May 28, 2024

Press Release

The Composite State of the Economy Index declined by 0.15 percent in April

The Composite State of the Economy Index declined by 0.15 percent in April—reflecting some slowdown in economic activity. This follows a number of months in which economic activity improved relative to the low point that was due to the start of the war.

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

Revisions to the index for previous months are partly due to the receipt of National Accounts data for the first quarter of 2024, which indicate growth from the low activity level that was experienced at the peak of the war. 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** |
| April |  | -0.15 |
| March | -0.05 | 0.18 |
| February | -0.05 | -0.03 |
| January 2024 | 0.75 | 0.68 |
| December | 0.31 | 0.44 |
| November | -0.76 | -0.93 |

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

(monthly percent change, unless otherwise noted)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **April** | **March** | **February** | **January 2024** |
| Industrial Production Index  (excluding mining and quarrying) |  | -0.4 | -2.6 | 2.7 |
| Services Revenue Index  (excluding education and public administration) |  | 0.5 | -3.7 | 9.0 |
| Retail Trade Revenue Index |  | 1.6 | -1.8 | 1.7 |
| Imports of consumption goods1 | -13.5 | 13.0 | 7.5 | 1.2 |
| Imports of production inputs  (excluding fuels)1 | -3.6 | 4.2 | 5.5 | 1.1 |
| Goods exports (excluding agriculture)1 | 2.1 | -0.8 | 3.7 | -1.7 |
| Services exports (excluding transportation)2 |  |  | -2.1 | 8.1 |
| Employee posts in the private sector |  |  | 0.3 | 0.2 |
| Job vacancy rate in the business sector3 | 4.4 | 4.3 | 4.1 | 4.2 |
| Credit card purchases5 | 1.7 | 1.5 | -2.4 | 3.5 |

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/>