

Weekly Commercial Media Report for the period 16-23 August 2024

A.Israel-Internal

Netanyahu and Smotrich retracted their intention to promote a full embargo on imports from Turkey

Prime Minister Binyamin Netanyahu and Finance Minister Bezalel Smotrich retracted their intention to promote a ban on imports from Turkey to the territories of the Palestinian Authority as well - that is, from imposing a full and comprehensive embargo on imports from Turkey. The decision was made given the background of the Treasury's understanding that the damage from the absolute ban on imports from Turkey is, as defined by a senior Treasury official, "absolute stupidity that hurts the Israeli economy much more than Turkey and the move must be prevented." This is because thousands of products and goods from Turkey that were allegedly intended for the territories of the Palestinian Authority actually arrived in Israel, despite the import boycott from Turkey.

<https://www.ynet.co.il/economy/article/sjmm6y2qc?tbref=hp>

The tax on imports will be extended - and the Solver plant that produces food for the private sector will not be closed

The Solver factory for the production of soybean oil and Press cake, which is used as animal feed, the only one left in Israel, was saved from the threat of closure. "Mammon" and Ynet learned that at the end of last week Finance Minister Bezalel Smotrich personally committed to MK Moshe Gafni, chairman of the Finance Committee - where the issue of the plant has been discussed in recent months - that the order to impose a protective tax of 4.65% per ton of Press cake would be extended imported.

<https://www.ynet.co.il/economy/article/hkssrwcqa?tbref=hp>

Israeli economy contracted in Q2

Israel's economy contracted in the second quarter of 2024, according to data released today by the Central Bureau of Statistics. The economy grew by 1.2% in the second quarter, on an annualized basis, reflecting negative GDP per capita growth of 0.4% on an annualized basis, when adjusted for population growth. The rise in GDP stemmed from government spending, which rose by 8.2% in the second quarter, while there was a 1.9% fall in business production.

<https://en.globes.co.il/en/article-israeli-economy-contracted-in-q2-1001486987>

Israeli universities retain top 100 status in Shanghai Ranking

The Weizmann Institute of Science in Rehovot has become the highest ranked Israeli university, leapfrogging the Hebrew University of Jerusalem. The Weizmann institute has risen 14 places from 83rd place to 69th place, while the Hebrew University has slipped from 77th place to 81st place. The Technion, Institute of Technology in Haifa fell slightly to 85th place from 83rd place last year.

<https://en.globes.co.il/en/article-israeli-universities-retain-top-100-status-in-shanghai-ranking-1001487030>

If only he makes a decision, the Minister of Economy can stop the surge in El Al's prices

For 10 months, El Al benefited from the security situation and the cancellations of flights by the foreign airlines that followed, which boosted its market share to almost half of the flight traffic so far in 2024. Along with the control, flight prices also climbed. Last month, an amendment to the Consumer Protection Law was approved that could put an end to the tyranny of the flying public, only that its implementation is in the hands of two: Economy Minister Nir Barkat - who has long promised to address the cost of living and under his watch prices are only soaring - and Finance Minister Bezalel Smotrich.

https://www.calcalist.co.il/local_news/article/rjiambwo0

Per capita growth negative in Q2

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<https://en.globes.co.il/en/article-per-capita-growth-negative-in-q2-1001486987>

The real risk premium? "According to the markets - we are similar to Romania and Paraguay"

Fitch recently lowered Israel's credit rating to A, thus joining S&P and Moody's. However, according to Israel's dollar-denominated bonds that are traded abroad - the markets are pricing an even lower rating. According to estimates, a ceasefire agreement will lead to cut the premiums within a few weeks.

<https://www.themarket-com.eu1.proxy.openathens.net/markets/2024-08-19/ty-article/.highlight/00000191-6681-d772-a9d5-6ebdd4e80000>

A sharp retreat in the shekel at the beginning of the foreign exchange week: the

After the weak GDP data published yesterday and the reports of the reduction of the chances of progress in the talks on a ceasefire: the dollar rises from the 3.683 representative set on Friday, the euro rises from the 4.047 representative; At the same time, the dollar loses ground in global markets - weakened by 0.8% in Japan, to 146.3 yen dollar jumps to 3.714 shekels, the euro to 4.112.

<https://www.calcalist.co.il/market/article/ry8wsmxm0>

Bol governor to PM: Get going on the budget

Governor of the Bank of Israel Amir Yaron has sent an extraordinary letter to Prime Minister Benjamin Netanyahu, calling on him to make progress on building the state budget for 2025. This is in the wake of the fact that the budget was not approved by the government as scheduled on August 15, and of reports that the government is considering passing a two-year budget. Yaron stresses the importance of advancing the budget with adjustments of NIS 30 billion for the year, and that the budget should be for a single year and not for two years.

<https://en.globes.co.il/en/article-boi-governor-to-pm-get-going-on-the-budget-1001487241>

JPMorgan cuts Israel's 2024 growth forecast

Under the headline, "Israel: an unsuccessful combination of growth data and inflation," US investment bank JPMorgan has issued a revised forecast for the Israeli economy, referring to the range of negative macroeconomic data that have been published recently including 1.2%

GDP growth in the second quarter on an annualized basis, and the rise in the annual inflation rate to 3.2% - the highest rate since November.

<https://en.globes.co.il/en/article-jpmorgan-cuts-israels-2024-gdp-growth-forecast-1001487266>

Housing prices in Israel up 6% since November

The number of housing deals in Israel in the second quarter of 2024 was 78% higher than in the final quarter of 2023 after the outbreak of the war, the Central Bureau of Statistics reports. Notably the number of deals in Tel Aviv was 145% higher between April and June 2024 compared with the final three months of 2023. The number of deals was 109% higher in Petah Tikva and 70% higher in Ashkelon, Ramat Gan and Beersheva. In Haifa the number of deals was 56% higher.

<https://en.globes.co.il/en/article-housing-prices-in-israel-up-6-since-november-1001487140>

Unemployment in Israel dips to new low

The unemployment rate in Israel in July fell to 2.8%, the Central Bureau of Statistics reports, down from 3.1% in June. This is a particularly low rate that has not been seen for many years. Unemployment last November, after seasonal adjustment, and the mass mobilization of army reservists at the start of the war, was initially set at 2.8% but subsequent revised figures raised it to 3%.

<https://en.globes.co.il/en/article-unemployment-in-israel-dips-to-new-low-1001487158>

The trade sector showed an increase in the number of employed in the first half of the year 2024

The employment index of the Association of Chambers of Commerce found that in the first half of 2024 the business sector decreased by approximately 30,000 employed and the public sector added 68,000 employed. The trade branch is the only branch in the business sector that showed an increase in the number of employees in the first half of 2024.

<https://www.maariv.co.il/breaking-news/Article-1126019>

Fall in exports worries Israeli manufacturers

The Manufacturers Association of Israel is concerned about the figures published earlier this week by the Central Bureau of Statistics, which showed negative per capita growth of 0.4% in the second quarter, when GDP grew by 1.2% on an annualized basis.

There was a 1.9% fall in business production in the second quarter compared with the first quarter and by nearly 5% from the corresponding quarter of last year. In addition exports of goods and services fell by more than 7% on an annualized basis.

<https://en.globes.co.il/en/article-fall-in-exports-worries-israeli-manufacturers-1001487304>

B.Israel-Multilateral

Landa's lab-grown diamonds co LUSIX seeks debt settlement

Benny Landa's lab-grown diamonds (LGD) producer LUSIX is expected to request a debt arrangement after it failed to raise money from existing investors led by LVMH (Louis Vuitton Moet Hennessey) Luxury Ventures, as well as Israeli investors More Provident and Pension Funds, Maverick Ventures and Gabi Dishi's Ragnar Crossover Fund and its partner Alpha Investments.

The company has been hit by the drastic fall in prices of lab-grown diamonds on the free market, due to huge investments in it in India, which has made production in Israel unprofitable. Since India flooded the market with lab-grown diamonds, prices have fallen by more than 90%.

<https://en.globes.co.il/en/article-landas-lab-grown-diamonds-co-lusix-seeks-debt-settlement-1001486997>

The wave of cutbacks at General Motors is also hitting Israel: dozens will be laid off from the center in Herzliya

The automobile giant General Motors will lay off 1,000 employees worldwide, including dozens of employees in Israel. General Motors teams in Herzliya are engaged in the development of software and driver assistance systems, dozens of them are also expected to be laid off.

<https://www.themarker.com/technation/2024-08-20/ty-article/00000191-6e40-d8c7-a3d7-7ed304bd0000>

ZIM jumps sharply after raising guidance

Houthi attacks and rising demand allowed the Israeli company to beat forecasts and ship a record number of containers in the second quarter. The Israeli shipping company reported revenue of \$1.9 billion in the second quarter of 2024, up 47.6% from the corresponding quarter of 2023. Revenue in the first half of the year was \$3.5 billion, up 30.2% from the first half of 2023. The average price of a container rose 40% in the second quarter to \$1,674. At the same time, the amount shipped by ZIM rose by 10.7% in the quarter to 952,000 containers.

<https://en.globes.co.il/en/article-zim-umps-sharply-after-raising-guidance-1001487123>

Johnson & Johnson buys Israeli co V-Wave for up to \$1.7b

Healthcare giant Johnson & Johnson (NYSE: JNJ) today announced that it has entered into a definitive agreement to acquire Israeli company V-Wave, which has developed an innovative treatment for patients with heart failure. Johnson & Johnson will make an upfront payment of \$600 million, with the potential for additional regulatory and commercial milestone payments that could increase the deal to \$1.7 billion. V-Wave will join Johnson & Johnson as part of Johnson & Johnson MedTech. The deal is due to be closed by the end of 2024.

<https://en.globes.co.il/en/article-johnson-johnson-buys-israeli-co-vwave-for-up-to-11b-1001487184>

The Ministry of Communications announced: You will soon pay less for PlayStation 5 and baby cameras

The Ministry of Communications announced today (Tuesday) significant easements in the import of communications equipment, with the aim of increasing competition in the market and lowering the cost of living. As a first step, a full exemption will be given, for commercial and personal imports, to 5 items of wireless equipment: a home or office video projector, a game console, a wireless charger and a cochlear implant device to improve hearing. The first three products will receive an exemption due to European standardization (CE) and the cochlear

implant device will receive a blanket commercial exemption. In addition, a baby sensor with a camera (Baby Sense/Monitor) will be exempted from personal importation.

<https://tech.walla.co.il/item/3685835>

In Europe, the pressure to stop supplying weapons to Israel is increasing, and Denmark in particular is not backing down

Pro-Palestinian associations and human rights organizations submitted petitions against Denmark and Britain's arms aid to Israel. While in Britain the issue is being considered, Denmark maintains a pro-Israeli line. The country's foreign minister made it clear: the courts "have no mandate" to determine whether exports are a legitimate government activity.

<https://www.globes.co.il/news/article.aspx?did=1001487187>

C. Tenders

Company	Contact	Description	Submission Date
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Israel Electric Company	Danny Ashkenazy +972 723437659 danny.ashkenazy@iec.co.il	Supply of Suspension Clamps for ACSR and AAAC conductors, overhead transmission lines, 161 kV and 400 kV https://ieccontent.iec.co.il/media/tq1g0gq0/invitation-purchase-of-goods-and-or-services-103803470.pdf	18.09.2024