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OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – JUNE 2009

Since 1996 UNSCO has continually monitored and reported on socio-economic conditions in the occupied Palestinian territory and in the process established an extensive socio-economic database. UNSCO does not create raw data but rather uses available data which, in the occupied Palestinian territory is relatively abundant. However, the data that is available tends to remain dispersed and is not always automatically shared between institutions. The objective of the database is to bring together in one place a wide variety of data on socio-economic conditions and by doing so present a broader, more detailed perspective on socio-economic conditions. The purpose of this report is to: 1) broaden the access to this database through publication of the most recent data gathered; and 2) provide readers with up to date information on socio-economic conditions in the occupied Palestinian territory.

The report is divided into three sections:

Section 1 consists of a one-page fact sheet which provides a snapshot view of the socio-economic situation for the current and previous reporting period and it provides, for reference purposes, base line figures for the period just prior to the outbreak of the second *Intifada*.

Sections 2 and 3 report on the Macro-economic situation, the Private sector and the banking modules of the UNSCO database. They provide data on the last six reporting periods for each indicator as well as base line data, which is pre *Al-Aqsa intifada*. In addition, summary analysis on observed trends is given below each table.



SOCIO-ECONOMIC FACT SHEET – JUNE 2009

A. GENERAL			Previous period	Current period	B. FISCAL SITUATION			Baseline	Previous period	Current period			
Indicator	Q4-2008	Q1-2009			Indicator (US\$ millions)	Q4-1999	Q1-2009	Q2-2009 (budget)					
1. GDP (\$US)	1,145.0	1,189.5 ¹			1. Revenue	235	335.0	355.7					
2. GDP per capita (\$US)	314.9	324.8			2. Expenditure	235	300.6	189.3					
					3. Net lending	0	75.5	109.3					
					4. Balance	0	-377.4	-270.6					
					5. External Budget support (including TIM)	0	259.1	148.3					
Source: PCBS					Source: World Bank- Ministry of Finance								
C. MACRO-ECONOMIC				Baseline	Previous period	Current period	D. PRIVATE SECTOR				Baseline	Previous period	Current period
Indicator²	Aug-2004	May 2009	June 2009				Indicator	Q2-2000	Q4-2008	Q1-2009			
1. Consumer Price Index ³							1. New Company Registrations						
Total		123.05	123.48				Total	568	342	512			
West Bank		119.77	120.32				West Bank	288	289	456			
Gaza Strip		128.78	128.64				Gaza Strip	280	53	56			
2. Truck movement ⁴							2. Area Licensed for new Construction (dunums)	Q2-2000	Q4-2008	Q1-2009			
<u>Imports</u>	Aug-2000	May-2009	June - 2009				Total	739.7	385.6	468.9			
Karni	4,373	642	643				West Bank	665.3	385.6	468.9			
Sufa	4,384	0	0				Gaza Strip	74.4	0.0	0.0			
Rafah	953	64	13				3. Banking (US\$ thousands)	Q2-2000	Q4-2008⁵	Q1-2009			
Kerem Shalom	0	2,023	1,807				Loans	1,234	1,830	1,842			
Nahal Oz	904	231	212				Deposits	3,328	6,269	6,165			
<u>Exports</u>							Loans/Deposits Ratio	37.1 %	29.19%	29.88%			
Karni	2,460	0	0										
Kerem Shalom	0	0	0										
Source: PCBS (1), Ministry of National Economy, General Petroleum Corporation							Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3)						
E. LABOUR FLOWS				Baseline	Previous period	Current period	F. CLOSURE				Baseline	Previous period	Current period
Indicator	Q2-2000	Q4-2008	Q1-2009				Indicator	Aug-2000	May- 2009	Jun- 2009			
1. Labour Force size							1. Effective closure days ⁷						
Total	706,174	896,100	934,000				Karni (goods)	0 %	100%	100%			
West Bank	483,796	604,000	620,400				Erez (workers)	0 %	100%	100%			
Gaza Strip	222,378	292,100	313,600				Sufa (aggregates)	0 %	100%	100%			
2. Unemployment	8.8 %	27.9%	25.4%				Rafah (passenger)	0 %	100%	100%			
3. Adjusted Unemployment ⁶	18.5 %	33.4%	30.6%				Rafah (commercial)	0 %	100%	100%			
							Nahal Oz (fuel)	0 %	100%	100%			
							Kerem Shalom	0 %	4 %	15 %			
Source: PCBS							Source: UNSCO						

¹ These numbers may be adjusted

² For a more detailed report on sections C (Macro-economy) and D (Private sector), see data below.

³ CPI Base year 2004 = 100

⁴ MoNE data does not include aggregates or aid flows in Aug 2000.

⁵ * Please note that data for Q3-2008 has been adjusted by the PMA for all bank credit categories.

⁶ Adjusted unemployment is calculated by adding discouraged workers (i.e. unemployed but no longer seeking work) to the ILO standard.

⁷ Effective closure days are calculated by adding all days when a crossing was fully or partially closed excluding weekend and holidays.



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MACRO-ECONOMIC UPDATE – JUNE 2009

- Exchange rate
- Consumer Index by region and expenditure group
- Truck Movement
- Palestinian Imports and Exports
- Volume of registered fuel sales

For further information please contact:

Gaza Strip: *Raed Raqeb*

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Indicator	Baseline Aug-00	Jan-09	Feb-09	Mar-09	Apr-09	May-09	June -09
Exchange Rate							
Exchange Rate	4.05	3.90	4.11	4.10	4.19	4.07	3.93
Source: PCBS							

The exchange rate between the US dollar and the NIS declined by approximately 3.44% in June 2009 compared to May 2009.

Indicator	Baseline Aug-00	Jan-09	Feb-09	Mar-09	Apr-09	May-09	June -09
Volume of Registered Fuel sales in the Gaza Strip (x 1000 liters/ton)							
volume of registered fuel sales in the Gaza Strip							
Benzene 95 (Liter)	878.3	0.0	0.0	40.0	30.0	30.0	30.0
Benzene 96 (Liter)	2,310.6	0.0	0.0	0.0	0.0	0.0	0.0
Gasoline (Liter)	11,342.6	92.0	391.3	300.0	298.4	100.0	300.4
Gas (Ton)	1.9	0.9	1.7	3.9	3.5	5.4	2.6
White Gasoline (Liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Source: General Petroleum Corporation and Ministry of Finance							

The volume of registered fuel sales in the Gaza Strip continued to decline in June 2009. No Gasoline and no Benzene have been imported for the private sector since November 3rd 2008, and only 2.6 tons of Gas were allowed in for use by the private sector, which constitutes a decline of approximately 51.46% compared to May 2009. During the reporting period, 30,000 liters of Benzene (95) and 300,400 liters of Gasoline were imported for UNRWA in June 2009.

Indicator	Baseline Aug-04	Jan-09	Feb-09	Mar-09	Apr-09	May-09	June -09
Palestinian Consumer Price Index (by region and expenditure group)							
Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)							
Food and soft drinks		137.55	136.48	138.99	138.04	138.01	137.94
Alcoholic Beverages and tobacco		124.75	125.48	126.18	126.84	137.23	139.04
Textiles, clothing and footwear		103.42	103.05	103.12	103.39	103.97	104.52
Housing		117.60	118.52	119.76	118.85	118.95	119.06
Furniture, household goods		109.14	110.69	111.48	111.30	110.43	111.54
Medical care		114.32	113.89	113.22	112.84	113.35	112.96
Transportation		113.91	114.87	114.81	116.18	116.07	118.47
Communications		109.93	109.89	109.80	109.83	109.78	109.75
Recreational, cultural goods & services		100.24	100.39	101.00	101.03	100.91	101.15
Education		101.28	101.28	101.26	101.30	101.30	102.12
Restaurants and cafes		129.71	130.02	130.94	131.21	132.30	132.62
Miscellaneous goods and services		110.38	111.88	113.79	114.27	114.21	113.97
All items of consumer price index		121.57	121.54	122.82	122.55	123.05	123.48
Major Groups of Expenditure (Jerusalem)							
Food and soft drinks		135.92	134.22	136.29	135.77	138.39	137.73
Alcoholic Beverages and tobacco		109.89	110.36	111.38	112.78	125.83	127.23
Textiles, clothing and footwear		104.38	103.73	104.91	104.58	105.17	107.38
Housing		114.59	114.59	114.94	115.01	115.13	115.28
Furniture, household goods		98.17	101.22	102.90	103.18	102.08	103.26
Medical care		120.36	120.55	121.15	120.65	121.44	121.23
Transportation		115.62	116.38	116.67	117.45	119.11	121.99
Communications		106.75	106.65	106.65	106.75	106.82	106.71
Recreational, cultural goods & services		102.46	102.74	103.57	103.63	103.59	104.00
Education		107.07	107.07	107.07	107.07	107.07	107.07
Restaurants and cafes		143.70	143.71	143.67	143.77	144.70	146.33
Miscellaneous goods and services		105.53	105.79	106.53	107.32	107.76	106.62
All items of consumer price index		118.92	118.66	119.76	119.79	121.50	121.90
Major Groups of Expenditure (Rest of the West Bank)							
Food and soft drinks		132.02	130.54	133.82	132.03	131.74	132.50
Alcoholic Beverages and tobacco		117.31	119.35	119.34	119.36	134.27	135.36
Textiles, clothing and footwear		96.99	95.49	94.84	94.69	94.88	93.96
Housing		124.70	126.18	128.01	126.21	126.11	126.28
Furniture, household goods		103.49	103.12	101.93	101.07	100.48	100.37
Medical care		111.99	111.97	109.64	108.52	108.38	107.55
Transportation		110.05	111.70	111.95	114.14	114.05	116.70
Communications		111.59	111.45	110.95	111.05	111.30	110.93
Recreational, cultural goods & services		92.31	92.30	92.64	92.56	92.49	92.00
Education		94.64	94.64	94.59	94.59	94.59	96.66
Restaurants and cafes		124.64	123.81	124.61	124.85	126.02	126.23
Miscellaneous goods and services		118.02	119.57	122.97	122.26	121.99	122.13
All items of consumer price index		118.82	118.58	119.98	119.16	119.77	120.32
Major Groups of Expenditure (Gaza Strip)							
Food and soft drinks		145.54	147.15	148.54	147.81	147.10	145.48
Alcoholic Beverages and tobacco		145.10	145.11	145.20	145.65	149.91	152.48
Textiles, clothing and footwear		109.22	109.31	110.40	112.23	113.06	113.08
Housing		110.6	112.79	115.56	113.33	113.57	113.59
Furniture, household goods		130.39	131.15	133.15	133.79	133.54	135.20
Medical care		100.65	98.82	98.28	98.81	99.23	99.00
Transportation		123.29	124.15	122.98	124.24	121.84	123.73
Communications		107.32	107.46	107.81	107.70	106.89	107.43
Recreational, cultural goods & services		98.30	98.11	98.71	99.23	98.92	99.94
Education		100.51	100.51	100.51	100.56	100.56	100.37
Restaurants and cafes		138.71	139.42	142.74	143.50	143.77	144.10
Miscellaneous goods and services		110.21	112.96	116.63	117.54	116.82	117.25
All items of consumer price index		126.87	127.93	129.15	129.09	128.78	128.64
Source: PCBS							

The Palestinian CPI reached 123.48 in June 2009, an increase of 0.35% percent compared to April 2009, with most of the increase being experienced in the West Bank, while prices, on average, fell in the Gaza Strip. Declines were recorded in the food and soft drink group (0.06%) in the medical care group (0.34 %) in communications (0.03 %) and in miscellaneous goods and services (0.21 % each). Housing related prices experienced a 0.09% increase, The Restaurants and cafes index increased by 0.24%, and increases were also recorded in textiles, clothing and footwear (+0.52 %).

Indicator	Baseline Aug-00	Jan-09	Feb-09	Mar-09	Apr-09	May-09	June -09
Truck Movement							
Karni commercial crossing							
Total Truck Loads Exports	992	0	0	0	0	0	0
Total Truck Loads Imports	2,923	656	762	751	554	642	643
Kerem Shalom commercial crossing							
Total Truck Loads Exports	0	0	1	9	5	0	0
Total Truck Loads Imports	0	2,089	2,185.5	2,516	1,902	2,023	1,807
Sufa commercial crossing							
Total Truck Loads Exports	0	0	0	0	0	0	0
Total Truck Loads Imports	4,384	0	0	0	0	0	0
Nahel Oz commercial crossing (fuel)							
Total Truck Loads Imports	904	40	80	173	157	231	121
Source: Baseline: Ministry of National Economy; General Petroleum Corporation and Ministry of Finance							

Truck movement into Gaza has been restricted to humanitarian supplies since 12 June 2006. At the same time, exports have stopped altogether except for limited agricultural exports. On February 2nd 2009 and in time for Valentine's day, Israel allowed Gaza to export 50,000 flowers to Europe. In April 2009, 5 trucks of flowers (204,000 flowers) were exported. June 2009 data indicates a decline in the total of imported truckloads to the Gaza Strip by approximately 11 percent, if compared to May 2009. The 643 trucks that crossed in through Karni were limited to animal feed, pulses, and wheat. Of the 1,807 trucks crossing in through Kerem Shalom, 741 were humanitarian trucks and 1,066 trucks were for the private sector.



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PRIVATE SECTOR AND BANKING UPDATE – JUNE 2009

- Number of Company Registrations by region and legal status
- Area licensed for Construction
- Bank Credit
- Value of loans and deposits

For further information please contact:
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Indicator	Baseline Q2-2000	Jan-09	Feb-09	Mar-09	Apr-09	May-09	June -09
Number of new Company Registrations (by region and legal status)							
Gaza Strip							
Private	162	0	6	14	5	10	10
Private Limited	46	4	14	18	21	23	18
Public Limited	1	0	0	0	0	0	0
Foreign	3	0	0	0	0	0	0
Total	212	4	20	32	26	33	28
West Bank							
Private	66	59	65	76	57	51	57
Private Limited	163	72	93	86	107	66	87
Public Limited	0	0	0	0	1	0	1
Foreign	0	0	3	2	2	2	3
Total	229	131	161	164	167	119	148
Source: Ministry of Economy							

The number of new company registrations is used as a proxy indicator for the vitality of the local economy as well as the ability of the local economy to create new employment. New company registrations in the West Bank increased in June 2009 by 24.37% percent, if compared to May 2009. If compared to pre-Intifada levels, new company registrations have dropped by approximately 35.37%. As for Gaza, figures from the Ministry of Economy in Ramallah show that no new companies were registered, while data from the authorities in Gaza indicate 28 new registered companies for June 2009. If considering data from authorities in Gaza, the number of newly registered companies in Gaza declined by approximately 15.15% if compared to May 2009.

Indicator	Baseline Aug-00	Jan-09	Feb-09	Mar-09	Apr-09	May-09	June -09
Area licensed for new construction (Gaza Strip, dunums)							
Northern District	27,902	205	2,800	30,500	3,540	1,950	2,120
Gaza	50,116	1,450	3,120	6,180	2,860	4,700	3,350
Al Wastah	15,984	650	600	1,160	870	1,100	1,170
Khan Younis	51,146	0	800	5,150	690	3,650	3,200
Rafah	39,429	850	670	6,120	2,390	5,320	4,350
Gaza Strip Total	184,577	3,155	7,990	49,110	10,350	16,720	14,190
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	Jan-09	Feb-09	Mar-09	Apr-09	May-09	June -09
Area licensed for new construction (West Bank, dunums)							
Ramallah & Al- Bireh & Jerusalem		29,387	31,149	73,345	35,865	61,273	69,932
Nablus		2,412	30,380	42,005	44,555	61,230	66,003
Tulkarm		5,227	19,704	34,739	34,248	29,398	24,334
Hebron		351	21,789	29,250	33,554	39,385	36,299
Bethlehem		817	12,929	9,032	14,069	16,070	15,594
Jenin		1,646	10,180	14,367	9,128	18,595	17,549
Qalqilya		3,928	366	7,763	369	1,054	1,709
Safit		0	0	0	0	0	0
Total	345,685	43,768	126,497	210,501	171,788	227,005	231,420
Source: Engineering Offices and Consulting Firms							

Similar to new company registrations, the area licensed for new construction is also used as a proxy indicator for economic vitality. June 2009 data shows an increase in the area licensed for new construction, of approximately 1.94 percent compared to the previous month in West Bank. When compared to pre *intifada* levels, area licensed for new construction has decreased by 33.05 percent.

Indicator	Baseline Q2-00	Q4-2007	Q1-2008	Q2-2008	Q3-2008	Q4-2008	Q1-2009
Area licensed for new construction (by region and by type, x 1000 m²)							
Non-residential							
West Bank	122.0	46.3	n.a	78.5	127.8	115.4	113.1
Gaza Strip	5.5	0.5	n.a	0.7	0.0	0.0	0
Total Palestinian territory	127.5	46.8	107.0	79.2	127.8	115.4	113.1
Residential							
West Bank	543.3	339.9	n.a	270.4	331.0	270.2	355.8
Gaza Strip	68.9	12.6	n.a	5.2	0.0	0.0	0
Total Palestinian territory	612.2	352.5	423.1	275.6	331.0	270.2	355.8
Source: PCBS							

If disaggregated by type, and if compared with Q4-2008, it appears that in Q1-2009 non-residential and residential construction decreased in the opt by 1.9 %, while residential construction has increased by %24 It is worth noting that obtaining data for Gaza is not possible due to the closing of the PCBS office in Gaza.

Indicator	Q3-08*	Q4-08	Q1-09
Bank Credit			
Bank Credit by economic activity (x million US\$)			
Agriculture	33	48	40
Manufacturing & Mining	83	72	165
Real estate and Lands	237	234	190
General Trade	304	330	312
Transportation	25	14	18
Tourism, Hotels & Restaurants	26	26	29
Public Services	238	250	240
Financial Services & Facilitations granted to financial institutions	128	120	45
Financing granted to the investment of the shares	51	51	67
Finance the purchase of cars	32	40	43
Total Public Sector	545	534	582
Financing for consuming purposes	70	70	66
Others in the private sector	37	40	45
GRAND TOTAL	1,807	1,830	1,842
Total Excluding theirs in the Public Services and Total Public Sector	1,024	1,045	1,020
Bank Credit by economic activity (as percentage of total)			
Agriculture	1.8%	2.6%	2.2%
Industry & Mining	4.6%	3.9%	9.0%
Real estate and Lands	13.1%	12.8%	10.3%
General Trade	16.8%	18.0%	16.9%
Transportation	1.4%	0.8%	1.0%
Tourism, Hotels & Restaurants	1.4%	1.4%	1.6%
Public Services	13.2%	13.7%	13.0%
Financial Services & Facilitations granted to financial institutions	7.1%	6.5%	2.4%
Financing granted to the investment of the shares	2.8%	2.8%	3.7%
Finance the purchase of cars	1.8%	2.2%	2.4%
Total Public Sector	30.1%	29.2%	31.6%
Financing for consuming purposes	3.9%	3.8%	3.6%
Others in the private sector	2.0%	2.2%	2.5%
Total	100%	100%	100%
Bank Credit by Economic Branch (excluding Total public sector and Public Services) (% of total)			
Agriculture	3.2%	4.6%	3.9%
Manufacturing and Mining	8.1%	6.9%	16.2%
Real estate and Lands	23.1%	22.4%	18.6%
General Trade	29.7%	31.6%	30.5%
Tourism, Hotels & Restaurants	2.4%	1.4%	1.8%
Transportation	2.6%	2.5%	2.8%
Financial Services & Facilitations granted to financial institutions	12.5%	11.4%	4.4%
Financing granted to the investment of the shares	5.0%	4.9%	6.6%
Finance the purchase of cars	3.1%	3.8%	4.2%
Financing for consuming purposes	6.8%	6.7%	6.4%
Others in the private sector	3.6%	3.8%	4.4%
Total	100%	100%	100%
* Please note that data for Q3-2008 has been adjusted by the PMA for all bank credit categories.			
Source: PMA			

Data on bank credit is another proxy indicator for economic progress and business confidence (increasing use of bank credit, particularly in the main productive sectors) or decline (decreasing use of bank credit). The Palestine Monetary Authority provides adjusted data once every three months. In relative terms, general trade and Public Services show a decrease in the use of credit. Bank credit to the public sector also indicates an increase of approximately 8% in Q1-2009 when compared with Q4-2008. (Please note the PMA has adjusted the indicators for bank credit by economic activities starting Q3-2008. Due to such significant changes in the methodology, current trends cannot be compared to those prior to 2008.)

Indicator	Baseline Jun-00	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09
Bank Credit							
Bank Credit by type (million US\$)							
Loans	512	1,094	1,061	1,066	1,109	1,113	1,159
Overdrafts	653	649	701	669	688	707	673
Leasing	0	11	11	11	10	10	10
BA & Discounted Bills	69	5	4	0	0	0	0
Total	1,234	1,758	1,777	1,747	1,807	1,830	1,842
Bank Credit by type (as percentage of total)							
Loans	41%	62%	60%	61.1%	61.4%	60.8%	62.9%
Overdrafts	53%	37%	39%	38.3%	38.1%	38.6%	36.5%
Leasing	0%	1%	1%	0.6%	0.6%	0.6%	0.6%
BA & Discounted Bills	6%	0%	0%	0.0%	0.0%	0.0%	0.0%
Total	100%	100%	100%	100%	100%	100%	100%
Source: PMA							

Disaggregating bank credit by the type of credit, the data shows an increase in loans and a decrease in bank overdrafts. Loans currently represent 62.9 percent of all credit extended compared to only 41% in the *pre-Intifada* period.

Indicator	Baseline Jun-00	Q4 -07	Q1-08	Q2-08	Q3-08*	Q4-08	Q1-09
Bank Credit							
Bank Credit by borrowing entity (million US\$)							
Businesses	752	987	1,124	1,009	1,024	1,045	1,020
Consumers	429	609	501	511	545	534	582
Public Services	52	163	152	227	238	250	240
Total	1,234	1,758	1,777	1,747	1,807	1,830	1,842
Bank Credit by borrowing entity (as percentage of total)							
Businesses	61%	56%	63%	57.7%	56.7%	57.1%	55.4%
Consumers	35%	35%	28%	29.3%	30.1%	29.2%	31.6%
Public Services	4%	9%	9%	13.0%	13.2%	13.7%	13.0%
Total	100%	100%	100%	100%	100%	100%	100%
* Please note that data for Q3-2008 has been adjusted by the PMA							
Source: PMA							

Disaggregating bank credit by borrowing entities shows that consumer lending has increased in Q1 -2009 compared to Q4-2008.

Indicator	Baseline Aug-00	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09
Bank Deposits (excluding deposits of the PMA and commercial banks)							
Distribution of Public sector deposits by depositor and type (million US\$)							
Public Institutions and Local Auth.							
Current Accounts	23.9	71.0	75.1	70.2	60.9	54.6	57.9
Time Deposits	49.7	73.0	69.5	67.0	60.1	72.4	74.4
Sub-total	73.6	144.0	144.7	137.2	121.0	127.1	132.3
Government							
Current Accounts	39.8	177.7	206.7	172.7	220.8	276.6	243.2
Time Deposits	74.8	183.3	181.3	191.8	213.4	191.3	152.7
Sub-total	114.6	361.0	388.1	364.5	434.2	467.9	395.9
Total Public sector deposits	188.2	505.0	532.7	501.7	555.3	595.0	528.1
Distribution of Private sector deposits by residency and type (million US\$)							
Residents							
Current Accounts	865.3	1,502.7	1,610.3	1,682.9	1,756.8	1,686.7	1,704.2
Savings Accounts	454.3	1,126.9	1,264.0	1,350.9	1,439.8	1,364.7	1,366.9
Time Deposits	2,084.3	1,848.3	1,884.2	1,915.3	1,978.4	2,047.0	1,939.9
Sub-total	3,403.9	4,477.9	4,758.5	4,949.1	5,174.9	5,098.4	5,011.0
Non-Residents							
Current Accounts	9.5	39.5	40.5	39.0	39.8	41.1	100.7
Savings Accounts	3.6	15.5	16.3	18.7	21.5	24.8	31.1
Time Deposits	22.8	62.0	58.3	69.1	58.9	65.0	76.2
Sub-total	35.9	117.0	115.1	126.8	120.2	130.9	208.0
Total Private sector deposits	3,439.8	4,594.9	4,873.6	5,075.9	5,295.1	5,229.3	5,219.0
Total Deposits (public and private)	3,628.0	5,099.9	5,406.3	5,577.6	5,850.4	5,824.3	5,747.1
Source: PMA							

Bank deposits for the Q1- 2009 indicate a decrease in private deposits and public sector deposits compared with the Q4- 2008.

Indicator	Baseline Jun-00	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09
Value of Loans and Deposits (million US\$)							
Total Loans	1,234	1,758	1,777	1,747	1,807	1,830	1,842
Total Deposits	3,328	5,702	6,067	6,035	6,307	6,269	6,165
Loans/Deposits (ratio)	37.06%	30.84%	29.29%	28.94%	28.66%	29.19%	29.88%
Source: PMA							

In a functioning economy, an increase in the loans versus deposits ratio is perceived as a positive sign, as monies are not saved but invested or consumed, each of which acts as a stimulant for the economy. Since September 2006, this ratio had steadily declined in the oPt signaling little optimism in the prospects for the Palestinian economy. Q1- 2009 figures marked the first quarterly increase after two years of decline.

Indicator	Baseline Aug-00	Jan-09	Feb-09	Mar-09	Apr-09	May-09	June -09
Palestinian Securities Exchange							
Volume of trade							
Number of shares traded (x million)	n.a.	9.9	50.4	31.0	16.8	11.2	26.7
Value of shares traded (x million US\$)	n.a.	30.2	66.3	92.5	46.5	28.8	70.2
Indices							
Al-Quds index	n.a.	510.22	510.35	514.61	517.70	512.03	524.85
Source: Palestinian Securities Exchange (PSE)							

Similar to bank credit and deposits, data on the Palestinian stock exchange is used as a proxy indicator of Palestinian perceptions vis-à-vis the state of the national economy. Data for June 2009 shows an increased in trade at the stock exchange in terms of value of approximately 139.49 % and in terms of number of stocks traded of approximately 143.47 %. The Al-Quds index an increased in June, 2.50 % if compared to May 2009.