of Israel Bonds	243	145	203	421	161	460
Bonds guaranteed by U.S. government	0	0	4,778	723	0	400
U.S. government loans	271	106	-4,711	-987	-229	-235
Nonfinancial private sector	-134	415	-220	-46	143	-550
<b>Total net receipts</b>	<b>242</b>	<b>460</b>	<b>-37</b>	<b>25</b>	<b>83</b>	<b>135</b>

<sup>a</sup> Excluding loans of the banking system. Figures may not add due to rounding.

SOURCE: Based on Central Bureau of Statistics data.

**Table 6.A9****Foreign Investment in Israel and Israeli Investment Abroad, 1986-91<sup>a</sup>**

(\$ million)

	1986	1987	1988	1989	1990	1991
1. Investment by foreign residents	326	438	449	436	350	510
Quoted securities	83	118	84	102	45	133
Direct investment	193	286	333	294	255	381
State of Israel Bonds <sup>b</sup>	8	4	2	3	2	1
In goods	24	10	11	16	26	-23
Reinvestment of profits	18	21	17	22	22	19
2. Repatriation of investments						
by foreign residents	133	213	994	272	214	235
of which Quoted securities <sup>c</sup>	66	163	855	121	64	101
3. Net investment of foreign residents	193	226	-545	164	137	275
4. Investment abroad by Israelis	136	122	107	130	413	1,561
Securities	12	39	23	54	165	1,084
Direct	124	83	84	76	248	477
5. Repatriation of investment by Israelis	83	75	35	103	194	743
6. Net investment abroad by Israelis	53	47	71	27	218	818
7. Net private foreign investment (3 - 6)	141	178	-617	137	-81	-543
8. Foreign securities held by banks <sup>d</sup>	-64	-36	44	99	358	-83
9. Total net foreign investment (7 - 8)	205	215	-661	38	-440	-460

<sup>a</sup> Figures may not add due to rounding.<sup>b</sup> Bonds redeemed for reinvestment.<sup>c</sup> In 1988, includes \$800 million redemption of bank shares.<sup>d</sup> Includes investment in foreign stocks by the banking system.

SOURCE: Bank of Israel and Central Bureau of Statistics.



**Table 6.A10**  
**Balance of Payments of the Private Sector, 1990-91<sup>a</sup>**

(\$ million)

	I	II	III	IV
<b>1990</b>				
Current account <sup>b</sup>	18	-121	-511	-646
Medium and long-term capital movements	105	57	-30	-71
Basic account	123	57	-30	-717
Short-term capital movements	-235	75	-212	-81
Capital movements via banking system	100	-92	-509	316
Errors and omissions	-88	336	692	345
Effect on foreign reserves	100	-255	569	138
Implied capital imports	-118	376	-58	508
<b>1991</b>				
Current account <sup>b</sup>	-360	-864	-883	-652
Medium and long-term capital movements	-77	-245	-305	-465
Basic account	-437	-1,110	-1,188	-1,117
Short-term capital movements	-42	177	168	-127
Capital movements via banking system	542	-485	-301	-247
Errors and omissions	565	766	479	201
Effect on foreign reserves	-627	652	842	1,290
Implied capital imports	987	212	41	-638

<sup>a</sup> Figures may not add due to rounding.

<sup>b</sup> The current account is adjusted for intersectoral transactions and therefore differs from that given in Table 6.2.

SOURCE: Based on Central Bureau of Statistics data.

**Table 6.A11**  
**Reserves Held by Central Monetary Institutions, 1983-91**

				(\$ million)
	Central monetary institutions (average)	Bank of Israel		Import months covered <sup>a</sup>
		Average	End-of-period	
1983	4,055	3,864	3,694	3.3
1984	3,506	3,369	3,098	2.8
1985	2,919	2,828	3,719	2.3
1986	4,086	3,825	4,703	3.2
1987	5,562	5,335	5,924	3.7
1988	5,846	5,487	4,091	3.4
1989	6,209	5,484	5,330	3.6
1990	6,232	5,563	6,316	3.4
1991	7,467	6,792	6,298	3.6
1987				
I	5,495	5,012	4,838	4.0
II	5,680	5,451	5,159	3.9
III	5,317	5,194	5,115	3.4
IV	5,755	5,685	5,924	3.5
1988				
I	6,002	5,750	5,841	3.5
II	6,106	5,972	5,781	3.6
III	5,760	5,408	4,789	3.4
IV	5,515	4,817	4,091	3.2
1989				
I	6,126	5,454	5,887	3.6
II	6,458	5,812	5,309	3.7
III	5,933	5,189	5,117	3.5
IV	6,320	5,482	5,330	3.7
1990				
I	6,049	5,320	5,502	3.5
II	6,417	5,751	5,444	3.6
III	6,003	5,322	5,397	3.2
IV	6,458	5,858	6,316	3.3
1991				
I	7,437	6,689	7,200	3.7
II	8,250	7,555	7,164	4.0
III	7,609	6,911	6,632	3.6
IV	6,571	6,014	6,298	3.1

<sup>a</sup> First column *divided by* average monthly imports.

SOURCE: Based on data of the Central Bureau of Statistics and the Bank of Israel.

**Table 6.A12**  
**The Structure of the Net Foreign Debt, 1987-91<sup>a</sup>**

	(percent, end-of-year)				
	1987	1988	1989	1990	1991
Total net debt	100	100	100	100	100
<b>By borrower</b>					
Public sector <sup>b</sup>	57	63	63	61	68
Private sector	43	37	37	39	32
Private nonfinancial sector	19	17	18	18	14
Banking system	24	20	19	20	18
<b>By lender</b>					
Foreign public sector <sup>c</sup>	66	38	38	38	38
Foreign private nonfinancial sector <sup>d</sup>	63	91	114	125	135
Banking system abroad <sup>e</sup>	-30	-33	-54	-63	-73
<b>By term<sup>f</sup></b>					
Long and medium	125	118	130	127	132
of which Payable within 1 year	10	8	11	11	11
Short	-25	-18	-30	-27	-32

<sup>a</sup> Figures may not add due to rounding.

<sup>b</sup> Government and the Bank of Israel.

<sup>c</sup> Foreign governments and international institutions.

<sup>d</sup> Consists mainly of foreign deposits and State of Israel bonds; from 1988 also includes bonds guaranteed by the U.S. government.

<sup>e</sup> Includes the country's foreign reserves and loans from foreign banks and overseas offices of Israeli banks.

<sup>f</sup> Short-term loans are for less than 1 year.

SOURCE: Based on Central Bureau of Statistics data.

**Table 7.A1**  
**The Monetary Base, 1989-91<sup>a</sup>**

	(NIS million)			
	Cash in circulation (1)	Liquid assets of banks (2)	Monetary base (1)+(2) (3)	Monetary base (percent change over preceding period) (4)
1989	2,212	1,549	3,761	13.6
1990	2,754	1,602	4,356	15.8
1991	3,235	1,389	4,624	6.2
January	2,945	1,771	4,716	8.3
February	3,006	1,634	4,640	-1.6
March	3,079	1,760	4,839	4.3
April	3,117	1,657	4,774	-1.3
May	3,074	1,863	4,937	3.4
June	3,120	1,609	4,729	-4.2
July	3,167	1,675	4,843	2.4
August	3,208	1,650	4,858	0.3
September	3,263	1,895	5,158	6.2
October	3,233	1,392	4,625	-10.3
November	3,188	1,594	4,782	3.4
December	3,235	1,389	4,624	-3.3

<sup>a</sup> Monthly data are average of all Wednesdays in the month; annual figures are for December of the stated year.

SOURCE: Bank of Israel, Supervisor of Banks, *Current Banking Statistics*.

**Table 7.A2**  
**Unindexed Local-Currency Assets, 1988-91<sup>a</sup>**

	(NIS million)									
	Money supply (M1)				Other deposits			Total (3+5+6+7+8)		
	Currency in circulation (1)	Demand deposits (2)	Total (1+2) (3)	Total (3) seasonally adjusted (4)	CDs (5)	Time deposits (6)	Deposits against liabilities (7)	Treasury bills (8)	NIS million (9)	Change over preceding period, % (10)
1988	1,663	1,824	3,487	3,531	2,554	4,982	47	467	11,537	4.0
1989	2,212	2,572	4,784	5,132	4,172	5,417	116	1,089	15,577	35.0
1990	2,754	3,458	6,212	6,719	5,542	7,897	164	1,609	21,425	37.5
1991	3,235	3,909	7,145	7,625	6,275	10,217	120	3,455	27,212	27.0
January	2,945	3,843	6,788	6,960	6,312	8,449	99	1,693	23,341	8.9
February	3,006	3,723	6,729	7,063	6,046	9,117	75	1,871	23,838	2.1
March	3,079	3,914	6,993	7,244	5,815	9,478	76	1,917	24,279	1.9
April	3,117	3,871	6,988	7,184	5,954	9,141	105	2,125	24,314	0.1
May	3,074	3,975	7,049	7,247	6,042	9,024	335	2,023	24,473	0.7
June	3,120	3,900	7,020	7,417	6,235	8,514	174	1,838	23,782	-2.8
July	3,167	4,232	7,399	7,595	6,287	8,432	107	1,810	24,035	1.1
August	3,208	4,178	7,387	7,387	6,749	8,527	970	1,785	25,418	5.8
September	3,263	4,373	7,635	7,292	6,642	8,693	127	1,897	24,994	-1.7
October	3,233	4,152	7,384	7,515	6,147	8,485	88	2,282	24,387	-2.4
November	3,188	3,877	7,065	7,453	6,199	9,986	166	3,107	26,522	8.8
December	3,235	3,909	7,145	7,625	6,275	10,217	120	3,455	27,212	2.6

<sup>a</sup> Monthly data are average of all Wednesdays in the month; annual figures are for December of the stated year.

SOURCE: Bank of Israel.

**Table 7.A3**  
**Growth of M2\*, 1989-91**

	NIS million				Percent of GNP <sup>a</sup>						
	1990	1991			1989	1990	1991				
		Total	1st half	2nd half			Total	I	II	III	IV
<b>Contribution of balance of payments and NDC</b>											
Foreign-currency transfers	1,365	567	3,180	-2,613	2.5	1.3	1.1	12.3	-1.0	-1.6	-5.6
<i>of which</i> Private sector	-1,137	-5,307	-224	-5,083	1.7	-1.0	-3.5	4.6	-4.6	-5.6	-8.5
Change in NDC <sup>b</sup>	4,957	3,647	-2,429	6,076	2.7	4.5	1.9	-9.6	0.8	3.6	13.0
To the government	54	-189	-3,088	2,899	0.0	-0.1	-0.6	-4.3	-5.7	-5.3	13.0
To the public	4,903	3,836	659	3,177	2.6	4.6	2.5	-5.4	6.5	8.9	0.0
Total purchases	6,322	4,214	751	3,463	5.1	5.9	3.0	2.7	-0.1	2.0	7.5
<b>Contribution of revaluation</b>											
Foreign reserves	812	1,377	1,070	307	0.8	0.8	1.1	1.8	1.6	1.0	-0.1
NDC	-812	-1,377	-1,070	-307	-0.8	-0.8	-1.1	-1.8	-1.6	-1.0	0.1
To the government	-174	-3,012	-1,036	-1,977	-1.9	-0.1	-2.2	-3.3	-0.3	0.3	-5.7
To the public	-638	1,635	-34	1,699	1.0	-0.7	1.2	1.5	-1.3	-1.3	5.8
Total revaluation	—	—	—	—	—	—	—	—	—	—	—
<b>Total change in M2* balances</b>											
Foreign reserves	2,177	1,944	4,249	-2,305	3.3	2.1	2.1	14.1	0.7	-0.6	-5.7
NDC	4,145	2,270	-3,499	5,768	1.8	3.8	0.9	-11.4	-0.8	2.6	13.1
To the government	-120	-3,202	-4,124	923	-1.8	-0.2	-2.8	-7.5	-6.0	-5.0	7.3
To the public	4,265	5,471	626	4,846	3.7	4.0	3.7	-3.9	5.2	7.6	5.8
Total change	6,322	4,214	751	3,463	5.1	5.9	3.0	2.7	-0.1	2.0	7.5

<sup>a</sup> Average of monthly ratios (monthly GNP estimated from quarterly data).

<sup>b</sup> Excluding revaluation.

**Table 7.A4**  
**Indexed Deposits of the Public and Its Securities Holdings, 1988-91<sup>a</sup>**

	(NIS million)								
	Approved saving deposits		Indexed long-term deposits <sup>b</sup>	Resident deposits <sup>c</sup>		Tradable securities <sup>d</sup>			Total (1) plus (3) through (7) (9)
	Total (1)	Principal (2)		Restitutions (4)	Other (5)	Bonds <sup>e</sup> (6)	All shares (7)	Bank shares (8)	
1988	19,412	12,622	5,046	5,659	7,046	6,552	8,962	2,824	52,677
1989	24,958	16,857	5,480	7,041	8,757	8,978	15,122	2,920	70,336
1990	28,257	19,450	5,288	8,497	10,071	10,519	20,969	3,138	83,601
1991	34,300	22,277	4,944	9,930	10,235	17,405	29,448	1,046	106,262
January	28,529	19,628	5,235	8,494	10,145	10,059	20,810	3,140	83,273
February	28,615	19,752	5,195	8,586	10,055	9,407	20,869	3,246	82,727
March	28,994	20,012	5,138	8,857	10,470	10,071	25,429	3,431	88,959
April	29,599	20,256	4,985	8,946	10,727	11,102	27,003	3,490	92,361
May	30,275	20,635	4,850	9,356	11,467	11,837	27,969	3,835	95,756
June	31,177	21,069	4,834	9,299	11,844	12,195	30,654	3,945	100,003
July	31,308	21,328	4,748	9,219	11,709	12,302	32,571	3,998	101,856
August	32,465	21,589	4,666	9,188	11,468	12,868	34,021	4,001	104,676
September	33,149	21,777	5,143	9,326	11,307	13,713	35,802	4,046	108,440
October	33,790	21,992	5,061	9,820	12,444	16,289	35,623	4,075	113,028
November	34,245	22,172	4,977	9,834	12,526	17,554	32,050	1,048	111,185
December	34,300	22,277	4,944	9,930	10,235	17,405	29,448	1,046	106,262

<sup>a</sup> Monthly data are average of all Wednesdays in the month; annual figures are for December of the stated year.

<sup>b</sup> Includes indexation increments.

<sup>c</sup> Includes valuation adjustments for changes in cross rates. Includes nonresident deposits of Israeli residents entitled to hold nonresident deposits (e.g., new immigrants).

<sup>d</sup> At market prices. Includes shares held by banks; excludes shares held by the government.

<sup>e</sup> At market prices. Excludes bonds held by commercial banks, the Bank of Israel, social insurance funds, and other institutional investors.

SOURCE: Bank of Israel, Supervisor of Banks, *Current Banking Statistics*.

**Table 7.A5**  
**Bank Credit to the Public, 1988-91<sup>a</sup>**

(NIS million)

	Export financing <sup>b</sup>	Financing of domestic output			Total
		Local currency <sup>c</sup>	Foreign currency <sup>d</sup>	Total	
1988	3,036	20,126	2,753	22,879	25,916
1989	3,546	27,395	4,300	31,696	35,242
1990	419	36,730	8,883	45,613	46,032
1991	297	48,252	10,357	58,609	58,906
January	411	38,280	9,149	47,429	47,840
February	398	38,425	9,167	47,592	47,990
March	432	38,132	10,200	48,332	48,764
April	458	38,914	10,945	49,860	50,317
May	463	39,692	11,431	51,123	51,586
June	445	40,380	11,436	51,816	52,260
July	317	42,272	11,096	53,369	53,686
August	223	44,075	10,870	54,945	55,168
September	268	44,942	10,964	55,906	56,174
October	257	48,027	11,199	59,226	59,483
November	250	48,130	11,153	59,283	59,533
December	297	48,252	10,357	58,609	58,906

<sup>a</sup> Monthly data are average of all Wednesdays in the month; annual figures are for December of the stated year.

<sup>b</sup> Includes problem debts of diamond firms.

<sup>c</sup> Includes indexation differentials.

<sup>d</sup> Includes credit from overseas offices of Israeli banks.

SOURCE: Bank of Israel, Supervisor of Banks, *Current Banking Statistics*.



**Table 7.A6**  
**Local-Currency Credit to the Government, 1988–91**

	From the Bank of Israel			From banking institutions			(NIS million)
	Credit <sup>a</sup>	Government deposits <sup>b</sup>	Net credit	Credit	Central government	Net credit	Total net
	(1)	(2)	(1) – (2)	(4)	deposits	(4) – (5)	credit in local
			(3)		(5)	(6)	currency
							(3) + (6)
							(7)
1988	9,495	5,995	3,501	1,769	27	1,743	5,243
1989	9,260	7,535	1,725	2,363	21	2,342	4,067
1990	8,986	6,754	2,231	2,326	41	2,284	4,516
1991	8,615	4,849	3,766	2,570	39	2,531	6,297
January	10,194	6,651	3,542	2,298	32	2,266	5,808
February	10,066	6,731	3,334	2,401	27	2,374	5,708
March	10,099	7,593	2,506	2,577	26	2,551	5,056
April	9,996	6,472	3,524	2,825	48	2,777	6,301
May	9,906	6,831	3,075	2,834	21	2,814	5,889
June	9,649	7,955	1,694	2,846	48	2,798	4,492
July	9,685	7,391	2,295	2,905	29	2,876	5,171
August	9,553	7,416	2,138	3,018	44	2,974	5,112
September	9,822	7,558	2,264	3,105	13	3,092	5,356
October	9,459	7,618	1,841	2,546	44	2,502	4,343
November	9,302	4,353	4,949	2,592	27	2,565	7,514
December	8,615	4,849	3,766	2,570	39	2,531	6,297

<sup>a</sup> Includes monthly accrual of Bank of Israel profits.

<sup>b</sup> Includes the Bank of Israel's equity and net balances in the 'other accounts' item in its balance sheet. Includes deposits of national institutions.

SOURCE: Financial statements of the Bank of Israel and monthly statements of the banking institutions.

**Table 7.A7**  
**Effective Monthly Interest Rates, 1986–March 1992**

(percent, annualized rates)													
	$\pi$	E/\$	Lending rate						Borrowing rate				
			OV	OYE	FTC	C\$C	TBC	DWt	LA	CD	TB	RD\$	YTM
1986	19.6	0.1	61.5	70.0	38.0	13.6	28.5		18.4	17.2	18.5	4.5	20.0
1987	16.1	4.4	61.9	74.6	42.8	14.0	37.5		18.8	17.6	19.1	5.1	20.0
1988	16.4	3.1	46.2	56.2	33.4	13.1	31.7	20.8	11.2	13.4	14.6	6.1	16.2
1989	20.7	22.2	34.3	41.8	26.6	13.1	33.5	14.5	8.6	11.6	14.1	7.1	13.2
1990	17.6	3.7	29.6	35.4	22.5	10.5	22.7	15.3	6.1	13.2	14.4	3.9	15.7
1991	18.0	13.7	29.9	35.9	22.3	6.9	25.5	15.1	3.8	12.9	13.9	0.4	14.9
1990													
January	13.6	-8.1	31.0	37.0	23.2	11.5	19.5	17.3	7.5	14.2	15.0	6.4	17.5
February	6.5	-0.5	31.5	37.7	24.0	11.3	22.6	18.0	8.0	15.1	15.5	6.5	18.3
March	16.0	51.6	31.4	37.7	24.2	11.3	38.8	17.0	8.7	14.7	15.5	5.6	18.1
April	34.9	-3.8	31.1	37.1	23.6	11.5	20.7	16.0	8.8	13.5	14.9	5.9	15.9
May	20.7	7.4	30.2	36.1	22.8	11.4	24.1	14.0	5.3	12.5	14.4	5.4	14.8
June	9.3	28.3	28.9	34.6	22.2	10.9	30.2	14.0	6.0	12.2	13.9	4.2	14.1
July	21.1	1.3	28.5	34.3	22.3	10.6	21.3	14.0	4.6	12.8	13.8	3.8	14.2
August	20.7	-17.4	28.7	33.4	21.7	10.4	14.8	14.0	5.1	12.8	13.8	3.0	16.1
September	28.3	12.7	28.5	34.3	22.2	9.3	24.6	16.0	4.8	12.9	14.1	2.8	16.0
October	22.4	-14.1	28.4	34.3	21.3	9.2	16.0	15.0	5.4	12.9	14.1	1.6	15.7
November	16.3	-9.2	28.2	34.1	21.5	9.1	17.4	14.0	4.2	12.9	13.9	1.5	14.4
December	4.9	14.5	28.5	34.4	21.2	9.4	24.8	14.0	4.2	12.1	13.8	1.4	13.4
1991													
January	16.8	-1.6	28.6	34.3	21.0	8.3	19.6	14.0	5.0	12.2	13.6	0.9	14.2
February	7.6	-11.7	28.9	34.9	21.6	7.5	16.1	14.0	3.9	12.3	13.8	0.7	14.3
March	15.7	145.6	28.4	34.5	21.2	7.6	57.7	13.0	3.8	11.5	13.1	0.7	14.1

April	29.8	69.8	27.9	34.0	21.0	7.1	40.0	12.0	4.2	11.1	12.4	0.6	12.9
May	25.1	69.1	28.2	34.1	20.9	6.9	39.7	13.0	4.0	11.4	12.4	0.5	13.9
June	26.1	19.9	28.5	34.4	21.4	7.0	25.8	13.0	3.0	11.6	12.4	0.5	13.8
July	42.6	-9.2	28.0	33.9	20.9	7.0	15.8	13.0	3.7	11.6	12.6	0.3	13.0
August	27.7	-18.4	28.0	34.0	21.0	6.7	12.5	14.0	3.1	11.8	12.7	0.1	13.6
September	20.6	-4.3	28.5	34.4	21.0	6.5	17.9	15.0	3.3	12.2	13.0	0.1	13.4
October	5.4	56.1	32.1	38.0	24.5	6.3	37.6	21.0	4.6	15.9	15.5	0.0	18.7
November	1.8	-29.7	38.0	44.2	28.2	5.9	14.7	21.0	5.1	18.6	18.7	0.0	19.2
December	4.1	-18.8	34.0	40.2	25.7	5.8	17.3	19.0	2.2	15.4	16.5	0.0	18.5
1992													
January	0.0	-5.2	29.9	36.2	22.7	5.1	18.9	15.0	2.3	13.5	14.5	0.0	15.7
February	12.8	18.2	26.7	31.6	20.3	5.0	23.6	12.0	1.6	11.7	13.0	0.0	13.9
March	19.2	43.5	21.8	25.9	18.3	5.2	27.6	11.5	1.4	9.9	11.1	0.0	12.1

## NOTATION:

$\pi$  - Inflation rate. E/\$ - Average change in the dollar exchange rate.

OV - Credit lines and overdrafts; includes regular interest, additional interest on borrowings in excess of approved credit lines, and credit-allocation and management fees and commissions.

OVE - Overdrafts in excess of approved overdraft facilities.

FTC - Other unindexed fixed-term credit.

C\$c - Nondirected dollar credit subject to ceilings. The interest shown is nominal, i.e.,  $100(1 + rd)[1 + \delta(er)]$  where  $rd$  is the dollar interest rate, in percent, and  $\delta(er)$  is the average percentage change in the exchange rate against the dollar.

TBC - Total bank credit; average, weighted according to the composition of total credit; Bank of Israel estimate.

DWt - Discount-window auction. In October 1987, when the Bank of Israel changed the liquidity regime, it introduced discount-window loans by auction. The interest shown in the table is the average rate weighted by the volume of discount-window loans.

LA - 1987-June 1989, liquid assets held with the Bank of Israel, in the marginal bracket; from July 1989, actual interest (all brackets).

CD - CDs; median of the system—over NIS 10,000; on the assumption that CDs are renewed every 3 days, and there are no large deposits. From September 1988 the data are the average of all deposits.

TB - Treasury bills; over NIS 10,000 for 14 days. From September 1988, the data are the average of all Treasury bills with maturities of up to a year.

RD\$ - Resident deposits (in dollar equivalent) average for the total—over \$50,000 for 12 months. The dollar interest rate was multiplied by the average change in the exchange rate against the dollar in order to obtain the nominal NIS yield.

YTM - Yield to maturity of 1-month Treasury bills.

SOURCE: Bank of Israel.

**Table 7.A8**  
**Estimated Wealth of Nonfinancial Private Sector, 1986-91<sup>a</sup>**

							(real annual change, percent)				
	NIS billion		1986-89	1990-91	1989	1990	1991				
	1990	1991					Total	I	II	III	IV
<b>Assets<sup>b</sup></b>	185.2	227.0	3.5	2.0	5.7	0.2	3.8	2.2	-0.4	1.5	0.5
Short-term assets	43.6	56.1	-1.4	4.9	2.1	1.0	9.0	6.3	-1.0	2.0	1.6
Medium- and long-term assets	141.6	170.8	5.3	1.1	6.9	-0.0	2.2	1.0	-0.3	1.3	0.2
<b>Liabilities<sup>b</sup></b>	94.3	113.9	10.6	4.0	2.9	5.7	2.3	1.3	0.1	0.1	0.8
Short term <sup>c</sup>	35.5	42.8	15.8	6.6	4.9	11.5	1.9	1.9	-0.3	-1.0	1.4
Long term	58.8	71.1	8.1	2.5	1.9	2.4	2.5	0.9	0.4	0.8	0.4
<i>subtotal</i> Net financial wealth	90.9	113.1	-1.4	0.1	8.5	-4.9	5.4	3.2	-1.0	2.9	0.2
<b>Tangible assets<sup>d</sup></b>											
Nominal	234.9	292.6	2.8	4.9	3.1	4.3	5.5	5.6	2.2	-2.9	0.7
Real			2.3	4.3	0.6	2.7	5.8	1.2	1.7	1.5	1.3
<b>Total net wealth</b>											
Nominal	325.9	405.7	1.4	3.5	4.6	1.6	5.5	4.9	1.3	-1.3	0.6
Real			1.1	3.0	2.9	0.4	5.7	1.8	0.9	1.9	1.0

<sup>a</sup> The nonfinancial private sector comprises households and nonfinancial firms. The sector's wealth is estimated as the difference between its claims against and obligations to the public sector, the Bank of Israel, the rest of the world, and financial intermediaries. The latter include commercial banks, cooperative saving and loan associations, mortgage banks, investment finance banks, financial institutions required to publish financial statements, and pension and provident funds; these institutions represent most of the financial intermediation system. Financial institutions not required to publish financial statements are not, owing to lack of data, classified as financial intermediaries and they are therefore part of the nonfinancial private sector in this table. As a result, the asset and liability figures in this table differ from those in other tables of this chapter. For further details see Table 7.A11.

<sup>b</sup> Deflated by the CPI.

<sup>c</sup> Includes CPI-indexed credit from commercial banks.

<sup>d</sup> Tangible assets comprise the stock of consumer durables and dwellings, as well as structures, equipment, and goods and raw materials inventories held by firms. Compulsory loans are also included.

SOURCE: Bank of Israel, Research Department.

**Table 7.A9**  
**Financial Asset Holdings of the Public, 1990-91<sup>a</sup>**

	End-of-period balances, NIS million					Percent of total		
	1990	1991				1989	1990	1991
		I	II	III	IV			
Unindexed short-term assets	21,104	22,790	22,797	23,831	27,314	9.5	11.0	11.2
Money supply (M1)	6,345	7,028	7,161	7,316	7,455	3.1	3.3	3.0
Time deposits, SROs, CDs	13,281	14,026	14,015	14,844	16,561	5.7	6.9	6.8
Treasury bills	1,478	1,736	1,621	1,772	3,298	0.7	0.8	1.3
Resident deposits and tradable bonds <sup>b</sup>	20,314	21,652	23,813	28,087	29,900	11.3	10.6	12.2
Deposits	10,186	10,644	11,666	11,832	12,463	5.7	5.3	5.1
<i>of which</i> Nonresident deposits of Israelis	5,366	5,776	6,719	6,844	7,196	2.9	2.8	2.9
Bonds	10,128	11,007	12,148	16,255	17,437	5.6	5.3	7.1
<i>subtotal: Short-term assets</i>	<b>41,418</b>	<b>44,441</b>	<b>46,610</b>	<b>52,019</b>	<b>57,214</b>	<b>20.8</b>	<b>21.5</b>	<b>23.4</b>
Bank shares	3,137	3,499	3,988	4,087	1,075	1.8	1.6	0.4
<i>subtotal: Short-term assets &amp; bank shares</i>	<b>44,555</b>	<b>47,940</b>	<b>50,598</b>	<b>56,105</b>	<b>58,288</b>	<b>22.6</b>	<b>23.2</b>	<b>23.8</b>
Nonbank shares	16,923	23,320	27,534	31,796	28,346	7.9	8.8	11.6
Restitutions deposits	8,572	8,866	9,222	9,708	10,052	4.5	4.5	4.1
Saving schemes and indexed deposits	30,715	31,073	32,663	34,470	33,819	18.0	16.0	13.8
Social insurance funds and life assurance	91,548	95,708	101,977	112,899	114,070	47.1	47.6	46.6
Total financial assets	<b>192,312</b>	<b>206,908</b>	<b>221,994</b>	<b>244,978</b>	<b>244,575</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<i>of which</i> Nonbank shares	16,923	23,320	27,534	31,796	28,346	7.9	8.8	11.6
Foreign-currency assets <sup>c</sup>	33,424	34,672	37,093	38,353	36,799	19.8	17.4	15.0
CPI-indexed assets <sup>d</sup>	120,862	126,126	134,571	150,897	152,117	62.8	62.8	62.2

<sup>a</sup> In this table 'public' excludes the government, the central bank, commercial banks, and social insurance funds. Owing to lack of data, no adjustment was made for the rest-of-the-world sector, i.e., financial assets of foreigners were not deducted and foreign financial assets of Israeli residents were not added.

There is some double-counting in this table since financial assets include liabilities issued by financial institutions and tradable assets held by them.

<sup>b</sup> Including long-term indexed deposits.

<sup>c</sup> Arrangement bank shares are regarded as a foreign-currency asset. This applies also to those converted to saving schemes, and to other saving schemes with CPI/exchange-rate linkage options.

<sup>d</sup> Includes total assets of social insurance funds, most whose portfolio is CPI-indexed.

SOURCE: Bank of Israel.

**Table 7.A10**  
**Change in Financial Asset Holdings of the Public, 1989-91<sup>a</sup>**

	(percent)									
	Average			During period						
	1989	1990	1991	1989	1990	1990				
						Total	I	II	III	IV
Unindexed short-term assets	-3.7	6.6	14.2	16.1	18.0	9.6	4.7	-5.8	-1.7	13.1
Money supply (M1)	19.5	-0.2	8.2	19.5	7.3	-0.5	7.4	-4.0	-4.3	1.0
Time deposits, SROs, CDs	9.0	8.4	13.9	9.0	23.7	5.6	2.4	-5.9	-0.8	10.6
Treasury bills	52.9	-12.3	47.0	102.3	20.1	89.0	13.8	-12.1	2.4	84.4
Resident deposits and tradable bonds <sup>b</sup>	11.9	6.2	6.2	1.6	-4.0	24.7	3.3	3.6	10.5	5.5
Deposits	8.0	5.7	-1.7	-8.8	-4.4	3.7	1.3	3.2	-5.0	4.4
<i>of which</i> Nonresident deposits of Israelis	15.8	13.7	10.3	4.5	0.1	13.6	4.3	9.6	-4.6	4.2
Bonds <sup>c</sup>	16.3	6.8	14.2	14.9	-3.6	45.9	5.3	4.0	25.3	6.3
<i>subtotal: Short-term assets</i>	4.0	6.4	10.0	7.7	6.1	17.0	4.0	-1.2	4.5	9.0
Bank shares	-53.4	-22.3	-13.8	-15.2	-7.2	-71.0	8.1	7.4	-4.0	-73.9
<i>subtotal: Short-term assets and bank shares</i>	-7.5	3.5	8.2	5.5	5.0	10.8	4.3	-0.6	3.8	2.9
Nonbank shares	34.5	34.7	47.1	73.8	14.7	41.9	33.6	11.2	8.1	-11.7
Restitutions deposits	-3.6	2.7	-0.7	-6.5	1.9	-0.7	0.2	-2.0	-1.4	2.6
Saving schemes and indexed deposits	7.5	-4.2	-8.2	-1.0	-9.2	-6.7	-1.9	-1.0	-1.2	-2.8
Social insurance funds and life assurance	13.7	7.5	4.4	13.7	3.4	5.6	1.3	0.4	3.7	0.1
Total financial assets	7.1	6.0	6.5	10.7	2.3	7.7	4.3	1.1	3.3	-1.1
<i>of which</i> Nonbank shares	34.5	34.7	47.1	73.8	14.7	41.9	33.6	11.2	8.1	-11.7
Foreign-currency assets <sup>d</sup>	-7.3	-2.3	-7.8	-2.3	-10.2	-6.7	0.5	0.8	-3.2	-4.9
CPI-indexed assets	12.2	5.5	4.1	9.6	2.4	6.6	1.1	0.5	5.0	-0.1

<sup>a</sup> For notes, see Table 7.A9.

SOURCE: Bank of Israel.

**Table 7.A11****Estimated Wealth of the Nonfinancial Private Sector, 1988-91**

(NIS millions, end of year)

	1988	1989	1990	1991
<b>Assets</b>				
Short-term financial assets <sup>a</sup>	29,812	36,725	43,613	56,137
Money supply	3,487	5,028	6,345	7,455
Time deposits and SROs	7,233	10,400	15,004	21,074
Foreign-currency deposits	8,193	8,757	7,940	7,840
Tradable bonds	7,498	8,200	9,389	16,398
Financial shares	3,400	4,340	4,936	3,371
Medium-term financial assets <sup>b</sup>	35,780	43,139	48,271	54,614
Earmarked deposits of the public	1,451	1,605	1,498	932
Saving schemes and indexed long-term deposits	25,651	31,188	34,348	39,518
Restitution deposits	6,340	7,153	8,572	10,052
Exporters' credit	2,338	3,193	3,852	4,110
Long-term financial assets	57,582	77,313	93,349	116,213
Deposits in social insurance funds	49,501	68,118	82,698	103,106
Life insurance deposits	5,321	7,126	8,850	10,963
Compulsory loans <sup>c</sup>	2,760	2,068	1,801	2,144
Tangible assets <sup>d</sup>	153,878	191,459	234,936	292,576
Consumer durables	22,002	25,538	29,796	39,762
Dwellings	63,362	87,792	117,001	147,728
Structures and equipment	61,873	71,771	80,991	96,724
Inventories	6,641	6,337	7,148	8,362
Total	277,051	348,638	420,169	519,540
<b>Liabilities</b>				
Short-term <sup>e</sup>	21,401	27,098	35,547	42,772
Nondirected credit				
Local currency	14,883	18,654	23,573	29,392
Foreign currency	1,432	2,687	8,155	9,978
Directed credit				
Foreign currency	3,290	3,528	417	300
Credit from abroad	1,796	2,230	3,402	3,103
Medium-term and long-term <sup>f</sup>	39,662	48,764	58,750	71,108
Local currency	29,687	38,992	49,387	63,240
Foreign currency	9,975	9,772	9,364	7,867
Total liabilities	61,063	75,862	94,298	113,880
Net wealth <sup>g</sup>	215,988	272,774	325,871	405,661

<sup>a</sup> These items differ from the corresponding items of Tables 7.A9 and 7.A10, which refer to the 'public', whereas this table refers to the 'private nonfinancial sector'. Time deposits and CDs are deposits in commercial banks and other financial institutions. Foreign-currency deposits are demand and time deposits held with the banking system (resident deposits and nonresident deposits of Israeli residents) and

importers' deposits. Tradable bonds are total bonds issued to the public (excluding dollar-linked bonds issued by the business sector) *less* bonds held by the Bank of Israel, commercial, investment, and mortgage banks, and other financial institutions subject to the supervision of the Supervisor of Banks, social insurance funds, and insurance companies. Shares of financial intermediaries are shares issued by commercial banks, specialized financial institutions, mortgage banks, and insurance companies.

<sup>b</sup> These items differ from the corresponding items of Tables 7.A9 and 7.A10 in that they include earmarked deposits of the public and saving schemes and indexed deposits with investment and mortgage banks (in addition to saving schemes and indexed deposits with commercial banks). The data on saving schemes include the imputed value of grants (where applicable) and not the amount recorded at the time the accounts were opened.

<sup>c</sup> Calculated by discounting the inflation-adjusted stream of repayments at 5 percent (the interest rate on social-insurance fund bonds). The present value of Peace for Galilee bonds is assumed to be 25 percent of the inflation-adjusted value.

<sup>d</sup> Revised data.

<sup>e</sup> Nondirected local-currency credit consists of credit from the commercial banking system, mortgage banks (to building contractors), and insurance companies *less* credit to local authorities. Nondirected foreign-currency credit includes credit from the banking system in Israel other than for fuel imports. Credit from abroad is granted by overseas offices of Israeli banks, suppliers, and others (excludes credit to local authorities).

<sup>f</sup> The subsidy element of long-term local-currency credit is estimated as the present value of the stream of repayments according to the actual inflation rate. In this calculation repayments are spread over six years (the estimated average term of the loans), with interest on outstanding loans weighted accordingly. The present value of the subsidy element of foreign-currency credit is calculated in a similar manner, with the stream of repayments discounted by the Eurodollar rate.

<sup>g</sup> Calculated as the difference between total assets and total liabilities of the private nonfinancial sector; the estimated subsidy element of long-term local and foreign currency credit is included.

SOURCE: Bank of Israel.



Table 7.A12

## Net Financial Wealth of the Public (Foreign Currency), 1983-91

(\$ million)

	Assets <sup>a</sup> (1)	Liabilities <sup>b</sup> (2)	(1) - (2) (3)	(3) as percent of total net financial wealth (4)
30.9.83	10,022	7,076	2,946	9.9
31.12.83	12,584	7,063	5,521	23.7
31.12.84	14,832	7,302	7,530	31.9
30.6.85	16,570	7,591	8,978	39.9
31.12.85	16,418	8,301	8,117	27.6
31.12.86	17,634	9,436	8,199	23.7
31.12.87	18,118	10,379	7,739	19.4
31.12.88	16,132	9,130	7,002	20.4
31.12.89	17,592	9,280	8,312	20.1
31.3.90	17,533	9,454	8,079	19.5
30.6.90	17,625	9,287	8,338	19.6
30.9.90	18,099	9,245	8,854	19.6
31.12.90	17,104	10,419	6,686	15.1
31.3.91	16,017	10,343	5,675	13.2
30.6.91	15,677	9,914	5,763	13.6
30.9.91	15,953	9,404	6,549	14.0
31.12.91	15,894	9,307	6,587	13.3

<sup>a</sup> Resident deposits, nonresident deposits of Israeli residents, exchange-rate indexed bonds, restitutions deposits, dollar-linked saving schemes, and suppliers credit to foreigners. Bank shares covered by the bank shares Arrangement (including shares converted to saving schemes) are included from December 1983.

<sup>b</sup> Foreign-currency credit via the banking system (directed and nondirected); foreign-currency credit out of earmarked deposits with commercial, mortgage, and financial investment banks; credit from abroad; and private bonds. Excludes fuel credit.

SOURCE: Bank of Israel.

**Table 7.A13**  
**Securities Held by the Public, 1989-91**

	Market price (NIS million)			Percent of total			Real annual change, percent		
	1989	1990	1991	1989	1990	1991	1989	1990	1991
<b>Tradable bonds</b>									
Held by commercial banks	8,833	10,021	13,579	21.3	20.4	20.0	26.1	-3.5	14.8
Held by Bank of Israel	1,136	1,419	1,551	2.7	2.9	2.3	24.7	6.2	-7.4
Held by social insurance funds	22,568	26,988	35,492	54.4	55.0	52.2	52.5	1.7	11.4
Held by the public (residual)	8,928	10,657	17,346	21.5	21.7	25.5	-7.8	1.5	37.9
<b>Total</b>	<b>41,465</b>	<b>49,085</b>	<b>67,968</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>28.0</b>	<b>0.7</b>	<b>17.3</b>
<b>Shares and convertible securities</b>									
Held by commercial banks <sup>a</sup>	1,626	2,105	2,547	10.1	9.7	7.8	12.6	10.1	2.5
Bank shares converted to savings schemes	419	—	—	2.6	—	—	-14.1	-100.0	—
Held by social insurance funds	665	1,558	2,893	4.1	7.2	8.9	65.3	99.3	57.3
Held by the public (residual)	13,443	17,968	27,154	83.2	83.1	83.3	54.7	13.6	28.0
<b>Total</b>	<b>16,153</b>	<b>21,631</b>	<b>32,594</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>46.5</b>	<b>13.9</b>	<b>27.7</b>

<sup>a</sup> This item may be overstated because of double counting due to classification problems.

SOURCE: Tel Aviv Stock Exchange and Bank of Israel.

**Table 7.A14**  
**Security Issues and Capital Formation Estimate, 1987-91**

(NIS million)

	Public sector									Private sector		
	Tradable bonds <sup>a</sup>					Nontradable bonds				Bond issues <sup>c</sup>	Shares and convertible securities	Total net borrowing
	Volume of issues	Redemptions	Open market operations	Treasury bills	Net borrowing	Saving schemes	Social insurance funds	Total <sup>b</sup>	Total net borrowing			
1988	7,142	2,552	-114	-317	4,160	-2,840	-731	-3,571	588	1,020	173	1,193
1989	5,949	3,378	2	799	3,372	632	-842	-506	2,866	874	693	1,568
1990	4,744	3,775	-36	-213	720	-3,245	-1,385	-5,026	-4,306	1,093	723	1,816
1991	11,760	3,438	-14	1,006	9,313	-5,901	-1,830	-8,293	1,020	317	1,366	1,683
January	126	100	-2	-220	-197	-162	211	31	-166	0	46	46
February	1,106	143	-1	174	1,135	-303	170	-147	988	0	0	0
March	1,123	143	-1	357	1,337	-328	-1	-465	872	0	62	62
April	972	150	-2	326	1,146	-158	-338	-522	624	0	0	0
May	1,227	220	0	-216	792	-205	-301	-556	235	154	465	618
June	1,168	197	-0	-235	736	-201	-276	-520	216	0	61	61
July	890	201	-2	-141	547	-230	-151	-393	155	77	41	118
August	1,019	372	1	158	806	-119	-27	-171	635	40	265	305
September	804	311	1	-87	409	-126	-71	-247	162	0	45	45
October	1,782	594	-0	168	1,357	-3,517	-344	-3,930	-2,574	47	148	194
November	690	498	-10	522	704	-149	-112	-287	417	0	70	70
December	854	511	-0	198	541	-404	-589	-1,085	-544	0	165	165

<sup>a</sup> Includes bonds issued to commercial banks and social insurance funds, does not include turnover in Bank of Israel trading portfolio.

<sup>b</sup> Includes social insurance funds' excess deposits with the Treasury.

<sup>c</sup> Includes receipts from exercise of options.

SOURCE: Bank of Israel Monetary Department.

**Table 7.A15****Real Holding-Period Yield of Listed Shares, 1987-91<sup>a</sup>**

(index, December 1990 = 100)

	1988	1989	1990	1991				1991 <sup>b</sup>
				I	II	III	IV	
Index of share prices	49.3	86.9	100.0	131.6	153.5	172.1	154.6	31.8
Commercial banks	66.4	91.9	100.0	114.6	128.1	129.1	139.2	18.7
Insurance companies	41.5	101.5	100.0	140.7	161.4	155.4	139.9	19.3
Mortgage banks	39.6	93.1	100.0	139.1	152.4	132.0	108.4	-7.6
Financial institutions	63.6	97.4	100.0	119.0	132.4	150.7	142.6	21.6
Investment companies	43.0	80.2	100.0	131.3	168.6	179.6	164.0	39.8
Industry	48.1	82.1	100.0	144.0	174.3	204.5	179.9	53.4
Trade and services	52.1	99.3	100.0	124.3	129.0	160.0	141.3	20.5
Land, construction, and development	35.9	90.9	100.0	130.3	151.1	163.4	141.1	20.3

<sup>a</sup> End-of-period, deflated by end-of-month CPI.<sup>b</sup> Percent change during the year.

SOURCE: Based on data of the Tel Aviv Stock Exchange.

Table 7.A16

Real Holding-Period Yield of Listed Securities, 1988-91<sup>a</sup>

(index, December 1988 = 100)

	Bonds		Shares and convertible securities		
	Foreign currency	CPI- indexed	Total <sup>b</sup>	Arrangement banks	Nonbank shares
1988	99.5	90.2	68.9	100.4	61.6
1989	112.2	105.9	102.3	106.3	101.4
1990	100.0	100.0	100.0	100.0	100.0
1991	98.3	101.5	131.8		137.3
January	97.1	97.1	109.9	97.1	112.4
February	97.0	94.6	117.3	98.1	120.8
March	106.2	98.7	127.0	105.8	130.8
April	107.0	96.4	120.5	107.1	123.2
May	111.7	96.9	132.9	110.3	136.9
June	109.0	97.5	139.0	107.4	144.2
July	102.5	101.4	145.2	103.3	152.1
August	101.0	106.1	149.3	101.0	157.5
September	105.3	106.3	147.8	101.5	155.5
October	103.8	106.6	144.2	<sup>c</sup>	151.5
November	99.6	102.5	138.7	<sup>c</sup>	145.3
December	98.3	101.5	131.8	<sup>c</sup>	137.3
<i>Real overall rate of return, percent</i>					
1991	-1.7	1.5	31.8	1.5	37.3
1st half	9.0	-2.5	39.0	7.4	44.2
2nd half	-9.8	4.1	-5.2	-5.5	-4.8

<sup>a</sup> Deflated by CPI (adjusted to end of month).<sup>b</sup> Includes shares of commercial banks not covered by the bank shares Arrangement.<sup>c</sup> The Arrangement shares were redeemed in October.

SOURCE: Based on stock exchange data.

**Table 7.A17****Real Net Yield to Maturity of CPI-Indexed Bonds, 1990-91<sup>a</sup>**

(percent, p.a.)

Years to maturity	New Issues				Secondary Market	
	Indexed government bonds <sup>b</sup>			Private bonds <sup>c</sup>	3-5	9-10
	A	B	C			
1990						
I	1.11		1.24	2.55	0.22	0.66
II	0.60		1.20	2.87	-0.05	0.36
III	1.49		0.69	1.84	-0.65	0.05
IV		0.86	1.24		-0.19	0.81
1991						
I	0.70	1.46	1.91		1.15	1.76
II		1.53	2.20		0.74	1.55
III		0.60	1.70	0.68	-0.05	1.01
IV		1.20	1.63		0.79	1.28
1991						
January	0.70	0.44	0.93		1.11	1.49
February		2.30	2.63		1.66	2.18
March		1.65	2.18		0.66	1.61
April		1.49	2.12		0.99	1.79
May		1.64	2.22		0.71	1.43
June		1.47	2.26		0.52	1.42
July		1.13	1.90		0.44	1.29
August		0.39	1.73	0.68	-0.16	0.99
September		0.29	1.48		-0.44	0.75
October		0.48	1.25		0.30	0.93
November		1.20	1.56		0.72	1.21
December		1.93	2.08		1.34	1.70

<sup>a</sup> Average of end-week yields of government bonds, calculated according to *ex post* CPI corrected for indexation loss at maturity.

<sup>b</sup> Series A and B are medium term (A is unindexed in the first year); C is long term.

<sup>c</sup> Weighted by amount of issues.

SOURCE: Bank of Israel.

**Table 7.A18**  
**Market Value of Listed Shares and Convertible Securities, 1991**

	End of year market value			New issues	
	NIS million	Percent of total	Real percent change <sup>a</sup>	NIS million	Percent
Commercial banks <sup>b</sup>	1,110	3.4	-71.3	12.3	1.3
Mortgage banks	1,000	3.1	-8.7	0.0	0.0
Investment finance banks	553	1.7	21.1	0.0	0.0
Insurance companies	1,178	3.6	26.2	35.0	3.8
<i>subtotal: Financial sector</i>	<b>3,841</b>	<b>11.8</b>	<b>-39.6</b>	<b>47.3</b>	<b>5.1</b>
Trade and services <sup>c</sup>	5,137	15.8	31.3	303.4	32.6
Real estate etc. <sup>d</sup>	4,246	13.0	38.7	107.5	11.6
Industry	11,723	36.0	56.3	364.8	39.2
Investment and holding companies <sup>e</sup>	6,139	18.8	49.4	106.6	11.5
Secondary listing	1,508	4.6	153.0	<sup>f</sup>	<sup>f</sup>
<b>Total</b>	<b>32,594</b>	<b>100.0</b>	<b>27.7</b>	<b>929.6</b>	<b>100.0</b>

<sup>a</sup> During 1991.

<sup>b</sup> Including bank holding companies. The steep decline in this item stems from the redemption of the Arrangement bank shares in October 1991.

<sup>c</sup> End-of-year market value includes Bezeq-The Israel Telecommunications Co.

<sup>d</sup> Real estate, construction, development, citrus.

<sup>e</sup> Including oil-exploration companies.

<sup>f</sup> Classified by industry of issuing company.

SOURCE: Tel Aviv Stock Exchange and Bank of Israel.

**Table 7.A19****Mean and Standard Deviation of Selected Rates of Return, 1989-91**

(percent)

	Average yield during period (monthly rate)					Standard deviation <sup>a</sup>			
	1989	1990	1991			1989	1990	1991	
			Total	1st half	2nd half			1st half	2nd half
Demand deposits <sup>b</sup>	-1.43	-1.37	-1.34	-1.67	-1.01	0.62	0.48	0.54	0.85
SROs (CDs) <sup>c</sup>	-0.51	-0.33	-0.31	-0.73	0.11	0.50	0.47	0.55	0.98
Resident deposits <sup>d</sup>									
Demand	-0.70	-0.99	-0.37	1.03	-1.76	2.57	1.35	3.37	3.58
Time	-0.34	-0.79	-0.36	1.05	-1.76	2.59	1.37	3.34	3.58
Restitutions <sup>e</sup>	0.12	0.62	0.16	-1.47	1.80	3.82	1.01	2.41	3.33
CPI-indexed bonds	1.37	-0.46	0.16	-0.39	0.71	2.61	1.90	2.28	2.91
All shares	3.41	0.02	2.48	5.78	-0.82	3.89	6.75	7.87	5.77
Bank shares	0.57	-0.49	0.22	1.26	-1.85	4.47	1.92	3.19	3.68
Non-bank shares	4.36	0.16	2.87	6.46	-0.73	5.17	7.67	8.87	6.49

<sup>a</sup> Standard deviation for 12 months preceding end of stated period.<sup>b</sup> Includes nominal interest.<sup>c</sup> High intercustomer variance.<sup>d</sup> Dollar-denominated.<sup>e</sup> One-year time deposits denominated in DM.

SOURCE: Based on Central Bureau of Statistics data.



**Table 7.A20**  
**Mutual Fund Operations, 1989-91**

			.(end of period)	
			1991	
	1989	1990	First half	Second half
Mutual fund assets (NIS million)	7,094	8,263	11,873	13,331
<i>Percent</i>				
Real annual overall rate of return	14.7	-3.4	30.1	-12.1
Standard deviation of real monthly rate of return <sup>a</sup>	1.8	2.4	2.9	2.7
Mutual fund assets/total tradable assets <sup>b</sup>	16.2	14.7	17.0	17.7
CPI-indexed bonds	9.2	8.8	9.2	9.6
Exchange-rate indexed bonds	..	10.0	9.4	18.6
Nonbank shares	3.1	5.9	12.6	16.1
Unindexed assets	5.9	5.2	5.3	6.6
Composition of portfolio				
CPI-indexed bonds	48.2	47.1	40.4	43.7
Foreign-currency denominated assets	20.8	16.4	14.5	11.6
<i>of which</i> Arrangement bank shares	12.9	10.7	8.1	0.0
Nonbank shares	19.6	24.7	31.3	28.6
Unindexed assets	11.4	11.9	13.9	16.0
Total	100.0	100.0	100.0	100.0

<sup>a</sup> Standard deviation for 12 months preceding end of stated period.

<sup>b</sup> Tradable assets comprise unindexed assets, tradable bonds held by the public, foreign-currency deposits, shares, and convertible securities, as defined in Table 7.A10.

SOURCE: Bank of Israel Research and Monetary Departments.

**Table 7.A21**  
**Social Insurance Fund Operations, 1987-91**

	(percent, end of year)				
	1987	1988	1989	1990	1991
Tradable assets of funds (percent of total tradable assets)					
Tradable government bonds <sup>a</sup>	33.4	42.1	53.7	54.0	50.1
Private bonds	36.5	51.1	55.8	58.4	59.4
Nonbank shares	0.7	2.3	3.6	6.5	9.7
Unindexed assets	—	4.1	5.8	9.7	7.1
Composition of portfolio					
Special bonds issued to social insurance funds	63.0	52.1	39.4	35.0	28.9
Tradable government bonds <sup>a</sup>	22.0	32.4	42.6	41.8	44.0
Private bonds	4.0	6.1	7.8	8.6	8.4
Nonbank shares	0.6	0.7	1.3	2.6	4.7
Indexed deposits	5.0	4.6	4.4	5.4	7.4
Loans to members	0.3	0.3	0.1	0.1	0.1
Other loans	1.0	0.7	0.6	0.5	0.5
Other assets	4.1	3.3	3.8	6.0	6.1
Total	100.0	100.0	100.0	100.0	100.0
Total social insurance fund assets (NIS billion)	23.1	30.5	44.6	53.6	67.5

<sup>a</sup> Including Arrangement bank shares.

SOURCE: Based on data of the Ministry of Finance.

**Table 7.A22****Social Insurance Funds: Required and Actual Investment in Government Securities, Selected Years: 1983-91**

(percent, end of year)

	Pension	Providence and severance pay	Study
<b>Minimum requirement</b>			
1983 <sup>a</sup>	92	92	92
1987 <sup>a</sup>	92	78	78
1989	93	72	72
1990	93	50	50
1991	93	50	50
<b>Actual investment</b>			
1987	92	85	88
1989	93	82	83
1990	93	76	78
1991	94	73	75

<sup>a</sup> Recognized investment requirement, consisting of shares (up to 10 percent) and approved private securities (in 1987 this applies only to pension funds).

SOURCE: Income tax regulations and data of the Ministry of Finance.