

TABLES

CHAPTER 1 THE ECONOMY: DEVELOPMENTS AND POLICIES		
1.1	Main Economic Indicators, 1983–88	2
1.2	Principal Indicators of Long-Term Developments, 1977–88	3
1.3	Factors in Business Sector Profitability, 1981–88	4
CHAPTER 2 PRODUCT AND DOMESTIC DEMAND		
2.1	Resources and Use of Resources, 1985–88	18
2.2	Resources and Uses, Quarterly Data, 1986–88	20
2.3	National Saving, Gross Domestic Investment, and External Current Account, 1976–88	24
2.4	Product and Productivity of the Business Sector, 1961–88	26
2.4(A)	Main Indicators of Investment, 1981–88	34
2.5	Gross Domestic Investment by Type of Capital Good, 1984–88	39
2.6	Gross Fixed Investment by Economic Sector, 1987–88	40
APPENDIX TABLES		
2.A-1	Business Sector Product Derived from Final Uses, 1980–88	44
2.A-2	Private Consumption, 1985–88	45
2.A-3	Gross National Product and National Income, 1985–88	45
2.A-4	Fixed Nondwelling Investment by Initiating Sector, 1985–88	46
2.A-5	Private Disposable Income and Saving Rate, 1985–88, at Real Interest Rates	47
2.A-6	Private Disposable Income and Saving Rate, 1985–88, at Nominal Interest Rates	48
2.A-7	Income from All Sources and Gross National Saving, 1985–88, at Effective Exchange Rate	49
2.A-8	Income from All Sources and Gross National Saving, 1985–88, at Official Exchange Rate	50
2.A-9	Disposable Income and Per Capita Consumption, 1981–88	51
2.A-10	Acquisition of Durables and Consumption of Non-Durables, 1985–88	51
2.A-11	Resource Uses of Tradeables and Nontradeables, 1981–88	52
2.A-12	Gross Capital Stock by Economic Sectors, 1960–89	53
CHAPTER 3 PRICES		
3.1	The Inflation Rate, 1970–88	58
3.2	Selected Price Indexes, 1986–88	60
3.3	Indicators of Prices of Tradeables and Nontradeables, 1986–88	61
3.4	Prices and Background Data, 1986–88	69
3.5	Indicators of the Variance in the Consumer Price Index, 1970–88	70
3.6	Average Price Rises During the Year and their Variance, Tradeables and Nontradeables, 1986–88	70
APPENDIX TABLES		
3.A-1	Selected Price Indexes, 1986–89 I	75
3.A-2	The Consumer Price Index by Main Industries of Origin, 1986–89 I	76

CHAPTER 4 EMPLOYMENT AND WAGES		
4.1	Principal Labor Market Indicators, 1960–88	78
4.2	Indicators of the Integration between the Economies of Israel and Judea-Samaria and Gaza, Selected Years	85
4.3	Average Real Wages per Employee Post, 1981–88	87
4.4	Employment and Real Wages from the Perspective of Workers and Employers, Tradeables and Nontradeables Sectors, 1984–88	89
4.5	Indicators of Wage Policy in the Business Sector, 1980–88	94
4.5 (A)	Average Wages in the Business Sector and Minimum Wages, 1987–88	97
APPENDIX TABLES		
4.A-1	Sources of Growth of Israel's Permanent Population, 1980–88	100
4.A-2	Employment of Israelis by Sectors, 1970–88	101
4.A-3	Sources of Growth of Labor Force and Incremental Employment by Sector, 1970–88	102
4.A-4	The Israeli Labor Force, Selected Data, 1970–88	104
4.A-5	Employment and Labor Input by Principal Sectors, 1983–88	105
4.A-6	Employment and Labor Input by Principal Industries, 1983–88	106
4.A-7	Unemployment Statistics, 1980–88	107
4.A-8	Work Seekers and Requests for Workers, 1979–88	108
CHAPTER 5 THE PUBLIC SECTOR		
5.1	Public Expenditure and Revenue, the Deficit and its Financing, 1980–88	110
5.2	Principal Components of Public Sector Expenditure and Revenue, 1980–88	112
5.3	Central Government Budget, 1982–89	116
5.4	Direct Public Sector Demand, 1983–88	117
5.5	Indicators of Israel's Defense Outlays, 1980–88	119
5.6	Taxes, Subsidies and Transfer Payments, 1980–88	121
APPENDIX TABLES		
5.A-1	Indicators of Civilian Public Services, 1980–88	130
5.A-2	Consumption of Civilian Public Services by Type, 1975–88	130
5.A-3	Wages, Taxes and Disposable Wages per Employee Post, 1983–88	131
5.A-4	Direct Taxes, Compulsory Loans and Transfer Payments, 1984–88	132
5.A-5	Indirect Taxes and Subsidies to Domestic Production, 1984–88	134
5.A-6	Estimated Value of Selected National Insurance Allowances, 1986–88	135
5.A-7	Import Taxes and Subsidies, 1984–88	135
5.A-8	Direct Public Sector Demand by Main Items, 1983–88	136
CHAPTER 6 THE PRINCIPAL ECONOMIC SECTORS		
6.1	Indicators of Business Sector Activity, 1960–88	139
6.2	Indicators of Business Sector Profitability, 1982–88	140
6.2 (A)	The Short-Term Financing Burden	141
6.3	Gross Domestic Product at Factor Cost, 1960–88	146
6.4	Labor Productivity and Total Productivity in the Business Sector, 1960–88	147
6.5	The Share of Industry in the Business Sector, Selected Years	149
6.6	Destination of Derived Industrial Product by Final Uses, Selected Years	151

6.7	Structural Change: Advanced and Traditional Industries, 1965–88	153
6.8	Indicators of Industrial Development, 1965–88	154
6.9 (A)	Contribution of Final Uses to Derived Industrial Output, 1986–88	158
6.9	Main Indicators of Industry, 1980–88	160
6.10	Estimated Return to Capital, Capital/Product Ratios, and Returns to Capital, 1975–88	161
6.11	Real Labor Cost Per Day, Labor Productivity and Wages per Unit of Product, 1965–88	162
6.12	Real Wages and Product per Man-Day, by Sub-Branches of Industry, 1986–88	162
6.13	Credit and Financing Costs in Industry, 1986–88	163
6.14	Sources of Long-Term Finance of Industrial Investment, 1979–86	166

APPENDIX TABLES

6.A–1	Indicators of Agricultural Activity, 1979–88	167
6.A–2	Current Account of Agriculture, 1979–88	168
6.A–3	Agricultural Production, 1982–88	169
6.A–4	Subsidies to Agricultural Production, 1987–88	169
6.A–5	Agricultural Production for Direct Exports, 1982–88	170
6.A–6	Indicators of Construction, 1968–88	171
6.A–7	Output of Transport and Communications, 1985–88	172
6.A–8	Revenue from Maritime Freight Transport, 1985–88	173
6.A–9	Indicators of Activity in the Communications Industry, 1985–88	173
6.A–10	Indicators of Commerce and Services, 1982–88	174
6.A–11	Tourism to Israel, 1985–88	175
6.A–12	Relative Purchasing Power of Different Currencies in Selected Countries, 1987–88	176
6.A–13	Product, Production Factors and Productivity, 1981–1981–88	177
6.A–14	Revenue, Employment and Capital Intensity in I ndustry, by Branches, 1987	178
6.A–15	Returns to Production Factors in Industrial Sub-branches, Selected Years	179
6.A–16	Real Change in Product, Production Factors and Productivity, 1988	180

CHAPTER 7 THE BALANCE OF PAYMENTS

7.1	Balance of Payments Indicators, 1977–88	182
7.2	Sources of the Change in the Volume of Exports, 1976–88	187
7.3	Goods and Services Account, 1985–88	191
7.4	Relative Wholesale Prices, Israel and Trading Partners, 1985–89 I	196
7.5	The Balance of Payments with Judea-Samaria and Gaza, 1985–88	204
7.6	Unilateral Transfers, 1978–88	206
7.7	U.S. Government Aid, 1984–88	206
7.8	The Speculative Cycle, 1987–88	208
7.9	Private Sector Capital Imports by Components, 1987–88	211
7.10	Assets and Liabilities in Foreign Currency, 1984–88	215
7.11	Indicators of the Foreign Debt Burden, 1984–88	217

APPENDIX TABLES

7.A–1	Civilian Merchandise Imports by Economic Destination, 1985–88	220
7.A–2	Merchandise Exports, by Sector of Origin, 1985–88	221

7.A-3	Services Account, 1985-88	222
7.A-4	Balance of Payments of the Private and Public Sector, 1986-88	223
7.A-5	Industrial Exports by Main Branches, 1985-88	224
7.A-6	Merchandise Trade by Area of Origin and Destination, 1983-88	225
7.A-7	World Currency Cross Rates, 1986-88	225
7.A-8	Foreign Investment in Israel and Israeli Investment Abroad, 1982-88	226
7.A-9	Fuel and Commodity Prices, 1984-88	226

CHAPTER 8 MONEY AND CAPITAL MARKETS

8.1	The Monetary Aggregates, the Sources of Change in M3, and the Consumer Price Index, 1986-88	229
8.2	Real Actual Interest Rates on Various Types of Credit and the Public's Assets, 1986-88	230
8.3	Growth of M3, excl. Treasury Bills Held by the Public, 1982-88	232
8.4	Net Purchase of M3 (excl. Treasury Bills) and its Components, 1982-88	237
8.5	Monetary Policy Indicators, 1985-88	238
8.6	Domestic Deficit of the Public Sector (Government and the Bank of Israel) and its Financing, 1983-88	239
8.7	Potential and Actual Revenue from Money Creation, 1984-88	240
8.8	Velocity of Demand Deposits and Monetary Aggregates, 1960-88	241
8.9	Indicators of Real Interest Rates and Financial Margins, 1970-88	243

APPENDIX TABLES

8.A-1	Real Cost of Credit, 1985-88	251
8.A-2	Commercial Bank Credit to the Nonfinancial Private Sector, 1987-88	252
8.A-3	Medium- and Long-Term Credit to the Public, 1984-88	253
8.A-4	Estimated Wealth of the Private Nonfinancial Sector, 1981-88	254
8.A-5	Net Financial Wealth of the Public in Foreign Currency, 1982-88	255
8.A-6	Financial Assets of the Public, 1987-88	256
8.A-7	Main Share Market Indicators, 1986-88	258
8.A-8	Main Bond Market Indicators, 1986-88	259
8.A-9	Mutual Fund Operations, 1986-88	260
8.A-10	Monetary Indicators, 1983-88	261
8.A-11	Non-indexed Sheqel Assets of the Public, 1985-88	262
8.A-12	The Money Base, 1985-88	263
8.A-13	Linked Deposits of the Public in Banking Institutions and its Securities Holdings, 1985-88	264
8.A-14	Sources of Change in Nonindexed Local Currency Assets, 1985-88	265
8.A-15	Sources of Growth in Purchases of M3 (excl. Treasury Bills), 1982-88	266
8.A-16	Effective Monthly Interest Rates, 1987-March 1989	268
8.A-17	Credit to the Public from the Banking System, 1985-88	270
8.A-18	Local Currency Credit to the Government, 1985-88	271
8.A-19	"Demand and Supply" of Bank Reserves, November 1987-April 1989	272
8.A-20	Estimated Wealth of the Private Nonfinancial Sector, 1985-88	273
8.A-21	Securities Held by the Public, 1986-88	275
8.A-22	Security Issues and Net Borrowing from the Public, 1986-88	276
8.A-23	Real Overall Rate of Return on Listed Securities, 1985-88	277
8.A-24	Overall Rate of Return on Listed Shares (Ordinary and Preferred), 1985-88	278

	APPENDIX TABLES	
8.A-25	Market Value of Listed Shares and Convertible Securities, 1988	279
8.A-26	Real Net Yield to Maturity of CPI-indexed Bonds, 1987-88	279
8.A-27	Mean and Standard Deviation of Selected Rates of Return, 1986-88	280
CHAPTER 9	ACTIVITIES OF THE BANK OF ISRAEL	
9.1	Bank of Israel Interest Rates	283
9.2	Discount-Window Lending Quotas and Monetary Loan Auctions	285
9.3	Utilization and Lending Rates of Bank of Israel Monetary Loans	285
9.4	Reserve Requirements on Sheqel Deposits	286
9.5	Ceilings on Guarantees against Credit	288
9.6	Public Borrowing by Source and Form	289
9.7	Operations in Treasury Bills, 1986-88	290
9.8	Bank of Israel Open-Market Operations in Bonds, by Type of Bond, 1986-88	291
9.9	Income and Returns to Foreign Currency Reserves, 1985-88	296
	Bank of Israel Balance Sheet as at 31st December 1988	302
	Statement of Income and Expenses for the Year Ending December 31, 1988	303
	Statement of Changes in Assets and Liabilities for the Year Ending December 31, 1988, Total	304
	Statement of Changes in Assets and Liabilities for the Year Ending December 31, 1988, in Foreign Currency	305