

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

December 28, 2023

Press Release

The Composite State of the Economy Index declined by 0.7 percent in November

The Composite State of the Economy Index declined by 0.7 percent in November—influenced by the continuing Swords of Iron War. The war continued to weigh on economic activity November, but the intensity of its impact on activity began to moderate, as shown in part by the increase in credit card purchases in November.

The Index was positively influenced by increases in goods exports, electricity production, and credit card purchases (November). In contrast, most components declined sharply, particularly the Industrial Production Index, the service revenue index and the retail trade revenue index (October), which negatively influenced the index.

Index figures for previous months were revised downward due to additional data obtained for October and revisions for earlier months. 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** |
| November |  | -0.71 |
| October | -1.10 | -1.81 |
| September | 0.03 | -0.64 |
| August | 0.41 | 0.17 |
| July | 0.42 | 0.41 |
| June | 0.18 | 0.19 |

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

(monthly percent change, unless otherwise noted)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **November** | **October** | **September** | **August** |
| Industrial Production Index  (excluding mining and quarrying) |  | -5.2 | -4.3 | 5.3 |
| Services Revenue Index  (excluding education and public administration) |  | -15.1 | -3.3 | 4.0 |
| Retail Trade Revenue Index |  | -8.7 | -5.3 | 1.8 |
| Imports of consumer goods1 | -2.1 | -6.5 | -4.8 | -1.6 |
| Imports of production inputs  (excluding fuels)1 | -0.3 | -5.0 | -2.0 | -2.0 |
| Goods exports (excluding agriculture)1 | 4.5 | -13.2 | 9.0 | -4.7 |
| Services exports (excluding transportation)2 |  |  | -0.7 | 1.2 |
| Employee posts in the private sector |  |  | 0.2 | 0.2 |
| Job vacancy rate in the business sector3 | 3.1 | 3.2 | 3.6 | 3.7 |
| Building starts4 |  |  | 10.5 |  |
| Electricity production5 | 0.9 | -4.5 | -1.9 | 1.5 |
| Credit card purchases6 | 8.6 | -14.6 | -2.7 | 2.9 |

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 Electricity production is calculated as the rate of change relative to the previous month, adjusted for the effect of the weather and seasonality on daily, weekly, and annual bases.

6 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/>