



State of Israel
Ministry of Industry Trade & Labor
Research & Economics Administration

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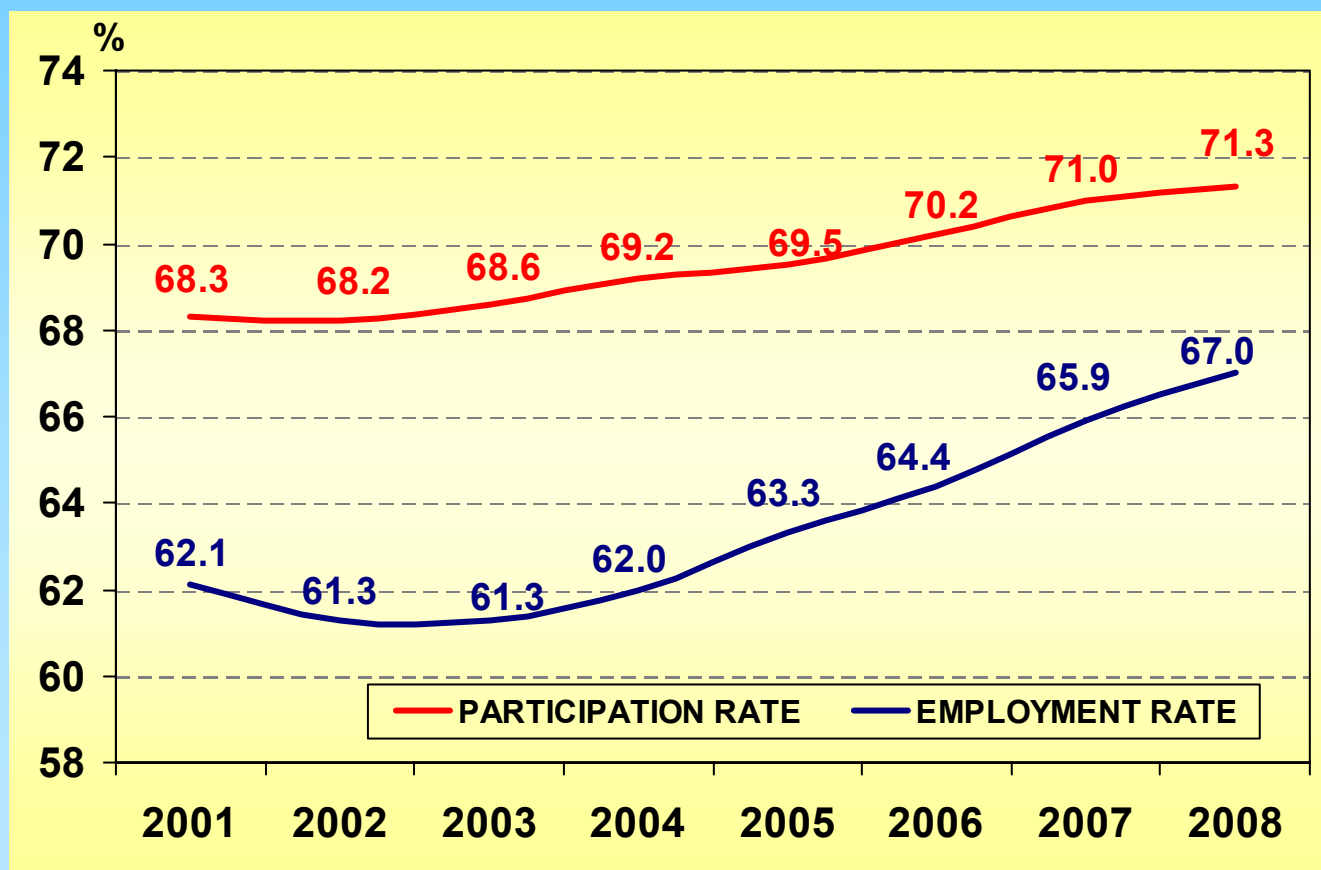
MINISTRY'S PREPARATION IN WAKE OF POTENTIAL CRISIS IN LABOR MARKET : CURRENT STATUS AND PROGRAMS

PRESENTATION TO OECD DELEGATION

21st April 2009, Jerusalem



1. Rate of participation and employment for population of 18-67 yr, 2001-2008



SOURCE: Labour force survey, C.B.S and adaptations by Economics & Research Administration, M.O.I.T.A.L



2. SELECTED EMPLOYMENT DATA FOR SPECIAL SECTORS, 2007

	EMPLOYMENT	PARTICIPATION	UNEMPLOYMENT
	RATE	RATE	RATE
TOTAL	65.9	71.0	7.1
JEWISH	70.9	76.0	6.6
ARAB WOMENS	20.4	23.9	14.8
ULTRA-ORTHODOX MEN ¹⁾	44.2	47.6	7.7
SINGLE PARENTS FAMILIES ²⁾	49.3	62.0	20.5
HANDICAPPED PEOPLE	33.0	41.7	20.9

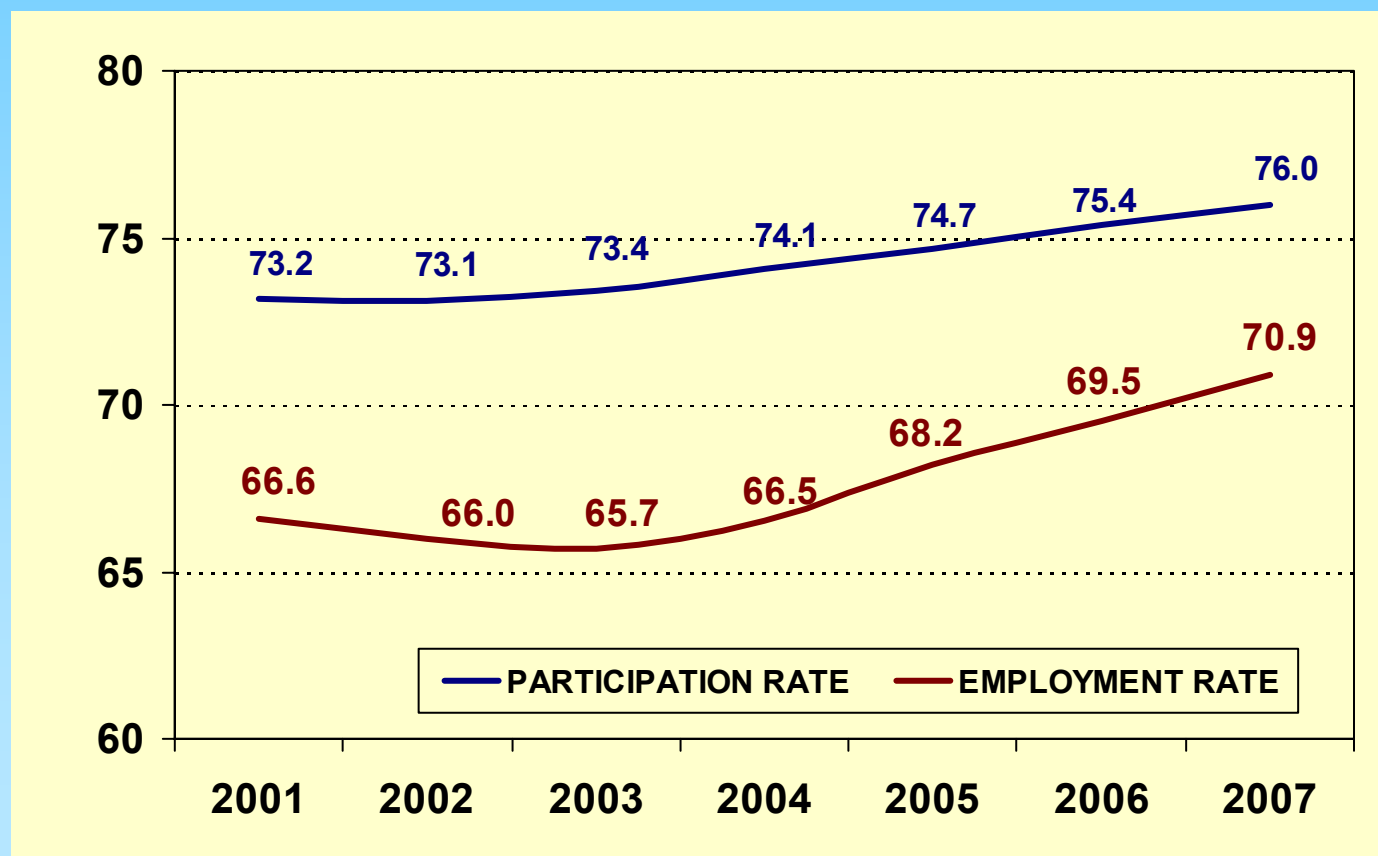
1) AGE 20-64 Based on Social Survey

2) Definition according to Labour Survey

SOURCE: Economics & Research Administration, M.O.I.T.A.L



3. EMPLOYMENT RATES, JEWISH POPULATION, 2001 - 2007





4. Rate of participation and employment – International Comparison, 2006

	EMPLOYMENT RATE	PARTICIPATION RATE
ISRAEL	64.4	70.2
JEWISH ¹⁾	69.9	75.9
OECD ²⁾	66.7	71.0
G7 ²⁾	69.3	73.5

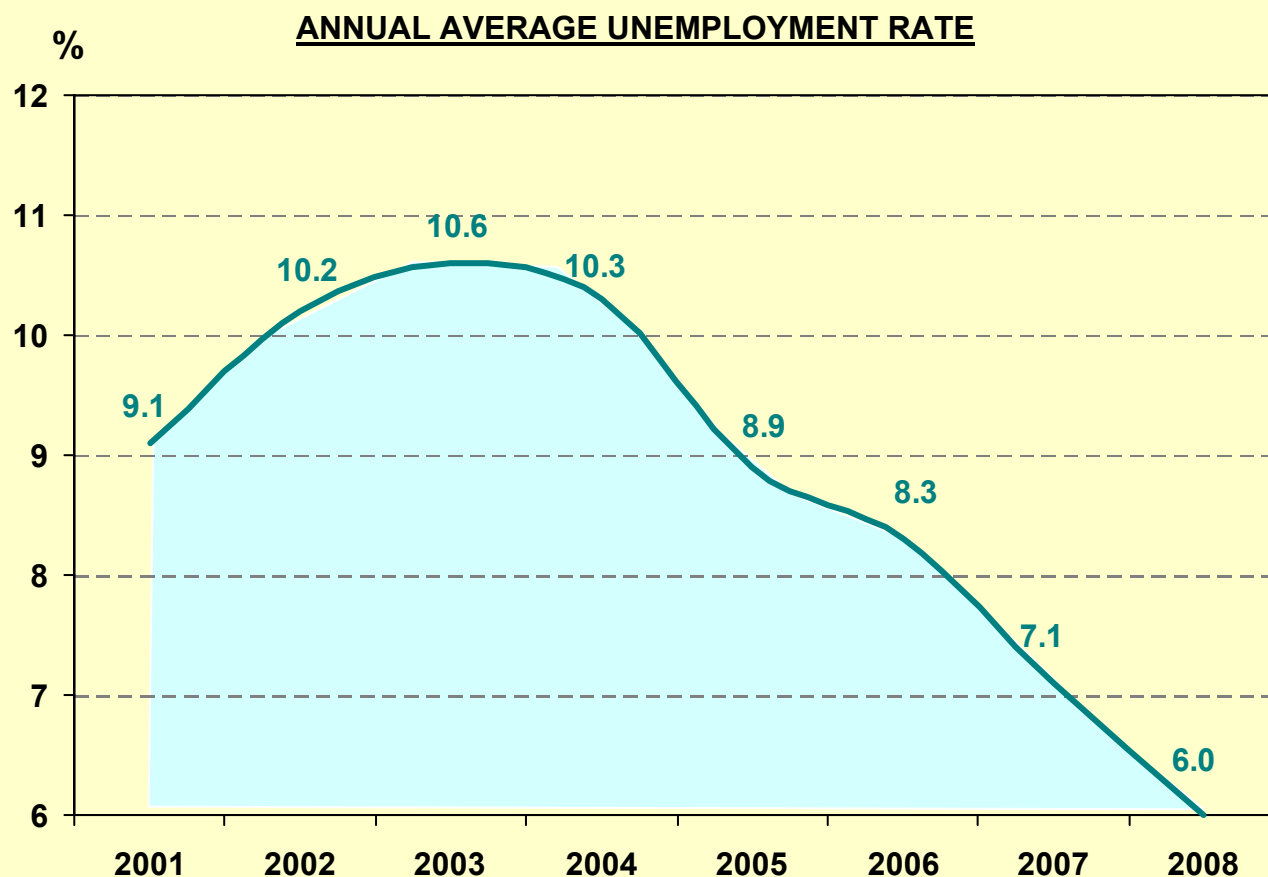
1) Excluding Ultra-orthodox and Arab sector

2) Figures refer to 2006

SOURCE: Labour Force Survey, C.B.S and Adaptations by Economics & Research Administration, M.O.I.T.A.L



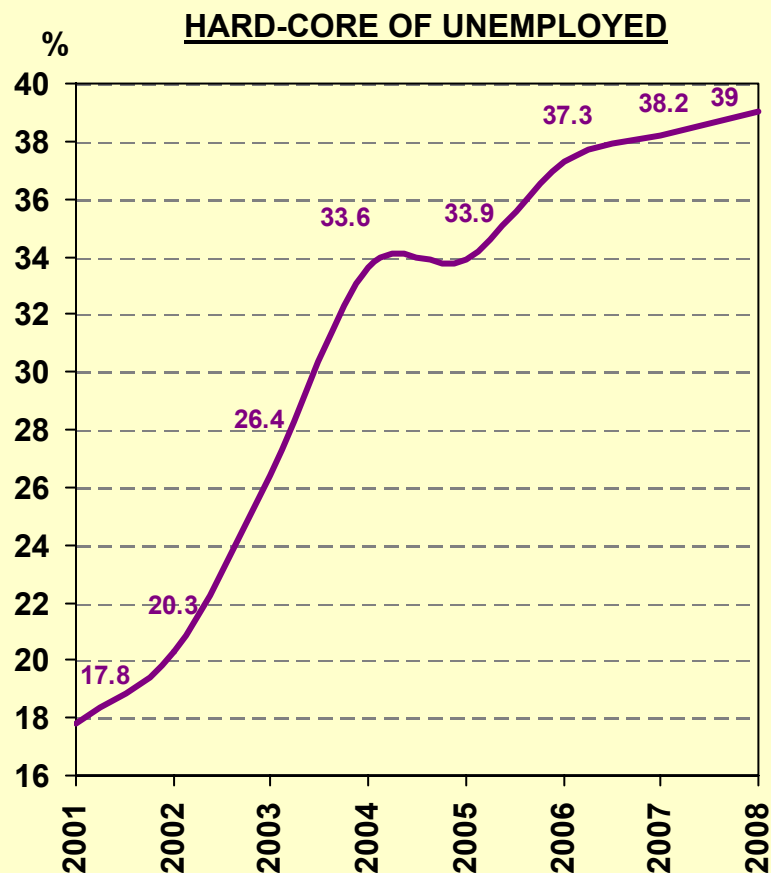
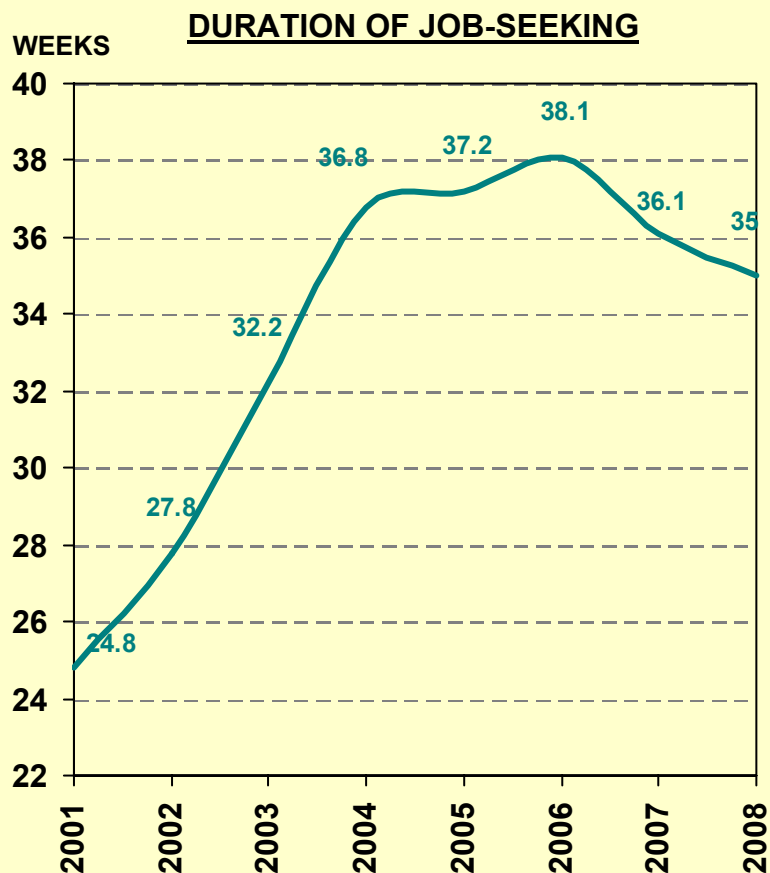
5. UNEMPLOYMENT RATE FOR POPULATION 18-67 YR, 2001-2008



SOURCE: Labour force survey, C.B.S and adaptations by Economics & Research Administration, M.O.I.T.A.L



6. DURATION OF JOB-SEEKING AND HARD-CORE UNEMPLOYED, 2001-2007

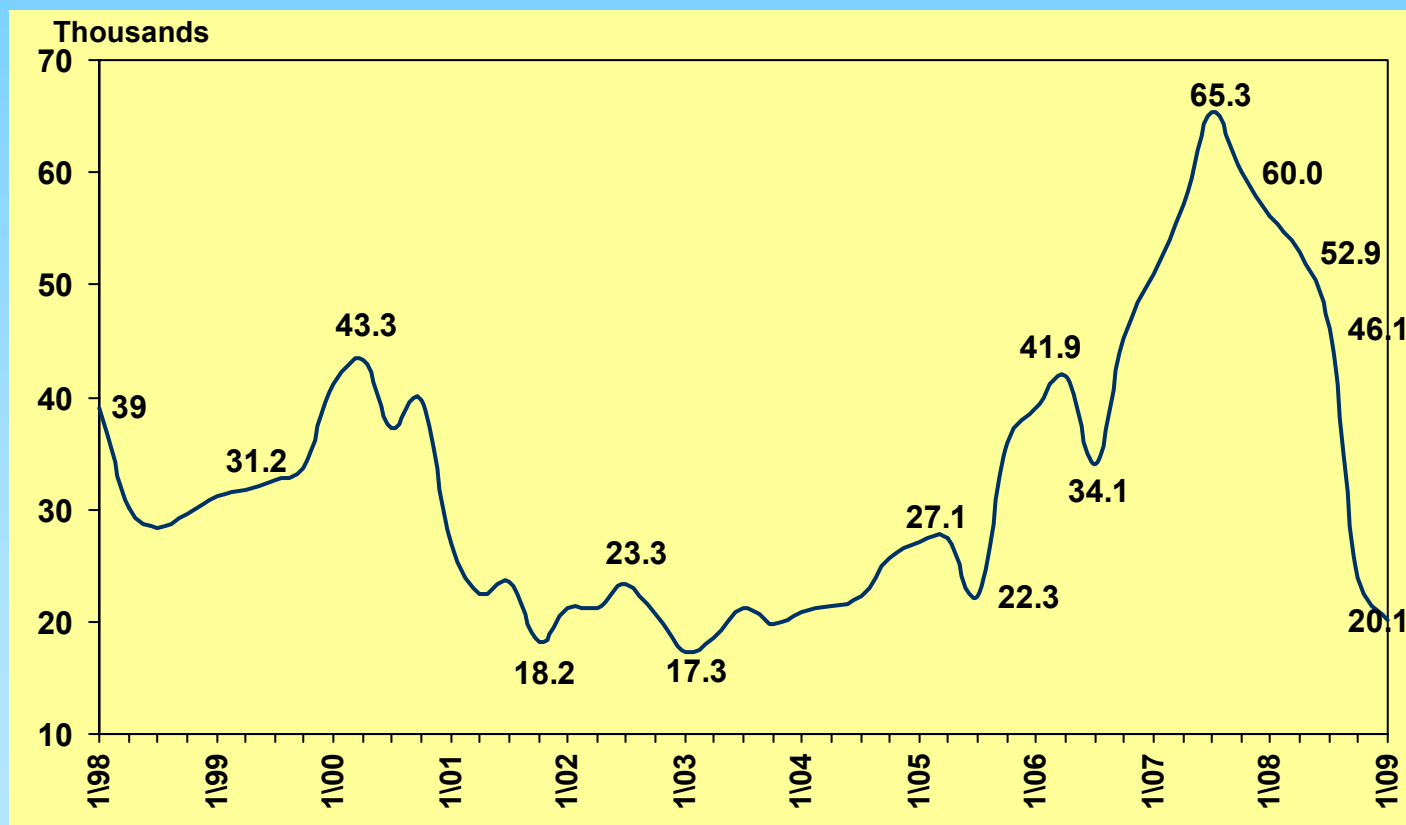


1) UNEMPLOYED – who sought work for over 50 weeks

SOURCE: Labour force survey, C.B.S and adaptations by Economics & Research Administration, M.O.I.T.A.L



7. TOTAL VACANCIES EXCL. BUILDING AND AGRICULTURE QUARTERLY FIGURES, QUARTERLY FIGURES 1/98-1/09 FIGURES ARE SEASONALLY ADJUSTED (THOUSANDS)

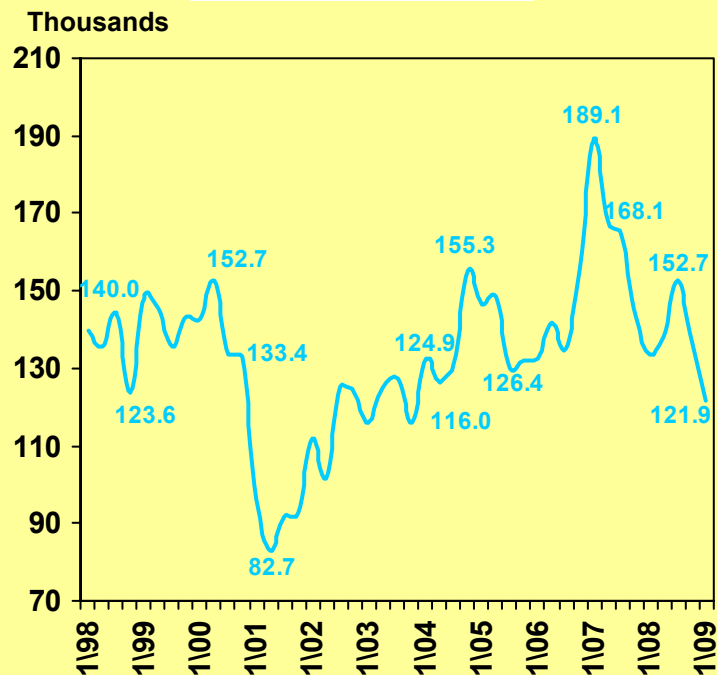


SOURCE: Economics & Research Administration, M.O.I.T.A.L

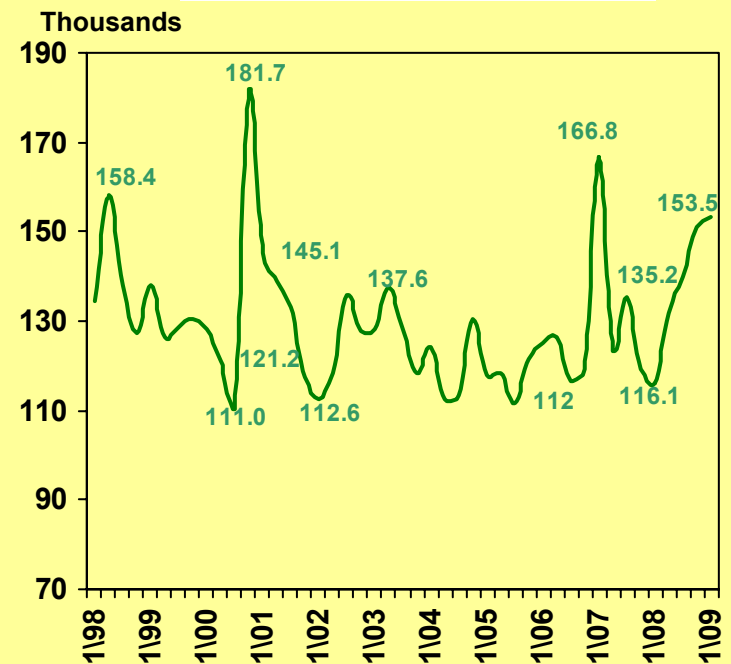


8. TOTAL JOB PLACEMENTS AND WORKER DISPLACEMENT, EXCL, BUILDING & AGRICULTURE QUARTERLY FIGURES 1/98-1/09 FIGURES ARE SEASONALLY ADJUSTED (THOUSANDS)

JOB PLACEMENTS



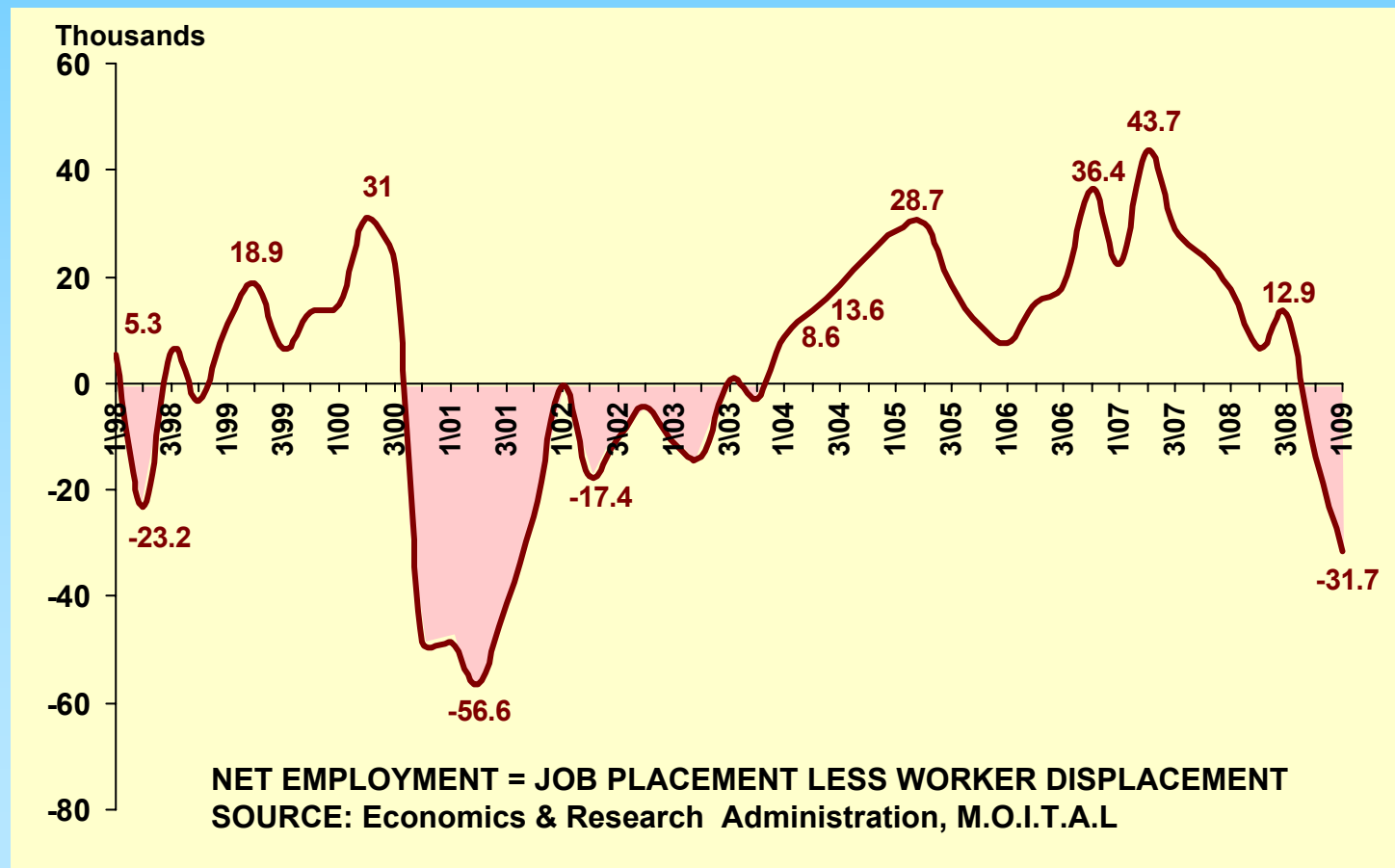
WORKER DISPLACEMENT



SOURCE: Economics & Research Administration, M.O.I.T.A.L

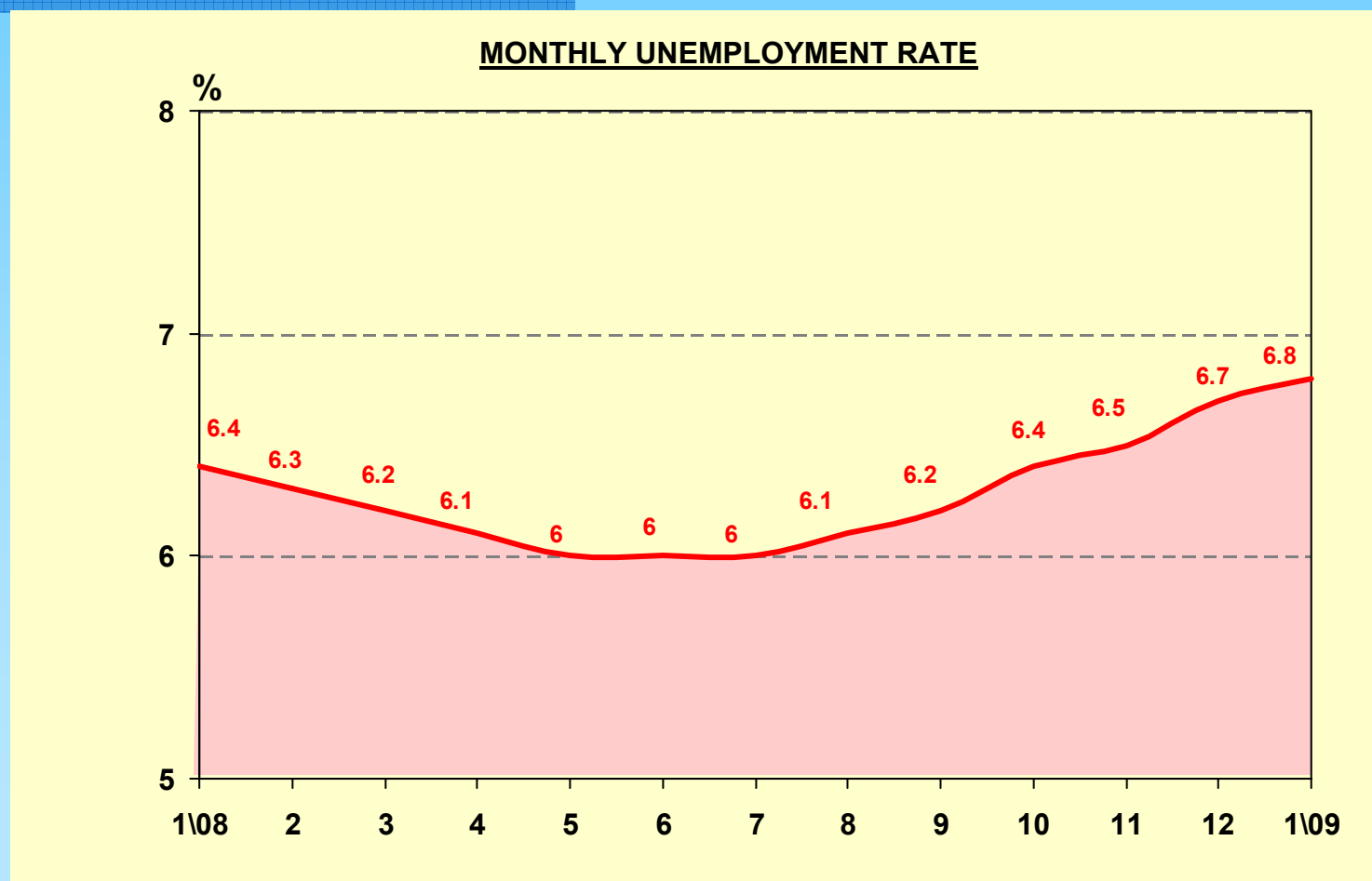


9. NET EMPLOYMENT, EXCL. BUILDING & AGRICULTURE QUARTERLY FIGURES 1/98-1/09 FIGURES ARE SEASONALLY ADJUSTED (THOUSANDS)





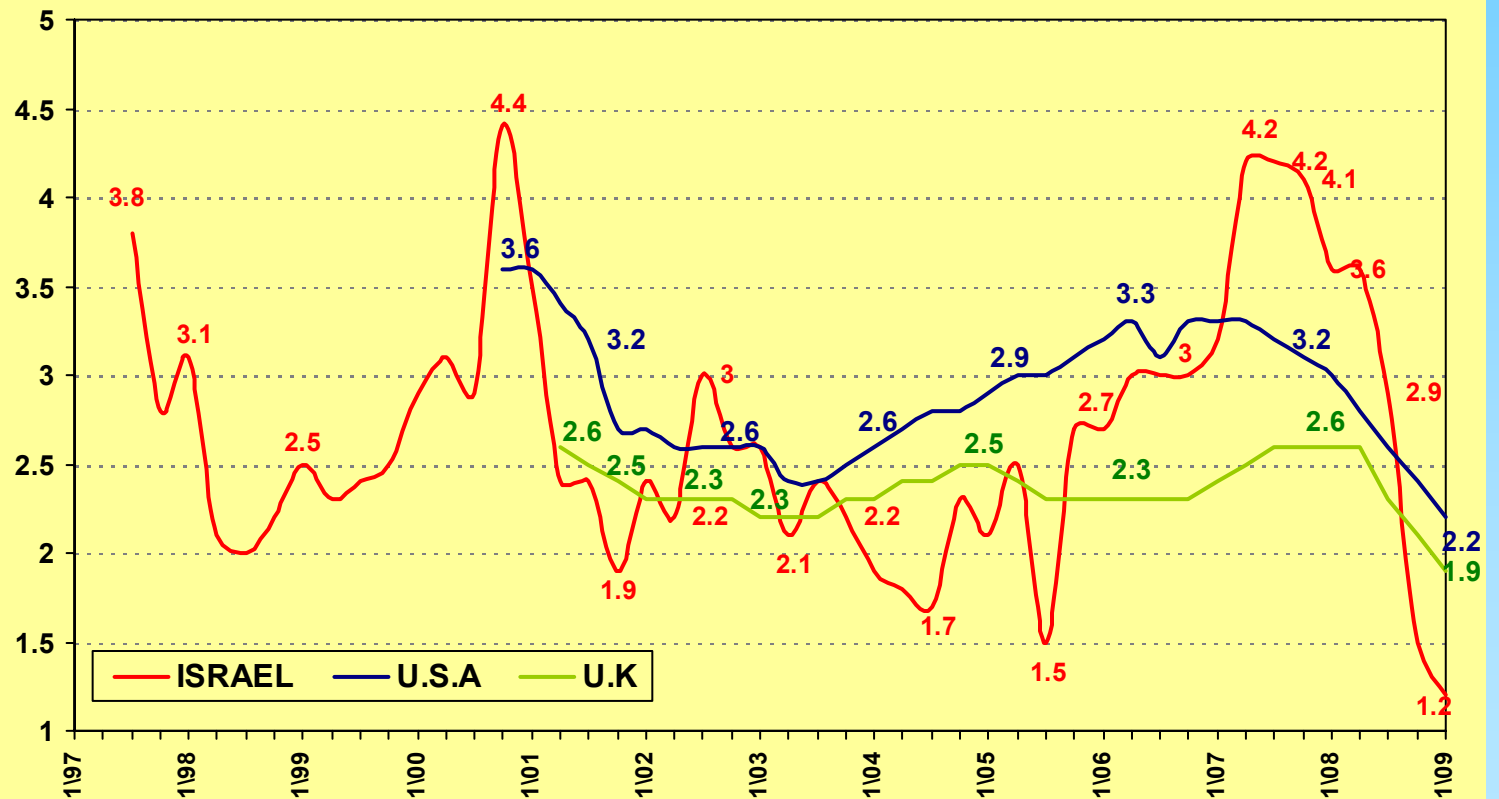
10. UNEMPLOYMENT RATE FOR POPULATION 18-67 YR, 2008 – 2009



SOURCE: Labour force survey, C.B.S and adaptations by Economics & Research Administration, M.O.I.T.A.L



11. TOTAL JOB VACANCIES – INTERNATIONAL COMPARISON, 1997 - 2009



SOURCE: ISRAEL - Economics & Research Administration, M.O.I.T.A.L
U.S.A - JOLTS, BLS
U.K - UK national statistics

Economic development Programs

Including the “Acceleration Program”.



Government-backed Assistance Fund for Small Businesses

- Total funding increased to 440 Million Shekels. (From 200 Million).
- Aimed at businesses of up to 22 Million Shekel annual turnover.
- Applicants to provide securities of up to 25% of total loan.
- Owners required to provide personal guarantee.



Medium-sized Businesses Fund

- **New fund instigated in lieu of Global Financial Crisis.**
- **Aimed at companies with annual turnover of 22-100 Million Shekels.**
- **Applicants to provide securities of up to 25% of total loan.**
- **Owners required to provide personal guarantee.**
- **Loan up to 8% of total turnover**



Medium-sized Businesses Fund- contd.

- Program for up to five years
- An extra year's grace for capital return
- Interest rates in keeping with accepted market rate
- Total credit available is 1.3 Billion Shekels
- Loans dispensed via 3 commercial banks coordinated thru BDI company on behalf of Govt.



Exporter Loan Fund - updated

- **Funds available to individual exporter**
- **Companies with turnover of up to 15 Million dollars with a minimum of 5% exports.**
- **Loans approved up to 20% of turnover, up to maximum of 1 Million dollars.**
- **70% Govt-backed**
- **Interest rates at market rates**



Periphery Funds -1

- 1. Levered subsidizing of additional workers in accordance with size of business – the smaller the business the larger the subsidy.**
- 2. Phased subsidy of labor costs for up to 30 months**
- 3. Aimed at periphery and prioritized areas only**



Low-employed groups fund

- A special fund for specific minority groups whose employment participation level is significantly lower than the national average.
- Group includes Arabs and Ultra-orthodox
- Labor-cost subsidies not regionally bound
- Operates similar to periphery fund though subsidy rate is higher



Infrastructure Improvement in Negev region

- **Designed to revamp existing infrastructure of industrial parks and facilitate new potential businesses to the region.**
- **Local councils may receive up to 85% financing of approved projects.**
- **Maximum funding of 5 million shekels per park.**



R&D Centres in Peripheral areas

- **New program – seen as anchoring region.**
- **Special significance attached to research and development centres relocating to the peripheral regions.**
- **Labor-cost subsidies to higher than average wage earners**
- **Higher earners receive higher percentage subsidy.**



Other peripheral funds

- **Sderot and Gaza-area settlements**
- **Beduin sector program**
- **Negev Incubators expansion**



Encouragement of Ultra-orthodox employment program

- **Professional training and encouragement of entrepreneurship.**
- **Carried out through the JDC. 1200 male students in 10 years.**
- **Current budget (2008) is 4.5 million shekels**
- **Female programs – retrains and prepares U-O women to enter the market-place. So far 430 women have participated in this program.**



Encouragement of Ultra-orthodox employment program – contd.

- **Other programs generic**
- **Mafteach program Special Centre for directing and advising the Ultra-orthodox community in employment matters.**
- **Provides counselling and placement services directly with the labour market.**
- **Over 3,000 people have applied to the Centre.**