
Bank of Israel forecasts growth slowdown this year

By Editor

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JERUSALEM, April 1, 2008 (AFP) - Bank of Israel Governor Stanley Fischer said on Tuesday he expected economic growth to slow this year as a result of the global financial crisis.

'The growth rate of the Israeli economy will be 3.2 percent this year, a lower rate than what we have become used to over the past four years,' Fischer said at a news conference after presenting the bank's annual report to Prime Minister Ehud Olmert.

The 2008 budget had forecast a growth rate of 4.2 percent, itself already down on the more than five percent annual rate over the previous five years.

'We are at the heart of one of the most complex crises of the past years. Some estimates already suggest a recession in the United States,' Fischer said.

But he stressed that Israel was likely to fare relatively well in comparison 'with other Western countries.'

He forecast that 2009 would see a slight upturn -- to 3.4 percent growth.

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