

Economic Shockwaves: Measuring the Impact of Global Boycott on Israel's Economy

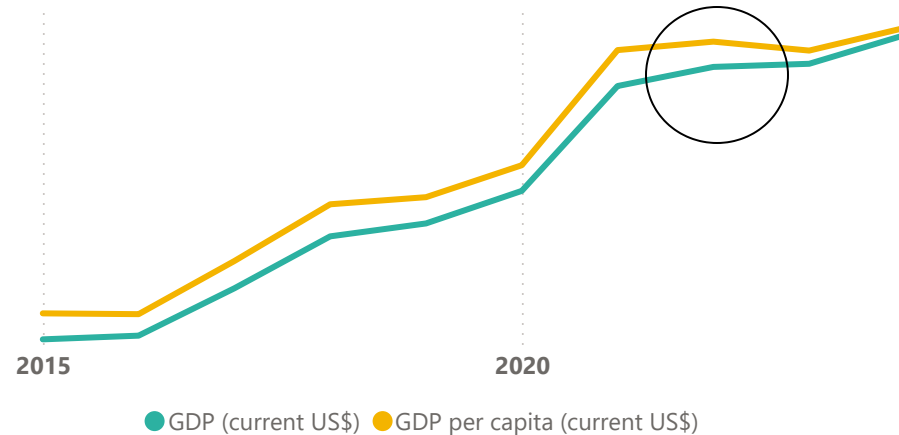
(2015–2024)

*A macroeconomic + firm-level analysis using World
Bank data and company financials*

**What happens to a national economy and its leading companies
when geopolitical pressure turns into economic action?**

MACROECONOMIC PULSE

GDP & GDP Per Capita



Before 2022 → Steady Growth in GDP and GDP per Capita
After 2022 → Flat Growth in GDP, Declining GDP per Capita

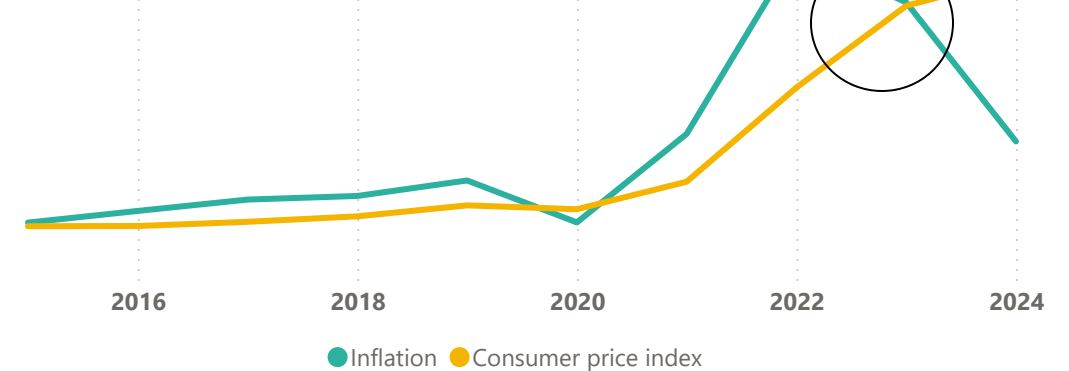
Reason Behind It:

Boycott slowed trade and investments, causing GDP growth but stagnating GDP per capita, showing growth benefits are not reaching average citizens.

Insight:

GDP growth hides the reality of stagnation for the average person, signaling rising inequality.

Inflation VS CPI



Before 2022 → Steady Growth
After 2022 → Deceleration in GDP & GDP per Capita

Reason Behind It:

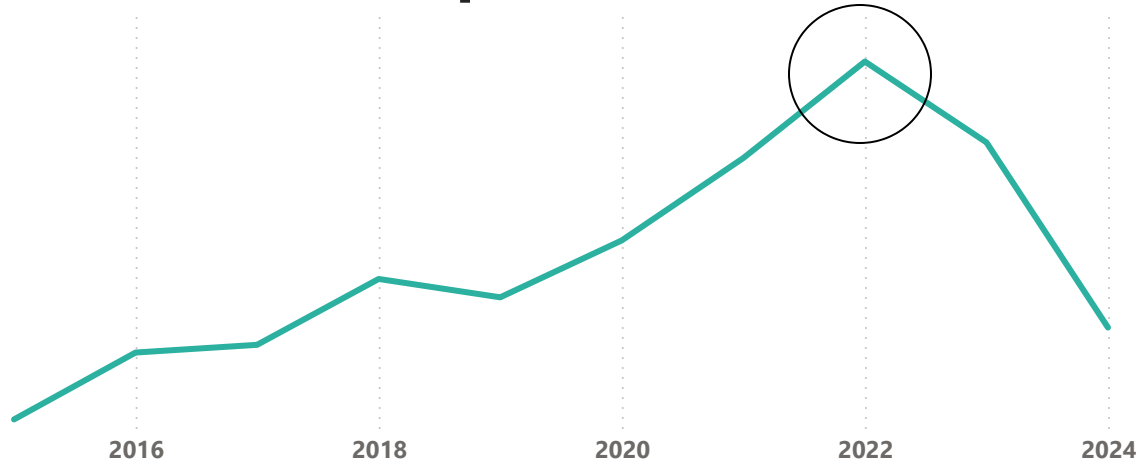
Boycott caused trade stagnation, reducing per capita growth while GDP showed minor gains.

Insight:

GDP growth hides stagnation in individual economic benefit.

MACROECONOMIC PULSE

Gross Capital Formation



Before 2022 → Stable Capital Formation

After 2022 → Sharp Decline

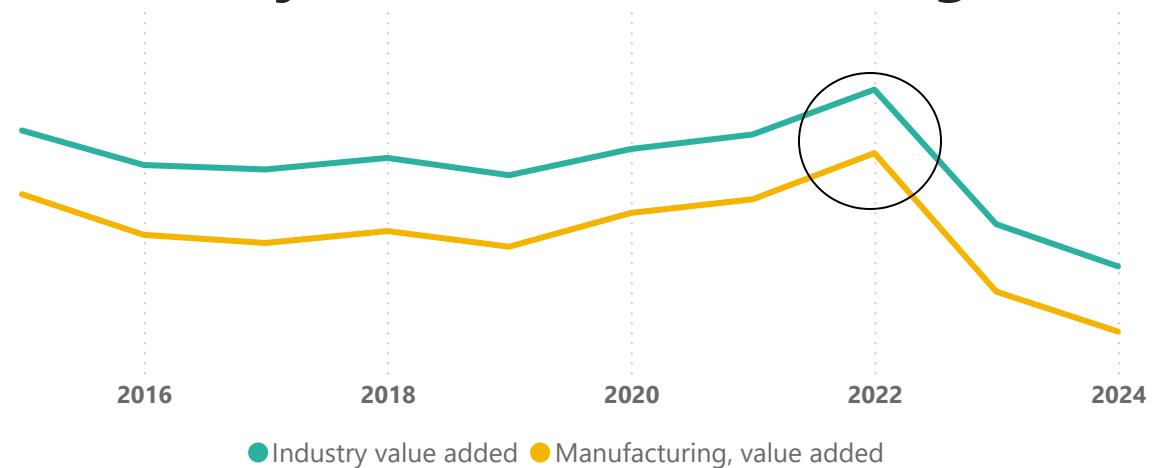
Reason Behind It:

Boycott led to reduced investment and economic uncertainty.

Insight:

Capital formation drops as confidence and investments decline post-boycott.

Industry VA VS Manufacturing VA



Before 2022 → Stable Growth in Industry & Manufacturing

After 2022 → Sharp Decline

Reason Behind It:

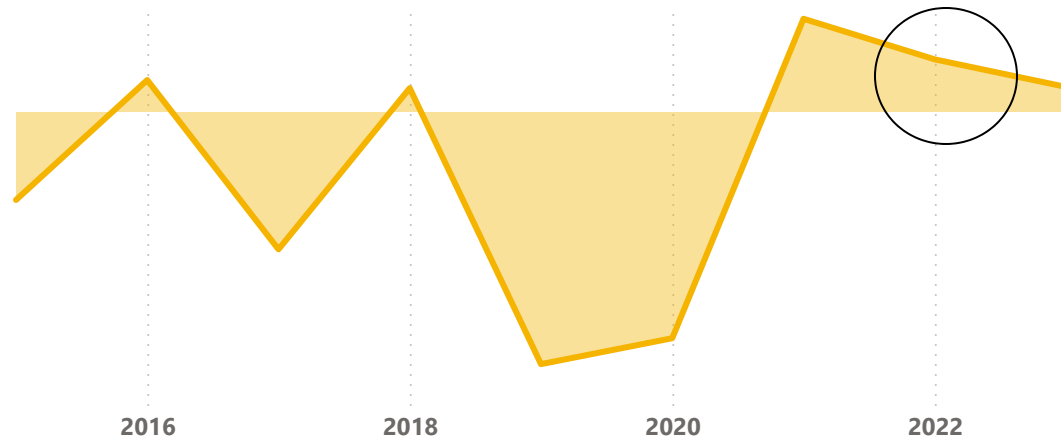
Boycott disrupted supply chains, hurting manufacturing and industrial output.

Insight:

Trade disruptions hit manufacturing hard, causing a significant drop in value added.

INVESTMENT AND CONFIDENCE SHOCK

Foreign Direct Investment



Before 2022 → Fluctuating FDI
After 2022 → Positive FDI Growth

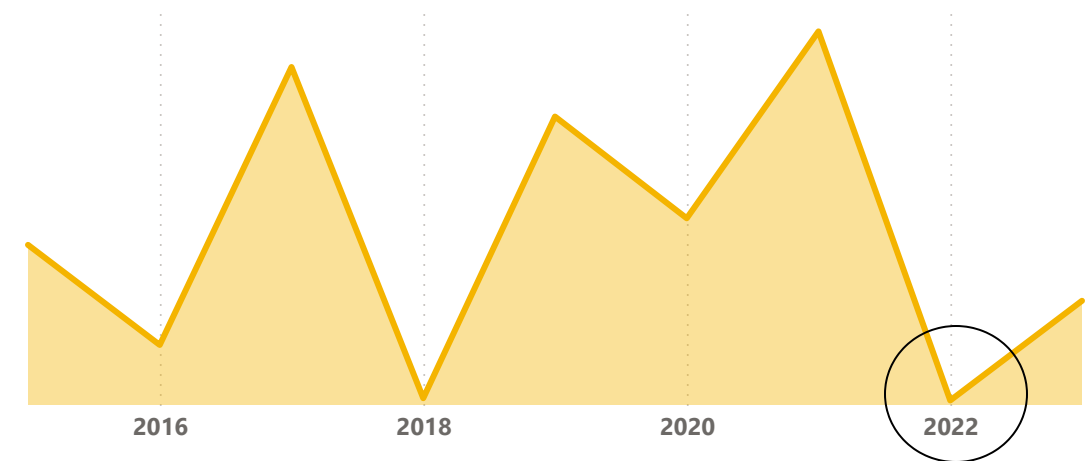
Reason Behind It:

Post-boycott, companies re-evaluated investments, leading to a rebound in FDI.

Insight:

FDI increases as businesses adjust to new market conditions.

Portfolio Equality Investment



Before 2022 → Fluctuating Inflows
After 2022 → Decline in Inflows

Reason Behind It:

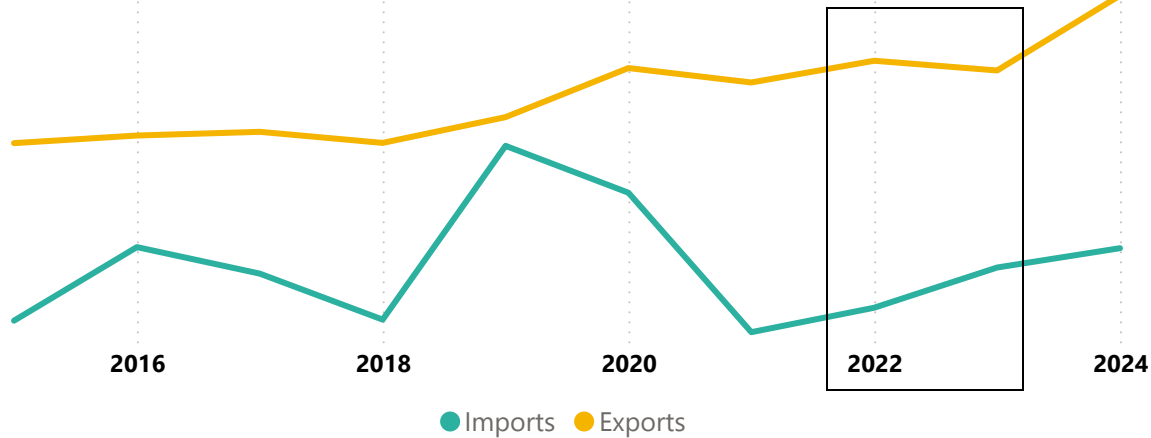
Boycott caused decreased investor confidence and lower portfolio inflows.

Insight:

Uncertainty from the boycott led to reduced portfolio investments

MACROECONOMIC PULSE

Exports VS Imports



Before 2022 → Balanced Import and Export Growth
After 2022 → Imports Continue Growing, Exports Decline

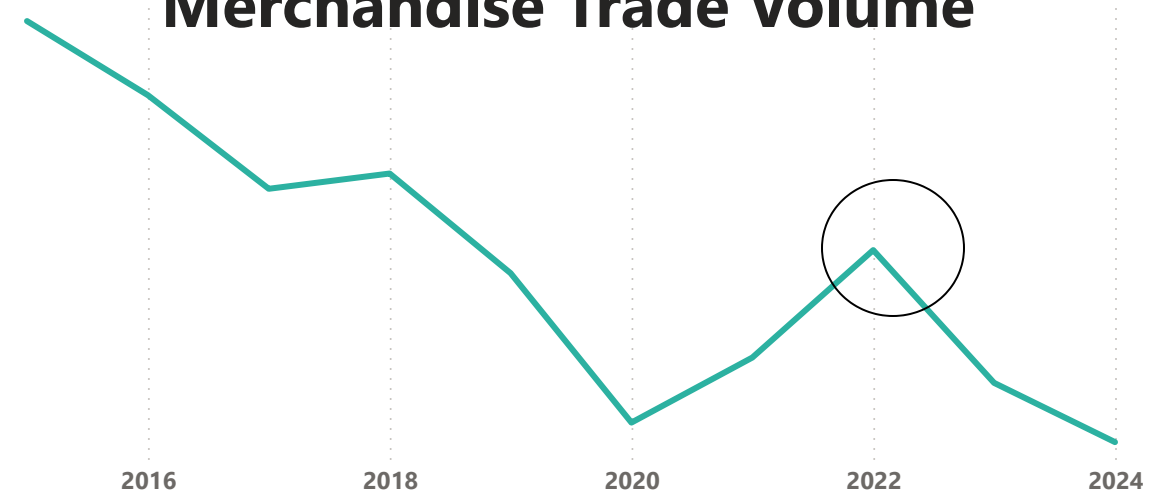
Reason Behind It:

- **Exports** began to decline post-2022 due to the **boycott** affecting international trade relations.
- **Imports** continued to grow, reflecting domestic demand but also disrupted supply chains.

Insight:

The boycott hurt exports more than imports, indicating reduced market access and trade partnerships.

Merchandise Trade Volume



Before 2022 → Steady Merchandise Trade Volume
After 2022 → Sharp Decline

Reason Behind It:

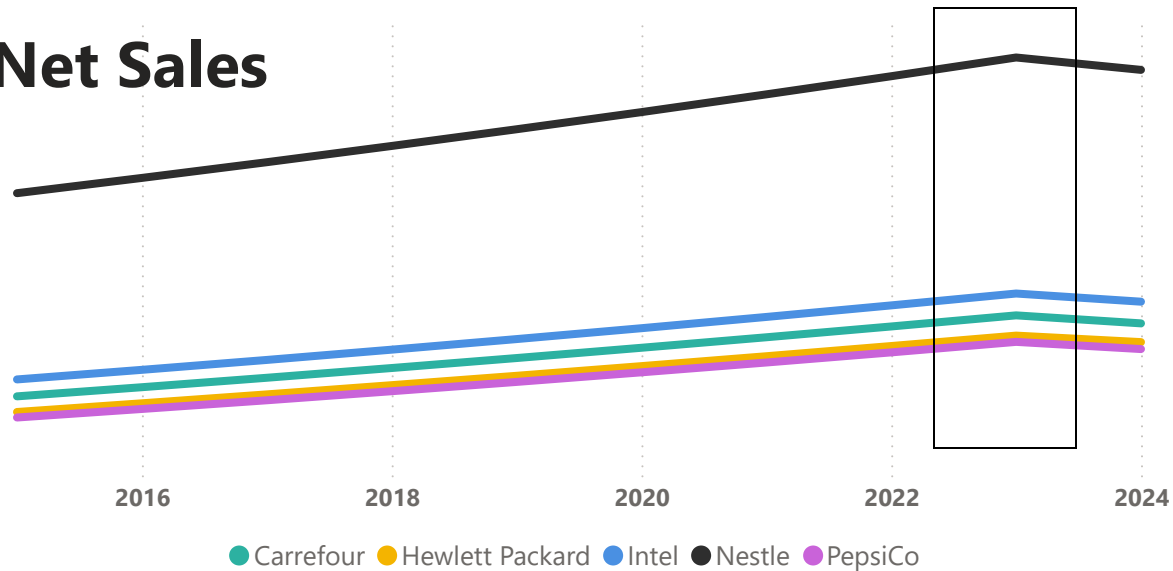
Merchandise trade volume dropped sharply after 2022 due to the **boycott** restricting trade and supply chains.

Insight:

The boycott led to a significant reduction in trade volume, reflecting Israel's economic isolation.

INVESTMENT AND CONFIDENCE SHOCK

Net Sales



Before 2022 → Consistent Growth in Sales and Profit

After 2022 → Clear Decline in Sales and Profit

Reason Behind It:

→ **Net Sales** and **Net Profit** for major Israeli companies like **Carrefour, Hewlett Packard, Intel, Nestle, and PepsiCo** were consistently rising until 2022. These companies are some of the most popular and influential brands, not only within Israel but globally.

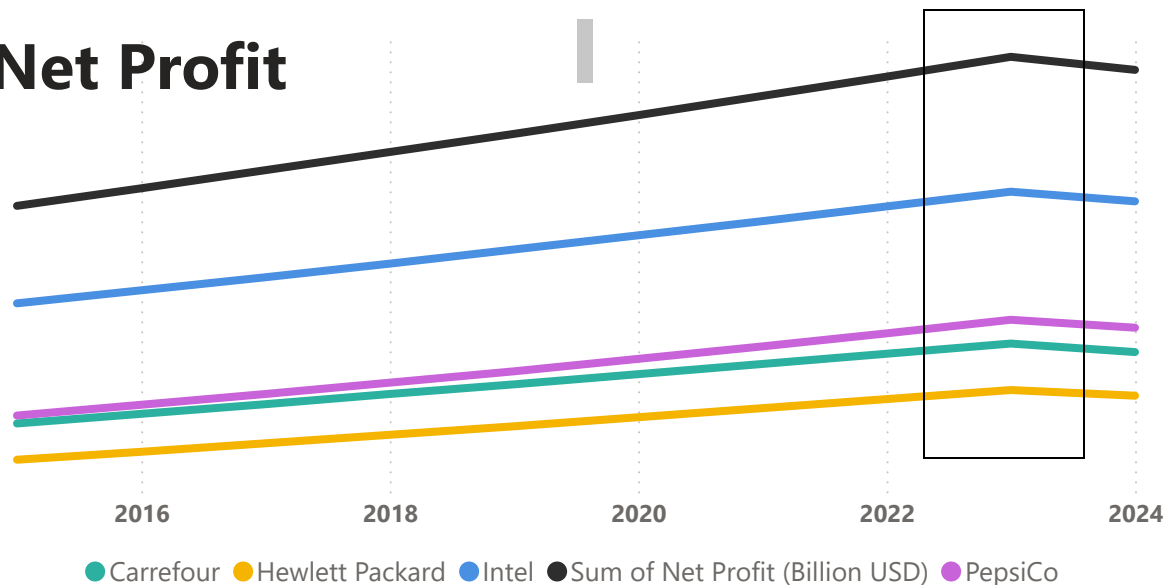
→ Post-2022, as the **boycott** took effect, we see a **sharp decline** in both **sales and profits**. This downturn is a direct reflection of the **boycott's impact** on key industries, from consumer goods to tech.

→ The boycott led to:

- **Supply chain disruptions**
- **Decreased foreign demand**
- **Investor pullback**

These companies represent a large portion of Israel's economic engine. When they suffer, it signals broader economic distress, lower sales, reduced profits, job losses, and slower economic growth. The effects of the boycott, though seen more sharply in these companies, indicate a wider, systemic issue within the economy.

Net Profit



CONCLUSION

After 2022, Israel's economy faced major disruptions:

1

Macroeconomic Lag:

Slower GDP growth and rising costs, with less benefit reaching the average citizen.

2

Industry Shock:

Manufacturing and investments took a hit, disrupting industrial output.

3

Drop in Portfolio Inflows:

Investor pullback led to decreased portfolio investments.

4

Trade Decline:

Exports collapsed while imports increased, signaling economic isolation.

5

Company Struggles:

Major firms like **Carrefour** and **PepsiCo** saw profits drop, reflecting wider economic strain.