

ALFRED NOBEL UNIVERSITY
DEPARTMENT OF INTERNATIONAL ECONOMIC RELATIONS AND
ECONOMIC THEORY

Bachelor's Thesis

Development and implementation of the investment project “Opening the English and Spanish school in Israel”

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Group: IER-17e_____

Specialty: 292 International economic relations

Supervisor: Associate professor R.M Kliuchnyk

Last name, initials, scientific degree

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ALFRED NOBEL UNIVERSITY
DEPARTMENT OF INTERNATIONAL ECONOMIC RELATIONS AND ECONOMIC THEORY

First (bachelor) level
Specialty 292 International economic relations

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Head of the Department _____

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The Bachelor's Thesis
Assignment

Oleksandra Pakhantsova

1. Title: Development and implementation of the investment project “Opening the English and Spanish school in Israel”

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4. Aim of the paper To develop the project of opening the foreign language school of English and Spanish in Israel

5. Thesis outline (list of issues to be developed):

- to analyze the development of the Israeli economy;
- identify the basic principles of taxation and methods of combating corruption;
- provide an assessment of the investment climate in Israel and the degree of its attractiveness to Ukrainian investors;
- to analyze the dynamics of export-import operations in Israel;
- calculate financial indicators and analyze the main approaches to taxation;
- determine the total costs, revenues of the outlet, the payback period of equity.

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		Schedule date	Actual date
1	CHAPTER 1. ISRAELI ECONOMY: THE CURRENT SITUATION, DEVELOPMENT TRENDS AND MAJOR PROBLEMS	15.03.2021	01.03.2021
2	CHAPTER 2. FOREIGN ECONOMIC ACTIVITY OF ISRAEL: INTERNATIONAL GOODS AND CAPITAL MOVEMENT	15.04.2021	01.04.2021
3	CHAPTER 3. DEVELOPMENT OF AN INTERNATIONAL INVESTMENT PROJECT TO ESTABLISH A FOREIGN LANGUAGE SCHOOL	15.05.2021	04.05.2021
4	The whole paper	15.05.2021	10.05.2021

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ABSTRACT

Pakhantsova O.M. Development and ways of implementation of the international investment project "Opening the English and Spanish school" in Israel.

The paper examines the current state and trends of the Israeli economy. It is known that Israel is considered to be as a start-up nation and is open for foreign investments. The economy of Israel is a highly advanced free-market, primarily knowledge-based economy. Israel has impressive achievements in creating profit driven technologies, and now the country is the first choice for many of world's leaders: entrepreneurs, investors, and industry giants. The economic dynamism of Israel has attracted attention from international business leaders. The Israel's economy was evaluated by entrepreneurs who invested in numerous Israeli industries beyond their traditional business activities and investments back in their home nations.

We have developed an international investment project for the opening the English and Spanish school in Tel-Aviv, at the expense of the investor's own funds from Ukraine. The expected profits and costs are calculated, as well as the required amount of start-up capital. This provides an opportunity to evaluate the attractiveness of this project.

Keywords: labour migration, investment climate of Israel, payback period of the investment project

Анотація

У роботі розглядається сучасний стан та тенденції економіки Ізраїлю. Відомо, що Ізраїль вважається державою стартапів і є відкритою для іноземних інвестицій. Економіка Ізраїлю - це високорозвинений вільний ринок, насамперед економіка, заснована на знаннях. Маючи вражаючий досвід створення технологій, орієнтованих на прибуток, Ізраїль став першим вибором для багатьох провідних світових підприємців, інвесторів та гігантів галузі. Економічний динамізм Ізраїлю привернув увагу лідерів міжнародного бізнесу. Кожен підприємець високо оцінив економіку

Ізраїлю та вклав значні кошти в численні ізраїльські галузі, окрім традиційної ділової діяльності та інвестицій у свої країни.

Ми розробили міжнародний інвестиційний проект для відкриття школи іноземних мов англійської та іспанської мов у Тель-Авіві за рахунок власних коштів інвестора з України. Розраховуються очікувані прибутки та витрати, а також необхідна сума стартового капіталу. Це дає можливість оцінити привабливість цього проекту.

Ключові слова: міграція робочої сили, інвестиційний клімат Ізраїлю, термін окупності інвестиційного проекту

Bachelor's Thesis Evaluation Form

Development and implementation of the investment project "Opening the English and Spanish school in Israel"

(title of the thesis)

Oleksandra Pakhantsova a
4th year student in specialty 292 International Economic Relations

(Full Name)

Assessment of separate components of qualification work:

1. Format of the thesis (no more than 10 points) - _____
2. Timeliness of submission of separate parts of work (Chapters 1-3) and the whole paper (5 points per each part) - _____
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Supervisor _____
(signature) (name of the supervisor, scientific degree, academic status)

" _____ "

Topic. Development and implementation of the international investment project
“Opening of the foreign language school of English and Spanish” in Israel.

INTRODUCTION

CHAPTER 1. ISRAELI ECONOMY: THE CURRENT SITUATION, DEVELOPMENT TRENDS AND MAJOR PROBLEMS

1.1. General characteristics of the development of the Israeli economy and main problems.....	10
1.2. Structural changes in the economy after the signing peace agreements for the 2020.....	17
1.3. Israeli labour market and its participation in international migration processes.....	19

CHAPTER 2. FOREIGN ECONOMIC ACTIVITY OF ISRAEL: INTERNATIONAL GOODS AND CAPITAL MOVEMENT

2.1. Export-import activity of Israel.....	23
2.2. Foreign direct investment activity in Israel.....	25
2.3. Assessment of Israeli investment climate and the degree of its attractiveness to Ukrainian investors.....	31

CHAPTER 3. DEVELOPMENT OF AN INTERNATIONAL INVESTMENT PROJECT TO ESTABLISH A FOREIGN LANGUAGE SCHOOL

3.1. Analysis of the foreign language schools in Israel, identifying competitors and target audience.....	39
3.2. Reasons to study languages.....	40
3.3. Analysis of total costs and revenues of the school, calculation of the payback period of equity.....	42

CONCLUSIONS AND PROPOSALS

APPENDICES

REFERENCES

INTRODUCTION

Nowadays Israel is considered to be one of the most attractive countries for investors. The structure of the Israeli economy is similar a lot to the economies of the developed countries. It is known that more than 60-65% of the GDP consists of the service sector – it is about

35-37%, the industry, the role of which is very important in Israel and about 4-5% - in agriculture.

The economy of Israel is export-oriented, so its structure is completely depended on the geopolitical situation in the country and in the nearest countries. The largest trading partners of Israel are the United States and the countries of the European Union. Some years ago the country started developing foreign trade relations with the countries of South-East Asia - China and Hong Kong. Many companies produce their products on the facilities of China. It has to be mentioned that Israeli trade relations are very restricted with its neighbors - Arabian countries due to serious contradictions in the economic, political and religious spheres. But there is a possibility that in the future peace agreements will be signed and the trading relations will appear.

Another important characteristic of the Israeli economy is a fairly large share of the military-industrial complex: the country spends significant funds annually on defense - up to \$ 18 billion – this measure is vital for the country due to the situation in the Middle East and constant threatens.

In addition, some countries that consider Israel their strategic ally are likely to develop economic cooperation with it for political reasons. For a long time, Israel was supported by the US, but after the activation of international terrorist organizations, European leaders began to talk about active support of the country. Nowadays Israel really needs a support in fair investigations

The key risk when investing in the Israeli securities market and in the stock market, is the risk of an escalation of the Arab-Israeli conflict, especially given the fact that Iran

violates negotiations on its nuclear deal that can strength the Arabians in the future and lead to the nuclear war.

The Israeli economy is quite strong, and a report made in 2018 by IMF says that Israel's economy is booming, showing strong increase and the rate of unemployment was historically low. Israel seeks to provide an enabling environment for companies wishing to invest in the country through laws that increase capital and industrial investment in R&D. Proses involves reduced tax rates, grants, tax breaks, and other tax breaks – all these advantages make Israel attractive for investing and it really works.

CHAPTER 1. ISRAELI ECONOMY: THE CURRENT SITUATION, DEVELOPMENT TRENDS AND MAJOR PROBLEMS

1.1. General characteristics of the development of the Israeli economy

Israel's economy is a highly advanced free-market, primarily knowledge-based economy in which the government plays a significant role, along with a developed private sector, which includes a thriving industry and service sectors. Major industries include high-tech, defense, tourism, metalworking, chemical processing, medical equipment, and diamond processing. Israel is relatively poor in natural resources and therefore relies on imports of products and raw materials such as oil, coal and food (this dependence has diminished in the 21st century with the discovery of large reserves of natural gas in the Mediterranean).

Israel has a technologically advanced market economy with significant state participation. It relies on imports of grain, oil, raw materials and military equipment. Despite limited natural resources, Israel has made significant steps in the intensive development of industry and agriculture over the past 20 years. Israel imports a significant quantity of wheat, but independently satisfies its needs for other types of agricultural products.

The development of the Israeli economy was also stanchd by funds received mainly from European countries and the United States. During 10 years from the 1950s to 1960s, it was required to provide approximately two million immigrants with all necessary as food and clothing, and with other services in as health care, education, hospitals, factories, roads, educational institutions and new homes. Israel is considered to be one of the ten richest countries in the world in terms of per capita income. It produces food products, fabrics, clothing, tobacco products, electronic equipment, including for military purposes, medicine, and diamonds - Israel is one of the world's largest centers for the processing and polishing of diamonds.

The country also pays a lot of attention to development of metallurgy and mechanical engineering, including aircraft and shipbuilding, the pharmaceutical industry, microelectronics, the production of computers and robots, including for the military industry.

Agriculture is very developed in this country, and export is responsible for a significant share of production. The main crops grown are peanuts, cotton, wheat and sunflower. As for vegetables, they include tomatoes, potatoes and onions, cucumbers and peppers. Fruits include bananas, plums, pears, dates, apples, kiwi, mangoes, peaches, etc. In Israel, there is a bred of cattle, sheep and goats. Milk gathering in the country is one of the highest in the world. The main sources of government revenues are duties, taxes (it is approximately 25% of GDP) and foreign tourism.

For years the Israeli economy has suffered from a lot of problems: hyperinflation, the banking stock crisis and the boycott from Arabs. In addition, it had to absorb waves of immigration and cope with the economic fallout from the Israeli wars and high spending on defense forces. Despite all this, for several years it tried to achieve a high level of economic development. Foreign investors in world markets, world banks and rating agencies are expressing great confidence in the sustainability of the Israeli economy.

This success is achieved due to many factors, such as: an educated workforce, extensive foreign aid received by the state over the years from Jews around the world, the United States and Germany, and the absorption of human capital in the form of immigration; correct macroeconomic policy of the government and the Bank of Israel and structural reforms and opening the economy to competition.

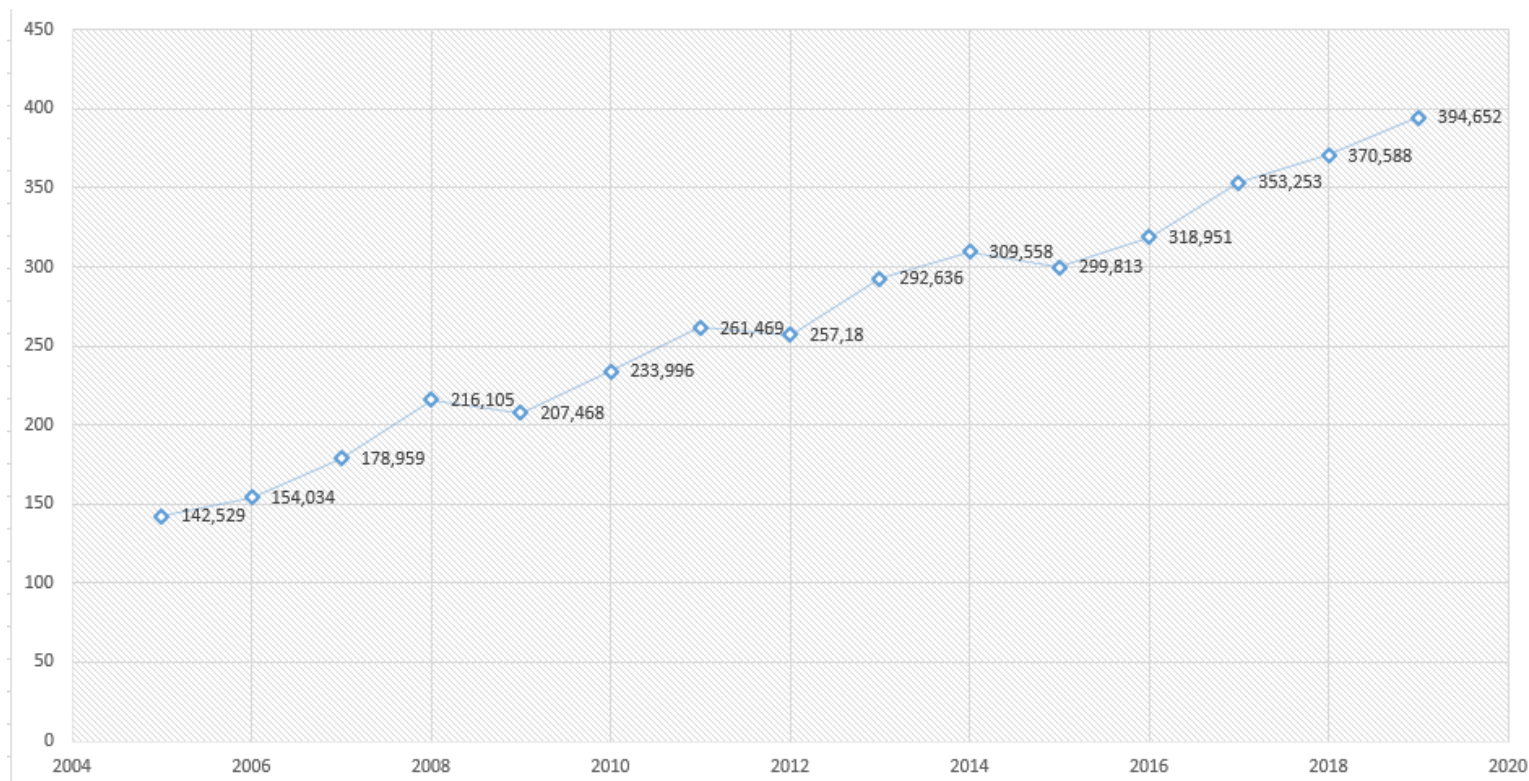


Fig. 1.1 GDP (current US\$) - Israel

Source: <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2019&locations=IL&start=2005>

As we can see on the Fig. 1.1, GDP had a constant growth for the last 10 years. By these indicators it is possible to prove that the economy of Israel developed constantly. But due to COVID-19 in 2020 GDP decreased for 5.40%

In May 2007, Israel was invited to open accession discussions with the OECD. In May 2010, the OECD voted solid to invite Israel to join, despite the situation with Palestinians. It became a full member on 7 September 2010. The OECD praised Israel's scientific and technological progress and described it as having “produced outstanding outcomes on a world scale”.

Sectors:

Hi-Tech Industry

Nowadays Israel takes one of the leading positions in the hi-tech leaders in the world. This industry has been developing for the past 20 years and continues its developing now.

There are some key elements that play an important role in the development of the industry:

- Israel lacks natural resources - the only resources it has are its people. With populations originating from all over the world, Israel has an incredibly diverse population that expanded significantly in the 1990s due to immigration of skilled professionals.

- Israel was created as a State in 1948, despite this fact, the country has a number of leading academic institutions. Today, two Israeli universities, the Hebrew University and Tel Aviv University are ranked among the best 100 in the world.

- Through the wars which have shaped Israel's history as a nation, great knowledge and skills have been developed by the country's army. Many originally military technologies have been transferred into products.

- A culture of innovation is what separates Israel from the rest of the Western World. Israelis solve problems without fear of failure and as a result the country has more start-ups per capita than anywhere else on earth, more Venture Capital funding than the whole of Europe.

Strong support for start-up companies and great links between the private sector and academic and public sector mean that technologies developed in labs are converted into products and quickly bought up by big technology companies from around the world.

Diamond industry

The Tel Aviv diamond industry is one of the most important components of the Israeli economy. It was, until the surge in the high-tech industry, one of Israel's largest export industries. The Diamond Exchange remains unique in the world, and attempts to replicate it elsewhere have failed. This is thanks to its huge number of well reputed businesses, well regarded security, and strong image in the world. 40%-50% of all polished diamonds in the world pass through Tel Aviv. This makes the Tel Aviv Diamond Exchange a major point on the world jewellery map. As a result, buyers from most of the world's major jewellers head to Tel Aviv regularly to purchase new stones.

Construction

Israeli companies are among the world leaders in the design and manufacture of structural steel structures and standard finished parts and components such as doors, windows, plumbing fixtures, plumbing elements, appliances and accessories and much more. These products are successfully sold around the world and can be found by everyone on construction sites on all continents.

Tourism

Israel is considered to be attractive as a country to be visited.

Although the share of the tourism industry in GDP is less than 3%, its value added in terms of foreign exchange is as high as 85 percent, (making it the leader in value added among all export industries). Tourism employs about a lot of local people. The enormous potential of this industry must be exploited in the future, as tourism is an important factor in Israel's economic growth.

Agriculture

Israel's agricultural sector is characterized by an intensive production system, which is associated with the need to overcome the lack of natural resources, especially water and arable land. Continuous increasing in agricultural production is achieved through close

collaboration between scientists, farmers and related industries. Together, they developed and implemented new and best practices in all areas of rural labor, creating a thriving agricultural industry in a country more than half of which is desert.

Most of the food consumed in Israel these days is produced domestically. Israel imports grains, vegetable oils, meat, coffee, cocoa and sugar, more than covering these costs through agricultural exports. Farm products mainly consist of dairy products and poultry.

In addition, a wide range of flowers and vegetables are grown locally, especially in warmer areas. This allows local farmers to sell their produce to Europe during the season when it is cold and there is no opportunity to grow crops. During the winter months Israel becomes a real greenhouse of Europe, supplying it with melons, tomatoes, cucumbers, peppers, strawberries, kiwi, mango, avocado, a variety of citrus fruits, roses and carnations.

It was mentioned that there are a lot of expenses on the army – the situation in the Middle East requires a great preparation of soldiers to any kind of threaten. It is possible to compare expenses on the army in the 2019 on the Fig. 1.2, where Israel took the second place.

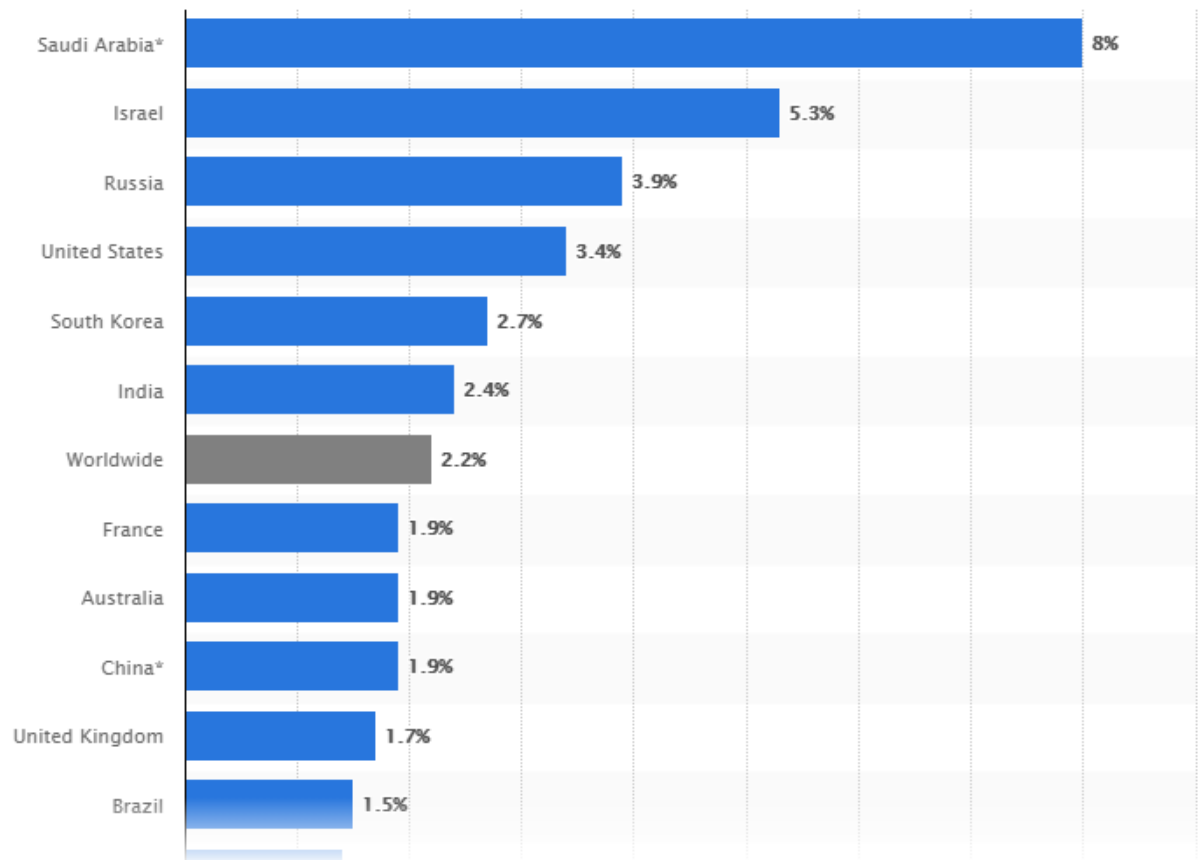


Fig. 1.2 Military expenditure - percentage of GDP in highest spending countries 2019

Source: <https://www.statista.com/statistics/266892/military-expenditure-as-percentage-of-gdp-in-highest-spending-countries/>

It is important to mention the national currency - the Israeli shekel (NIS; ILS; ₪).

On January 1, 1986, the Israeli new shekel was introduced as a result of a 1985 Economic Stabilization Plan. Since then, the Bank of Israel has been able to maintain a stable currency and the shekel is exchanged in many places around the world.

Major problems:

One of the major problems for the economy of Israel is religious population. They do not work and correspondingly do not pay taxes. Moreover, the government of Israel provide them.

Another one is a threat of war. Israelis are used to live in constant conditions of threat, but it can be risky for other countries to invest in Israel. Despite all measures of defense are taken, the risk exists.

1.2. Structural changes in the economy after the signing peace agreements for the 2020

The previous year, 2020, became very important for Israel because of signing peace agreements with Arabian countries – United Arab Emirates and Bahrain.

"Abrahamic Agreements" were signed in the White House on 15 September 2020 with UAE and on the same date with Bahrain. On this ceremony the representatives of all counties and Donald Trump were present. These agreements are considered to be the start of «New Middle East». The attitude of Arabic countries to Israel is properly known – they always supported The Palestine and did not recognize Israel as a state. The peace agreements of the UAE and Bahrain with Israel violate the agreement of the Arab countries not to establish relations with Israel until the Palestinian-Israeli conflict is resolved. As expected, they were seen as a betrayal by the Palestinians. They point out that East Jerusalem and the West Bank, where Palestinians live, are still occupied and the Gaza Strip, they say, is an open prison.

The UAE called the agreements with Israel pro-Palestinian, because in exchange for the agreement, Netanyahu refused to annex new Palestinian territories in the West Bank. But 2020 became the year of changes. It is believed that there will be more peace agreements between Israel and Arabic countries since the previous year.

However, except the establishing relations, these all countries have one more common goal – to prevent Iran from open aggression. Iran is a breaker of stability in the Middle East.

The benefits of the agreements can be noticed already. Despite COVID-19, the level of tourism has grown from Israel to UAE and from UAE to Israel - up to 50,000 Israelis have been flying to Dubai since last November.

Countries contribute a lot in the cultures of each other. It is known that Israelis study Arabic, but now Hebrew is studied in UAE. The Arabic and Israelis cultures differ a lot

(Arabic countries have a lot of restrictions that are not common for the whole world, anyway their cultural peculiarities are valued and followed when not residents are guests) but both countries are glad to get acquainted with a new culture, new food, holidays and traditions. It is possible to hear a lot of songs both in Hebrew and Arabic.

Moreover, a lot of agreements between Israel and UAE were signed since September. The first steps were the following: countries obtained an opportunity to call via phone to each other, the first flight was allowed since September 2020 (new flight connection Israel-UAE has appeared).

Minister of Science and Technology Izhar Shai and Minister of Economy of the Emirates Abdullah bin Tok Almerri signed a special document. Highlights in the document include collaboration on cybernetics, agricultural technology, water technology, artificial intelligence and new innovations;

The Abrahamic Accords also have significant economic benefits. Naturally, agreements with the countries of the Persian Gulf make it possible to minimize the economic activity that has so far been conducted with Israel secretly or indirectly, and especially to develop and strengthen economic relations in many areas: trade, transport, tourism, security, communications, technology, energy, finance, health and defense. For instance, given their ecological data (desert areas and rising temperatures), both sides could show great interest in cooperation in the fight against climate change, including desalination and advanced agriculture. In the field of energy, it is possible to cooperate on renewable energy issues and export oil to the West via the Eilat-Ashkelon line. Israel can also view the United Arab Emirates and Bahrain as another source of oil and distillates.

The Arab partners in the Avraham agreement expect that normalization with Israel will bear economic fruit for them - a view that has apparently intensified due to the economic crisis caused by the corona plague. Israel, for its part, has an interest in having these expectations fulfilled and felt on the Arab-Gulf street, as an illustration of the benefits of peace with it. Hence the recommendation to initiate collaborations and to respond positively

to proposals in this direction that will come from the Gulf, but to avoid over-enthusiasm and not dwell on the economies in the

Persian Gulf. The Arab citizens of Israel, who have an advantage in the field of language, may find an opportunity in the Avraham agreements. The Israeli government must integrate them into developing relations, for instance in economic (and other) delegations to the Persian Gulf, as well as direct investments from the Persian Gulf to industrial areas in Arab localities.

In any case, Israeli entrepreneurs have to demonstrate credibility and comply with local laws, based on learning local cultural-business codes. At the same time, it should be remembered that the Persian Gulf market is also open to elements hostile to Israel, which requires caution when it comes to marketing sensitive technologies.

1.3. Israeli labour market and its participation in international migration processes

Israel is considered to be a country of immigrants, because Jewish people return to their home – Israel or non-Jewish see perspectives here to earn money. The biggest flow of Jewish was in the 1948-1950, the second in 90th. However, there is a constant flow of migrants both those who are under the Law of Return and non-Jewish labour force every year as we can see on the Fig. 1.3 and on the Fig. 1.4.

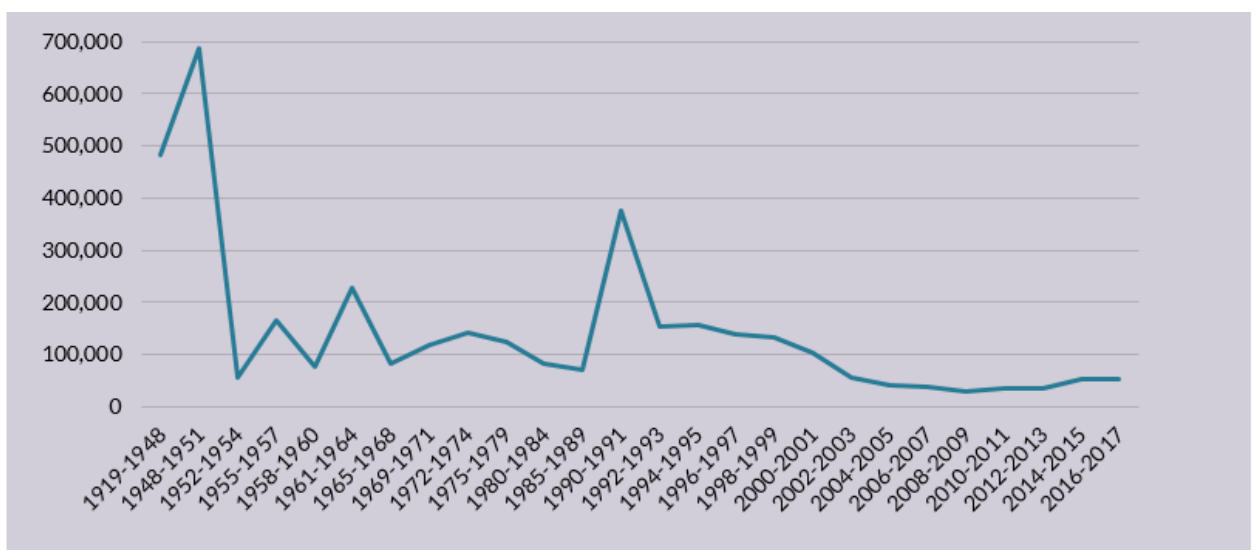


Fig. 1.3 Arrival of immigrants under the Law of Return

Source: <https://www.migrationpolicy.org/article/israel-law-of-return-asylum-labor-migration>

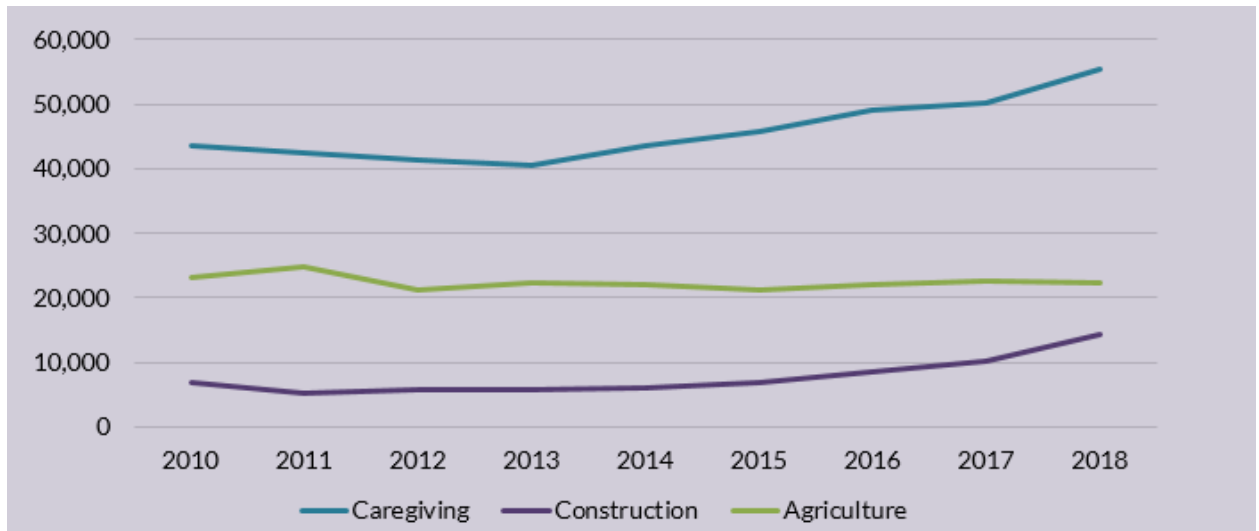


Fig. 1.4 Labour migration flows

Source: <https://www.migrationpolicy.org/article/israel-law-of-return-asylum-labor-migration>

The modern Israel exists only because of migrants who built the country.

In the 2019, there were 295,100 of non-residents in Israel due to the Israel Population and Immigration Authority. During the 2020-2021 the process of migration has not stopped.

According to the Israel Central Bureau of Statistics, the unemployment rate among people aged from 25 to 64 was 3.5 percent at the end of 2020, but in the 2021 the indicator is near 5 percent. It is estimated that in 2021 the rate will decrease to 3-4 percent (Israel 2020 | Statista, 2021).

It is possible to notice on the Fig. 1.5 that Israel almost gained the lowest level of unemployment in 2020, but due to COVID-19 and strict restrictions and lockdowns a lot of people were fired.

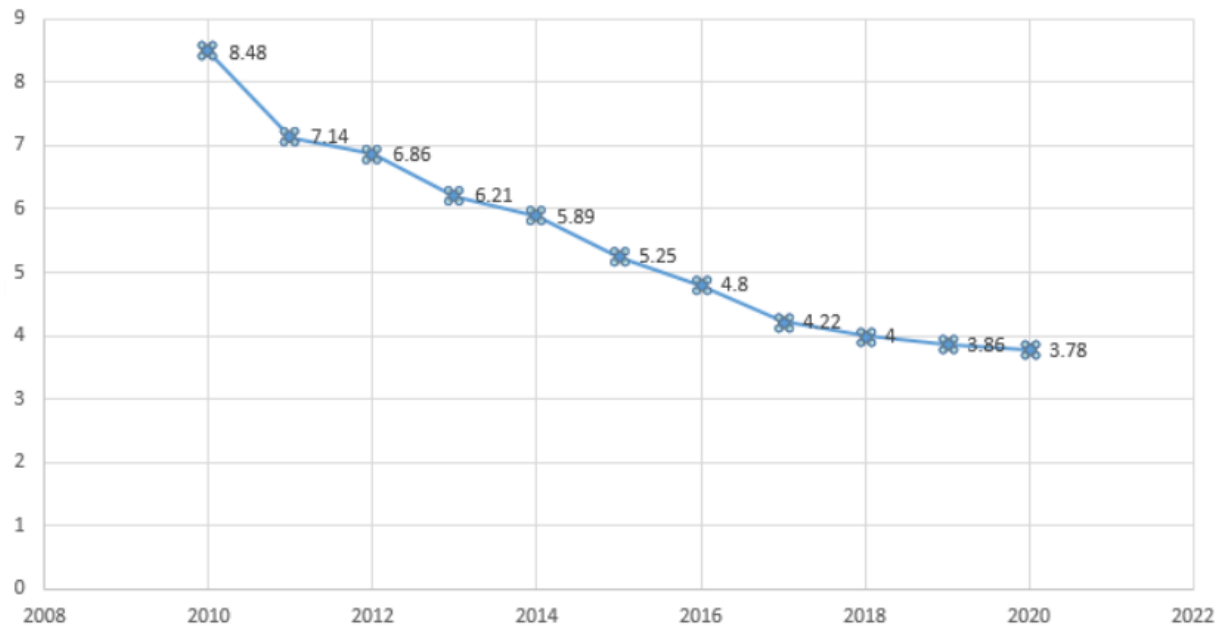


Fig. 1.5 Israel: Unemployment rate from 2010 to 2020

Source: <https://www.statista.com/study/48358/israel/>

Due to the latest data from the Central Bureau of Statistics in the beginning of 2020, 4.1 million people were employed in Israel. According to the OECD, 48 percent of Israelis between the age of 25 and 34 have a college degree (Israel 2020 | Statista, 2021). Many students specialize in areas with high industrial research and development potential, including computer science, mathematics, physics, engineering and medicine. Due to the IPIA, there are more than 145 scientists on every ten thousand employees in Israel. This indicator is one of the highest in the world. The quick growth of Israel's high-tech sector enhanced the demand for skilled workers.

As for special features of Israel for employees – it strictly observes Jewish Saturdays because of Shabbat – people are not allowed to work. So special government permits must be obtained to permit employment on Saturday. At the age of 18, the majority of Israelis

must complete 2-4 years of national service (depends on gender and subdivision) in the army or in selected civilian institutions. Until mid-40s, Israeli men must carry about a month of military reserve annually, during which they obtain compensation from national insurance companies.

Salaries

The range of salaries from the minimum to maximum ones in Israel is quite big – from approximately 3400 shekels to more than 25 thousand shekels, despite that fact the official lowest salary is 5 thousand ILS.

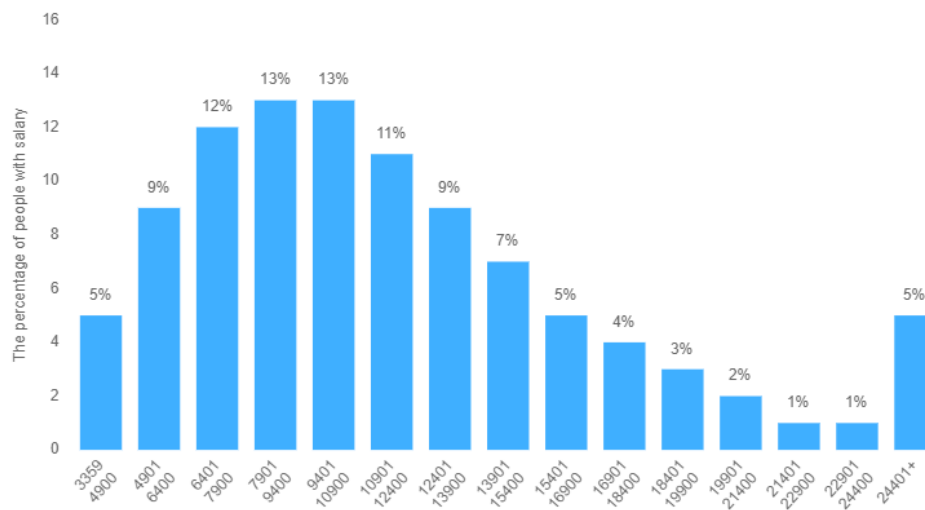


Fig. 1.6 Distribution employees in Israel into wage of bands in ILS

Source: <https://www.paylab.com/il/salaries-in-country>

CHAPTER 2. FOREIGN ECONOMIC ACTIVITY OF ISRAEL: INTERNATIONAL GOODS AND CAPITAL MOVEMENT

2.1. Export-import activity of Israel

Export:

In 2019, Israel took the 50th place in the world as an exporter.

Top of the exported goods it is possible to see in the Fig. 2.1.

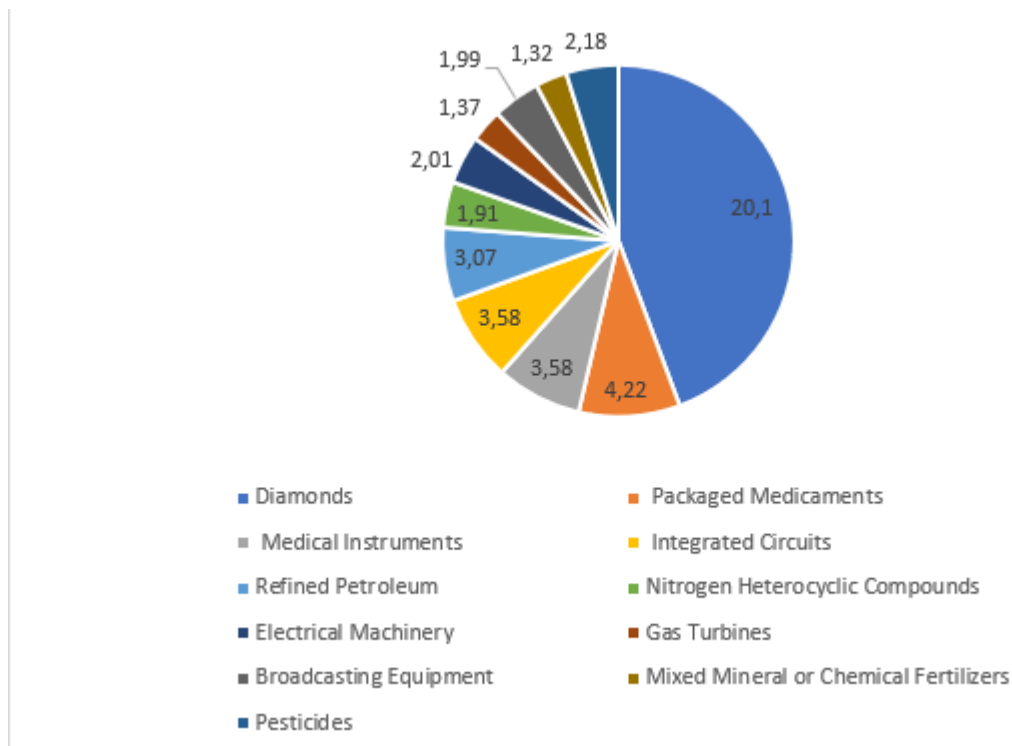


Fig. 2.1 Exported goods of Israel in %

Source: <https://oec.world/en/profile/country/isr>

Top export partners of Israel are:

- United States - \$18.1B – 32,3%;
- China - \$4.88B – 8,72%;
- Hong Kong - \$2.57B – 4,6%;
- United Kingdom - \$2.28B – 4,08%;

- Netherlands - \$2.18B – 3,9%;
- India – 1,75B - 3,19%;
- Germany – \$2,17B - 3,88%;
- Belgium – \$1,56B - 2,78%.

Import:

In 2019 Israel took the 43th place as an importer.

Top of the imported goods it is possible to see in the Fig. 2.2.

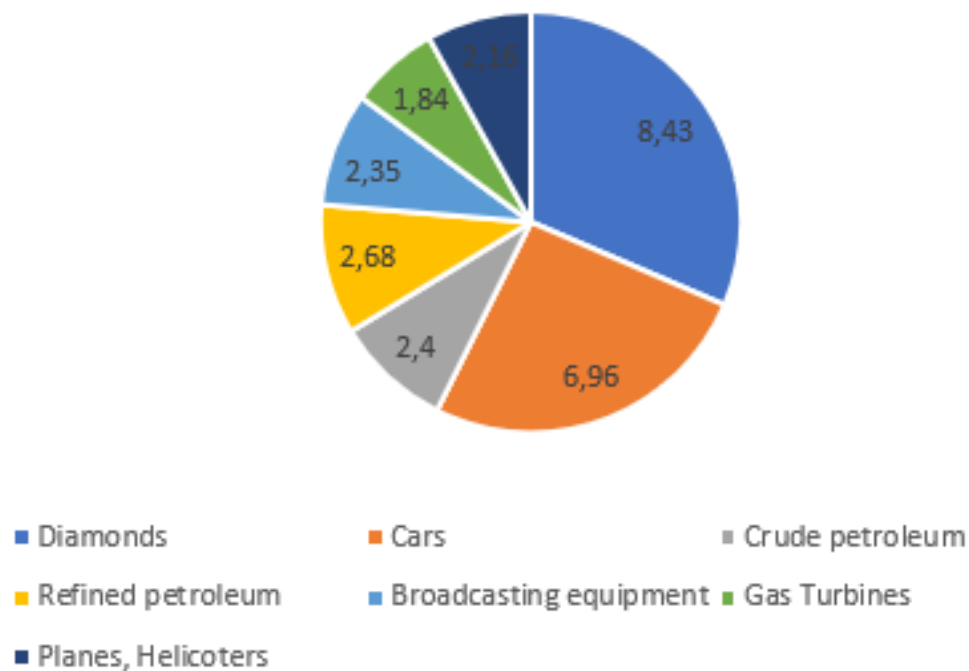


Fig. 2.2 Imported goods to Israel in %

Source: <https://oec.world/en/profile/country/isr>

Top import partners of Israel:

- United States – \$13,4B - 18,4%;

- China - \$9,92B – 13,6%;
- Germany – \$5,28B – 7,12%;
- Turkey – \$4,43B – 6,08%;
- Italy – \$2,98B - 4,09%;
- India – \$2,64B - 3,63%.

As for 2020, merchandise exports fell 9.5% from the same month last year in June, following a 6.3% decline in May. Meanwhile, merchandise imports in June fell 9.3% (May: -19.1%). As a result, the trade surplus in June was US \$1.8 billion (May: -0.9 billion US dollars). Finally, the rolling trade balance recorded a 12-month deficit of US \$ 22.3 billion in June, compared with a deficit of US \$22.5 billion in May (Israel Trade Balance June 2020, 2021).

Both exports and imports should grow gradually as restrictions are lifted around the world, but there is still a sharp decline in 2020 as a whole.

2.2. Foreign direct investment activity in Israel

Israel has many strong prosesses for foreign direct investment:

- Israel is the country that invests the most in research and development in the world (4.8% of GDP);
- Highly qualified workforce, especially in the field of mechanical engineering and high technology;
- World's highest R&D investment and GDP;
- Strong and stable private consumption;
- Strong political stability due, on the one hand, to its stable democratic system and on the other hand to the political and financial support of the United States;
- Israel discovered significant offshore reserves of natural gas, which would enable the country to reduce its energy dependence and create new development opportunities.

Main obstacles to the country's economic development:

- Chronic instability linked to the regional political context. In particular, peace negotiations between Israel and the Palestinians are at a standstill;
- The Israeli state has a very large public debt;
- Labour costs are higher than the region's standards and a relatively high corporate tax are obstacles to investment in Israel;
- Relatively small internal market.

Government Measures to Motivate or Restrict FDI

- Foreign investment in Israel is encouraged by the recently revised Investment Promotion Law. A recent amendment to this law adds a tax credit program;
- The current government is also committed to providing the necessary support to entrepreneurs and the entrepreneurial ecosystem: there are many startups emerging in Israel, especially in the field of information and communication technologies (ICT);
- The Capital Investment Promotion Act provides assistance in the form of grants and tax breaks to companies classified as Priority Enterprises.

Investment Opportunities

Key sectors of the national economy:

- Value-added spheres: high technology, aeronautics, electronics, telecommunications, information, biotechnology, etc;
- Security: biometrics, surveillance and security. Resources: raw water treatment and water desalination;
- In addition, Israel is ranked the 1st place for medical device patents and 2^d for medical device solutions per capita;

- High Potential Sectors;
- Chemical industry, agro-technologies, semi-conductor industry, communication, environment, biotechnologies, security, natural gas.

- Privatization Programs: The Office of State Companies (GCA) is the administrative body for public companies, responsible for overseeing, privatizing and implementing structural changes. In January 2020, the Israeli privatization committee approved plans to sell the port of Haifa (Israel's largest shipping hub), as well as up to a 40% government stake in Israel Post.

Weak opportunities are in the monopolistic sectors, for instance, in electricity.

There are some limitations on the foreign investors. But there are exceptions for parts of defense or other industries closed to foreign investors on national security grounds. They can participate in the privatization program of Israel.

Israeli courts exercise authority in cases within the jurisdiction of the country. But if an agreement between involved parties contains an exclusively foreign jurisdiction, the courts of Israel will decline to exercise their authority.

The Investment Promotion Center of the Ministry of Economy strives to increase investment in Israel. The Center emphasizes Israel's high achievements in innovation, entrepreneurship, and Israel's talented, very skilled, and ambitious people. The Center also carries forward strong ties between Israel and the US and Israel with Europe.

Tax Rate

Corporate Income Tax

Resident and Non-resident Companies

Resident companies of Israel have to pay taxes on worldwide incomes and achievements, with credit granted for overseas taxes in some countries. Non-resident companies have to pay to taxes only on income from an Israel source. These profits are derived from an Israeli permanent establishment or income accumulated and generated in Israel.

Tariffs

The corporate income tax in Israel is 25% - it was decreased on 1,5% - and the tax was established in 2016. It is important to note that some companies are eligible for a reduction in corporate income tax rates. For instance, High Priority Companies and Priority Companies have advantages from a low income tax rate of 5% to 16%. It depends on their exact location.

Rates

Since January 2016, the corporate income tax in Israel is 25% - it is lower on 1.5% from its previous rate. It is important to mention that certain companies are eligible to decrease corporate income tax rates. For instance, Special Priority Enterprises and Priority Enterprises advantage from a lower corporate income tax rate ranging from 5% to 16% - it depends on their exact location and the definition by the Israeli Law for the Encouragement of Capital Investment.

Dividend tax

Companies

Dividends payable to an Israeli company by other Israeli companies as a result of income earned or accrued in Israel, are free from tax - 0%. Dividends payable to Israeli companies from income received or accrued, or dividends received from abroad, are subject to 25% tax.

Shareholders

Dividends paid to shareholders owning less than 10% of the company are subject to withholding tax of 25%, and dividends paid to larger shareholders owning more than 10% of the company are subject to withholding tax of 30%.

Capital Gains Taxes

Companies

The capital gains tax rate for a company is the standard corporate income tax rate - 25%. The inflationary component of the gain is free from tax.

Individuals

Capital gains tax rate vary dependent on the relevant tax bracket. Individuals who are not residents of the country for tax aims are free from capital gains tax of shares traded on the Tel Aviv Stock Exchange.

Non-residents are also free from tax on gains derived from the sale of shares allocated to them by an Israeli resident company in consideration for their capital investment, as the Israeli company was classified as an “R&D-intensive Company”.

Municipal Tax

Municipal property tax can be calculated per square meter of property and levied on the tenant regardless of whether the tenant owns or leases the property.

Municipal tax differs significantly between various municipalities in Israel. Also it varies in different areas of the same municipality. The Israeli Ministry of the Interior sets the minimum and maximum municipal tax rates for various categories of property, with rates set mainly by the municipal authorities themselves. Different rates apply for commercial, public and residential properties.

We can compare paying taxes in Israel and some other counties on the Fig. 2.3

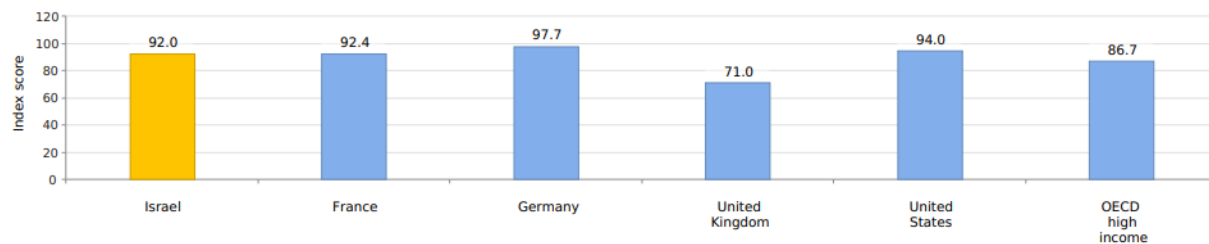


Fig. 2.3 Paying taxes in Israel and some other countries

Source: Doingbusiness.org. 2021. [online] Available at:

<<https://www.doingbusiness.org/content/dam/doingBusiness/country/i/israel/ISR.pdf>> [Accessed 14 March 2021].

Real Property

Israel has a modern legal system. It is based on British common law that provides effective means for enforcing property and contractual rights. Courts in Israel are independent. Civil procedures in the country provide that judgments of foreign courts might be adopted or enhanced by local courts. The judicial system of Israel recognizes and enhances secured interests in property. The Israeli Land Administration, that manages land in the country on behalf of the government, registers property transactions.

Intellectual Property Rights

The principal government authorities are Intellectual Property Law Division and the Israel Patent Office (ILPO), and both are within the Ministry of Justice. They oversee the legal protection and improvement of intellectual property rights (IPR) in the country. IPR protection undergone a lot of changes in recent years as the economy of the country has quickly changed into a knowledge-based economy. The country revised its IPR legal framework several times to comply with latest signed international treaties. Israel strives to protect IPR. It reduces tax revenues and slow economic growth.

The US excluded Israel from the United States Trade Representative (USTR) Special 301 Report in 2014. It happened because Israel passed patent legislation that satisfied the remaining commitments.

Israel's Knesset approved Amendment No. 5 to Israel's Copyright Law of 2007 in the 2019. The amendment goals to set measures to combat copyright infringement on the internet. It is about the balance among copyright owners, internet users, and the free flow of information and free speech.

In the 2017, the Israeli Knesset passed the New Designs Bill, that replaced Israel's existing but outdated regulation governing industrial design. The bill, that has a power brings Israel into compliance with The Hague System for International Registration of Industrial designs.

However, the US is still concerned with the limitations of the copyright legislation, that is related to digital copyright matters and with an interpretation of Israel of its

commitment to protect data that is derived from pharmaceutical testing conducted in anticipation of the future marketing of biological goods.

Whilst Israel has been instituting several legislative enhancements during the recent years, the US goes on to motivate Israel to strengthen and enhance its IPR enforcement regime. Israel has a lack in the special courts, common in other countries with advanced IPR regimes. General civil or administrative courts in Israel typically judge IPR cases.

2.3. Assessment of Israeli investment climate and the degree of its attractiveness to Ukrainian investors

As it was already mentioned, the economy of Israel is very strong and booming. Moreover, the investing in Israel is very attractive for investors.

Real Property

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Politics and security

The security situation in Israel and the West Bank is still obstacle and can change rapidly depending on the political environment, various events. Terrorist groups and lone terrorists continue to plot attacks in different regions of Israel, the West Bank and Gaza. Terrorists always attack without warning, targeting tourist sites, transport hubs, markets or shopping centers, as well as local government facilities, they try to poison water, to kill citizens and especially soldiers by severe methods. The threat can occur in Jerusalem or in the West Bank without predictions. The security environment in Gaza and on the borders is

dangerous and volatile constantly. Moreover, Israeli is often under attacks across Southern Israel – it is known by red alerts.

Labor: unemployment and peculiarities

According to the Israel Central Bureau of Statistics, the unemployment rate among people aged from 25 to 64 was 3.5 percent at the end of 2020, but in the 2021 the indicator is near 5 percent. It is estimated that in 2021 the rate will decrease to 3-4 percent (Israel 2020 | Statista, 2021).

It is possible to notice on the Fig, 2.4 that Israel almost gained the lowest level of unemployment in 2020, but due to COVID-19 and strict restrictions and lockdowns a lot of people were fired.

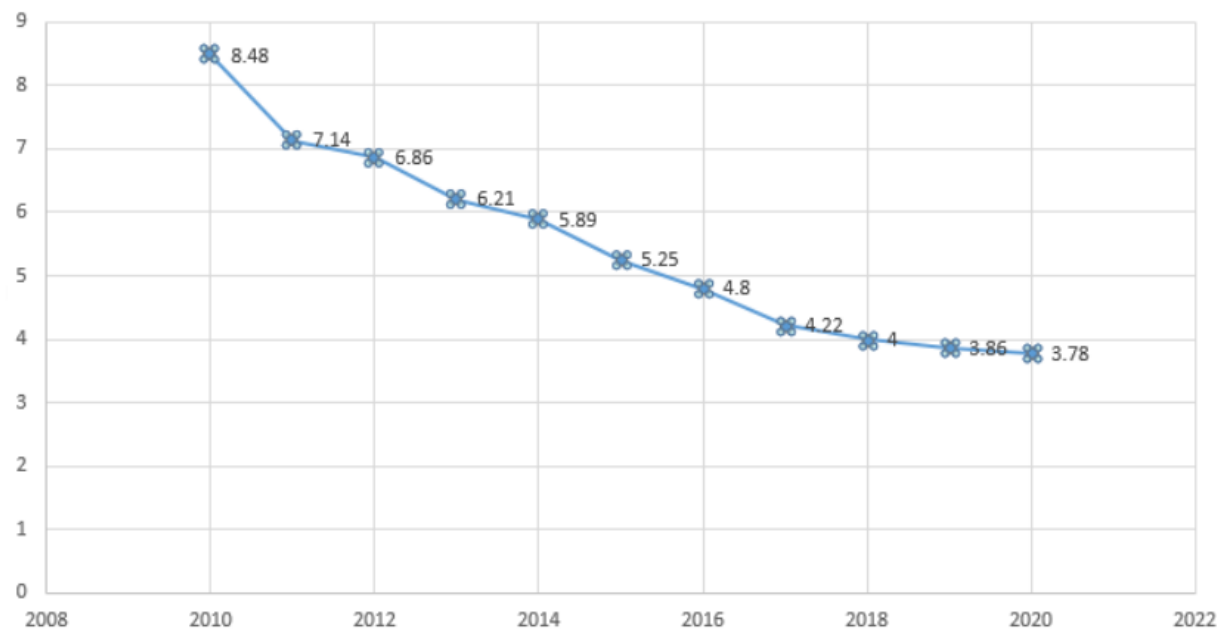


Fig. 2.4 Israel: Unemployment rate from 2010 to 2020

Source: <https://www.statista.com/study/48358/israel/>

In the 2019, there were 295,100 of non-residents in Israel due to the Israel Population and Immigration Authority. During the 2020-2021 the process of migration has not stopped.

Due to the latest data from the Central Bureau of Statistics in the beginning of 2020, 4.1 million people were employed in Israel. According to the OECD, 48 percent of Israelis

between the age of 25 and 34 have a college degree (Israel 2020 | Statista, 2021). Many students specialize in areas with high industrial research and development potential, including computer science, mathematics, physics, engineering and medicine. Due to the IPIA, there are more than 145 scientists on every ten thousand employees in Israel. This indicator is one of the highest in the world. The quick growth of Israel's high-tech sector enhanced the demand for skilled workers.

As for special features of Israel for employees – it strictly observes Jewish Saturdays because of Shabbat – people are not allowed to work. So special government permits must be obtained to permit employment on Saturday. At the age of 18, the majority of Israelis must complete 2-4 years of national service (depends on gender and subdivision) in the army or in selected civilian institutions. Until mid-40s, Israeli men must carry about a month of military reserve annually, during which they obtain compensation from national insurance companies.

Salaries

The range of salaries from the minimum to maximum ones in Israel is quite big – from approximately 3400 shekels to more than 25 thousand shekels, despite that fact the official lowest salary is 5 thousand ILS.

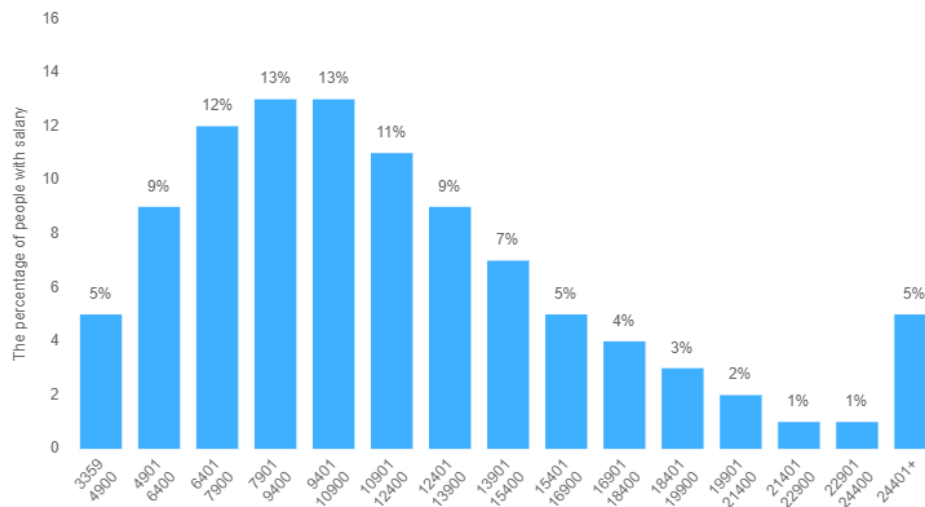


Fig. 2.5 Distribution employees in Israel into wage of bands in ILS

Source: <https://www.paylab.com/il/salaries-in-country>

As for bank deposit interest rate, the value for 2021 is 0.1. In the Fig. 2.6, we can observe how the interest rate has changed over last 3 years and it is seen that the rate is almost 0 (0.1) that is very low indicator.

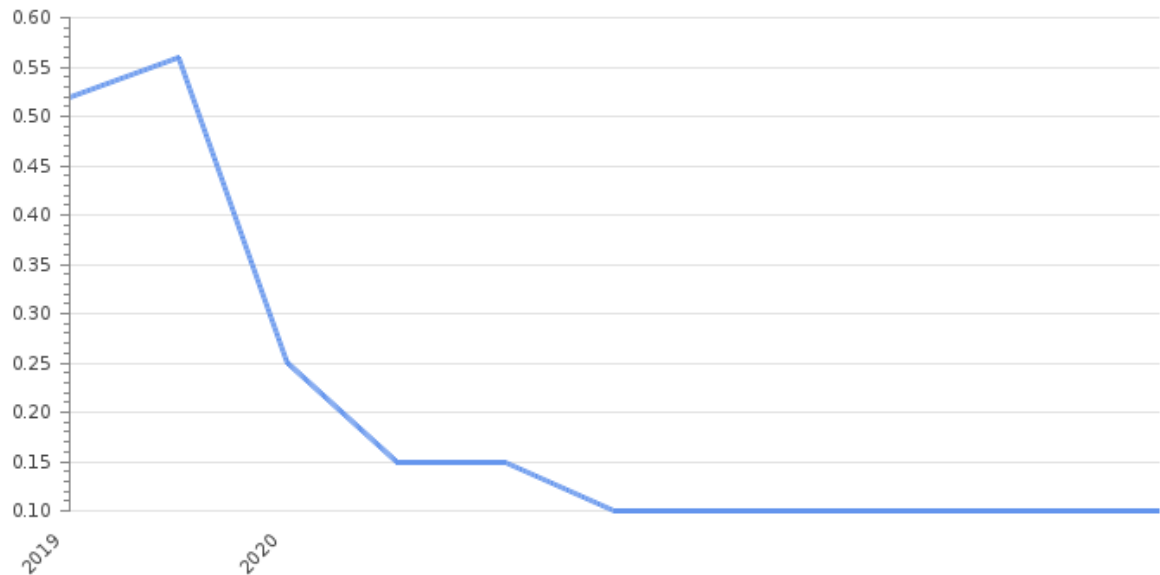


Fig. 2.6 Deposit interest rate (%)

Source: <https://take-profit.org/en/statistics/deposit-interest-rate/israel/>

Currency risk remains A-rated. COVID-19 influenced on export and investment flows. Nevertheless, the external position is still strong. Currency risks are limited by a solid foreign asset base, strong and rising foreign reserves and robust economic fundamentals prior to the crisis. But Israel's small and open economy is exposed to volatility in global trade conditions.

Repatriation of capital

The majority of foreign exchange transactions must be done through an authorized dealer. An authorized dealer is a banking institution licensed to organize, inter alia, foreign exchange transactions for its customers. The Authorized Dealer has to report large currency transactions to the Foreign Exchange Controller. There are no restrictions or significant delays in the transfer of profits, debt service or capital gains.

Inflation rate:

According to the Fig. 2.7 the highest inflation rate was in 2011, the lowest one in 2015. Due to the problems the country faced in 2020, the indicator was quite low - -0,55%, but the improvements are seen already and the increase in the interest rate is predicted in the nearest years.

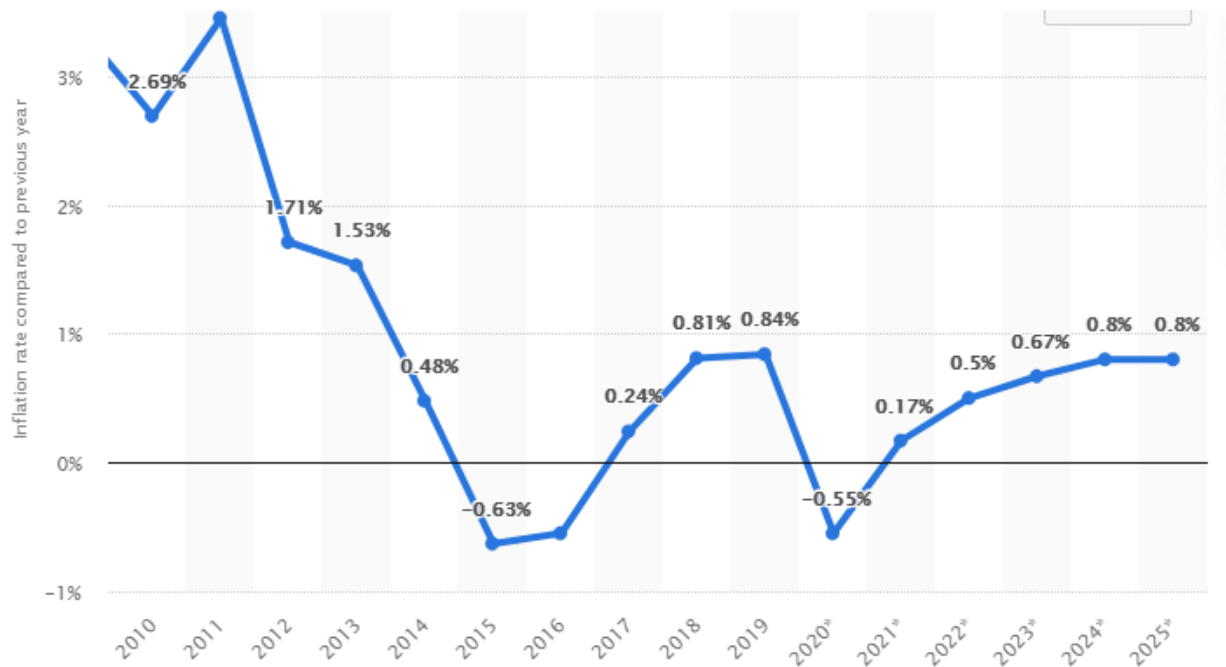


Fig. 2.7 Inflation rate in Israel from 2010 to 2025

Source: <https://www.statista.com/statistics/375241/inflation-rate-in-israel/>

Infrastructure

Israel is in the constant process of building and improving its infrastructure. For numbers of projects, Israel looks for outside help, soliciting international tenders and partnerships. The coming years will see many opportunities, specifically relating to seaports, airports, railways, energy, and water.

The Israel Infrastructure Fund is Israel's leading infrastructure investment firm, managing \$1.1 billion. They fund several infrastructure projects in Israel, but also work with global companies.

Seaports:

The ancient ports of Jaffa, Caesarea and Acre have been replaced by three modern deep-water ports at Haifa, Ashdod and Eilat, which serve international shipping. Port of Haifa - one of the largest container ports in the Mediterranean, as well as a busy passenger terminal. The port of Ashdod is mainly used for the transport of goods. The port of Eilat on the Red Sea connects Israel with the Far East. In addition, the tanker port in Ashkelon accepts fuel shipments, and there is a direct unloading point for cargo ships in Hadera, delivering coal to a nearby power station.

Israel's geographical position gives it the opportunity to be a transit country for passengers and goods.

Airports

Ben Gurion International Airport is the main and largest air terminal in Israel. Due to the rapid growth in the number of arriving and departing passengers, the airport is expanding significantly. Charter flights those are mainly from Europe and domestic flights are operated by Eilat Airport in the south and smaller airports near Tel Aviv in the center and Rosh Pina in the north.

Communication

Israel is one of the few countries in the world in which the telephone network is 100% digitized, which makes it possible to provide subscribers with a number of modern services. In addition, Israel has one of the highest cellular penetration rates in the world.

Railways

Israeli Railways serves passenger traffic between Tel Aviv, Haifa and Nahariya. Freight traffic also operates further south, serving the port of Ashdod, the cities of Ashkelon and Beer Sheva, and the mineral quarries south of Dimona. To alleviate the problems caused by increased traffic density, rapid rail services are being introduced in the Tel Aviv and Haifa areas using modernized existing tracks that work in coordination with bus feeder lines.

To sum up, Israel is quite interesting and attractive to be invested in. This country is like an island of stability and peace surrounded by full instability and violence. Despite the instability around (Arabic countries), Israeli government improves the country both inside –

improving of infrastructure, reforms, etc., and outside – by signing trade contracts (import, export), peace deals.

The threat to invest in Israel is the neighbors around – Arabic countries that continue to threaten and destabilize the situation.

CHAPTER 3. DEVELOPMENT OF AN INTERNATIONAL INVESTMENT PROJECT TO ESTABLISH A FOREIGN LANGUAGE SCHOOL

3.1. Analysis of the foreign language schools in Israel, identifying competitors and target audience

Nowadays there is a lack of foreign language schools in Israel. There are a lot of “Ulpans” – schools where Hebrew is taught. They can be both private or governmental (these ones are free of charge). Usually, these Ulpans are used only by migrants.

There are also courses of English that are provided by universities to migrants.

The citizens of Israel teach languages also in schools and universities. But for improving their knowledge they quite frequently visit additional courses in language schools.

English is compulsory language to know there.

There are less than 40 private schools in the whole country that teach English and less than 20 that teach Spanish. That is why there is a little quantity of competitors. My school proposes good services for the lower price. Why? Because my goal is to teach people different ages from the whole country and to give a great opportunity for the staff to earn good salary and to people to study with pleasure for the adequate price.

In the part 3.3 it will be shown that the maximum price for the month of studying will be 210\$ in three years since the business will be started. To compare with the prices of other schools, it is quite lower. For instance, the price in one of the top schools is 1600\$ per month.

As for target audience, all people in spite of the age or the level of knowledge can join the private or group lessons.

3.2. Reasons to study languages

Usually, there are only positive intentions to study languages, but in Israel it differs.

Besides Israelis are a start-up nation and despite the striving to study, there is one important reason to know the different languages and the more the better. This reason is political instability in the country. So, the reason is quite simple – it is safety of the nation. Lots of civilians and military forces do not know English – and then it is a problem for them when working. Just an example – military forces are those people who should provide safety and explain people how to react in various situations. Israel is a country, where a lot of tourists could be (besides new migrants, the quantity of which is enormous) – they know the international languages – English, Spanish, but not Hebrew. It is very difficult for both to explain and to understand. That is why, it is not even needed, it is vital to know at least English.

Unfortunately, this example is from the real life and the inability to explain what to do can cause awful consequences.

Since the childhood, children learn three or four languages by their choice: Hebrew – native, Arabic, English or Russian. But usually, they have to know Hebrew, English and specific phrases in Arabic – the reality of living there makes people to do it.

Except military forces, there is a range of professions that are also required knowledge of these languages as compulsory – for instance, medics, engineers.

The next reason to know languages is more pleasant – the opportunities. These opportunities are in different fields – from possibility to conversate with people to the adjusting of the international trade, that is also very important for the country.

Here is the Fig. 3.2 that shows the languages spoken in Israel.

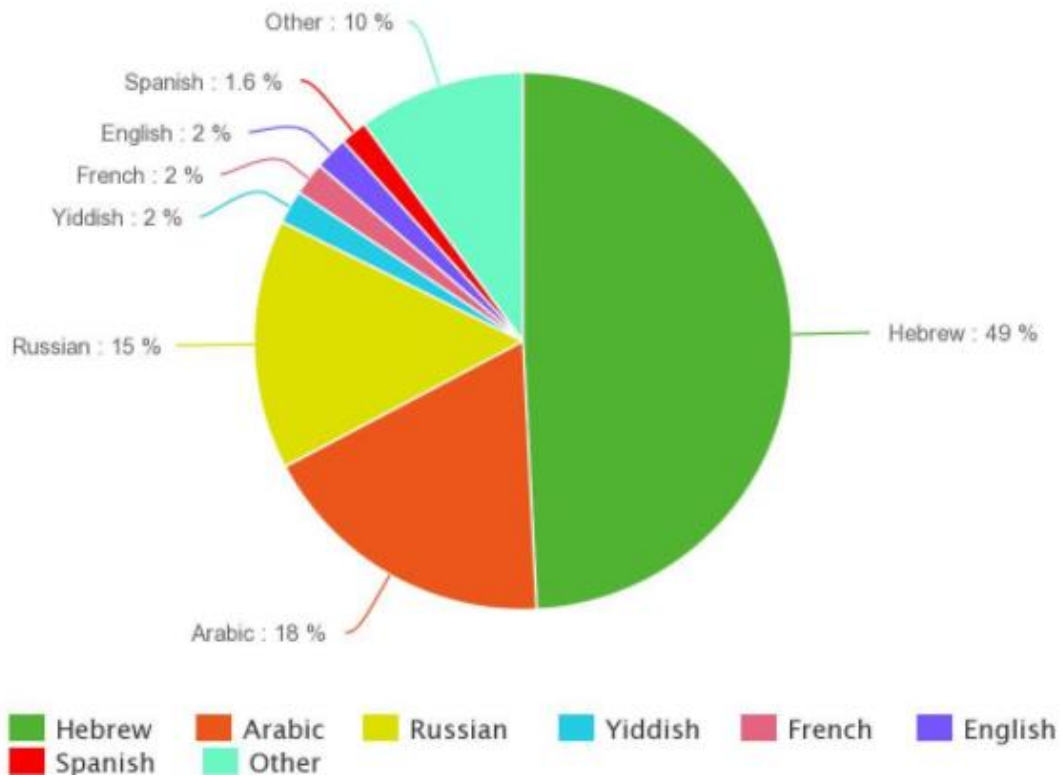


Fig. 3.2 Languages spoken in Israel

Source: <https://sites.google.com/a/richland2.org/israel-davis-foti-6/cultural-patterns-and-processes>

As we can notice there are a lot of languages spoken in Israel due to lots of alliyas (repatriation). There are also communities in Israel – those who speak Spanish, French, Russian, etc.

The official channels with information (socials) are usually provided in Hebrew, English, Spanish, Russian and Arabic.

3.3. Analysis of total costs and revenues of the school, calculation of the payback period of equity

When starting the business in Israel, it is important to understand, that this country is very expensive, but nevertheless it also will bring good income, so it worth it.

It is known that for the non-residents it is impossible to open LTD in Israel. It is needed to have a resident representative (it also can be a spouse or relatives) to register a business or to use services of trust companies (the company can be also a guarantor that is responsible for correct and full payment of taxes by the Ltd).

Taking in consideration that the trust company consists of professional lawyers and auditors, my choice is to use services of the trust company. Their services include registering with the Registrar of Companies (Rasham KHerot), opening a separate corporate bank account, opening a new file with the tax authorities, providing with a legal address, maintaining correspondence with tax and other governmental agencies, submission of tax reports, compliance with other business requirements in Israel. The payment for monthly service is around 1000-4000 shekels = approximately 572\$ per month.

My school will be opened in Tel Aviv, where only 5 schools exist.

The advertisement:

The advertisement includes the personal website, that will be on the first line in the search in Google and Yandex, the socials as Instagram, Facebook and TikTok.

These advertisements will be shown to people whose interests are similar to or coincided with languages and studying.

The content in socials will include helpful information and advises to study languages.

Development of the programs:

The school suggests 3 types of the educational programs:

1. General English and General Spanish for children from 3 years to 12 years – 1st group is for group aged 3-7 (2 groups) and 2d for children 8-12 (1 group).
2. General English and General Spanish for people from 12 years and further - 1st group aged 12-17 and 2s is for 17-further (2 groups).

3. Special courses for preparation to international exams in both languages.

It is prepared the initial plan of expenses in the Table 2.1.

The social security payment in Israel 20%.

Tab. 2.1

General expenses on opening the foreign language school

To open LTD in Israel (using services of the Trust company)	600\$ per month
Development of programs, depending on the age and level	1000\$
Rent payment for the office	3000\$ for the first and the last months
Purchase of books, workbooks	1500\$
Equipment (laptops, boards, desks, chairs, etc.)	3000\$
Renewal of equipment and material for teaching	100\$ per month
Water, tea, some food for students	100\$ per month
Additional needs in the office	100\$ per month
Advertisement (online)	100\$
Salaries of workers (4 teachers and 1 administrators) with social security payments	7,200\$ for teachers (1800\$ per month for 1 teacher). 1800\$ for the administrator $9000\$ \cdot 1.20 = 10,800\$$
Total	20,300\$

So, for the opening the school it is needed 20,300\$ for the first payment.

Then it is important to calculate separately the expenses per month:

Tab. 2.2
Expenses

	2022	2023	2024
Rent payment for the office in USD	1500	1600	1700
Trust company in USD	600	620	640
Renewal of equipment in USD	100	100	150
Advertisement in USD	100	50	50
Salaries with security payments in USD	10,800	15,240	16,200
Additional needs in the office in USD	100	100	100
Water, tea, some food for students in USD	100	100	100
Total per month	13,200\$(+1500 for the last month of the rent – once = 15,900 for the first month)	17,810\$	18,940\$
Total per year	158,400\$	214,920\$	228,480\$

Then we will calculate the income:

Tab. 2.3

The income

		2022	2023	2024
Lessons in the group on the program 1 (3 groups – 1 st and 2d groups for 5 students, 3d is for 8 students)	Price is per month 8 lessons per month (twice a week)	150\$	150\$	160\$
Lessons in the group on the program 2 (3 groups – 1 st group is 8 students and 2d-3d for 5 people)	Price is per month - 8 lessons per month (twice a week)	150\$	150\$	160\$
Individual lessons on the program 1 (6 students)	Price is per month - 8 lessons per month (twice a week)	200\$	200\$	210\$
Individual lessons on the program 2 (6 students)	Price is per month - 8 lessons per month (twice a week)	200\$	200\$	210\$
Total (taking into account that we have two	Income per month	$(150 \cdot 18) \cdot 3 + (150 \cdot 18) \cdot 3 + (200 \cdot 6) \cdot 3$	$(150 \cdot 30) \cdot 3 + (150 \cdot 30) \cdot 3 + (200 \cdot 12) \cdot 2 =$	$(160 \cdot 30) \cdot 3 + (160 \cdot 30) \cdot 3 + (210 \cdot 12)$

foreign languages, all lessons double): In 2023 plus 1 student in each group (total +12 students) and +6 students in the individual group. In 2024 some students will be changed by another (as usual process in foreign schools).		2=16,200+ 2400=18,6 00\$	27,000+4,80 0=31,800\$	*2=28800+ 5,040=33,8 40\$
Total	Per year (11 working months)	204, 600\$	349,80 0\$	372, 240\$

Then it will be calculated the approximate net income in the nearest 3 years.

It has to be taken into account, that the payments for the lessons will increase with each year. The salaries of the employees will also increase. Moreover, it is important to understand, that payments for services and goods that are used in office and by office also will grow. That is why, taking into account all these changes, we can obtain the following approximate calculations:

Payback Period

Estimated income			
Due to the national holidays the working year is calculated as 11 months (quantity of weekends is 30 days)	2022	2023	2024
Income without taxes	204,600\$	349,800\$	372,240\$
VAT (17%)	34,782\$	59,466\$	63,280.8\$
Expenditures	158,400\$	214,920\$	228,480\$
Profit before taxation	11,418\$	75,414\$	80,479.2\$
Tax on income (36%)	4,110.48\$	27,149.04\$	28,972.51\$
Net income	7,307.52\$	48,264.96\$	51,506.69\$

From the previous tables it is necessary to calculate the payback period of capital - the ratio of the average value of equity of the company to the value of net profit.

It is necessary to calculate the following indicators:

$$1. \text{ NPV} = \sum_{k=1}^n \frac{P_k}{(1+i)} - I$$

The interest rate in the Central Bank as for 2021 is 10%.

Predicted inflation rates for 2022 is 0,5%, for 2023 is 0,67%, for 2024 – 0,8%.

Risks are 10%.

Discount rate:

$$i_{2022} = (1+0.005) * (1+0.1) * (1+0.1) - 1 = 1.005*1.10*1.1-1=0.22$$

$$i_{2023} = (1+0.0067) * (1+0.17) * (1+0.1) - 1 = 0.30$$

$$i_{2024} = (1+0.008) * (1+0.17) * (1+0.1) - 1 = 0.30$$

Discount index

$$2022: 1/(1+0.22)= 0.82$$

$$2023: 1/((1+0.21)*(1+0.3))=1/(1.21*1.3)=0,64$$

$$2024: 1/((1+0.21)*(1+0.3)*(1+0.3))=0,35$$

$$NPV = \frac{-20,300}{(1+0.22)^0} + \frac{7,307.52}{(1+0.22)} + \frac{48,264.96}{(1+0.22)*(1+0.3)} + \frac{51,506.69}{(1+0.22)*(1+0.3)*(1+0.3)} =$$
$$-20,300+5,989.8+30,431.9+24,981.5=41,103.1$$

We get NPV >0, so the project is interesting for the investor.

2. PI

$$PI = \frac{NPV}{I}$$

$$PI = \frac{7,307.52}{(1+0.22)} + \frac{48,264.96}{(1+0.22)*(1+0.3)} + \frac{51,506.69}{(1+0.22)*(1+0.3)*(1+0.3)} / 20,300 = 61,403/20,300=3,03$$

3.PP

$$PP = \frac{I}{\text{Average annual investment (AI)}}$$

$$AI = \frac{I+NPV}{3} = \frac{20,300+41,103.1}{3} = 34,001.3$$

$$PP = \frac{20,300}{34,001.3} = 0.6$$

CONCLUSION

To sum up, after the analyzing the market, having made all calculations, analyzing the competitors, it can be said that the project is quite interesting and demanded for both Israeli and Ukrainian sides.

The payback period is approximately 6 months that is a very good indicator. In Ukraine it can be a bit bigger, because the quantity of competitors is much bigger. The demand is equal – English and Spanish are very popular within both Ukrainians and Israelis. On the other hand the taxes in Ukraine are smaller – 18% against 45% in Israel. The conditions for the small businesses in Ukraine are better and easier.

The economy of Israel develops very fast. Moreover, it has to be remembered that the economy is knowledge-based, people there strive to be educated during all their live. The knowledge of foreign languages is very valued in Israel – and the more the better. As it mentioned, it is vital for citizens to know various languages for their own safety.

One more important indicator to conclude is the investment climate in Israel. The country is interested in attracting foreign investors, suggests different benefits and of course it is very attractive to invest in it. There are a lot of programs that are made for better investing inside the country.

The establishment of foreign languages school in Israel is more demanded than in Ukraine, because in Ukraine the quantity of schools is too big. The taxes in Ukraine are lower, but the prices for education in Israel are higher.

The common problem in countries is bureaucracy. The process of establishing the business takes a lot time due to the constant documentation preparation. Despite the obstacles, to start business in Israel really worth.

It is possible in Israel to earn faster for the same service as in Ukraine.

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Request for approval of bachelor's thesis topic

To the Head of the Department of Global Economics

(Full name of the Head)
From _____
(full name of student)

(specialty, group)

Dear Sir,

I am writing to request for approval of the following topic of my Bachelor's Thesis:

(date)

(signature)

Agreed:

Supervisor

(signature)

(surname, name, patronymic)

ALFRED NOBEL UNIVERSITY
DEPARTMENT OF GLOBAL ECONOMICS
THESIS SCHEDULE

Academic year _____

Mode of study _____

No.	Stages in the Thesis Process	Deadline	Notes
1	The student is assigned his/her thesis supervisor		
2	The student selects the topic of the thesis		
3	The thesis topic is approved by the Head of the Department		
4	The student gets the Thesis Assignment from the supervisor		
5	The student conducts a literature review and creates a bibliography		
6	The student completes Chapter 1		
7	The student collects materials on a company's performance		
8	The student completes Chapter 2		
9	The student completes Chapter 3		
10	The students draw out conclusions and recommendations		
11	The student formats the paper and receive the supervisor's review		
12	Thesis Pre-defense		
13	Thesis Defense		

Approved at the meeting of the department
Minutes No. ____ of _____ 20__

Head of the department