



BANK OF ISRAEL
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The monthly Index of Economic Activity¹ increased by 0.3 percent in September. The Index this month reflects the average monthly growth estimate for the three months from July to September. The Index was positively affected by credit card purchase data (mainly in August), goods exports—particularly manufacturing exports, and the NASDAQ 100 and Tel Aviv Stock Exchange General Shares indices in August and September, as well as the retail trade index and receipts in respect of other services in August. In contrast, actual employee and job vacancy figures in August and indirect tax receipts in September moderated the increase in the Index (Tables 1 and 2).

The pace of increase of the index is similar to the long-term growth trend (about 0.3 percent).

The Indices for recent months were revised downward following the publication of final data for previous months.

Figure 1 presents the Index data over the past two years. Table 1 presents the contributions of the Index's components to the overall estimate and the revisions to the Index, and Table 2 presents the monthly rate of change in the Index's components.

¹ The monthly Index of Economic Activity reflects the three-month average of the estimated monthly growth of GDP. The estimate is based on a model developed at the Bank of Israel (Ginker and Suhoy, 2021).

FIGURE 1: The Monthly Index of Economic Activity

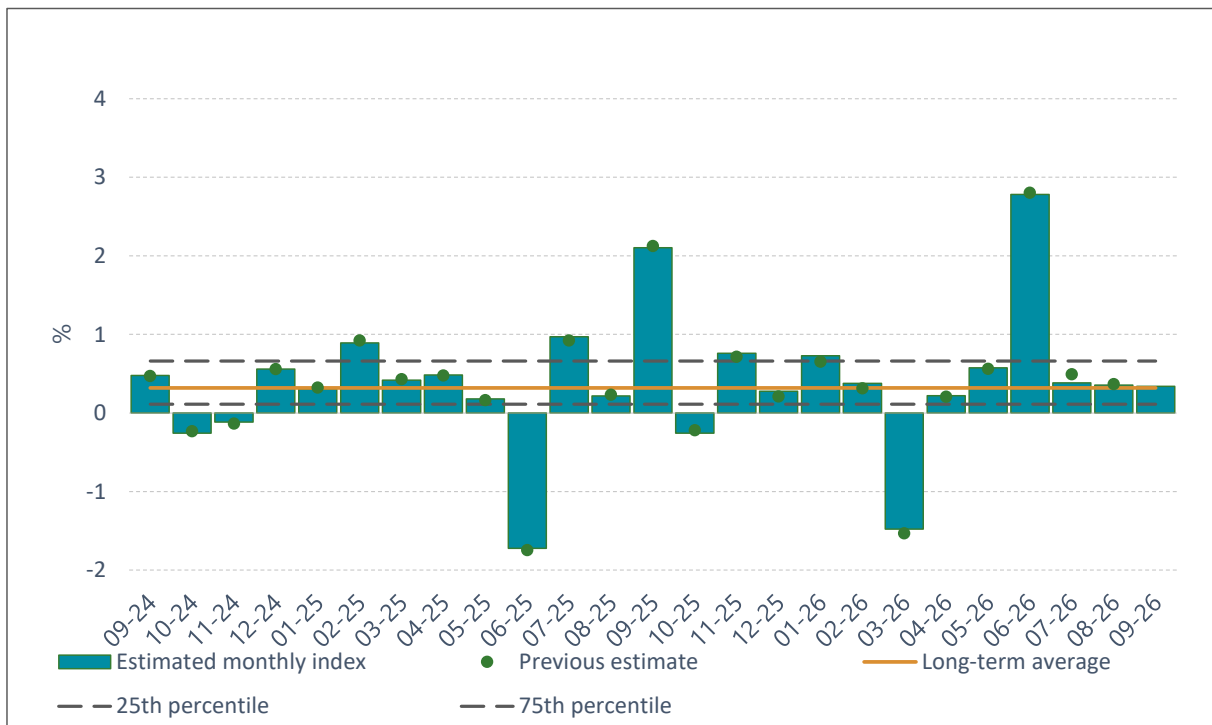


Table 1 | Contribution of the Index Components to the Total Estimate in Recent Months, by Group
(percentage points, unless otherwise specified)

Group	April	May	June	July	August	September
Credit card purchases	-0.075	-0.047	0.122	-0.047	-0.042	0.009
Industry indices	-0.237	-0.452	0.690	-0.257	-0.047	0.012
Export indices	-0.107	0.024	0.083	-0.043	-0.029	0.031
Import indices	-0.050	-0.110	0.160	-0.075	0.084	-0.010
Labor market	-0.200	-0.131	0.332	-0.044	-0.104	-0.035
Tax data	0.004	-0.031	0.027	0.019	0.064	-0.015
Financial indices	-0.020	0.030	-0.010	0.009	-0.010	0.042
Purchasing managers indices	0.000	0.000	0.000	0.002	0.003	0.004
Gasoline consumption	-0.072	-0.038	0.110	0.036	-0.025	0.001
Actual GDP data	0.676	1.031	0.967	0.483	0.161	0.000
Long-term trend	0.301	0.301	0.301	0.301	0.301	0.301
Total estimate	0.219	0.576	2.781	0.383	0.356	0.339
Previous estimate	0.207	0.561	2.804	0.492	0.366	

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* The table presents the contribution of each group of components in the monthly index, such that the monthly estimate constitutes the sum of the contributions of each of the components detailed in the table. Some of the raw data influence the monthly estimate with a lag or influence the estimates of several months.

Table 2 Changes in the Index Components in Recent Months (monthly rates of change, percent, seasonally adjusted)							
Group	Series	April	May	June	July	August	September
Credit card purchases	Index of credit card purchases by private consumers	12.1	4.4	-1.6	-1.4	3.0	0.7
Industry indices	Index of revenue in the services industries	10.1	8.1	-1.6	-2.5		
	Index of revenue in the trade industries	8.8	1.1	-1.3	1.3		
	Index of retail trade - total, except fuel, fertilizers, and natural gas	5.3	0.8	0.3	-1.3	2.0	
	Residential building starts - total	1.7	-5.4	3.9			
	Index of employees' actual work hours - manufacturing, mining and quarrying	4.0	-0.3	1.5	-0.9		
	Index of number of employees - manufacturing (excl. diamonds)	1.4	0.7	0.6	0.0		
	Industrial production index - construction inputs	12.0	-2.6	4.1	-2.2		
	Industrial production index - total (excl. mining and quarrying)	27.4	-6.3	0.0	-0.1		
Export indices	Industrial production index - mixed-high technology	1.3	-1.9	1.8	-0.6		
	Receipts in respect of total goods exports	-5.9	11.0	4.4	-2.7	14.2	
	Net goods exports - total (excl. ships, aircraft, and diamonds)	11.0	10.6	2.2	-7.8	4.1	10.2
	Goods exports - total manufacturing (excl. diamonds)	11.3	9.4	3.9	-9.2	4.6	9.7
	Goods exports - manufacturing - mixed-high technology	13.4	14.1	5.7	-6.4	3.5	14.6
	Receipts in respect of exports of other services (excl. tourism, transportation, and insurance)	11.5	-14.9	0.8	-0.6	8.4	
	Exports of other services (excl. startups) and tourism services	1.5	-0.5	5.6	-4.1		
Import indices	Exports of other services	9.5	2.5	-5.6	-4.4		
	Goods imports - consumption goods	22.3	-4.7	9.1	-6.1	7.5	0.6
	Goods imports - durable consumption goods	14.5	-6.0	21.8	-18.8	12.6	0.1
	Goods imports - investment assets other than ships and aircraft	12.4	-0.5	12.2	-18.9	26.5	
	Goods imports - production inputs	12.6	2.8	1.6	-0.2	5.4	0.1
Labor market	Employees minus absentees	14.9	2.1	0.7	0.1	-0.4	
	Employee posts - total - Israelis	6.9	1.5	0.4	-0.3	0.4	
	Job vacancies	7.4	3.8	5.2	-0.3	-1.8	2.7
	Total wage payments (real)	4.0	3.0	-2.0	-0.5		
Tax data	VAT - gross	-6.6	-0.9	7.5	0.1	3.8	-3.2
	VAT - net, excl. VAT on defense imports - minus legislative changes	1.8	-13.0	15.6	1.3	5.7	-7.1
	Income tax - net	-2.7	8.0	6.6	-2.9	-0.8	
	Indirect taxes - as defined by the Tax Authority - minus legislative changes	1.2	-8.6	13.9	-1.2	4.3	-7.0
Financial indices	NASDAQ 100 index	6.8	10.0	-0.3	-1.7	2.9	0.6
	Price of a barrel of oil on the London Exchange	2.8	1.2	-20.6	-0.5	4.8	14.7
	General equities and convertibles index	1.4	7.0	0.9	5.0	1.3	1.4
Purchasing managers index	Purchasing managers index - US	52.7	54.0	53.3	55.6	54.6	54.5
Gasoline consumption	Gasoline consumption	14.3	11.7	-2.1	-0.2	0.4	