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2.1: Country/Economy Profiles

Israel

Key indicators, 2013

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (millions)</td>
<td>7.9</td>
</tr>
<tr>
<td>GDP (US$ billions)</td>
<td>291.5</td>
</tr>
<tr>
<td>GDP per capita (US$)</td>
<td>37,035</td>
</tr>
<tr>
<td>GDP (PPP) as share (%) of world total</td>
<td>0.32</td>
</tr>
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</table>

Global Competitiveness Index

<table>
<thead>
<tr>
<th>Factor</th>
<th>Rank (out of 144)</th>
<th>Score (1–7)</th>
</tr>
</thead>
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<tr>
<td>GCI 2014–2015</td>
<td>27</td>
<td>4.9</td>
</tr>
<tr>
<td>GCI 2013–2014 (out of 148)</td>
<td>27</td>
<td>4.9</td>
</tr>
<tr>
<td>GCI 2012–2013 (out of 144)</td>
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<td>5.0</td>
</tr>
<tr>
<td>GCI 2011–2012 (out of 142)</td>
<td>22</td>
<td>5.1</td>
</tr>
<tr>
<td>Basic requirements (20.0%)</td>
<td>36</td>
<td>5.1</td>
</tr>
<tr>
<td>Institutions</td>
<td>43</td>
<td>4.3</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>34</td>
<td>5.0</td>
</tr>
<tr>
<td>Macroeconomic environment</td>
<td>50</td>
<td>5.1</td>
</tr>
<tr>
<td>Health and primary education</td>
<td>44</td>
<td>6.1</td>
</tr>
<tr>
<td>Efficiency enhancers (50.0%)</td>
<td>26</td>
<td>5.0</td>
</tr>
<tr>
<td>Higher education and training</td>
<td>36</td>
<td>5.0</td>
</tr>
<tr>
<td>Goods market efficiency</td>
<td>79</td>
<td>4.2</td>
</tr>
<tr>
<td>Labor market efficiency</td>
<td>59</td>
<td>4.3</td>
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<tr>
<td>Financial market development</td>
<td>20</td>
<td>4.9</td>
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<tr>
<td>Technological readiness</td>
<td>15</td>
<td>5.8</td>
</tr>
<tr>
<td>Market size</td>
<td>48</td>
<td>4.4</td>
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<tr>
<td>Innovation and sophistication factors (30.0%)</td>
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<td>Business sophistication</td>
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<td>Innovation</td>
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<td>5.6</td>
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The most problematic factors for doing business

<table>
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<tr>
<th>Factor</th>
<th>Percent of responses</th>
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<tr>
<td>Inefficient government bureaucracy</td>
<td>22.1</td>
</tr>
<tr>
<td>Tax rates</td>
<td>10.4</td>
</tr>
<tr>
<td>Policy instability</td>
<td>9.9</td>
</tr>
<tr>
<td>Inadequate supply of infrastructure</td>
<td>9.7</td>
</tr>
<tr>
<td>Access to financing</td>
<td>8.1</td>
</tr>
<tr>
<td>Corruption</td>
<td>7.6</td>
</tr>
<tr>
<td>Tax regulations</td>
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</tr>
<tr>
<td>Restrictive labor regulations</td>
<td>7.4</td>
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<tr>
<td>Poor work ethic in national labor force</td>
<td>6.9</td>
</tr>
<tr>
<td>Inadequately educated workforce</td>
<td>5.5</td>
</tr>
<tr>
<td>Insufficient capacity to innovate</td>
<td>4.9</td>
</tr>
<tr>
<td>Foreign currency regulations</td>
<td>4.9</td>
</tr>
<tr>
<td>Government instability/coups</td>
<td>4.9</td>
</tr>
<tr>
<td>Crime and theft</td>
<td>1.2</td>
</tr>
<tr>
<td>Inflation</td>
<td>0.0</td>
</tr>
<tr>
<td>Poor public health</td>
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</table>

Note: From the list of factors above, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.
The Global Competitiveness Index in detail

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>VALUE</th>
<th>RANK/144</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st pillar: Institutions</td>
<td></td>
<td></td>
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<tr>
<td>1.01 Property rights</td>
<td>4.8</td>
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<tr>
<td>1.02 Intellectual property protection</td>
<td>4.6</td>
<td>33</td>
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<tr>
<td>1.03 Diversion of public funds</td>
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<td>39</td>
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<tr>
<td>1.04 Public trust in politicians</td>
<td>2.8</td>
<td>81</td>
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<tr>
<td>1.05 Irregular payments and bribes</td>
<td>5.1</td>
<td>33</td>
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<tr>
<td>1.06 Judicial independence</td>
<td>5.8</td>
<td>16</td>
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<tr>
<td>1.07 Favoritism in decisions of government officials</td>
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<tr>
<td>1.08 Unfairness of government spending</td>
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<td>1.09 Burden of government regulation</td>
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<tr>
<td>1.10 Efficiency of legal framework in settling disputes</td>
<td>4.1</td>
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<tr>
<td>1.11 Efficiency of legal framework in challenging rulings</td>
<td>4.0</td>
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<tr>
<td>1.12 Transparency of government policymaking</td>
<td>4.0</td>
<td>63</td>
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<tr>
<td>1.13 Business costs of terrorism</td>
<td>3.4</td>
<td>132</td>
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<tr>
<td>1.14 Business costs of crime and violence</td>
<td>4.8</td>
<td>49</td>
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<tr>
<td>1.15 Organized crime</td>
<td>4.7</td>
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<td>1.16 Reliability of police services</td>
<td>4.1</td>
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<tr>
<td>1.17 Ethical behavior of firms</td>
<td>4.4</td>
<td>43</td>
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<tr>
<td>1.18 Strength of auditing and reporting standards</td>
<td>5.5</td>
<td>31</td>
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<tr>
<td>1.19 Efficacy of corporate boards</td>
<td>4.3</td>
<td>89</td>
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<tr>
<td>1.20 Protection of minority shareholders’ interests</td>
<td>4.5</td>
<td>56</td>
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<tr>
<td>1.21 Strength of investor protection, 0-10 (best)</td>
<td>8.3</td>
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<tr>
<td>2nd pillar: Infrastructure</td>
<td></td>
<td></td>
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<tr>
<td>2.01 Quality of overall infrastructure</td>
<td>4.4</td>
<td>63</td>
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<tr>
<td>2.02 Quality of roads</td>
<td>4.7</td>
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<tr>
<td>2.03 Quality of railroad infrastructure</td>
<td>4.8</td>
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<td>2.04 Quality of port infrastructure</td>
<td>3.8</td>
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<td>2.05 Quality of air transport infrastructure</td>
<td>4.9</td>
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<tr>
<td>2.06 Available airline seat km/week, millions*</td>
<td>538.4</td>
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<td>2.07 Quality of electricity supply</td>
<td>5.9</td>
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<tr>
<td>2.08 Mobile telephone subscriptions/100 pop.*</td>
<td>122.8</td>
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<td>2.09 Fixed telephone lines/100 pop.*</td>
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<td>3rd pillar: Macroeconomic environment</td>
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<td>3.01 Government budget balance, % GDP*</td>
<td>–3.2</td>
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<td>3.02 Gross national savings, % GDP*</td>
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<td>3.03 Inflation, annual % change*</td>
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<td>3.05 Country credit rating, 0-100 (best)*</td>
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<td>4th pillar: Health and primary education</td>
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<td>4.01 Malaria cases/100,000 pop.*</td>
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<td>4.05 HIV prevalence, % adult pop.*</td>
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<td>4.06 Business impact of HIV/AIDS</td>
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<tr>
<td>4.07 Infant mortality, deaths/1,000 live births*</td>
<td>3.3</td>
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<td>4.08 Life expectancy, years*</td>
<td>81.7</td>
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<tr>
<td>4.10 Primary education enrollment, net %*</td>
<td>96.7</td>
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<td>5th pillar: Higher education and training</td>
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<td>5.01 Secondary education enrollment, gross %*</td>
<td>101.7</td>
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<td>5.02 Tertiary education enrollment, gross %*</td>
<td>65.8</td>
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<td>5.03 Quality of the education system</td>
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<td>5.04 Quality of math and science education</td>
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<td>5.05 Quality of management schools</td>
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<td>5.06 Internet access in schools</td>
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<td>5.07 Availability of research and training services</td>
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<td>5.08 Extent of staff training</td>
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<td>6.01 Intensity of local competition</td>
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<td>6.02 Extent of market dominance</td>
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<td>6.03 Effectiveness of anti-monopoly policy</td>
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<td>6.04 Effect of taxation on incentives to invest</td>
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<td>6.05 Total tax rate, % profits*</td>
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<td>6th pillar: Goods market efficiency (cont’d.)</td>
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<td>6.06 No. procedures to start a business*</td>
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<td>6.07 No. days to start a business*</td>
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<td>6.09 Prevalence of trade barriers</td>
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<td>6.10 Trade tariffs, % duty*</td>
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<td>6.11 Prevalence of foreign ownership</td>
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<tr>
<td>6.13 Burden of customs procedures</td>
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<tr>
<td>6.14 Imports as a percentage of GDP*</td>
<td>32.5</td>
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<td>6.15 Degree of customer orientation</td>
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<td>7.01 Cooperation in labor-employer relations</td>
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<td>7.09 Country capacity to attract talent</td>
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<td>7.10 Women in labor force, ratio to men*</td>
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<td>8th pillar: Financial market development</td>
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<tr>
<td>8.02 Affordability of financial services</td>
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<td>8.03 Financing through local equity market</td>
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<td>8.04 Ease of access to loans</td>
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<td>8.05 Venture capital availability</td>
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<td>8.06 Soundness of banks</td>
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<td>8.08 Legal rights index, 0-10 (best)*</td>
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<td>9.01 Availability of latest technologies</td>
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<td>9.02 Firm-level technology absorption</td>
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<td>9.04 Individuals using Internet, %*</td>
<td>70.8</td>
<td>37</td>
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<tr>
<td>9.05 Fixed broadband Internet subscriptions/100 pop.*</td>
<td>25.7</td>
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<tr>
<td>9.06 Int’l Internet bandwidth, kb/s per user*</td>
<td>100.5</td>
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<tr>
<td>9.07 Mobile broadband subscriptions/100 pop.*</td>
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<td>10.03 GDP (PPP$ billions)*</td>
<td>273.7</td>
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<tr>
<td>10.04 Exports as a percentage of GDP*</td>
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<td>11.01 Local supplier quantity</td>
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<td>11.03 State of cluster development</td>
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<td>11.04 Nature of competitive advantage</td>
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<td>11.05 Value chain breadth</td>
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<td>11.06 Control of international distribution</td>
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<td>11.07 Production process sophistication</td>
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<td>11.08 Extent of marketing</td>
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<td>11.09 Willingness to delegate authority</td>
<td>4.2</td>
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<td>12th pillar: Innovation</td>
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<tr>
<td>12.01 Capacity for innovation</td>
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<tr>
<td>12.02 Quality of scientific research institutions</td>
<td>6.3</td>
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<tr>
<td>12.03 Company spending on R&amp;D</td>
<td>4.5</td>
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<tr>
<td>12.04 University-industry collaboration in R&amp;D</td>
<td>5.5</td>
<td>7</td>
</tr>
<tr>
<td>12.05 Gov’t procurement of advanced tech products</td>
<td>4.3</td>
<td>9</td>
</tr>
<tr>
<td>12.06 Availability of scientists and engineers</td>
<td>5.2</td>
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</tr>
<tr>
<td>12.07 PCT patents, applications/million pop.*</td>
<td>230.0</td>
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</tbody>
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Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*). For further details and explanation, please refer to the section “How to Read the Country/Economy Profiles” on page 101.