

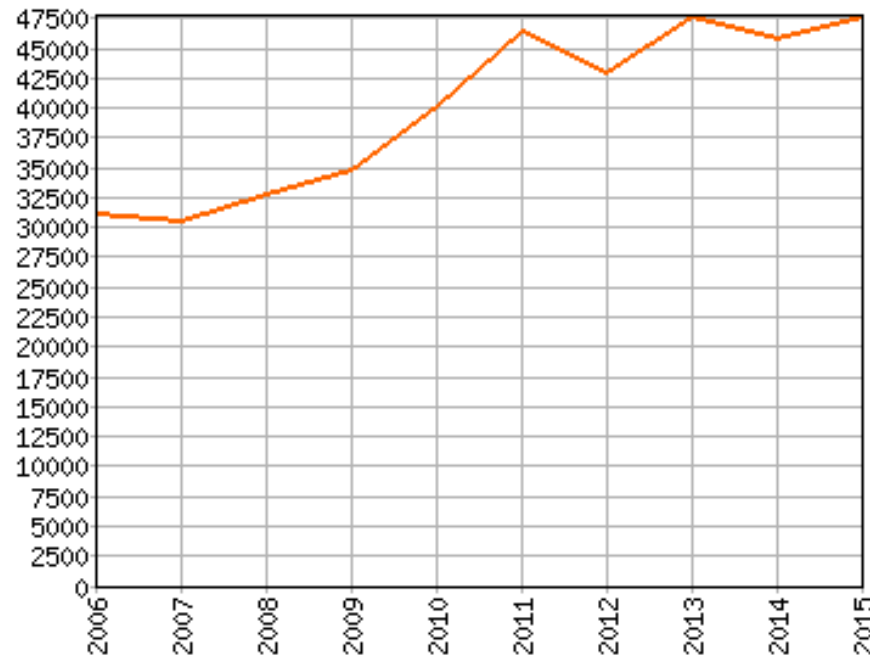
World Ceramic Tiles Forum – National Context

Israel



Trend in the construction sector/demand

1. Israel's population in 2015 was 8.46 million person.
2. In last 10 years the average population growth is 1.8%/year.
3. The GDP in 2015 was 2.5% and the forecast for 2016 is 4.3%
4. Last 10 year, new housing starts were characterized by constant growth.

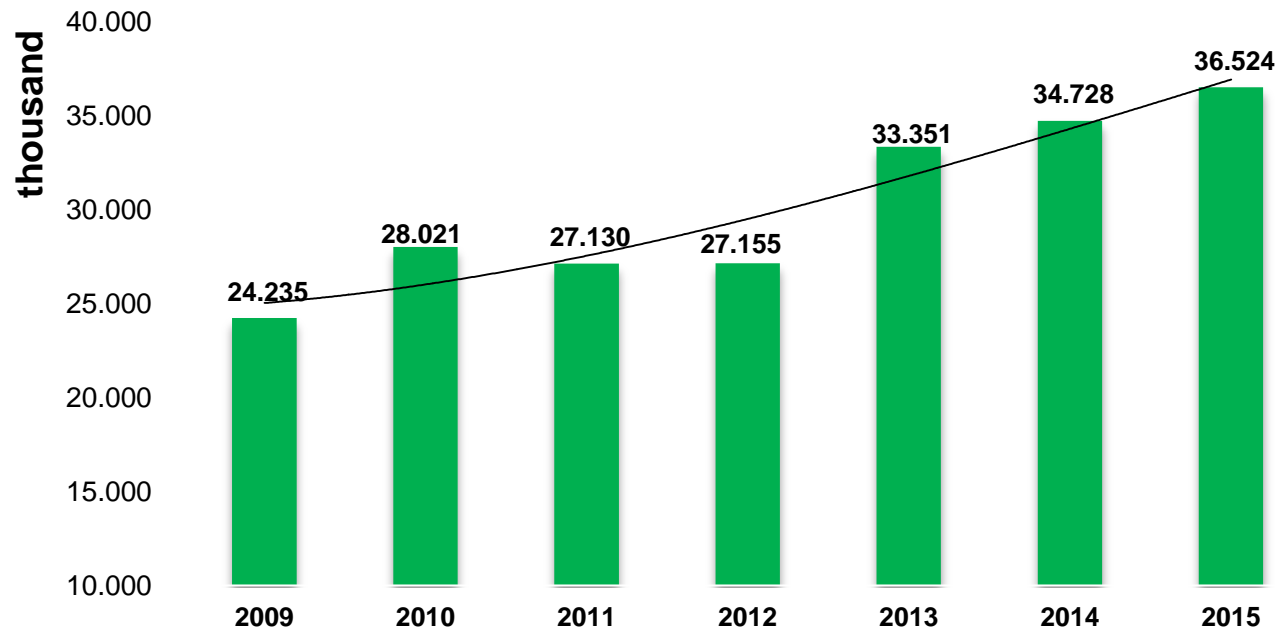


Trend in production, consumption and trade in ceramic tiles

- Tiles consumption in Israel is growing year by year.
- Ceramic Tiles are the main flooring material.
- Tile consumption In Israel in 2015 reached 36.5 million sqm. 4.3 sqm/capita. According the first half year 2016 yearly consumption, the yearly forecast will exceed 40 million sqm.
- The production in Israel is less around 10% in relation to tile consumption. Main production is glazed porcelain tiles with 75% sizes 60X60 up to 100X100.
- The main flooring size is 60X60. In last years the trend is for bigger sizes: 80X80, 60X120.
- The part of rectified, Lapatto Glossy, Lapatto Stain and Super polish becomes very popular.

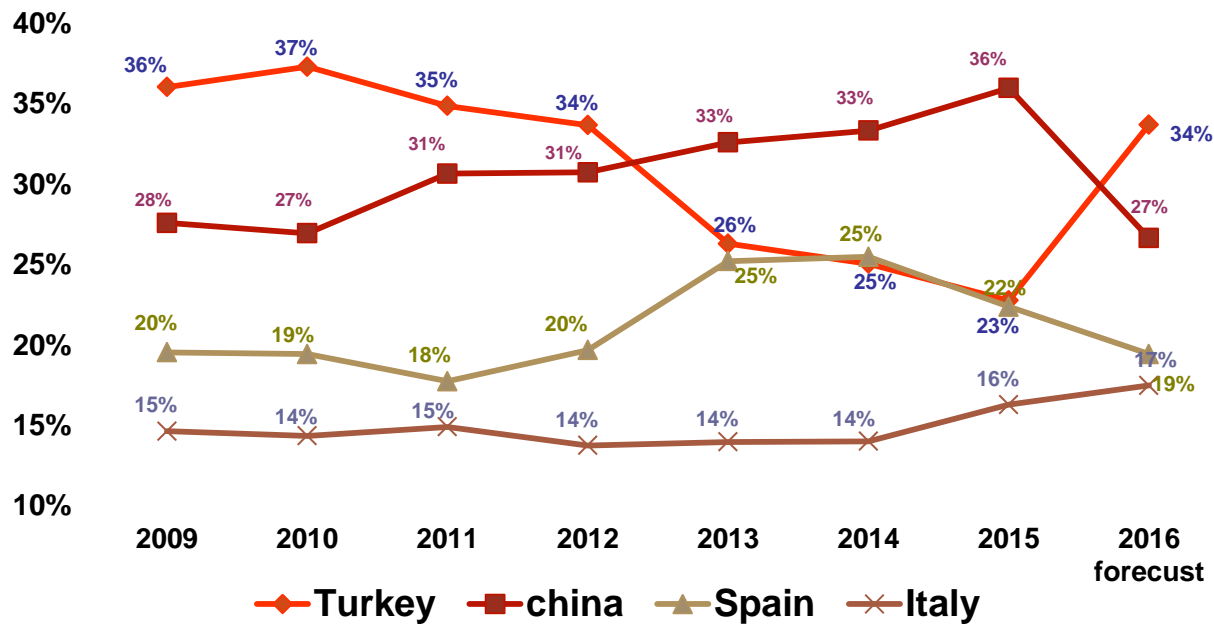
Trend in production, consumption and trade in ceramic tiles

IMPORTS TREND



Trend in production, consumption and trade in ceramic tiles

Segmentation according import countries



I. Latest developments at national level in energy supply regulation and taxation



PARIS Agreement



- Minister Gabbay signed in New York – 22.4.16
- Ratification process underway
 - requires inter-ministerial consultation
 - tabling at the Knesset (Parliament)
 - government approval
 - possible ratification in 2017
- Moving on spectrum towards developed country undertaking
 - Absolute emissions target remains challenge
- Facilitation and Compliance



I. Latest developments at national level in energy supply regulation and taxation

Implications for Israel

- **Mitigation**
 - Increased ambition - 5 year NDC update
- **MRV**
 - Establishment of system has begun
- **Technology transfer**
 - Contribution possible and encouraged
- **Adaptation**
 - Multi-sector adaptation plan in development
- **Finance**
 - Support to developing through climate technologies
 - Examining initiatives (within and outside UNFCCC)
- **Capacity Building**
 - Expertise especially in water technologies



Latest developments at national level in energy supply regulation and taxation

Cooperation with EU

- *ClimaSouth* – planned for 2016
 - Second LEAP workshop
 - Climate finance workshop
- TAIEX application for study tour in Germany: Improvement of National GHG Inventory
- Seminar: Environmental Goods Agreement
- Project with Bavaria – natural refrigerants
 - Workshops in Israel
 - Professional training in Germany
 - Declaration of Intent signed in Paris
- Flow of information on UNFCCC process



Development in standardisation or regulation at national level affecting ceramic tiles

According governmental regulation the Israeli standard has to be the according international standard as: ISO, EUROPEAN, USA or other countries.

Ceramic tiles has 5 standards:

- IS 314 – Is almost identical to ISO 13006 ISO 10545 including all the parts.

This standard covers first and second choice. The criteria for first choice is different then ISO and UNI standards. The standard has a chart with the defects which allowed. This standard is official and every delivery to Israel is checked by the Israeli Standard Institute and must comply with the standard.

- IS 1555-1 A mosaic and ceramic tiles for floors and exterior cladding buildings standard.
- IS 1555-2 This standard applies to a cladding of buildings, interior walls and columns and internal parts of buildings, ceramic tiles and mosaic.

Development in standardisation or regulation at national level affecting ceramic tiles

- IS 1555-3 A mosaic and ceramic tiles for flooring and cladding in buildings flooring .
- IS 2279 Resistance to sliding surfaces existing walking and new products for walking surfaces

HS CODES 6907

In beginning of 2017 the Israeli customs will change the HS codes based on measuring water absorption according the new version of 10545-3 which will be published probably in the 2017 first quarter.

The new classification will be as follow:

- 69.07-2100 For tiles with water absorption up to 0.5%.
- 69-07-2200 For tiles with water absorption between 0.5% up to 10%.
- 69-07-2300 For tiles with water absorption over 10%.
- 69-07-3000 Mosaic cubes and like, other then those of subheading 6907.40
- 69-07-4000 Finishing Ceramics.

By the end of the year, the customs will finalize the Israeli Tariff subdivisions and will add it later on.