



IMD WORLD  
COMPETITIVENESS  
CENTER

# COUNTRY PROFILE

# Israel



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# WORLD COMPETITIVENESS RANKING **2018**

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All data are available from the  
World Competitiveness Online.

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# ISRAEL

## OVERALL PERFORMANCE (63 countries)



## CHALLENGES IN 2018

- Maintaining growth.
- Reduce bureaucracy and regulation.
- Decrease the economic gaps.
- Acceleration public sector reforms.
- Improve export performance.

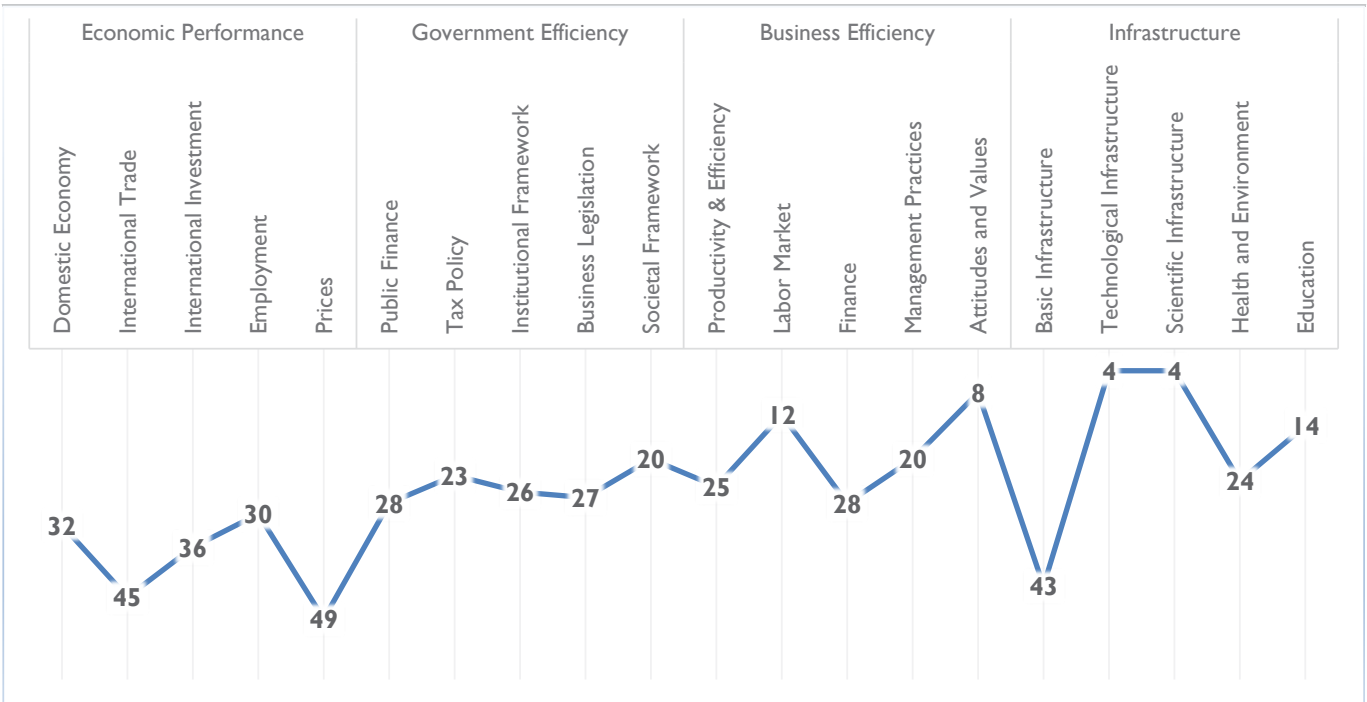
### Provided by:

Federation of Israeli Chambers of Commerce, Tel-Aviv

## BASIC FACTS

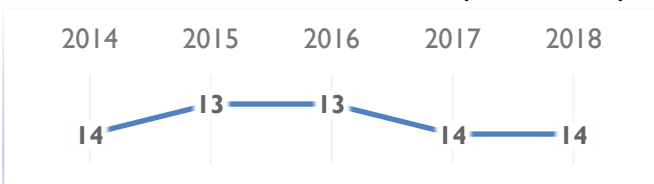
		Rank
Capital	Jerusalem	
Land area (square km '000)	22 <sup>2017</sup>	
Exchange Rate (per \$)	3.600 <sup>2017</sup>	
Population - market size (millions)	8.81 <sup>2017</sup>	42
Gross Domestic Product (GDP) (US\$ billions)	350.6 <sup>2017</sup>	30
GDP (PPP) per capita (US\$)	35,927 <sup>2017</sup>	30
Real GDP growth (%)	3.4 <sup>2017</sup>	24
Consumer price inflation (%)	0.24 <sup>2017</sup>	2
Unemployment rate (%)	4.24 <sup>2017</sup>	17
Labor force (millions)	3.99 <sup>2017</sup>	43
Current account balance (% of GDP)	3.01 <sup>2017</sup>	24
Direct investment stocks inward (\$bn)	112.7 <sup>2016</sup>	40
Direct investment flows inward (% of GDP)	5.41 <sup>2017</sup>	10

## COMPETITIVENESS LANDSCAPE



## PEER GROUPS RANKINGS

### EUROPE - MIDDLE EAST - AFRICA (40 countries)



### POPULATIONS < 20 MILLION (34 countries)



# ISRAEL

## ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2017	2018
Domestic Economy	21	32
International Trade	38	45
International Investment	28	36
Employment	28	30
Prices	46	49

## GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2017	2018
Public Finance	31	28
Tax Policy	24	23
Institutional Framework	23	26
Business Legislation	28	27
Societal Framework	20	20

## BUSINESS EFFICIENCY



Sub-Factor Rankings :	2017	2018
Productivity & Efficiency	21	25
Labor Market	22	12
Finance	29	28
Management Practices	26	20
Attitudes and Values	9	8

## INFRASTRUCTURE



Sub-Factor Rankings :	2017	2018
Basic Infrastructure	44	43
Technological Infrastructure	10	4
Scientific Infrastructure	4	4
Health and Environment	24	24
Education	28	14

# WORLD COMPETITIVENESS DIGITAL RANKING **2018**

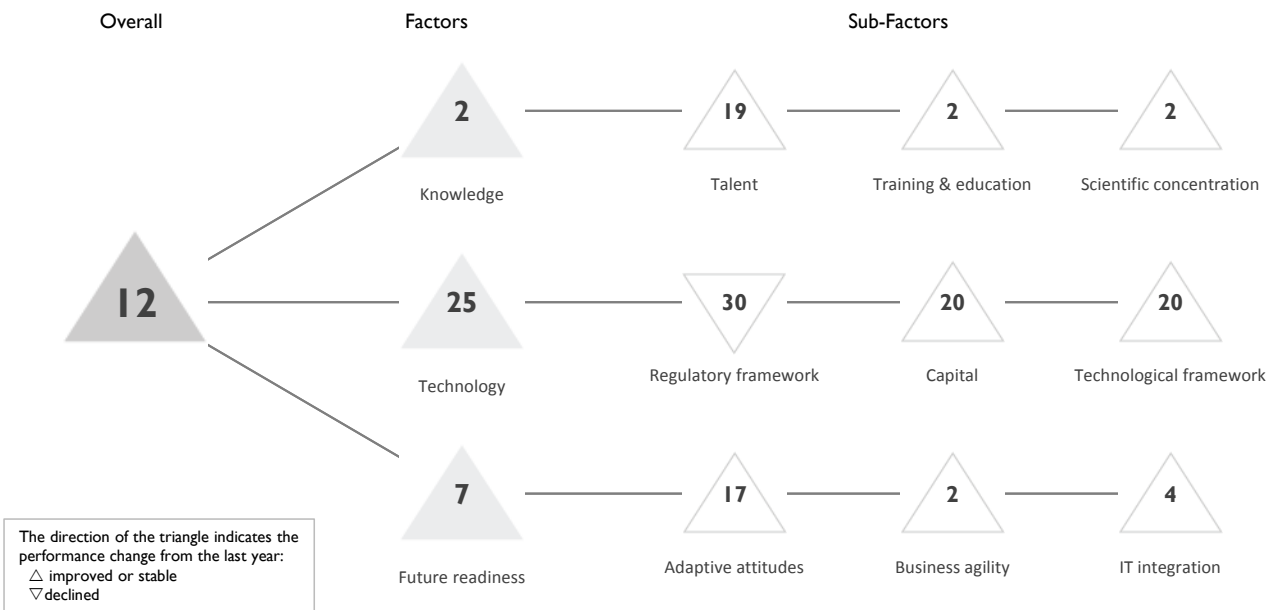
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# ISRAEL

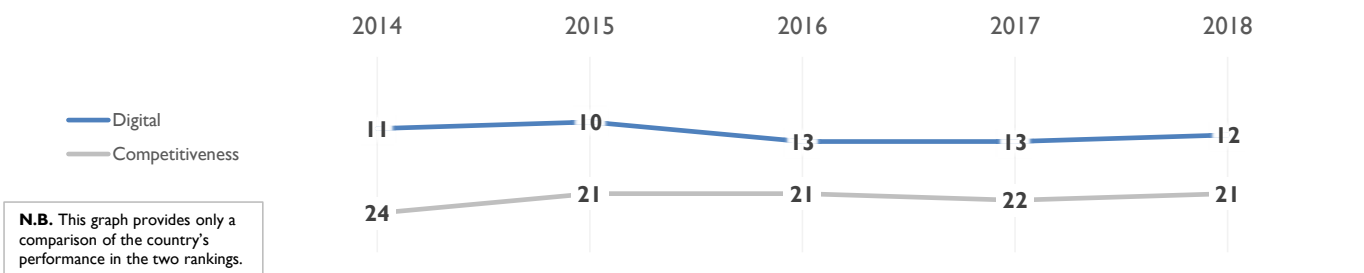
## OVERALL PERFORMANCE (63 countries)



### OVERALL & FACTORS - 5 years

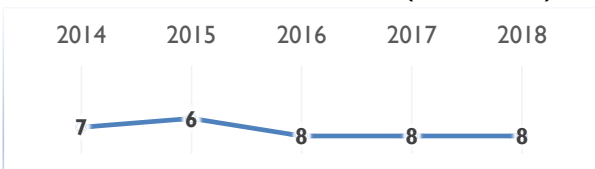
	2014	2015	2016	2017	2018
OVERALL	11	10	13	13	12
Knowledge	7	4	5	7	2
Technology	23	22	24	27	25
Future readiness	9	7	9	11	7

### COMPETITIVENESS & DIGITAL RANKINGS

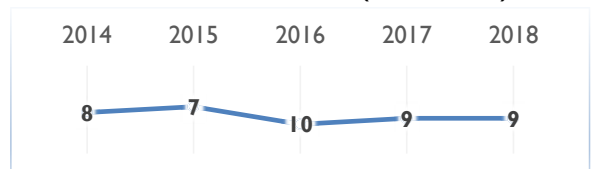


### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (40 countries)



#### POPULATIONS < 20 MILLION (34 countries)



- ▶ Overall top strengths
- ▷ Overall top weaknesses

## KNOWLEDGE

Subfactors	2014	2015	2016	2017	2018
Talent	26	25	23	21	19
Training & education	10	7	6	11	2
Scientific concentration	2	2	2	2	2

Talent	Rank
Educational assessment PISA - Math	36
International experience	12
Foreign highly-skilled personnel	35
Management of cities	24
▶ Digital/Technological skills	2
▷ Net flow of international students	43

Training & education	Rank
Employee training	24
Total public expenditure on education	6
Higher education achievement	19
Pupil-teacher ratio (tertiary education)	-
Graduates in Sciences	-
Women with degrees	6

Scientific concentration	Rank
▶ Total expenditure on R&D (%)	1
Total R&D personnel per capita	4
Female researchers	-
▷ R&D productivity by publication	52
Scientific and technical employment	8
High-tech patent grants	7

## TECHNOLOGY

Subfactors	2014	2015	2016	2017	2018
Regulatory framework	32	26	26	26	30
Capital	18	18	20	27	20
Technological framework	22	25	26	28	20

Regulatory framework	Rank
Starting a business	22
▷ Enforcing contracts	48
▷ Immigration laws	61
Development and app. of technology	7
Scientific research legislation	9
Intellectual property rights	17

Capital	Rank
IT & media stock market capitalization	20
Funding for technological development	3
Banking and financial services	14
Investment risk	29
Venture capital	6
▷ Investment in Telecommunications	59

Technological framework	Rank
Communications technology	11
Mobile Broadband subscribers	26
Wireless broadband	22
Internet users	34
Internet bandwidth speed	29
High-tech exports (%)	17

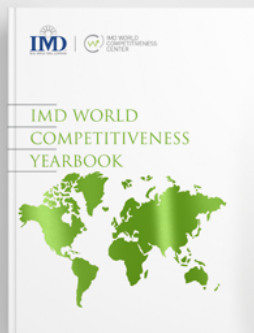
## FUTURE READINESS

Subfactors	2014	2015	2016	2017	2018
Adaptive attitudes	13	17	17	18	17
Business agility	12	11	11	9	2
IT integration	3	2	3	7	4

Adaptive attitudes	Rank
E-Participation	17
Internet retailing	23
Tablet possession	15
Smartphone possession	12
Attitudes toward globalization	12

Business agility	Rank
Opportunities and threats	5
Innovative firms	19
Agility of companies	6
▶ Use of big data and analytics	2
Knowledge transfer	5

IT integration	Rank
E-Government	20
▶ Public-private partnerships	2
▶ Cyber security	1
Software piracy	17



IMD is ranked **1<sup>st</sup>** in open programs  
worldwide – 7 years in a row.  
*Financial Times* 2012 – 2018

## Developing leaders Transforming organizations Impacting your future

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