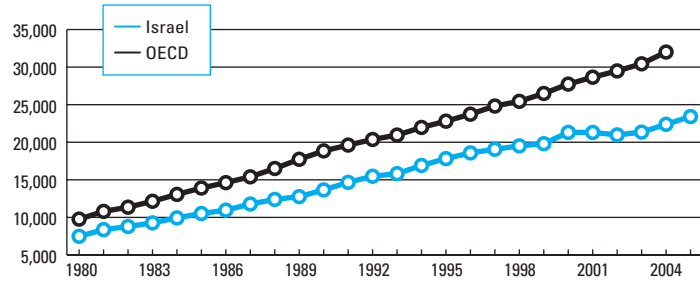


Israel

Key Indicators

Total population (millions), 2005.....	6.7
GDP (US\$ billions), 2005.....	123.5
GDP (PPP) as share of world total, 2005.....	0.26
GDP (PPP) per capita (US\$), 2005.....	23,416

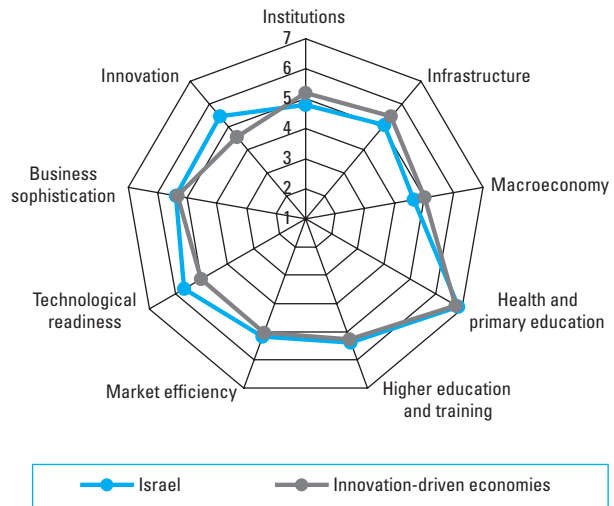
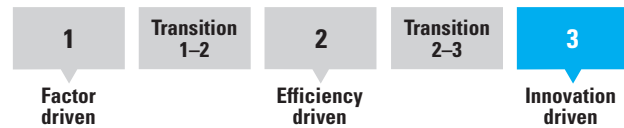
GDP (PPP) per capita (US\$), 1980–2005



Global Competitiveness Index

	Rank (out of 125 countries/economies)	Score (out of 7)
2006–07	15	5.4
2005–06 (out of 117 countries).....	23	5.2
Basic Requirements	29	5.3
1st pillar: Institutions.....	29	4.8
2nd pillar: Infrastructure	24	5.1
3rd pillar: Macroeconomy.....	50	4.7
4th pillar: Health and primary education.....	17	6.9
Efficiency Enhancers	12	5.4
5th pillar: Higher education and training.....	20	5.4
6th pillar: Market efficiency.....	14	5.2
7th pillar: Technological readiness	3	5.6
Innovation Factors	8	5.4
8th pillar: Business sophistication.....	17	5.4
9th pillar: Innovation	7	5.4

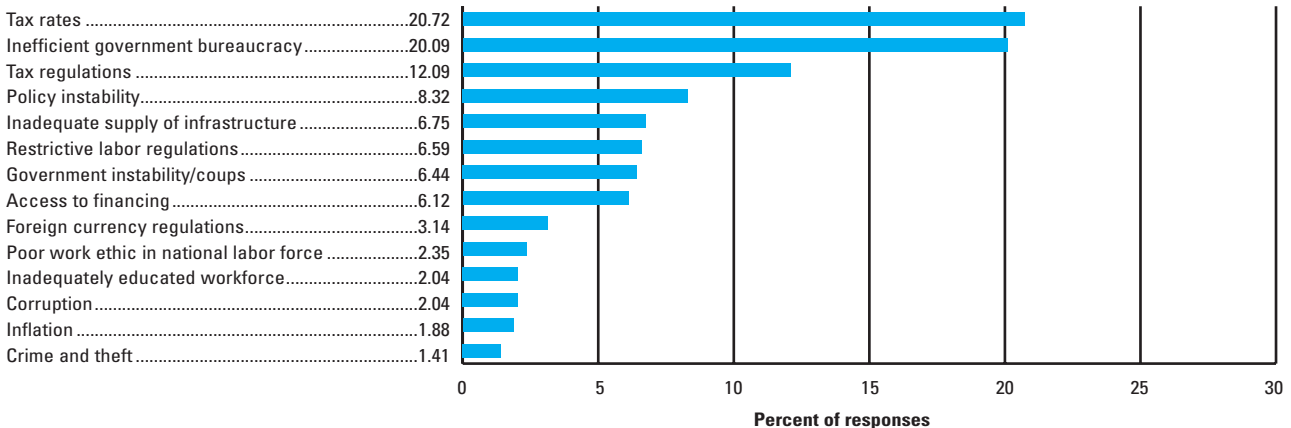
Stage of development



Business Competitiveness Index

	Rank (out of 121 countries/economies)
Business Competitiveness Index	19
Sophistication of company operations and strategy.....	15
Quality of the national business environment.....	19

The Most Problematic Factors for Doing Business



Note: From a list of 14 factors, respondents were asked to select the five most problematic for doing business in their country/economy and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

National competitiveness balance sheet

NOTABLE COMPETITIVE ADVANTAGES		Rank/125	NOTABLE COMPETITIVE DISADVANTAGES		Rank/125
1st pillar: Institutions					
1.04	Judicial independence.....	3	1.08	Business costs of terrorism	121
<hr/>					
3rd pillar: Macroeconomy					
3.06	Real effective exchange rate (hard data)	10	1.09	Reliability of police services	42
<hr/>					
5th pillar: Higher education and training					
5.06	Local availability of research and training services	10	1.05	Favoritism in decisions of government officials.....	38
5.05	Quality of management schools	14	1.11	Organized crime	38
<hr/>					
6th pillar: Market efficiency					
6.21	Venture capital availability	2	1.10	Business costs of crime and violence	36
6.04	Number of procedures to start business (hard data)	10	1.03	Public trust of politicians	33
<hr/>					
7th pillar: Technological readiness					
7.01	Technological readiness	4	1.02	Diversion of public funds	32
7.02	Firm-level technology absorption	4	1.14	Protection of minority shareholders' interests.....	30
7.07	Personal computers (hard data)	4	1.13	Efficacy of corporate boards	29
7.05	Cellular telephones (hard data).....	6	1.06	Wastefulness of government spending	28
<hr/>					
8th pillar: Business sophistication					
8.05	Control of international distribution.....	12	1.12	Ethical behavior of firms	26
8.07	Nature of competitive advantage.....	12	1.07	Burden of government compliance.....	23
<hr/>					
9th pillar: Innovation					
9.05	Availability of scientists and engineers	1	2nd pillar: Infrastructure		
9.01	Quality of scientific research institutions	4	2.01	Overall infrastructure quality	23
9.06	Utility patents (hard data)	5	<hr/>		
9.03	University/industry research collaboration	6	3rd pillar: Macroeconomy		
9.02	Company spending on research and development	7	3.05	Government debt (hard data)	99
9.08	Capacity for innovation.....	8	3.01	Government surplus/deficit (hard data).....	71
9.04	Government procurement of technology products.....	11	3.04	Interest rate spread (hard data).....	27
<hr/>					
5th pillar: Higher education and training					
<hr/>					
6th pillar: Market efficiency					
6.13	Flexibility of wage determination	65	5.07	Extent of staff training	23
6.03	Extent and effect of taxation.....	58	<hr/>		
6.05	Time required to start a business (hard data).....	50	7th pillar: Technological readiness		
6.12	Hiring and firing practices	35	7.06	Internet users (hard data)	25
6.14	Cooperation in labor-employer relations.....	33	<hr/>		
6.22	Soundness of banks.....	26	8th pillar: Business sophistication		
<hr/>					
8th pillar: Business sophistication					
8.01	Local supplier quantity	34			