SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended: March 31, 1999

Commission file No. 0-23336

ELECTRIC FUEL CORPORATION

Exact name of registrant as specified in its charter

Delaware	95-4302784
(State or other jurisdiction incorporation or organization)	(I.R.S. Employer Identification No.)

885 Third Avenue, New York, New York 10022 - Suite 2900

(Address of principal executive offices)
(Zip Code)

(212) 230-2172

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

APPLICABLE ONLY TO CORPORATE ISSUERS:

The number of shares outstanding of the issuer's common stock as at May 13, 1998 was 14,048,054.

ELECTRIC FUEL CORPORATION

INDEX

ELECTRIC FUEL CORPORATION

CONSOLIDATED BALANCE SHEETS

<TABLE>

	December 31, 1998	March 31, 1999
ASSETS	(Audited)	(Unaudited)
<S>	<C>	<C>
CURRENT ASSETS:		

Cash and cash equivalents	$ 5,242,555	$ 5,042,823
Marketable debt securities	3,700,575	1,555,004
Accounts receivable:		
Trade	613,467	266,367
Other	1,299,056	1,230,813
Inventories	374,543	407,165
Total current assets	11,230,196	8,502,172
FIXED ASSETS:		
Cost	6,342,171	6,802,833
Less - accumulated depreciation and amortization	2,907,312	3,132,230
	3,434,859	3,670,603
	$14,665,055	$12,172,775

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

ELECTRIC FUEL CORPORATION

CONSOLIDATED BALANCE SHEETS (CONTINUED)

<TABLE>
<CAPTION>

<S>	December 31, 1998 (Audited) <C>	March 31, 1999 (Unaudited) <C>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accruals:		
Trade	$ 1,099,352	$ 1,240,789
Other	1,003,522	845,796
Deferred income	136,549	48,585
Total current liabilities	2,239,423	2,135,170
LIABILITY FOR EMPLOYEE RIGHTS UPON RETIREMENT net of amount funded	1,844,120	1,860,726
Total Liabilities	4,083,543	3,995,896
STOCKHOLDERS' EQUITY:		
Common stock - $0.01 par value; authorized - 28,000,000 shares; issued - 14,303,387 shares as of December 31, 1998 and March 31, 1999: outstanding - 14,048,054 shares as of December 31, 1998 and March 31, 1999:	143,034	143,034
Preferred stock - $0.01 par value; authorized - 1,000,000 shares, no shares outstanding		
Additional paid-in capital	57,398,814	57,398,814
Accumulated deficit	(44,553,027)	(46,947,927)
Accumulated other comprehensive income (loss)	(1,943)	(1,943)
Treasury stock, at cost (common stock - 255,333 shares)	(1,806,481)	(1,806,481)
Notes receivable from stockholders	(598,885)	(608,618)
Total Stockholders' Equity	10,581,512	8,176,879
	$ 14,665,055	$ 12,172,775

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

ELECTRIC FUEL CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

<TABLE>

	Three months ended March 31,	
<S>	1998 <C>	1999 <C>
REVENUES	$ 1,268,587	$ 547,972
RESEARCH AND DEVELOPMENT EXPENSES AND COST OF REVENUES		

Expenses incurred	2,638,736	2,224,014
Less - royalty-bearing grants		87,964
	2,638,736	2,136,050
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	814,731	874,328
	3,453,467	3,010,378
OPERATING LOSS	(2,184,880)	(2,462,406)
FINANCIAL INCOME - NET	98,847	75,773
LOSS BEFORE TAXES ON INCOME	(2,086,033)	(2,386,633)
TAXES ON INCOME	18,982	8,267
LOSS FOR THE PERIOD	(2,105,015)	(2,394,900)
LOSS PER SHARE	* $ (0.15)	$ (0.17)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	13,979,124	14,048,054

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

* See note 4

ELECTRIC FUEL CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Accumulated deficit
BALANCE AT JANUARY 1, 1999	14,303,387	$143,034	$57,398,814	$(44,553,027)
CHANGES DURING THE THREE MONTH PERIOD ENDED MARCH 31, 1999:				
Accrued Interest on notes receivable from stockholders				
Loss				$ (2,394,900)
BALANCE AT MARCH 31, 1999	14,303,387	$143,034	$57,398,814	$(46,947,927)

<CAPTION>

	Accumulated other comprehensive income (loss)	Treasury stock	Notes receivable from shareholders	Total
BALANCE AT JANUARY 1, 1999	$(1,943)	$(1,806,481)	$(598,885)	$10,581,512
CHANGES DURING THE THREE MONTH PERIOD ENDED MARCH 31, 1999:				
Accrued Interest on notes receivable from stockholders			$(9,733)	$(9,733)
Loss				$(2,394,900)
BALANCE AT MARCH 31, 1999	$(1,943)	$(1,806,481)	$(608,618)	$ 8,176,879

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

ELECTRIC FUEL CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>

	Three months ended March 31, 1998	Three months ended March 31, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		

Loss for the period	$(2,105,015)	$(2,394,900)
Adjustments required to reconcile loss to net cash used in operating activities:		
Depreciation and amortization	232,239	224,918
Amortization of net premium (discount) on marketable debt securities	12,013	
Interest accrued on notes to stockholders		(9,733)
Liability for employee rights upon retirement-net	10,823	16,606
Changes in operating asset and liability items:		
Decrease in accounts receivable	1,103,324	415,343
Decrease (increase) in inventories	67,061	(32,622)
(Decrease) in accounts payable and accruals	(727,535)	(16,289)
Increase (decrease) in advances from customers	125,585	(87,964)
Net cash used in operating activities	$(1,281,505)	$(1,884,641)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(162,886)	(460,662)
Proceeds from disposal of fixed assets	76,715	
Sale or redemption of (purchase of) marketable debt securities - net	(5,000,000)	2,145,571
Net cash provided by (used in) investing activities	$(5,086,171)	$ 1,684,909
FORWARD	$(6,367,676)	$ (199,732)

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

ELECTRIC FUEL CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>

<S>	Three months ended March 31, 1998 <C>	1999 <C>
FORWARD	$(6,367,676)	$ (199,732)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of options	8,890	
Net cash provided by financing activities	8,890	0
DECREASE IN CASH AND CASH EQUIVALENTS	(6,358,786)	(199,732)
BALANCE OF CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,771,816	5,242,555
BALANCE OF CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 5,413,030	$5,042,823
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION - CASH PAID DURING THE PERIOD FOR:		
Interest	$ 0	$ 548
Advances to income tax authorities	$ 0	$ 10,040

</TABLE>

The accompanying notes are an integral part of the Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. The interim financial statements of Electric Fuel Corporation ("the Company") reflect all adjustments, consisting only of normal recurring accruals, which are, in the opinion of the Company's management, necessary for a fair statement of results for the periods presented. Operating revenue and expenses for any interim period are not necessarily indicative of results for a full year.

   For the purpose of these interim financial statements, certain information and disclosures normally included in the financial statements have been condensed or omitted. These unaudited statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 1998.

2. Effects of Recent Pronouncement

In June 1998, the FASB issued FAS No. 133, "Accounting For Derivative Instruments and Hedging Activities." FAS 133 established a new model for accounting for derivatives and hedging activities. FAS 133 requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the use of the derivative and whether it qualifies for hedge accounting. FAS 133 is effective for calendar-year companies as from January 1, 2000.

The Company is currently evaluating the impact FAS 133 will have on its financial statements; however, since the use of derivatives by the Company is limited, it expects that the adoption of FAS 133 will have no material impact on its consolidated results of operations, financial position or cash flows.

3. Segment Information

The following table shows the results of the Company's main segments for the first quarter of 1999 and 1998, and fixed assets at March 31, 1999, and December 31, 1999.

<TABLE>
<CAPTION>
1999

Segment	Defense & Safety	Electric Vehicle	Consumer Battery	All Other	Total
Sales	$ 256,000	$ 287,000	-	$ 4,972	$ 547,972
Direct Expenses	$ 357,000	$ 617,000	$ 1,352,000	$ 684,378	$ 3,010,378
Segment Gross Loss	$(101,000)	$ (330,000)	$(1,352,000)	$ (679,406)	$(2,462,406)
Financial income, net & tax					$ 67,506
Loss					$(2,394,900)
Fixed Assets, Net	$ 353,000	$1,047,000	$ 1,149,000	$ 1,121,603	$ 3,670,603

</TABLE>

<TABLE>
<CAPTION>
1998

Segment	Defense & Safety	Electric Vehicle	Consumer Battery	All Other	Total
Sales	$ 289,000	$1,009,000	-	$ (29,413)	$ 1,268,587
Direct Expenses	$ 475,000	$1,208,000	$ 436,000	$ 1,334,467	$ 3,453,467
Segment Gross Loss	$(186,000)	$ (199,000)	$ (436,000)	$(1,363,880)	$(2,184,880)
Financial income, net & tax					$ 79,865
Loss					$(2,105,015)
Fixed Assets, Net	$ 369,000	$1,153,000	$ 730,000	$ 1,182,859	$ 3,434,859

</TABLE>

4. Due to the conversion of certain outstanding management promissory notes, the number of shares outstanding at March 31, 1998 for purposes of calculating loss per share should have been 13,979,124, rather than 12,472,359, and accordingly the reported loss per share has been corrected to reflect this calculation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this Quarterly Report. Amounts reported here have been rounded to the nearest thousand, unless such amounts are more than 1.0 million, in which event such amounts have been rounded to the nearest hundred thousand.

Forward Looking Statements

When used in this discussion, the words "believes," "anticipated" and similar expressions are intended to identify forward looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those projected. See "Important Factors Regarding Forward-Looking Statements" attached as Exhibit 99 to the Company's Annual Report for the year ended December 31, 1998, on Form 10-K and incorporated herein by reference. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

General

From its inception, the Company has been engaged principally in the research, design, development and commercialization of an innovative, advanced zinc-air battery. Until the end of 1997, the main application for the Company's technology has been a system for powering zero emission electric vehicles.

In part, because the market for electric vehicles had not demonstrated previously anticipated levels of growth, in the latter part of 1997 the Company began a strategic shift to expand its research and development activities into additional applications for its zinc-air battery technology. In January 1998, the Company announced the creation of three market-related divisions to expand its zinc-air battery technology for wider applications. The three divisions are Electric Vehicle, Consumer Batteries, and Defense and Safety Products. The Company is currently focusing its efforts on developing and commercializing its proprietary zinc-air battery technology for consumer electronics, defense and safety applications.

Results of Operations:
Three months ended March 31, 1999, compared to the three months ended March 31, 1998.

Revenues:

Revenues for the first quarter of 1999 totaled $548,000 compared with $1.3 million in the comparable period in 1998, a decrease of $721,000. Revenues were $256,000 (1998: $289,000) for the Defense and Safety segment and $287,000 (1998: $1 million) for the Electric Vehicle segment. The Consumer Battery segment has not yet produced revenues and the remainder were unallocated miscellaneous revenues. During the first quarter of 1999, the Company recognized revenues from the sale of Survivor Locator Lights and activities related to the United States Department of Transportation ("DOT") program. In 1998, the Company signed an agreement with DOT as part of a consortium that is seeking to demonstrate the ability of the Electric Fuel battery system to power a full size, all electric transit bus. The DOT approved $2.0 million in federal funding for the cost-shared $4.0 million

program. The Company's share of the $4.0 million cost is approximately $3.5 million, 50% of which will be reimbursed to the Company out of the DOT funds. Since this is a cost-shared program, expenses associated with the Company's participation in the program will exceed the revenues to be earned from the program. The DOT program is expected to continue until the end of 1999. Additionally, the Company recognized revenues in connection with various defense R&D contracts.

Revenues for the first quarter of 1998 were principally derived from activities relating to the extension of Deutsche Post Field Test, which terminated in the second quarter of 1998. Additionally, in the first quarter of 1998, the Company recognized revenues from the sale of additional batteries to the Deutsche Post as well as sales of Electric Vehicle batteries to Edison Termoelettrica, SpA ("Edison"). The Company also recognized revenues from the sale of Survivor Locator Lights.

Expenses:

Research and development expenses and cost of revenues for the first quarter of 1999 were $2.1 million compared with $2.6 million for the first quarter of 1998. The Company believes that, given the Company's stage of development, it is not, at this time, meaningful to distinguish between R&D expenses and cost of revenues. The decrease in expenses of $500,000 from the first quarter of 1998 is principally attributable to a reduction of personnel and expenses related to Electric Vehicle battery development. This overall reduction was partially offset by increases in the costs associated with Consumer Battery development and production of increased quantities of Survivor Locator Lights in the Defense and Safety Division. With regard to the Company's R&D program, since the Company's 1999 grant applications have not yet been approved by the Research Committee of the Office of the Chief Scientist of the Ministry of Industry and Trade, the Chief Scientist royalty bearing grants have not been recognized in the first quarter of 1999. During the first quarter of 1998, no royalty bearing grants were recognized, as the 1998 Chief Scientist application was not approved until later in the year.

As previously announced, the Company has entered into an agreement to complete development of a battery for powering transit buses, in connection with a program to develop a new hybrid propulsion system in conjunction with General Electric Corporate Research and Development ("General Electric"). The program is being partially funded by the Israel - US Binational Industrial Research and

Development (BIRD) Foundation, and the Company recorded $88,000 of royalty-bearing grants in the first quarter of 1999, in connection with this program. The DOT program described above complements the BIRD program. R&D expenses and cost of operations related to Consumer Battery and Defense and Safety applications are expected to increase significantly during 1999, as the Company intensifies its efforts in these new areas. The level of Electric Vehicle expenses is not expected to increase unless the Company enters into additional revenue producing agreements in this area.

Selling, general and administrative expenses for the first quarter of 1999 were $874,000 vs. $815,000 in the first quarter of 1998. The Company expects further increases in selling, general and administrative expenses, particularly with respect to marketing expenses, as the Company expands the applications for its technology.

Financial income, net of interest expense, exchange differentials, bank charges, and other fees, totaled approximately $76,000 in the first quarter of 1999 compared to $99,000 in same quarter in 1998.

The Company reported a net loss of $2.4 million in the first quarter of 1999 compared with a net loss of $2.1 million in the first quarter of 1998 due to the factors cited above.

First quarter direct expenses were $357,000 (1998: $475,000), $617,000 (1998: $1.2 million), and $1.4 million (1997: $436,000) in the Defense and Safety, Electric Vehicle and Consumer Battery segments respectively.

Net cost of fixed assets (net of accumulated depreciation) at March 31, 1999, in the Defense and Safety, Electric Vehicle and Consumer Battery segments was $353,000, (December 31, 1998: $369,000), $1 million (December 31, 1998: $1.2 million), and $1.1 million (December 31, 1998: $730,000) respectively.

Impact of Year 2000

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Computer programs that have date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. The Company considers a product to be in "Year 2000" compliance if the product's performance and functionality are unaffected by processing of dates prior to, during and after the year 2000.

The Company has retained an outside consultant to assess the Year 2000 compliance of the Company's computer hardware and software, and other equipment of the Company with embedded chips that may be date-sensitive. The consultant completed its initial assessment of the Company's systems in March 1999. Based on the initial review of the consultant, the Company believes that its core computer systems and equipment are Year 2000 compliant, and that the Year 2000 issue will not materially affect the Company's operations or business. Management expects that the expenses incurred and to be incurred in connection with the Year 2000 issue will not materially exceed amounts budgeted for such matters.

Liquidity and Capital Resources

As of March 31, 1999, the Company had cash, cash equivalents and financial investments of approximately $6.6 million compared with $8.9 million as of December 31, 1998.

The Company used available funds in 1999 primarily for continued research and development expenditures, and other working capital needs. The Company increased its investment in fixed assets by $461,000, primarily in the consumer battery division, during the quarter ended March 31, 1999.

EFL presently has a line of credit with the First International Bank of Israel Ltd. ("FIBI") ("the Credit Facility"). Borrowings under the Credit Facility bear interest at FIBI's prime rate + 2% per annum, are unconditionally guaranteed by the Company and are secured by a pledge of foreign currency deposits in the amount of NIS 750,000 (approximately $180,000). Additionally, the Credit Facility imposes financial and other covenants on EFC and EFL and presently expires on May 30, 1999, at which time the Credit Facility will be reviewed for renewal by FIBI. The Credit Facility provides EFL with a line of credit in the maximum principal amount of NIS 3.8 million (approximately $960,000), which can be used as credit support for various obligations of EFL. As of March 31, 1999, the bank had issued letters of credit and bank guarantees totaling approximately $384,000.

The Company has no long term debt outstanding, and is using its cash reserves and revenues from operations primarily to continue development of batteries for consumer electronic devices, as well as to participate in the BIRD and DOT Electric Vehicle programs. Furthermore, in 1999, the Company is planning to establish a commercial production line and prepare for market penetration of its new zinc-air battery for cellular telephones. Accordingly, the Company is seeking additional funding, including through the issuance of equity or debt securities, and is pursuing other options, such as joint ventures or other strategic relationships. However, there can be no assurance that the Company will obtain any such additional funding. If additional funding is not secured, the Company will have to modify, reduce, defer or eliminate certain of its anticipated future commitments and/or programs, in order to continue reduced operations.

Part II

Item 6.

1. No reports on Form 8-K were filed during the first quarter of 1999.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ELECTRIC FUEL CORPORATION
(Registrant)

By: /s/ Robert S. Ehrlich

Name: Robert S. Ehrlich

Title: Chairman of the Board and
Chief Financial Officer

Dated: May 13, 1999

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1999
<PERIOD-END>	MAR-31-1999
<CASH>	5,042,823
<SECURITIES>	1,555,004
<RECEIVABLES>	266,367
<ALLOWANCES>	0
<INVENTORY>	407,165
<CURRENT-ASSETS>	8,502,172
<PP&E>	6,802,833
<DEPRECIATION>	3,132,230
<TOTAL-ASSETS>	12,172,775
<CURRENT-LIABILITIES>	2,135,170
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	143,034
<OTHER-SE>	8,033,845
<TOTAL-LIABILITY-AND-EQUITY>	12,172,775
<SALES>	0
<TOTAL-REVENUES>	547,972
<CGS>	0
<TOTAL-COSTS>	2,136,050<F1>
<OTHER-EXPENSES>	0<F1>
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	(75,773)
<INCOME-PRETAX>	(2,386,633)
<INCOME-TAX>	8,267
<INCOME-CONTINUING>	(2,394,900)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(2,394,000)
<EPS-PRIMARY>	(0.17)
<EPS-DILUTED>	(0.17)

<FN>
<F1>
Total costs includes research and development expenses and cost of revenues. Because of the nature of the company's operations, management is of the opinion that it is not meaningful to segregate these costs.
</FN>

</TABLE>