August 22, 2024

Press Release:

The Composite State of the Economy Index remained virtually unchanged in July

The Composite State of the Economy Index remained virtually unchanged (a decline of 0.03 percent) percent in July, following declines in parts of the second quarter, which featured a moderation of economic activity. This reflects the war’s continued impact on economic activity.

The Index was positively influenced by increases in the import of consumption goods, the import of production inputs, goods exports, and the job vacancy rate (July). In contrast, credit card purchases (July), the Industrial Production Index, the retail trade revenue index, and the services revenue index (June), and employee posts (May) declined, which negatively influenced the index.

Figures for the second quarter (April–June) were revised downward. These revisions were, to a large extent, due to the receipt of National Accounts data for the second quarter, which indicated lower growth during the quarter. 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.

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

|  |  |  |
| --- | --- | --- |
| **Revision** | **Previous figure** | **New figure** |
| July |  | -0.03 |
| June | 0.12 | -0.29 |
| May | 0.06 | 0.20 |
| April | -0.03 | -0.21 |
| March | 0.35 | 0.31 |
| February | 0.16 | 0.30 |

**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) |   | -0.9 | 1.5  | 2.5 |
| Services Revenue Index (excluding education and public administration) |   | -0.4 | -0.1 | 1.0 |
| Retail Trade Revenue Index |   | -1.0 | 2.3 | -1.7 |
| Imports of consumption goods1 | 4.4 | -4.5 | 14.5 | -13.0 |
| Imports of production inputs (excluding fuels)1 | 2.1 | -5.6 | 6.7 | -3.8 |
| Goods exports (excluding agriculture)1 | 8.0 | 2.7 | -5.5 | 0.3 |
| Services exports (excluding transportation)2 |   |   | 0.2 | 0.5 |
| Employee posts in the private sector |   |   | -0.1 | 0.1 |
| Job vacancy rate in the business sector3 | 4.6 | 4.5 | 4.5 | 4.5 |
| Building starts4 |   |   |   |   |
| Credit card purchases5 | -0.3 | 0.9 | 0.6 | -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 Since the Central Bureau of Statistics publishes data on building starts once per quarter, the data integrated into the model are at a monthly frequency based on additional sources, such that the distribution is consistent with the quarterly data published by the Central Bureau of Statistics (in percent, seasonally adjusted).

5 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/>