



The Melnick Index

מדד מלניק



The Melnick State of the Economy Index

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Prof. Rafi Melnick

The Interdisciplinary Center Herzliya

The Melnick State of the Economy Index

The Melnick State of the Economy Index is a coincident indicator designed to identify business fluctuations (business cycles) in real time. The index is built to detect, with a minimal lag, the level and the intensity of turning points in economic activity in Israel.

The publication of the index precede the publication of the official GDP data therefore is an important tool for the design of current economic policy and for business sector decisions.

The Melnick Index was first published in a research of Professor Melnick "Business Cycles in Israel", June 2002 The Economic Quarterly 2. The index is an updated and improved version of the index Prof. Melnick developed at the Bank of Israel in the 90's.

The index is calculated using an econometric model, which is updated every month with four basic components published by the Central Bureau of Statistics.

The index is calculated once a month.

Developments during the publication freeze of the Index 2011-2014

Main Developments

Decline in the rate of growth of the index - which reflects well the decline in economic growth

Increase in volatility - which reflects an increase in economic uncertainty

The main factors contributing to those developments are:

- Continuation of the global crisis especially the worsening of the European crisis.
- The decline in world trade expansion injuring exports, the main engine of growth before the global crisis
- Strengthening of the shekel hurting exports
- Domestic demand, particularly private consumption, prevented a sharper decline in the growth rate
- Recently a considerable moderation in private consumption is noted and thus a further slowdown in growth
- Expected negative growth in the third quarter of due to the impact of "Protective Edge"

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Main Indicators

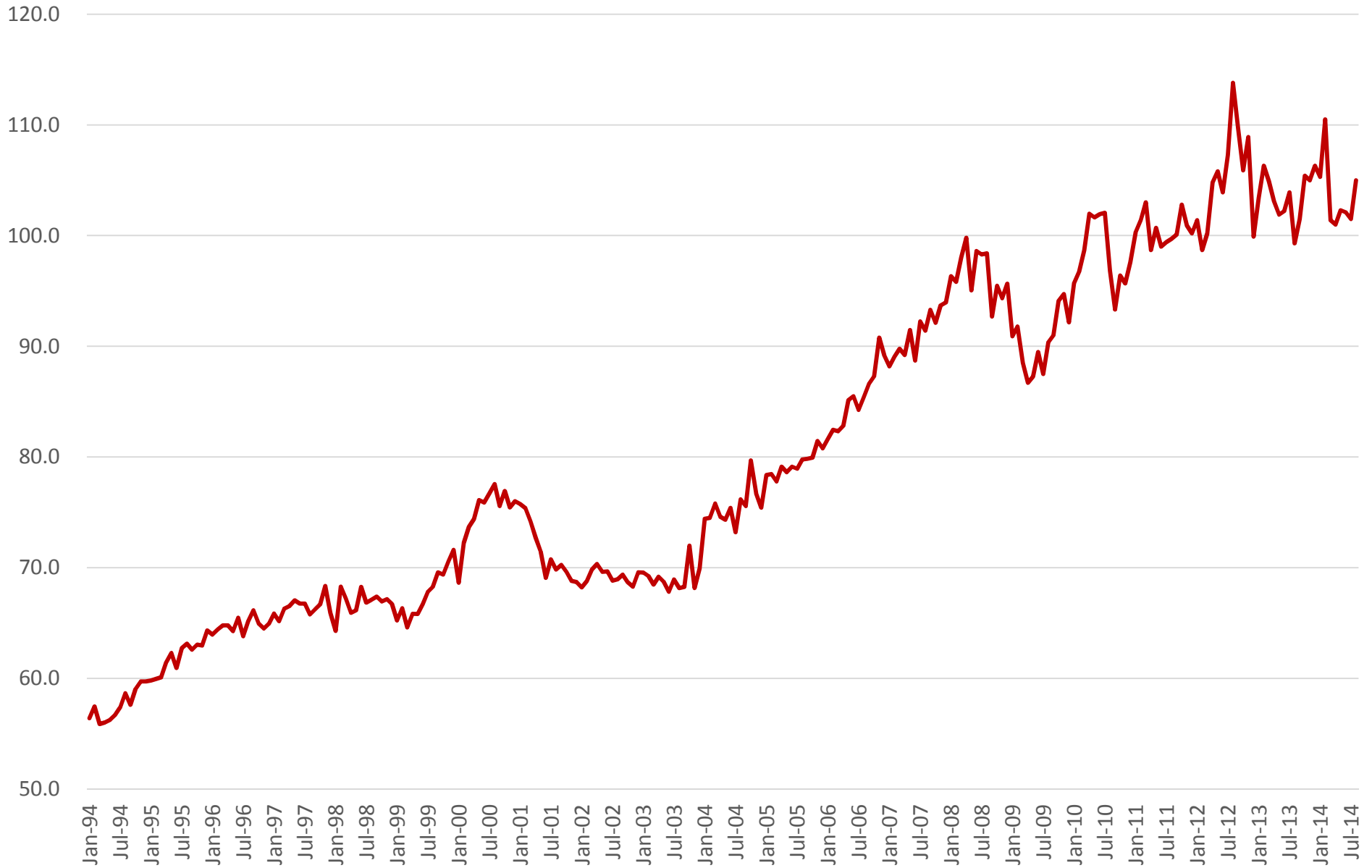
- Industrial Production
- Revenue in Commerce and Services
- Import Index
- Employee Posts in the Business Sector



- The Melnick State of the Economy Index

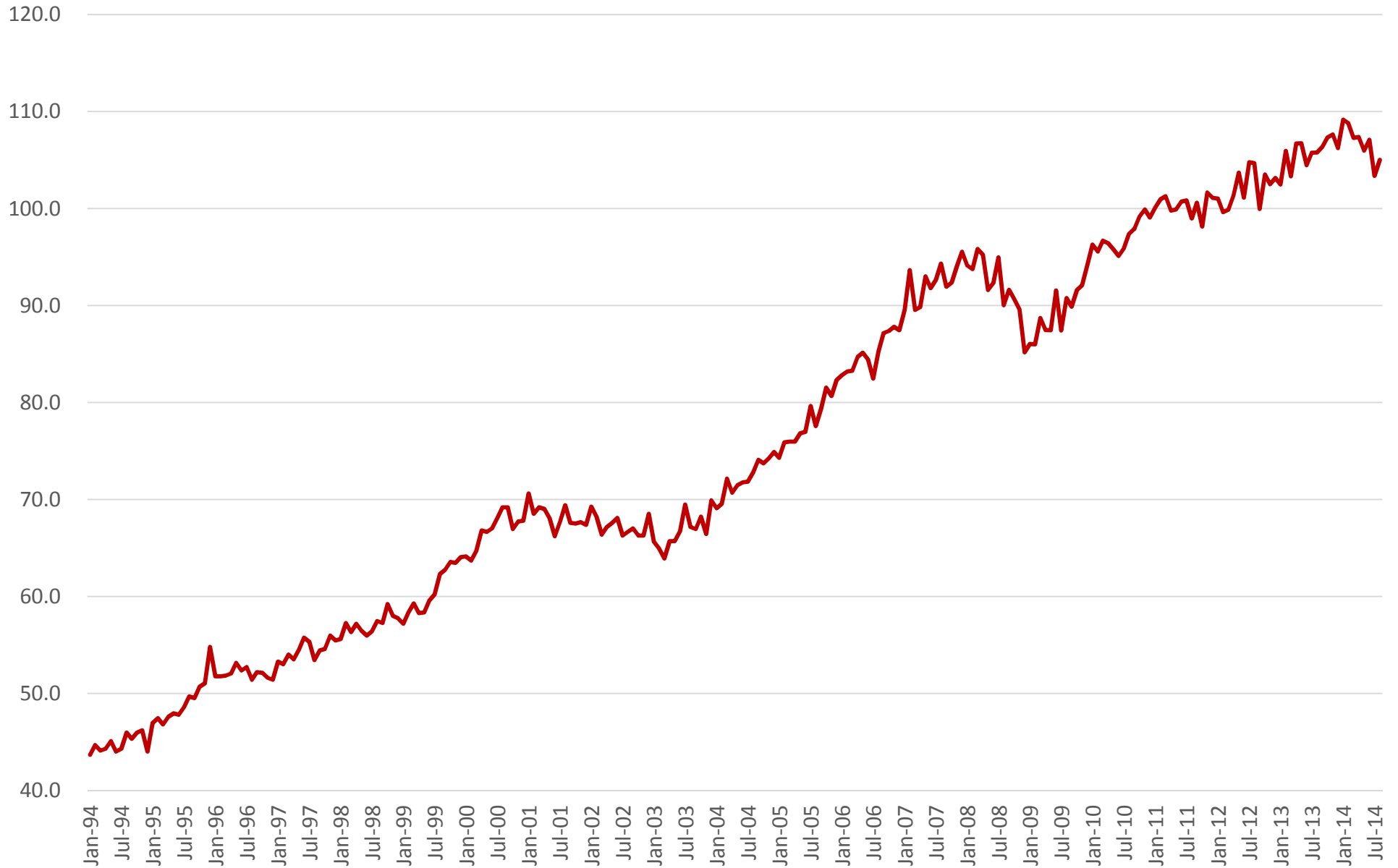
Industrial Production Index 1994-2014

(2011=100)



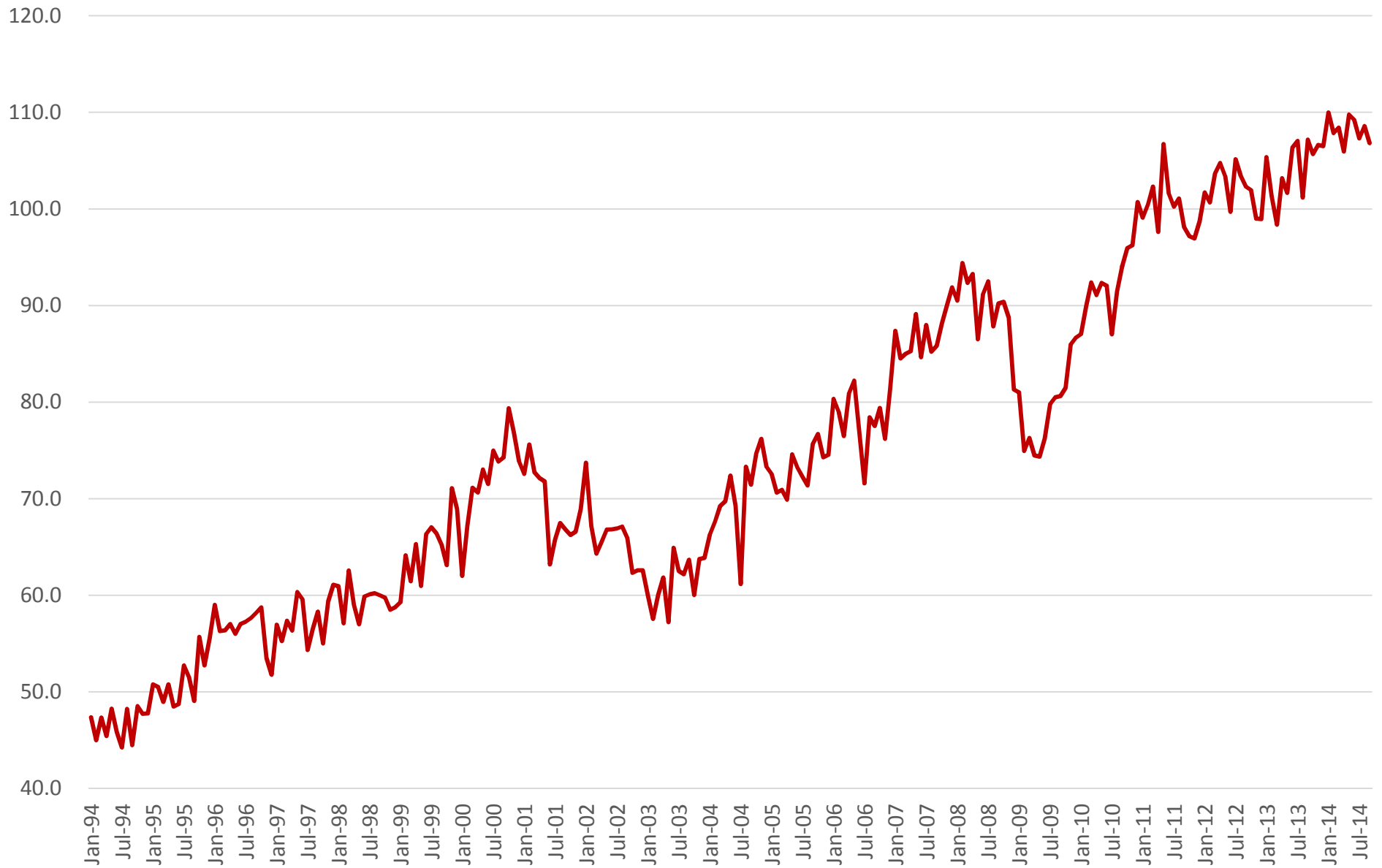
Revenue in Commerce and Services 1994-2014

(2011=100)

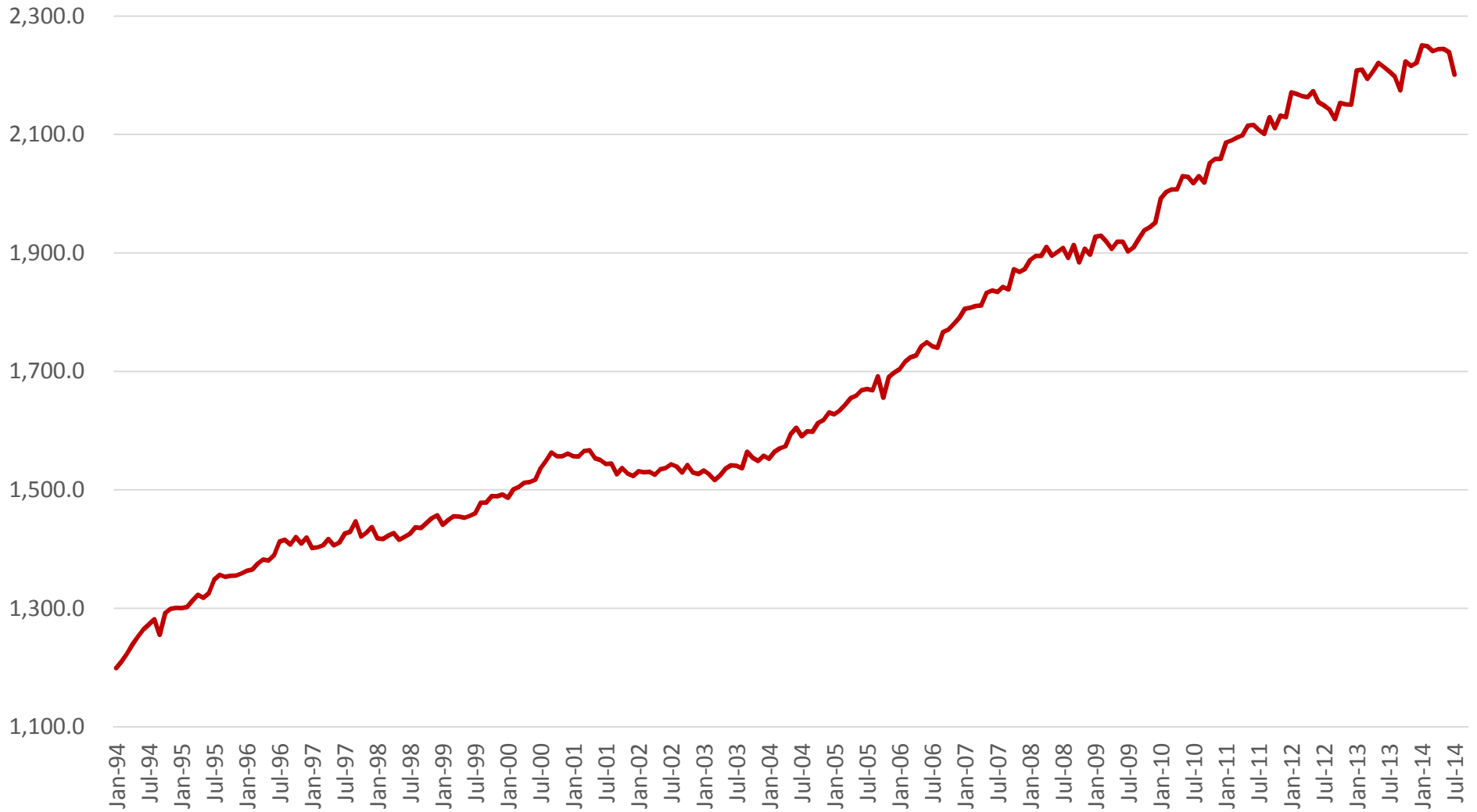


The Import Index 1994-2014

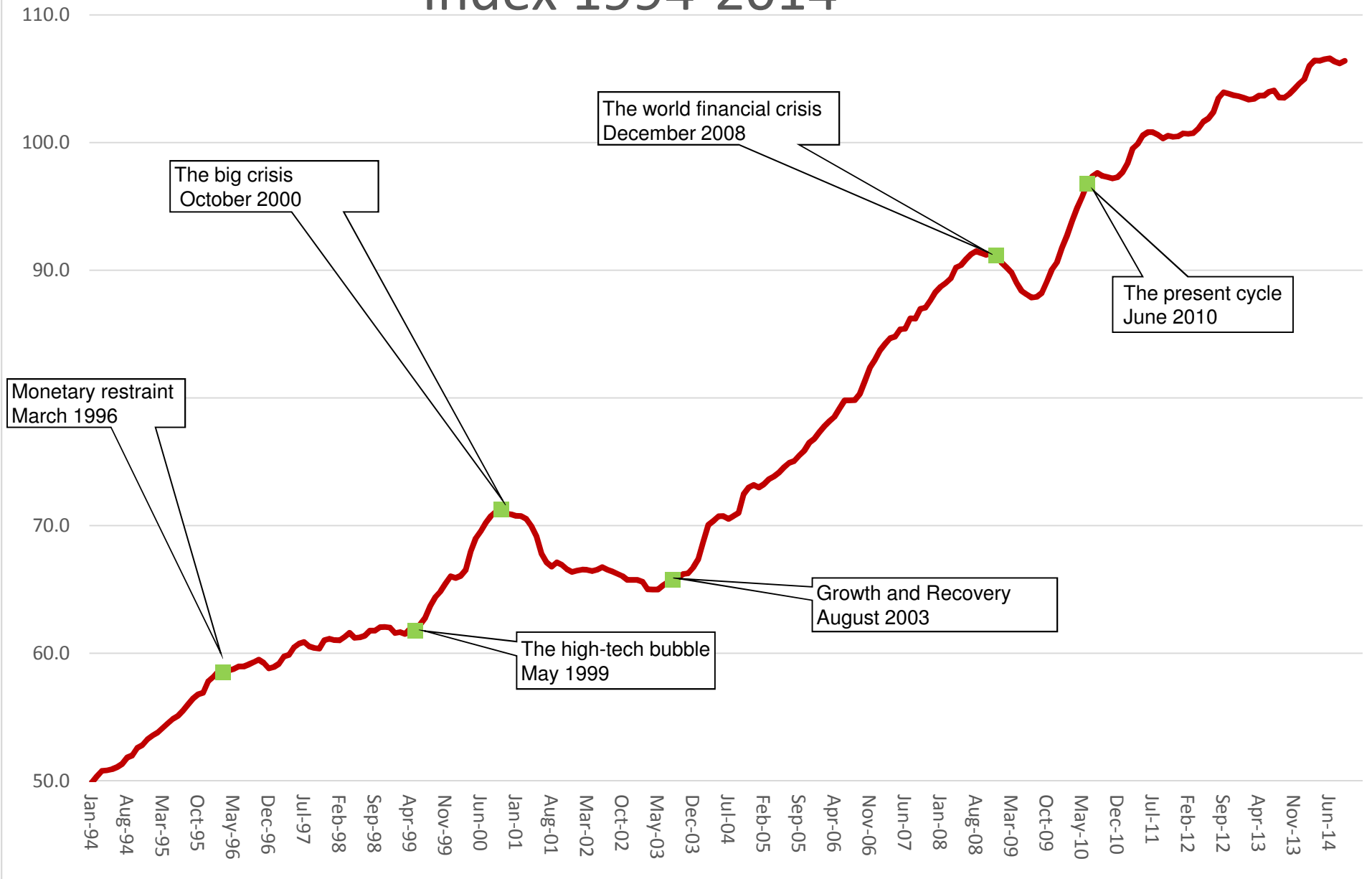
(2011=100)



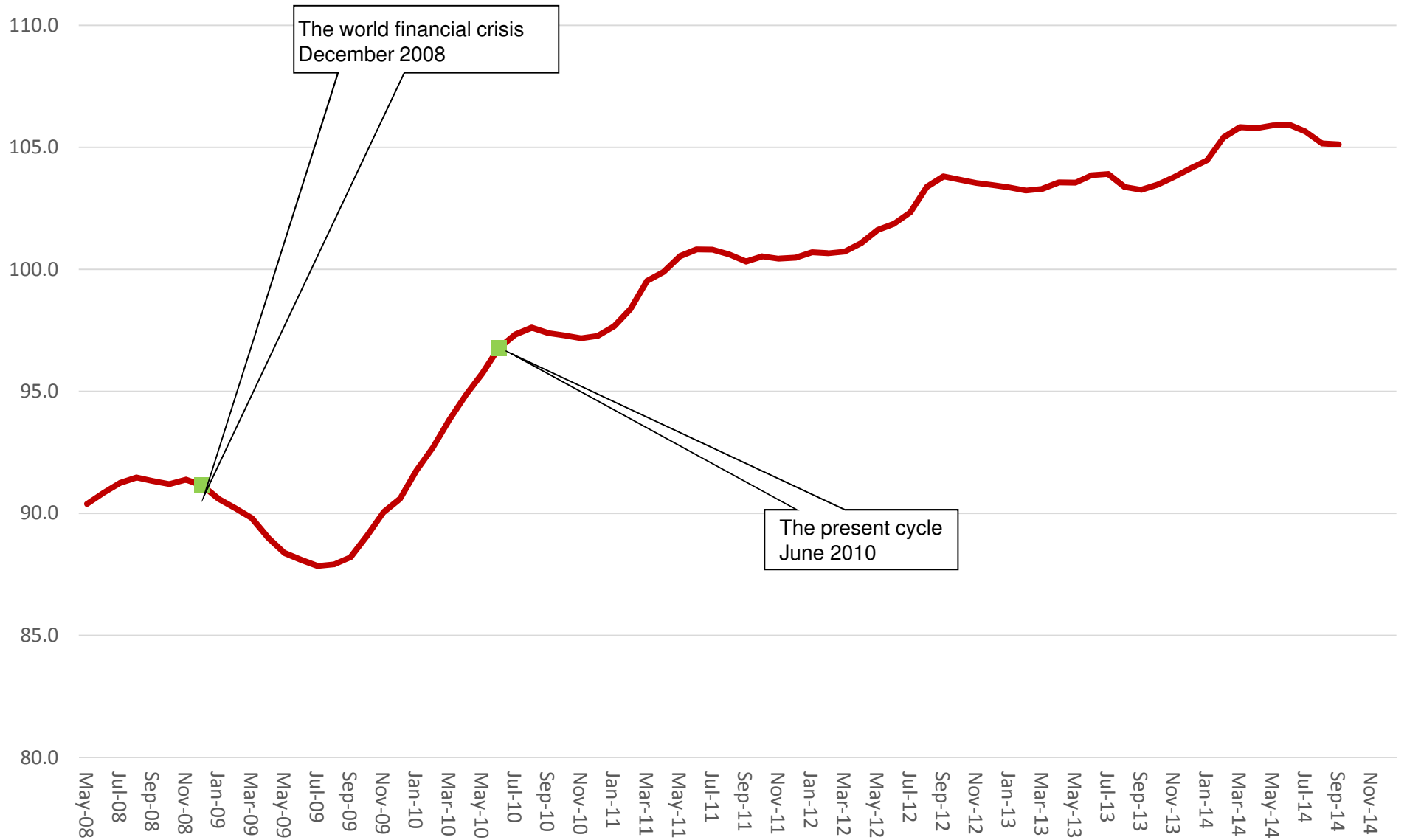
Employee Posts in the Business Sector 1994-2014 (באלפים)



Business Cycles According to the Melnick Index 1994-2014

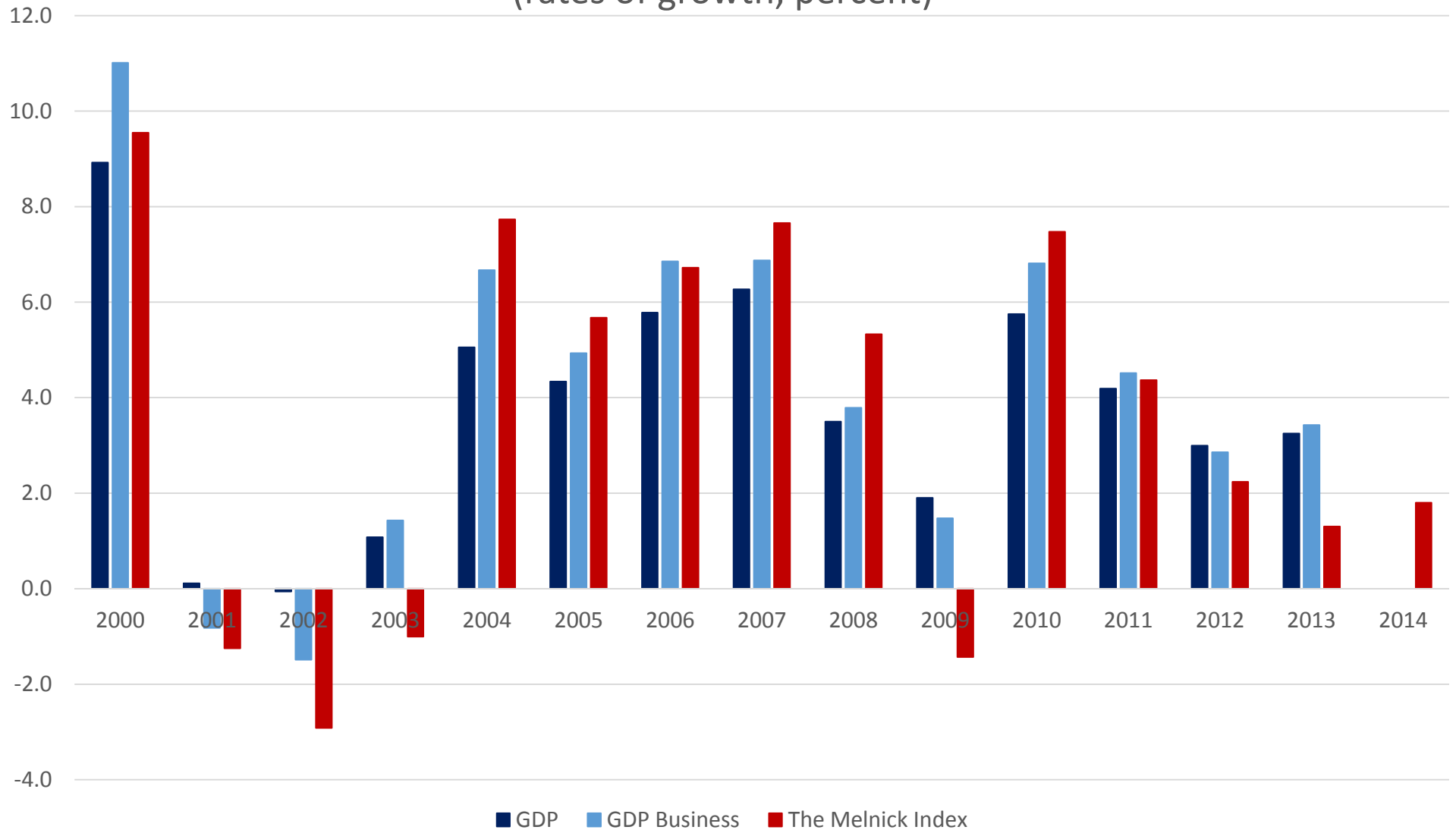


The Melnick Index the current cycle (100=2011)



GDP, Business GDP and The Melnick Index 2000-2014

(rates of growth, percent)



Thanks