The Impact of the War On Israel’s Economy

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1. Background conditions, the economy’s strengths and weaknesses prior to the war
2. War scenarios
3. Economic effects of the war on the Israeli economy
4. Government policy recommendations for 2023-2024, looking forward
Israel’s Macroeconomic Situation at the End of 2022 - Better than any of the preliminary predictions

- High growth rate in 2017-2022: GDP 4.2%; GDP per capita 2.3%
- Growth-driving sectors: high-tech and financial services sectors; main avenues: increase in technological workers, and digitalization

Macroeconomic Figures:

<table>
<thead>
<tr>
<th>Employment Rate</th>
<th>Deficit-to-GDP Ratio</th>
<th>Deficit (Excessive)</th>
<th>Inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>79%</td>
<td>60.8%</td>
<td>+0.6%</td>
<td>5.1%</td>
</tr>
<tr>
<td>(25-64) peaking</td>
<td></td>
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</tbody>
</table>
Economic Situation on the Eve of The Attack
Signs of Deviation from Growth Trajectory

• Global high-tech crisis
• Significant decline in foreign investments
• Judicial Reform
  • Increased uncertainty
  • Fears of impaired institutional quality and growth

• High-interest environment – 4.75%
• Lower national revenue and increased deficit
• Fears of credit rating downgrade

<table>
<thead>
<tr>
<th>3.0%</th>
<th>3.5%</th>
<th>3.8%</th>
<th>3.85</th>
<th>60bp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Forecast 2023-24</td>
<td>Unemployment</td>
<td>Inflation (12 months up to 9/23)</td>
<td>ILS to USD</td>
<td>Risk Premium Up from 40 bp</td>
</tr>
</tbody>
</table>

Growth Forecast
Unemployment
Inflation
ILS to USD
Risk Premium
Strengths of the Economy on the Eve of the Attack
Ongoing Increase in Workforce in the High-Tech Sector
(At a More Moderate Rate Than in 2017-2022)

• Substantial share of the investments raised in 2020-2022 will be sufficient for 3-4 years, rather than two
• The strength of investments in the high-tech sector has increased with the devaluation of the Shekel
• Increasing demands in defense industry firms due to Russia-Ukraine war
• However, financing problems among startups in early stages of capital raising
Assessing the War’s Impact on The Economy Requires Assuming A Reference Scenario of the Progression of the War
## Reference Scenario of the War’s Progression

**War in Gaza and Limited Military Activity on Northern Border**

**Aims:** Destroy Hamas’ Military Capacity, Free Hostages, Eliminate Hezbollah’s Threat

### 2023 - 2024

<table>
<thead>
<tr>
<th>Homefront Situation</th>
<th>2023</th>
<th>2024</th>
<th>2024</th>
<th>2024</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
<td>Q3</td>
<td>Q4</td>
</tr>
<tr>
<td>Active reserve personnel, thousands (% of workforce)</td>
<td>220 (5%)</td>
<td>140 (3.2%)</td>
<td>40 (0.9%)</td>
<td>40 (0.9%)</td>
<td>Full Reserve Discharge</td>
</tr>
<tr>
<td>Temporarily absent from work (% of workforce)*</td>
<td>310 (7%)</td>
<td>125 (2.8%)</td>
<td>50 (1.15%)</td>
<td>25 (0.57%)</td>
<td>Full Activity</td>
</tr>
</tbody>
</table>

### Homefront Situation
- **Red**
- **Yellow**
- **Gradual Return**
- **Green**

*Temporarily absent from work due to struggling businesses, school system irregularities, evacuees without employment*

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Source: Mind Israel team
War’s Impact on Budget, 2024
Assuming Dependable Conduct

GDP Growth Forecast:

**1.0%** (Aaron Institute)

0.5% - S&P, 2.0% Bank of Israel (significant amendment from 2.8% in Oct. 2023 forecast), 1.7% Ministry of Finance (Disparity stems from different assumptions regarding rate of return to normalcy)

Deficit*: **5.4%**

5.3% in S&P scenario, 5.0% Bank of Israel (amended from 3.5% in Oct. 2023 forecast)

Estimated additional expenditure:

**ILS 73 Billion**

(including decrease in government revenue)

Debt-to-GDP ratio: **69%**

64% in S&P scenario, 63% Bank of Israel (amended from 62% in forecast from 23.10.23)

The 2024 budget must be planned in consideration of war scenarios

Goal for 2024 budget: immediate resetting of priorities!

1. Increase government operational capability,
2. Increase national security,
3. Growth-enhancing reforms

* Including US aid (ILS 20 billion) and utilization of Property Tax Fund resources (ILS 12 billion)
Second Scenario of the War’s Progression

War in Gaza, Widespread Israeli-Initiated Offensive on Northern Border
Aims: Destroy Hamas’ Military Capacity, Free Hostages, Eliminate Hezbollah’s Threat

<table>
<thead>
<tr>
<th>Economic Activity Status</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Given State of Warfare</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active reserve personnel, thousands (% of workforce)</td>
<td>Red</td>
<td>Red</td>
</tr>
<tr>
<td>Q4</td>
<td>220  (5%)</td>
<td>220  (5%)</td>
</tr>
<tr>
<td>Q1</td>
<td>220  (5%)</td>
<td>120  (2.8%)</td>
</tr>
<tr>
<td>Q2</td>
<td>120  (2.8%)</td>
<td>60    (1.4%)</td>
</tr>
<tr>
<td>Q3</td>
<td>60    (1.4%)</td>
<td>30    (0.7%)</td>
</tr>
<tr>
<td>Q4</td>
<td>30    (0.7%)</td>
<td></td>
</tr>
</tbody>
</table>

Temporarily absent from work (% of workforce)*

<table>
<thead>
<tr>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>310 (7%)</td>
<td>400** (9%)</td>
<td>100*** (2.3%)</td>
<td>50 (1.15%)</td>
<td>25 (0.57%)</td>
</tr>
</tbody>
</table>

Source: Mind Israel team

*Temporarily absent from work due to: struggling businesses, school system irregularities, evacuees without employment
**Shutdown of 70% of workers in Haifa and Northern Districts for one month during Q1 2024
***Shutdown due to damage to infrastructures during Q2 2024
War’s Impact on Budget in 2nd Scenario, 2024
Assuming Dependable Conduct

GDP Growth Forecast: -2.0% (Aaron Institute)

Deficit*: 6.8%
5.3% in S&P scenario, Bank of Israel – over 5%

Estimated additional expenditure: ILS 111 Billion
(including decrease in government revenue)

Debt-to-GDP ratio: 72%
67% in S&P scenario, 65% - Bank of Israel

According Mind Israel – the probability of this scenario is less than 40%

Goal for 2024 budget: immediate resetting of priorities!
1. Increase government operational capability, 2. Increase national security, 3. Growth-enhancing reforms

* Including US aid (ILS 20 billion) and utilization of Fund resources (ILS 7 billion)
Rapid Return of the Economy to Employment and Growth Trajectory Depends on Feelings of Personal Safety, Trust of Public and Investors

• Achieving the war’s objectives will restore citizens’ sense of personal safety and aid their rapid return to economic activity

• Partial achievement of objectives and/or realization of the second scenario will delay return to growth trajectory and may even cause emigration of high-quality human capital

2024 budget goals: macroeconomic framework

Ensuring fiscal discipline is crucial for diminishing uncertainty and fostering economic recovery

1. Assumed growth rate: 0%-1%
2. Target budget deficit: Up to -5% of GDP
3. Funding increased spending – primarily by exhausting diversion of distributive funds and utilization of budget deviations in the range of NIS 15-20 billion
4. It is recommended to avoid significant tax increases (a recessionary year), with the exception of canceling tax benefits that do not incentivize employment
2024 budget goals:
Strategizing and implementing reforms designed to enhance growth at low costs.

1. Developing an investment strategy for public infrastructure (specifically transportation) to attain the 2040 accessibility objectives
   - Sustaining public infrastructure investments in alignment with the Existing budget
   - Implementing an efficacious protection plan for critical infrastructures such as electricity and ports

2. Developing programs to enhance work productivity.
   - Digital transformation in the public sector – regulation, taxes, business licensing, imports, and more
   - Removing barriers to international competition and investment in the business sector
     - Construction industry - removing barriers to the entry of international companies
     - Agriculture industry - executing the reform of removing barriers to imports, transitioning to subsidies based on cultivated areas, and incorporating automation (Eckstein Plan 2011)
2024 budget goals: 

**Employment**

1. Enhancing the array of professional and technological training options for individuals not pursuing academic or professional education

2. Creating incentives for the reintegration of evacuees or those temporarily absent from the workplace, aiming to restore employment levels to pre-war standards
   * Ensuring that aid programs for businesses and workers are structured to avoid creating disincentives for returning to work

3. Promoting employment within the ultra-Orthodox society
   * A consensual reform – military/civilian service for ultra-Orthodox men starting at the age of 18
     * Removing restrictions on employment (from age 21) and training (from age 18)
     * Revoking benefits for yeshiva students after a three-year period
   * Providing the opportunity to impart knowledge in English and mathematics to young individuals

4. Facilitating the return to employment within Arab society
   * Addressing the issue of underemployment of men (particularly among young) and women
   * Removing short-term restrictions and barriers to employment – akin to the health sector
2024 budget goals:
Regulating the employment of Palestinians in Israel*

Mitigating security risks and minimizing the impact on Israeli employment

• Ensuring daily employment without staying in Israel beyond working hours, with employers responsible for transporting employees to the worksite

• Implementing a digital monitoring system for tracking stay (entry/exit registration, employer affiliation), guaranteeing daily monitoring and reporting on instances of non-exit (in coordination with immigration authorities, police, and the general security service)

• Facilitating payment arrangements through bank transfers instead of cash

• Strengthening enforcement of employment regulations and adherence to permit terms

• Defining parameters and conditions through a professional committee to mitigate any adverse impact on Israeli workers

* Based on the recommendations of the Eckstein Committee (2011)
2024 budget goals: Enhancing the efficacy of governmental performance

• Addressing the evolving economic demands – security, internal security, health, and welfare
  • The defense budget - assessing the necessary force structure for 2025 and evaluate the imperative for a sustained increase
• Execute a transformation in the organizational structure of the government
  • Consolidate and eliminate offices to achieve a configuration with 15 offices*
  • Professional appointments within the government and executive mechanisms
• Implementing measures to reduce the cost associated with regulation and bureaucracy
• Empowering local authorities
  • Promote urban policies that facilitate social mobility
  • Providing support for victims and evacuees until they can seamlessly reintegrate into their daily routines

* Based on the inter-ministerial recommendations for implementing adjustments in the government structure (2018)
Together We Will Win!
Reference Scenario Description:
War in Gaza and Limited Military Activity in the North

- Fighting in Gaza: destroying Hamas’ military capability and freeing hostages
- Limited military activity by both sides along the northern border, while avoiding all-out escalation – crippling Hezbollah’s capabilities, particularly Radwan forces
- During Q1 2024, fighting in Gaza ends and de-facto ceasefire reached in the north
- Create credible threat on Hezbollah, fears of escalation, aversion to possible regional war, diplomatic pressure – causing Hezbollah to retreat northward in accordance with UN Resolution 1701 and removing threat to northern communities
- Evacuees from Gaza Envelope and northern border may return home after Passover 2024
- Gradual decrease in deployment of reserve forces by Q4 2024
Second War Scenario Description:
War in Gaza, Widespread Israeli-Initiated Campaign Up North

• Widespread IDF offensive against Hezbollah
• Massive rocket fire by Hezbollah on Israel, mainly up to and including Haifa-Tiberias line
• High-intensity fighting lasting around a month during Q1 2024
• Economic activity shut down for a month from Haifa line (including) northward, including Haifa ports
• Infrastructure damage (transportation, energy, hospitals, including power outages and further damages to essential services)
• By Passover 2024, conditions will emerge for a ceasefire on northern border and removal of threat to northern communities (withdrawal of Radwan units as per Resolution 1701)
• Evacuees from Gaza Envelope and northern border may return home after Passover 2024
• Gradual discharge of reservists, some of whom will remain deployed after the ceasefire to help infrastructure recovery
War’s Effects on the Economy, 2023
GDP Growth Between Q4 and Q3: Minus 10%

- Temporarily absent from work – 530,000*:
  - Reservists: 220,000, of whom 45,000 (10% of employees at the eve of the war) in high-tech sector
  - Irregular economic activity: 310,000

- Employed: 4,045,000
  - High-tech sector – 388,000*
  - Rest of the economy – 3,657,000
  - Rest of the economy: 3,712,000 including reservists

- Labor productivity: unchanged
  - Quarterly loss of GDP due to transition of reservists, most of whom are employed in the private sector, to the public sector, and GDP-per-worker differences (high-tech sector – ILS 600,000 per year; other employment sectors in business sector – ILS 370,000 per year; public administration – ILS 177,000 per year) – ILS 10 billion
## Estimated Additional Cost Due to the War, Q4 2023

Around ILS 70 Billion*

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense Expenses</td>
<td>20 billion</td>
</tr>
<tr>
<td>Rehabilitation and support for property damage</td>
<td>3 billion</td>
</tr>
<tr>
<td>Loss of Revenue</td>
<td>11 billion</td>
</tr>
<tr>
<td>Economic Plan: Business Damages and Furlough</td>
<td>23 billion</td>
</tr>
<tr>
<td>Civilian Expenses</td>
<td>13 billion</td>
</tr>
</tbody>
</table>

* Funds flow for 2023 is lower than costs. Excluding additional interest expenses. Overall additional deficit is ILS 30 billion after budget reallocations and utilization of Property Tax Fund.
Ministry of Finance Support for Businesses

**Businesses in frontier localities** – full reimbursement for all direct and indirect damages (salaries, turnover loss)

1. Must include additional Envelope cities which were substantially damaged and are not currently included, like Ofakim (approved)

**Support for businesses and self-employed** – ILS 6.5 billion per month

2. (Up to ILS 400k, given turnover loss of at least 25%) – postponing payments, government-guaranteed loans and business continuity grants.

   Must increase scope of support immediately and ensure rapid, effective, bureaucracy-free response to businesses

**Must ensure lack of negative incentive to expand activity during wartime**

3. Support for startup firms: ILS 400 million
Ministry of Finance Support for Employees

Aaron Institute endorses the Finance Ministry’s furlough scheme

Furlough for employees – without changing the standard furlough framework (qualification period, utilizing leave days, eligibility after 30 days)

Objective: maximum employment across the economy

- Requires shortening qualification period, canceling the utilization of leave days which penalizes employees, and shortening eligibility period in a manner which would allow employers greater flexibility in rehiring employees
  - Scope of furlough should be extended until the end of 2023 (approved)
War’s Effects on the Economy, 2024
GDP Growth: 1.0%

- Temporarily absent from work:
  - Reservists: Q1 – 140,000; Q2 – 40,000; Q3 – 40,000; Q4 - 0
  - Irregular activity: Q1 – 125,000; Q2 – 50,000; Q3 – 25,000; Q4 - 0

- Employed (yearly figure, excluding temporarily absent from work): 4,319,000
  - Of whom: high-tech sector – 419,000 (Q1 – 388k; Q2 – 427k; Q3 – 427k; Q4 – 435k)
  - Rest of the economy: 3,900,000

- Labor productivity: unchanged
  - Annual loss of GDP due to transition of reservists, most of whom are employed in the private sector, to the public sector, and GDP-per-worker differences (high-tech sector – ILS 600,000 per year; other employment sectors in business sector – ILS 370,000 per year; public administration – ILS 177,000 per year) – ILS 10 billion
Estimated Additional Cost Due to the War, 2024
Around ILS 76 Billion*

Defense Expenses: 25 billion

Rehabilitation and support for property damage: 6 billion

Loss of Revenue: 20 billion

Economic Plan: Business Damages and Furlough: 22 billion

Civilian Expenses: 3 billion

* Funds flow for 2023 is lower than costs. Excluding additional interest expenses. Overall additional deficit is ILS 30 billion after budget reallocations and utilization of Property Tax Fund.
## Estimated Additional Cost Due to the War – Northern Scenario, 2024

### Around ILS 111 Billion*

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense Expenses:</td>
<td>28 billion</td>
</tr>
<tr>
<td>Rehabilitation and support for property damage:</td>
<td>13 billion</td>
</tr>
<tr>
<td>Loss of Revenue:</td>
<td>30 billion</td>
</tr>
<tr>
<td>Economic Plan: Business Damages and Furlough:</td>
<td>37 billion</td>
</tr>
<tr>
<td>Civilian Expenses:</td>
<td>3 billion</td>
</tr>
</tbody>
</table>

* Funds flow for 2023 is lower than costs. Excluding additional interest expenses. Overall additional deficit is ILS 30 billion after budget reallocations and utilization of Property Tax Fund.
War’s Effects on Economy – Northern Scenario, 2024

GDP Growth: Minus 2%

- Temporarily absent from work:
  - Reservists: Q1 – 220,000; Q2 – 120,000; Q3 – 60,000; Q4 – 30,000
  - Irregular activity: Q1 – 400,000; Q2 – 100,000; Q3 – 50,000; Q4 – 25,000

- Employed (yearly figure, excluding temporarily absent from work): 4,297,000
  - Of whom: high-tech sector – 410,000 (Q1 – 388k; Q2 – 410k; Q3 – 410k; Q4 – 430k)
  - Rest of the economy: 3,887,000

- Labor productivity: unchanged
  - Annual loss of GDP due to transition of reservists, most of whom are employed in the private sector, to the public sector, and GDP-per-worker differences (high-tech sector – ILS 600,000 per year; other employment sectors in business sector – ILS 370,000 per year; public administration – ILS 177,000 per year) – ILS 20 billion
Establishing a Relief Framework for Evacuees:
Relief Budget for Evacuated Families Must Be URGENTLY Created for 2023
With Approval to Commit for 2024

• Cover household expenses (housing, property, income, education, mental care)

• Estimated budget based on expenditure structure of “a typical family”, according to age:
  • Family with household head aged 65+
  • Family with household head aged 45-64
  • Family with household head aged 30-44
  • Family with household head aged 20-29
Budgets Department Principles for Wartime Economic Activity

Agreement Between Positions of Aaron Institute and Budgets Department

• There is uncertainty regarding duration and scope of fighting in Gaza, and possibility of additional fronts
• The government will have to amend the Budget Law to expand the budget framework, requiring professional conduct and fiscal responsibility
  • Funding expenses initially by exhausting existing sources in 2023-24 budget
  • Immediate reallocation of at least ILS 16 billion from 2023-34 state budget (ILS 6 billion in 2023 and at least ILS 10 billion in 2024)
  • Enhancing efficiency of government operations by scraping and merging ministries

Budget for 2024 must be ratified by December 15, 2023
Recommended Policy to Support Growth Engines

Long-term reforms with targets, plans, and budgets, to maintain high employment rate while increasing productivity

1. Investing in human capital below the income median
   - Employment & training targets as per 2030 Committee, human capital improvement targets

2. Massive investment in public capital
   - 2040 targets for reducing transportation access gaps

3. Increasing attractiveness of private investment
   - Regulation Authority, innovation & digitalization, competition, cost of housing

Bulk of productivity growth will benefit population below the median, reducing poverty
Main Goals & Plans for Reforms

Public Capital
Invest in core infrastructures, transportation

Bureaucracy & Cost of Living
Remove import barriers, launch Regulation Authority (ROB)

Digital Transformation
Promote digitalization & innovation

Employment & Human Capital
Implement 2030 Recommendations, target lower income brackets, increase rate of workers with high-tech skills

Housing
Lower cost of living, efficient allocation of housing & employment

Haredi Society
High-quality employment scheme

Arab Society
Follow through on implementation of Res. 550

Public Administration, Municipalities
Increase efficiency
Economic & Social Integration of Haredi Society

**Military Service**

Army needs to find a way to enable Haredi men to integrate voluntarily, rather than by force

**Social Cohesion**

- Maintain Haredi volunteering and social contribution, through either military or civic route
- New, adapted service tracks, providing positive returns for individuals as well as wider economy
- Onboard Haredi men and women to replace drafted workers, with subsidized brief training and opportunities for part-time employment
- Impart knowledge and skills required for labor market, acquire experience

**Integration in Wider Society**

- All Israeli citizens are fighting for our home together. Aim: preserve social cohesion spirit, which might also contribute to integration in employment
- Reduce Haredi aversion to integration in heterogeneous workplaces
- Direct Haredi workers to high-demand occupations, to meet demands of the economy
- Incorporate Math and English studies for younger population, training for high-quality employment, address swathes of Haredi society who are open and accommodating to change, in collaboration with leadership and with consent.
Arab Society

• Absence from workplaces since outbreak of war due to feelings of lack of personal safety, and restrictions by mayors and others
• Low employment rates even before the war among men, particularly young

Recommendations: Encouraging worker return and boosting employment rates

1. **Encouraging worker return** – remove restrictions, reduce tensions among workers, and restore sense of personal safety

2. **Integrate the unemployed in vacant positions:**
   • Replacing foreign and Palestinians workers
   • Replacing drafted workers
   • Incentivize employers and subsidize short training courses
Scenarios for Ending Gaza War*

**Complete Victory:**
Destroying Hamas’ military and governing capacities, including elimination of leadership (Deif & Sinwar) and substantial damage to their forces (currently 25,000 troops)

**Partial Victory:**
IDF active in northern part of Gaza, damage to capital

**Floundering and Unsuccessful:**
Hamas maintains high defensive readiness

*Based on war scenario by Mind Israel*
Annual Growth Rates, GDP & GDP per Capita

Source: tabulations by Aaron Institute researchers of CBS workforce surveys
Debt-to-GDP Ratio

Development of Government Deficit in Israel (% of GDP)

Source: MoF (Accountant General Department), Annual Report on the Fulfillment of the Budget, Revenue, and Deficit
Annual Inflation Rate

Source: tabulations by Aaron Institute researchers of Bank of Israel data
Employment Rate at Primary Working Age (25-64)

Source: tabulations by Aaron Institute researchers of OECD data
USD/ILS Exchange Rate

Source: tabulations by Aaron Institute researchers of Bank of Israel data
CDS – Israel vs. USA

Source: tabulations by Aaron Institute researchers of investing data
Foreign Investments in Israel (USD millions)

Source: tabulations by Aaron Institute researchers of foreign investment data (IVC)
### Decline in Workforce Growth Rate in High-Tech Sector & High-Tech Occupations

<table>
<thead>
<tr>
<th></th>
<th>*2022-2023</th>
<th>2017-2021</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers with high-tech skills</td>
<td>3.9%</td>
<td>6.2%</td>
<td>Workers with high-tech skills</td>
</tr>
<tr>
<td>High-tech sector</td>
<td>6.0%</td>
<td>7.4%</td>
<td>High-tech sector</td>
</tr>
</tbody>
</table>

Data source: CBS workforce surveys, 2012-2023, employees aged 25-64

* Compared to 1st half of 2022

Employment trend in high-tech sector according to workforce surveys matches the trend indicated by National Insurance data.
Bank of Israel Interest Rate, Bond Yields (%)

Source: tabulations by Aaron institute researchers of data from BoI and Investing
Stimulus Formula

Input Component + Salary Component

<table>
<thead>
<tr>
<th>Damage Rate (Monthly/2-Monthly)</th>
<th>Stimulus Amount</th>
<th>Damage Rate * Salary Costs * 60%</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.5%-20% / 25%-40%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>20%-30% / 40%-60%</td>
<td>9%</td>
<td>Salary Costs –</td>
</tr>
<tr>
<td>30%-40% / 60%-80%</td>
<td>12%</td>
<td>Lower figure between (total salary</td>
</tr>
<tr>
<td>40%-50% / 80%-100%</td>
<td>18%</td>
<td>paid / number of employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>multiplied by mean wage)</td>
</tr>
</tbody>
</table>

Stimulus will not exceed ILS 300,000 for businesses with a turnover of up to ILS 100 million, and ILS 900,000 for businesses with a turnover of up to ILS 400 million.