

Introduction

Israel is located in the Middle East bordering the Mediterranean Sea. Neighboring countries include Egypt, Jordan, Lebanon, Syria, and the regions Gaza Strip and West Bank. Despite its small size, Israel is home to a variety of geographic features, from the Negev desert in the south, mountain ranges in the north, and the Jordan Rift Valley in the east. The government system is a parliamentary democracy; the chief of state is the president, and the head of government is the prime minister. Israel has an advanced market system in which the prices of goods and services are determined in a free price system.



Location: Western Asia

Capital City: Jerusalem (+2 GMT)

Chief of State: President Reuven Rivlin

Head of Govt.: Prime Minister Benjamin Netanyahu

Currency: Israeli Shekel (ILS)

Major Languages: Hebrew (official), Arabic (used officially for Arab minority), English (most commonly used foreign language)

Primary Religions: Jewish 74.8%, Muslim 17.6%, Christian 2%, Druze 1.6%, other 4%

Calling Code: 972

Voltage: 230

Key Websites

Main Government Page: gov.il

Commerce Ministry: economy.gov.il

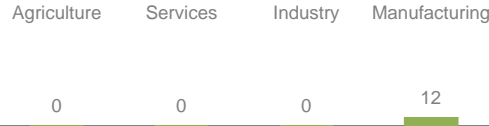
Export Promotion Agency: export.gov.il

Investment Promotion Agency: investinIsrael.gov.il

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$338.67 billion (2017)
GDP growth (annual %):	3.44% (2017)
GDP per capita, PPP (current international \$):	\$38,867.76 (2017)
Manufacturing, value added (% of GDP):	12.42% (2017)
Current account balance (BoP, current US\$):	\$9.97 billion (2017)
Inflation, consumer prices (annual %):	0.24% (2017)
Labor force, total:	4,093,627 (2018)
Unemployment, total (% of total labor force) (modeled ILO estimate):	3.95% (2018)
Imports of goods and services (current US\$):	\$97.37 billion (2017)
Exports of goods and services (current US\$):	\$103.29 billion (2017)

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	32 / 178
EY Globalization Index	15 / 60
Global Competitiveness Index	19 / 139
Global Enabling Trade Index	30 / 136
Global Services Location Index	55 / 55
Index of Economic Freedom	27 / 179
International Logistics Performance Index (LPI)	37 / 160
Inward FDI Potential Index	27 / 139
KOF Index of Globalization	38 / 185
Networked Readiness Index (NRI)	21 / 139

Risk Assessment (Provided by Coface)

Country rating: A2 - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is low on average.

Business Climate rating: A2 - The business environment is good. When available, corporate financial information is reliable. Debt collection is reasonably efficient. Institutions generally perform efficiently. Intercompany transactions usually run smoothly in the relatively stable environment rated A2.

Strengths

- Low inflation and interest rates, strong growth dynamics
- Highly skilled workforce attracting investments to strategic sectors (ICT, pharmaceuticals etc.)
- Favorable business environment
- Close political and economic relations with the United States
- Natural gas production since mid-2013 from significant offshore reserves

Weaknesses

- Dormant peace process with Palestine
- Fairly high public debt level
- Appreciation of shekel that may weigh on exports
- Growing regional instability, security risks

U.S. Embassy

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