

and purchase taxes, do not exist in the US, but are imposed in many other countries, as the comparison below indicates.

Note that some of the tax reductions proposed by the commission are temporary. For the reasons given in the preceding box, as well as for the fiscal considerations explained above, it is advisable to focus on permanent measures.

The Committee's Recommendations

	Today	In 2002	In 2003	In 2004+
Betterment tax, individuals	30%–50%	10% reduction and accelerated depreciation of 25% on land assets	20% reduction and accelerated depreciation of 25% on land assets	25% of cumulative betterment since determining date
Betterment tax, firms	36%	As for individuals	As for individuals	As for individuals
Purchase tax:				
Lowest bracket	0.5%	0% for eligible persons	0% for eligible persons	0.5%
Highest bracket	5%	4.5%	4.75%	5%

Purchase tax in various countries⁷ (percent)

Austria	Austra- lia	Italy	Ger- many	Nether- lands	Turkey	Norway	Spain	France	Switzer- land
3.5	5	7	3.5	6	1.8	2.5	6.7	4.9	3.5

(In Turkey and Italy tax is imposed on both buyer and seller.)

⁷ Source: PWC publications.

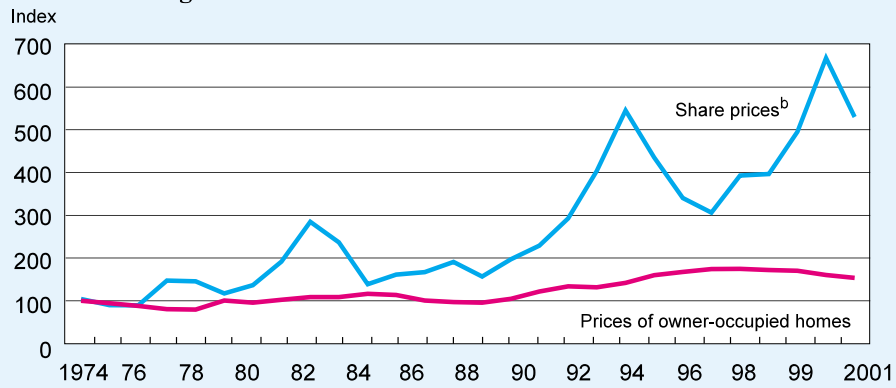
6. Commerce and services

The product of the commerce and services industry dipped by 0.4 percent⁶⁶ in 2001 (Table 1.26), compared with a 14.7 percent increase in 2000. Excluding start-ups, product rose by 1.8 percent, compared with 10.4 percent in 2000. In spite of the decline, the industry's growth rate is still higher than that of the rest of the business sector, whose total product fell by 1.9 percent. The industry's share of business-sector product consequently rose from 47.1 percent in 2000 to 51.2 percent in 2001. Employment in

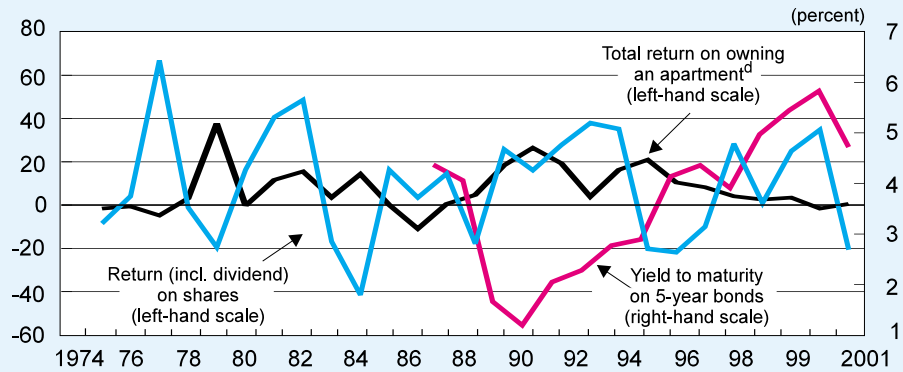
The product of the commerce and services industry dipped by 0.4 percent in 2001, compared with a 14.7 percent rise in 2000.

⁶⁶ The method of calculating product has been changed. In the past the product of this industry was based on that of the entire industry, whereas now it is calculated on the basis of the revenue of each individual industry.

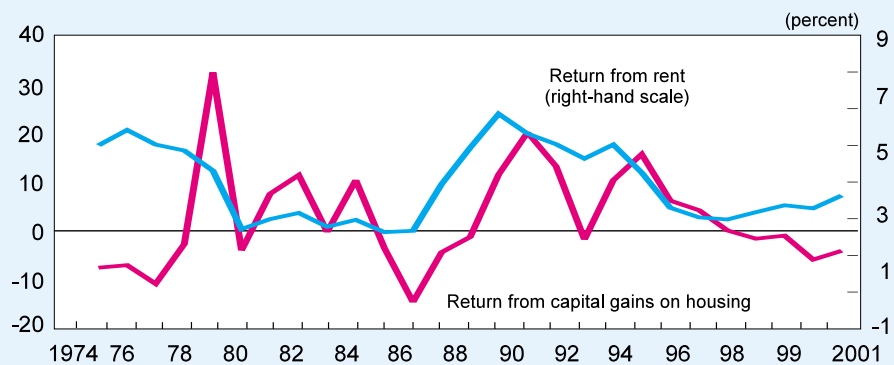
Figure 1.45
Real Economic Indicators in Construction, 1974–2001
A. Housing and Share Prices^a



B. Real Return on Apartment, CPI-Indexed Bonds, and Shares^c



C. Return from Rent and Capital Gain on Owner-Occupied Housing



^a Prices and yields are deflated by CPI; all figures are annual averages.

^b Share prices calculated less the dividend included in the Share Price Index.

^c The return is after tax.

^d The return on owning an apartment includes the return from rent and from capital gains on it, calculated from the change in apartment prices, referring to an average apartment as derived from the CBS Housing Survey. Rent is calculated from the CBS Survey (October 1994), referring to an average rented apartment.

SOURCE: Based on Central Bureau of Statistics data.

the industry rose by 2.1 percent, after an increase of 8.3 percent in 2000, while in the business sector as a whole it declined by 1.5 percent. The main reasons for the positive development compared with that of the rest of the business sector is that the industry's product, excluding exports of services and sales of start-ups, is influenced primarily by private consumption, which was less affected by the slump than other uses.

The product of the services industry fell by 0.3 percent in 2001, and excluding start-ups it rose by 2.7 percent. The growth rate of the services is notable in view of the decline in business-sector product in general. Commerce, which is more sensitive than the services to shifts in demand and developments in other industries, dipped by 0.6 percent, *inter alia* because of the slump in tourism. Retail commerce rose by 1 percent in 2001, after the average annual increase of 6.8 percent in 1996–

Figure 1.46
Real Rise in Commerce and Services Product, 1990–2001



Services product fell by 0.3 percent in 2001, and excluding start-ups it rose by 2.7 percent. Commerce, which is more sensitive than services to changes in demand and developments in other industries, declined by 0.6 percent.

SOURCE: Table 1.A.1.41.

Table 1.26
Commerce and Services,
Main Indicators, 1996–2001

	(annual change, percent)				
	1996–98	1998	1999	2000	2001
Product	8.0	11.9	7.4	14.7	-0.4
of which Commerce	5.6	5.7	4.5	9.5	0.6
Services	9.0	14.7	8.5	16.7	-0.3
Labor input	5.2	4.3	5.9	9.7	0
Capital stock ^a	17.9	10.9	9.7	8.1	5.6
Labor productivity	2.6	7.4	1.3	4.6	-0.4
TFP	-1.9	5.2	0	5.6	-2.5
Real wage	2.1	0.9	6.1	9.2	2.5
Real labor cost ^b	2.8	1.5	0	2.6	1.6
Relative price ^c	-0.7	-2.3	0.1	5.2	1.8
Exports ^d	8.0	15.5	23.4	-13.2	-24.4
Investment	6.1	-4.6	1.6	-4.2	-13.5

^a At beginning of year.

^b Relative to output prices.

^c Relative to business-sector prices.

^d Deflated by services exports index.

2000. As has occurred in the OECD countries and the US, on-line commerce has developed in Israel in the last few years, and doubled in 2001 (see Box 1.15).

Box 1.15
On-Line Retail Sales

On-line sales are a new and developing channel of retail sales. The effect of this channel is not merely by encroaching on regular retail sales, but also and primarily by its impact on the latter. The on-line alternative increases competition in the regular market, by making more convenient methods of obtaining information about prices on- and off-line available.

On-line retail sales (B2C)¹ are defined as selling goods or a service in which the order and/or terms of payment are settled via the internet² (payment need not necessarily be via the internet). On-line retail sales amounted to roughly NIS 400 million in 2001, a 100 percent increase over 2000.

The Goldman-Sachs investment bank predicts that on-line retail sales will constitute 15–20 percent of all retail sales in the US by 2010. The main reasons for the expected growth are ease of purchase, generational change (young people tend to buy over the internet more than older people), and the switch to broadband internet. In effect, almost every customer who has bought something over the internet, whether in Israel or the US, has declared that he or she will continue making purchases in this way. In the US, which is the leader in this field, the September 11 terrorist attacks led to an increase in on-line purchases relative to regular purchases, because people were reluctant to go out to shopping malls.³

Notwithstanding, several constraints prevent greater use of on-line commerce, including fears that particulars of an individual's credit card given over the internet will be misused, that items purchased will not be received or will turn out to be defective, or that individual privacy will not be respected. In order to allay consumers' fears in Israel, the Electronic Signature Law was passed: an on-line site that meets defined requirements submits an electronic signature or seal, attesting to quality, reliability, and protection of privacy, and undertaking to deal with customers' complaints.

Even if the growth forecast is not fully realized, the effect of on-line sales on regular sales is already clear. In certain markets a switch by part of the market to on-line sales could cause certain businesses to leave the industry, especially in spheres where margins are low. This has been the case in the

¹ Business to consumer.

² Extranet, e-mail, or other real-time system.

³ Because of the aforementioned tendency of on-line purchasers to continue using this method, its rate may increase permanently.

US, where the switch by 3–5 percent of customers in the business travel industry, where margins are low, has caused some firms to leave the industry.

The on-line market is more competitive because it facilitates acquisition of information about prices by making on-line comparisons between sites, making it harder to raise prices on-line. The substitutability of the on-line and regular markets also makes the latter more competitive—although in order to prevent competition between the on-line and regular options suppliers operating in both types of market sometimes sell products exclusively in one type of market. For some on-line products, such as books, shipping costs are low, making competition between sites international. Competition in digital media products such as music, software, and movies will increase with the transition to broadband internet, because this will enable them to be downloaded digitally. The traditional marketing channels for these products may disappear.

The on-line market enables groups of buyers to combine more easily in order to buy several items of the same kind jointly, and at a reduced price. It also facilitates the adaptation of the product to the consumer, so that when the latter enters a site the system ‘remembers’ him or her, and continues to offer products which are likely to interest them. With on-line products it is easier to offer purchases for a trial period without payment, as well as to obtain recommendations from satisfied customers.

The on-line market in Israel is still dominated by the sites of independent companies rather than on-line branches of traditional retailers. Experts believe that retailers have not hastened to set up on-line marketing channels because they assume that distribution via the internet will merely divert purchasers from the regular channel, and will not bring in any new customers. Nevertheless, in the US there appears to be a tendency among retailers to open on-line outlets too. Experts are also predicting that for many products, primarily those that it is better to try out before buying,⁴ the model that will survive will be a mixed on-line and regular one (‘true blended model’), and that retailers who succeed in combining the two approaches will gain a larger market share.

On-line sales are characterized by lower marketing costs: there are no display or intermediate costs as producers or importers sell directly to the consumer; this could ultimately lead to the disappearance of the wholesaler. Distribution costs are also lower, and there is no need to keep stocks. Consequently, it costs less to set up an on-line store than a regular one, although managing an on-line store incurs considerable costs in order to attain a high level of reliability.⁵

If an on-line site has invested in acquiring a reputation and systems for managing logistics and distribution, the marginal cost of adding a new line

⁴ High-touch goods, e.g., clothes, shoes.

⁵ Consumers are ready to pay for reliability, as is indicated by the success of the Amazon bookstore, whose prices are relatively high but which is known for its reliability.

of products is far lower than in regular retail trade. There is no need to set up additional stores, suffer from shoplifting, or pay for costly sales personnel. For these reasons, on-line stores offer an ever-growing range of products.

As regards the number of firms in the on-line market, the fierce competition impels on-line retailers to cooperate, as cooperation between on-line retailers who are not in direct competition with one another will benefit them all. Currently most on-line firms throughout the world are allied with complementary firms in a variety of fields—marketing, sales, logistics and distribution, customer information, coordinating sales and reductions.

	(percent)		
	Electronic retail sales as		Internet connections
	percentage of total sales		as percentage of
	2000	2001	total households 2001
Israel	0.25	0.5	25
US	0.9	1.03	41

SOURCE: Israel, internet firms; US, Office of Statistics.

The contraction of revenue in commerce began in 2000:IV, continued throughout 2001, and began to stabilize in 2001:IV.

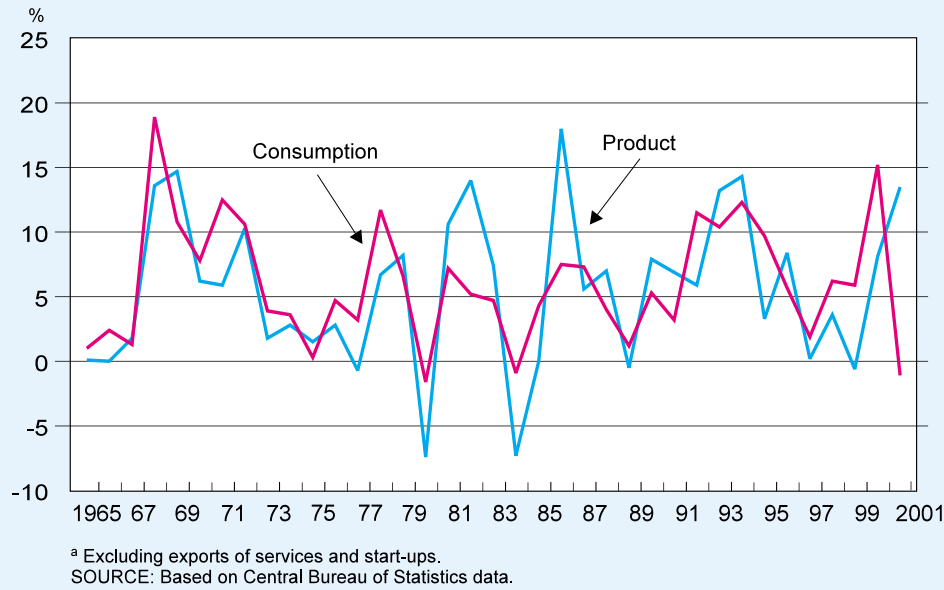
The shocks that affected the economy and created uncertainty caused a marked reduction in investment in the industry, especially in equipment.

The slump in commerce revenues began in 2000:IV, after Israel's security situation deteriorated and the global recession was exacerbated by the terrorist attacks on the US of September 11. The situation continued to deteriorate subsequently, and began to stabilize in 2001:IV. As expected, business services responded more slowly to shocks than did commerce.

The long-term expansion of the product of the services industry is led by the structural change embodied in out-sourcing. This factor is mainly on the accounting side rather than constituting a real economic change, and involves a shift away from firms to the various services in recording costs. In addition, the growth derives from the ongoing rise in standards of living, which increases demand for personal services, as is customary in economies with high per capita GDP. The change in consumption can explain the development of business services (excluding exports); the serial correlation between the two in 1965–2000 is 0.7 (Figure 1.47).

The shocks which have affected the economy, and created uncertainty have restricted investment in commerce and services, and especially in equipment, which responds more rapidly to a change in expectations than does investment in structures. Investment

Figure 1.47
Annual Change in Consumption and Product of Commerce and Services,^a 1965–2001



in equipment dropped by 6.7 percent, after rising continuously by an annual average of 8.3 percent in 1995–2000. Investment in structures has been declining for several years, due to over-investment in 1995–97

Employment was hard hit by the economic shocks. In commerce the number of employees rose by 1.4 percent, compared with a 5 percent increase in 2000, while in business and other services, excluding computer and R&D, and hotel and catering services, the number of employees rose by only 3.5 percent, after a 11.2 percent increase in 2000.

Employment in business and other services and in commerce was affected by the economic shocks.

Table 1.27
Business Services Revenue, 1995 and 1997–2001

	Share in GDP			Real rise in revenue					(percent)
	1995	2000	2001	1997	1998	1999	2000	2001	
Computer services and R&D ^a	14.4	32.0	28.6	12.0	46.5	8.4	67.3	-14.2	
Employment services	8.9	8.5	8.6	0.9	15.6	12.1	12.6	-2.4	
Security and cleaning	8.6	7.2	8.3	17.3	0.3	9.2	13.3	11.0	
Other business services ^b	49.0	41.7	43.5	-4.7	16.9	14.5	9.7	0.1	
Real estate and equipment rental	19.1	10.6	11.0	-1.2	-20.7	12.5	7.9	-0.6	
Total	100	100	100	1.1	14.3	12.1	23.7	-4.0	

^a Including software companies and start-ups.

^b Including legal, accountancy, consultancy, architecture, engineering, advertising and public relations, photography, and other services.

SOURCE: Based on Central Bureau of Statistics data.

Table 1.28
Product, Employment, and Wages in Commerce and Services, 1995–2001

	(annual change, percent)																
	Share in product			Product			Labor input ^d			Real wage ^{a,d}			Relative price ^b				
	1995	1999	2000	2001	1996–98	1999	2000	2001	1999	2000	2001	1999	2000	2001	1999	2000	2001
Total	100	100	100	100	8.0	7.4	14.7	-0.4	5.9	9.7	0.0	6.1	9.2	2.5	0.1	5.2	1.8
Commerce	30.8	28.1	26.9	26.8	5.6	4.5	9.5	-0.6	4.1	5.0	-0.4	3.4	7.2	0.4	1.0	1.0	1.0
Services	69.2	71.9	73.1	73.2	9.0	8.5	16.7	-0.3	6.9	12.1	0.2	7.4	10.2	3.4	-0.1	7.1	2.1
<i>of which: Hotels and catering</i>	5.9	5.3	4.8	4.3	4.4	8.5	4.0	-12.4	9.0	15.5	-13.2	5.1	5.1	-0.4	-0.2	3.8	0.4
Business services	29.8	32.7	35.2	34.0	9.7	12.1	23.7	-4.0	7.2	18.7	5.5	14.3	15.5	3.0	1.9	6.5	0.9
Insurance, and financial institutions ^c	19.2	20.5	20.6	21.9	11.0	5.1	15.4	6.0	4.3	-1.4	1.1	8.0	13.3	1.7	-2.6	11.5	7.3
Health	4.5	4.4	4.3	4.6	8.7	3.9	10.7	7.5	3.4	1.4	2.4	3.6	4.5	2.1	1.4	2.0	1.4
Education	2.8	3.3	3.1	3.1	12.9	10.1	6.9	0.9	5.3	-1.2	2.0	3.0	5.1	3.0	-2.2	0.8	2.2
Personal and other	7.0	5.6	5.1	5.3	1.6	4.0	3.6	4.5	6.2	-0.3	8.2	1.5	6.2	1.3	2.8	5.2	2.8

^a Per employee post, deflated by CPI.

^b Compared with business-sector product.

^c Including banks.

^d Including Palestinians and foreign workers (reported and unreported).

SOURCE: Based on Central Bureau of Statistics data.

Services exports, which account for 29.4 percent of total exports, were also affected by the domestic and external shocks, and in 2001 they were down by 24 percent from 2000 (Table 1.26). Tourism exports were particularly affected, plummeting by 57 percent from 2000 (Table 1.A.1.43). Exports of software and R&D services,⁶⁷ which were hit by the global recession in 2001, plunged by 24 percent from 2000, which was a peak year for exports, but were up by 46 percent over 1999.

Computer and R&D services, including start-ups

Computer and R&D services, especially start-ups, which benefited from the ‘high-tech bubble’ of 2000, suffered from the global slowdown in 2001, which was led by the high-tech sector, as well as from the contraction in value of high-tech firms, the crisis in the financial markets, which created financing difficulties, and to a far lesser extent from domestic security disturbances. This industry relies on financing from nonbank sources; finance raised on stock markets abroad⁶⁸ contracted by 97 percent in 2001, and investment by venture capital funds dropped by 59 percent.⁶⁹ These developments led to the closure of a great many start-ups. The industry’s product fell by 14.2 percent in 2001—due to the 35 percent decline in start-ups (compared with 207 percent growth in 2000), and the 8 percent expansion of the product of computer and R&D services excluding start-ups. While this is the steepest growth rate of all the services, it represents a contraction from 1997–2000, when the annual growth rate was 31 percent. Employment in the industry, including start-ups, rose by 8 percent, compared with 34 percent in 2000.

Catering and hotel services

It was a bad year for catering and hotel services. Incoming tourism plummeted due to the security situation and the global recession, and possibly also because of the decline in domestic demand for catering services as a result of the security and economic

Services exports were hit by the global and domestic shocks and were down by 24 percent from 2000. Especially hard hit were exports of tourism, software services, and R&D.

Computer and R&D services, and particularly start-ups, which had benefited from the high-tech ‘bubble’ in 2000, suffered from the global slowdown in 2001, which was led by the high-tech sector, as well as from the crisis in the financial markets, which gave rise to problems in raising capital. The industry’s product fell by 14.2 percent in consequence.

Table 1.29
Change in Computer Services and R&D, Including Start-ups, 1996–2001

	(annual rate of change, percent)					
	1996	1997	1998	1999	2000	2001
Product	36.8	12.0	46.5	8.4	67.3	–14.2
Share in business-sector product	2.6	2.8	4	4.2	6.5	5.7
Employment	29.5	11.5	15.4	19.8	33.6	7.8
Exports ^a	68.6	7.0	46.1	8.2	91.5	–24.0

^a Rate of change calculated from data in dollar terms.
SOURCE: Based on Central Bureau of Statistics data.

⁶⁷ Including sales of start-ups in order to benefit from their products.

⁶⁸ In software and communications.

⁶⁹ From a survey conducted by the IVC research company.

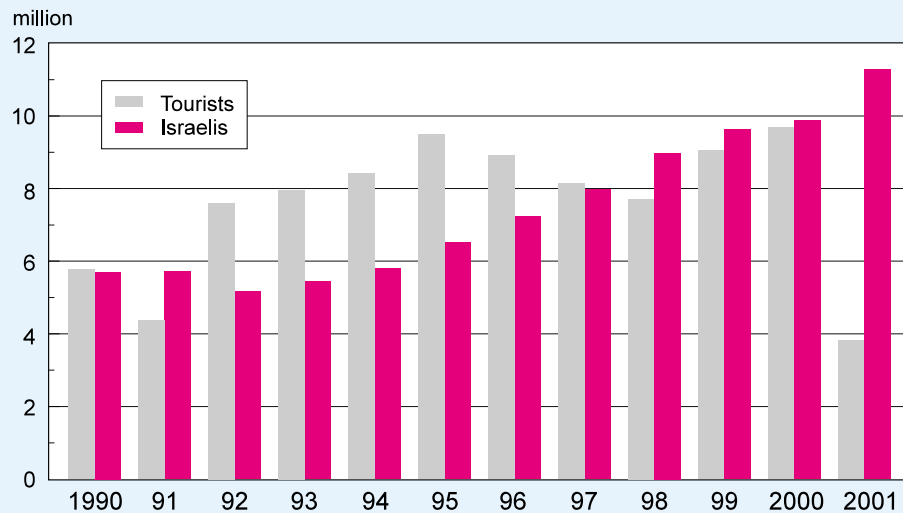
2001 was a bad year for catering and hotel services because of the sharp drop in incoming tourism caused by the security situation and the global recession. Another factor may have been the decline in domestic demand for these services due to the security and political situation.

Tourist entries by air into Israel plummeted to an unprecedented low in 2001, and were down by 47 percent from 2000.

situation. The product of catering and hotel services contracted by 12 percent, a decline which had begun in 2000:IV, with the eruption of the *intifada*, and intensified in September 2001, because of the terrorist attacks on the US. The revenue of hotels fell by 29 percent, and the number of bed-nights by 24 percent (Table 1.30 and Figure 1.48). The industry's indebtedness to the banks rose by 14 percent in 2001, and its contraction caused a 11.1 percent fall in the number of persons employed in the hotel industry. The average wage remained unchanged, despite the rise in the minimum wage and even though most of those dismissed were usually workers at the bottom of the pay scale. Note that in 2001 no new wage agreement was signed for the hotel industry. A new agreement signed in February 2002 includes wage reductions in 2002 because of the industry's plight. The number of hotel rooms rose by 2 percent; note that decisions about investment in hotels were made on the basis of the high expectations of the past, rather than on that of the current low level of tourism.

Tourist entries by air into Israel fell to an unprecedented low in 2001, down by 47 percent from 2000, which was a peak year for tourism,⁷⁰ and by 44 percent from 1999. Tourist bed-nights fell by even more, 61 percent, and dollar revenue from them dropped by 58 percent. As a result of the global slowdown and the terrorism attacks in

Figure 1.48
Number of Hotel Bed-Nights, 1990–2001



SOURCE: Based on Central Bureau of Statistics data.

⁷⁰ While 2000 was a peak year for incoming tourism, because of its special significance for the Christian world, it was not an exceptional year, because the security incidents at its end seriously reduced the number of tourists. The number of tourists who entered by air in 2000 was up by 7 percent over 1999. When the security situation is neutralized, however, i.e., comparing the first three quarters of 2000 with those of 1999, the number of tourists entering by air was up by 26 percent.

Table 1.30
Change in Hotel Services, 1990–2001

	(annual rate of change, percent)				
	1990–97	1998	1999	2000	2001
Tourist entries by plane	6	–1	18	7	–47
Tourist bed-nights	3	–5	18	4	–61
Israeli bed-nights	5	11	6	2	15
Total bed-nights	4	3	11	3	–24
Revenue	4	2	8	6	–29
Index of hotel services	4	2	9	5	–27
Employment ^a	4	1	5	0	–23
Labor input ^a	5	–1	6	1	–24
No. of rooms ^a	2	5	6	8	2
Total factor productivity	0	1	3	3	–13

^a In tourist hotels.

SOURCE: Table I.A.1.43.

the US, world tourism dipped in 2001:IV from 2000:IV. In Cyprus⁷¹ tourist entries were down by 14 percent from the equivalent period in 2000. In the UK and Spain, which were affected indirectly by the terrorist attacks in the US and directly by the global slowdown, tourist entries dropped by 2 percent.

The fall in tourist bed-nights was partly offset by a 15.4 percent rise in bed-nights by Israelis. Although the latter was accompanied by a marked reduction in prices, revenue from Israelis fell by 1 percent in current terms. Within Israel some regions were harder hit than others. In Jerusalem and Tiberias, which rely to a great extent on tourism (Christian and Jewish), the number of bed-nights (of Israelis and tourists) fell by 58 and 36 percent respectively. In Tel-Aviv, where many tourists are business people, the number of bed-nights declined by 31 percent, while in Eilat and on the Dead Sea, where most bed-nights are of Israelis, the decline was only 4 percent.

Because of the dire situation in tourism, the following government aid programs were introduced:

1. At the end of 2000, following the eruption of the *intifada*, a government-financed program of three months' leave and study was introduced for 3,000 hotel employees.

2. In 2001 hotels in badly affected areas were granted a 66 percent reduction in municipal rates. The cost of the reduction, NIS 20 million quarterly, is borne equally by the government and the municipalities concerned. This program may continue in 2002.

3. Other aid programs for hotels implemented in 2002 include the establishment of a government-financed subsidized loan fund to cover marketing costs.

⁷¹ Our assumption is that the elasticity of demand for tourist services relative to the global slowdown is similar in Israel and Cyprus because the two countries have similar parameters: in neither do tourists combine visits with trips to neighboring countries, although the cost of a visit and length of stay in Israel are greater.

The decline in tourist bed-nights was partly offset by the 15.4 percent rise in bed-nights of Israelis.

Due to the dire situation in tourism, government aid programs were granted to the industry.

4. In 2001 organizers of incoming tourism were granted five-month leave and study programs; for tourist guides this was six months; for tourist guides-cum-drivers this took the form of unemployment benefit.

The aid package for 2001 is connected with the unexpected shock of the *intifada*. It is not desirable for the government to intervene on a permanent basis with regard to losses incurred in the industry, however.

*Bank services*⁷²

The banking sector expanded in 2001, but by less than in previous years.

The banking sector expanded in 2001, although by less than in previous years. Credit extended by the banks rose by 8.5 percent, compared with an annual average of 10 percent⁷³ in 1995–2000, alongside a slight contraction in credit margins. The cumulative effect of the latter, together with the marked increase in loan-loss provision, considerably reduced banks' income after loan-loss provision. Banks' income from operating fees dipped by 5 percent due to the 16 percent decline in the turnover and volume of stock-market activity from 2000. The reduction in overall profitability led to an 8 percent drop in banks' adjusted value added (Table 1.31). The volume fall in activity alongside the stagnation in labor input led to a slight rise (1.9 percent) in the index of bank activity, compared with an average 6.5 percent increase in 1995–2000.

The marked increase in loan-loss provision served to reduce banks' net interest income.

Labor costs remained unchanged in 2001, after a marked increase in 2000, due mainly to early retirement agreements. Banks' labor input was also unchanged, despite the reduction of the number of branches and greater use of on-line methods of obtaining banking information and executing transactions.

Table 1.31
Development of Banking Activity, Main Indicators, 1995–2001

	(annual rate of change, percent)						
	1995	1996	1997	1998	1999	2000	2001
Credit to public	11	5	7	14	12	12	9
Labor input	2	1	1	0	-2	1	0
Labor costs	3	16	-2	1	-1	10	0
Value added (adjusted)	3	13	7	-1	9	5	-8
Stock-market turnover	-51	7	25	31	34	33	-16
No. of debits	13	8	7	10	2	1	-2
Mortgages	-11	-16	11	-16	10	-10	3
No. of branches	0	-1	-4	0	2	-2	-3
ATMs	6	6	6	8	3	2	3
Requests for information via internet	0	0	0	0	0	0	58
Index of banking activity ^a	6	7.8	-10.6	-10.2	-6.6	28.5	1.6
Labor productivity	3.2	5	7	9	7	6	2
Total factor productivity	4	3	6	9	9	5	2
	4	3	7	8	7	6	.2

^a Weighted average of credit to public, number of debits, labor input, total loans, and securities turnover.
SOURCE: Table 1.A.1.44.

⁷² A more detailed analysis may be found in the *Annual Survey, 2001* of the Supervisor of Banks (forthcoming).

⁷³ Note that because of the crisis in the capital markets the share of bank finance in total business-sector finance soared at the expense of extra-bank finance, which fell.

During 2001 the use of the internet for obtaining information about accounts, implementing transactions, and even undertaking third-party transfers increased markedly. In September 2001 six million requests were made via the internet, up to 60 percent rise over December 2000. Most of the requests were for information, but the use of the internet for executing transactions also increased. As greater use is made of the internet, the decline in the number of branches has continued and even accelerated.

During 2001 the use of the internet for obtaining particulars about accounts, implementing transactions, and even undertaking third-party transfers increased notably.