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OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – SEPTEMBER 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 – SEPTEMBER 2009

A. GENERAL			Previous period	Current period	B. FISCAL SITUATION			Baseline	Previous period	Current period
Indicator	Q1-2009	Q2-2009			Indicator (US\$ millions)	Q4-1999	Q2-2009	Q3-2009 (budget)		
1. GDP (\$US)	1,177.3	1,252.1 ¹			1. Revenue	235	355.7	447.8		
2. GDP per capita (\$US)	321.4	339.4			2. Expenditure	235	189.3	347.6		
					3. Net lending	0	109.3	89.1		
					4. Balance	0	-270.6	-500.2		
					5. External Budget support (including TIM)	0	148.3	663.4		
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	Aug 2009	Sep 2009		Indicator	Q2-2000	Q1-2009	Q2-2009		
1. Consumer Price Index ³					1. New Company Registrations					
Total		125.60	126.28		Total	568	512	521		
West Bank		122.75	123.25		West Bank	288	456	434		
Gaza Strip		130.48	131.04		Gaza Strip	280	56	87		
2. Truck movement ⁴					2. Area Licensed for new Construction (dunums)	Q2-2000	Q1-2009	Q2-2009		
<u>Imports</u>	Aug-2000	Aug - 2009	Sep - 2009		Total	739.7	468.9	521.4		
Karni - conveyor belt/chute	4,373	632	615		West Bank	665.3	468.9	521.4		
Sufa	4,384	0	0		Gaza Strip	74.4	0.0	0.0		
Rafah	953	0	0		3. Banking (US\$ thousands)	Q2-2000	Q1-2009⁵	Q2-2009		
Kerem Shalom	0	1,827.5	1,400		Loans	1,234	1,842	2,100		
Nahal Oz	904	160	123		Deposits	3,328	6,165	6,390		
<u>Exports</u>					Loans/Deposits Ratio	37.1 %	29.88%	32.86%		
Karni	2,460	0	0		Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3)					
Kerem Shalom	0	0	0							
Source: PCBS (1), Ministry of National Economy, General Petroleum Corporation -										
E. LABOUR FLOWS		Baseline	Previous period	Current period	F. CLOSURE		Baseline	Previous period	Current period	
Indicator	Q2-2000	Q1-2009	Q2-2009		Indicator	Aug-2000	Aug-2009	Sep-2009		
1. Labour Force size					1. Effective closure days ⁷					
Total	706,174	934,000	949,800		Karni (goods)	0 %	100%	100%		
West Bank	483,796	620,400	649,600		Erez (workers)	0 %	100%	100%		
Gaza Strip	222,378	313,600	300,200		Sufa (aggregates)	0 %	100%	100%		
2. Unemployment	8.8 %	25.4%	22.2%		Rafah (passenger)	0 %	100%	100%		
3. Adjusted Unemployment ⁶	18.5 %	30.6%	28.0%		Rafah (commercial)	0 %	100%	100%		
					Nahal Oz (fuel)	0 %	88%	91 %		
					Kerem Shalom	0 %	15%	22 %		
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 holiday. Karni - conveyor belt/chute -The conveyor belt/chute for cereals and animal feed at Kani is the only operational one.



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MACRO-ECONOMIC UPDATE – SEPTEMBER 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	Apr-09	May-09	June -09	July -09	Aug -09	Sep -09
Exchange Rate							
Exchange Rate	4.05	4.19	4.07	3.93	3.90	3.83	3.77
Source: PCBS							

The exchange rate between the US dollar and the NIS declined by approximately 1.57% in September 2009 compared to August 2009.

Indicator	Baseline Aug-00	Apr-09	May-09	June -09	July -09	Aug -09	Sep -09
Volume of Registered Fuel sales in the Gaza Strip (x 1000 liters/ton)							
volume of registered fuel sales in the Gaza Strip							
Petrol 95 (Liter)	878.3	30.0	30.0	30.0	90.5	150.0	70.0
Petrol 96 (Liter)	2,310.6	0.0	0.0	0.0	0.0	0.0	0.0
Diesel (Liter)	11,342.6	298.4	100.0	300.4	572.4	499.4	601.0
Gas (Ton)	1.9	3.5	5.4	2.6	4.7	3.4	2.6
White diesel (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 September 2009. And there was a significant decline in the amount of imported cooking gas with 2, 6 tons (25.82% compared to August 2009). During the reporting period, 70,010 liters of petrol and 601,030 liters of diesel were imported for UNRWA.

Indicator	Baseline Aug-04	Apr-09	May-09	June -09	July -09	Aug -09	Sep -09
Palestinian Consumer Price Index (by region and expenditure group)							
Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)							
Food and soft drinks		138.04	138.01	137.94	138.86	141.75	142.14
Alcoholic Beverages and tobacco		126.84	137.23	139.04	140.80	140.97	140.88
Textiles, clothing and footwear		103.39	103.97	104.52	104.66	106.05	106.21
Housing		118.85	118.95	119.06	120.57	121.95	122.27
Furniture, household goods		111.30	110.43	111.54	112.21	112.88	114.43
Medical care		112.84	113.35	112.96	113.12	113.15	114.10
Transportation		116.18	116.07	118.47	119.44	119.37	119.72
Communications		109.83	109.78	109.75	109.89	109.98	110.28
Recreational, cultural goods & services		101.03	100.91	101.15	101.15	101.35	101.51
Education		101.30	101.30	102.12	102.12	102.12	109.24
Restaurants and cafes		131.21	132.30	132.62	132.34	133.01	133.71
Miscellaneous goods and services		114.27	114.21	113.97	114.04	113.63	114.08
All items of consumer price index		122.55	123.05	123.48	124.22	125.60	126.28
Major Groups of Expenditure (Jerusalem)							
Food and soft drinks		135.77	138.39	137.73	137.40	140.68	140.72
Alcoholic Beverages and tobacco		112.78	125.83	127.23	128.81	128.81	128.73
Textiles, clothing and footwear		104.58	105.17	107.38	107.45	108.46	109.36
Housing		115.01	115.13	115.28	116.70	118.12	118.46
Furniture, household goods		103.18	102.08	103.26	104.78	105.28	107.28
Medical care		120.65	121.44	121.23	121.04	121.15	123.52
Transportation		117.45	119.11	121.99	122.79	122.68	124.78
Communications		106.75	106.82	106.71	107.06	107.06	107.06
Recreational, cultural goods & services		103.63	103.59	104.00	104.90	106.51	106.25
Education		107.07	107.07	107.07	107.07	107.07	111.72
Restaurants and cafes		143.77	144.70	146.33	145.46	145.82	146.46
Miscellaneous goods and services		107.32	107.76	106.62	107.64	107.59	107.85
All items of consumer price index		119.79	121.50	121.90	122.33	123.75	124.53
Major Groups of Expenditure (Rest of the West Bank)							
Food and soft drinks		132.03	131.74	132.50	134.66	137.43	137.93
Alcoholic Beverages and tobacco		119.36	134.27	135.36	137.57	138.17	137.9
Textiles, clothing and footwear		94.69	94.88	93.96	94.23	94.82	94.19
Housing		126.21	126.11	126.28	127.98	129.10	129.14
Furniture, household goods		101.07	100.48	100.37	99.59	100.19	99.90
Medical care		108.52	108.38	107.55	107.97	108.51	109.31
Transportation		114.14	114.05	116.70	117.92	117.83	117.77
Communications		111.05	111.30	110.93	110.89	111.05	111.04
Recreational, cultural goods & services		92.56	92.49	92.00	91.14	91.05	91.61
Education		94.59	94.59	96.66	96.66	96.66	104.58
Restaurants and cafes		124.85	126.02	126.23	126.01	126.78	127.32
Miscellaneous goods and services		122.26	121.99	122.13	119.95	119.54	120.63
All items of consumer price index		119.16	119.77	120.32	121.43	122.75	123.25
Major Groups of Expenditure (Gaza Strip)							
Food and soft drinks		147.81	147.10	145.48	145.59	149.04	148.73
Alcoholic Beverages and tobacco		145.65	149.91	152.48	154.09	154.09	154.09
Textiles, clothing and footwear		112.23	113.06	113.08	112.70	114.30	115.43
Housing		113.33	113.57	113.59	114.42	114.94	114.92
Furniture, household goods		133.79	133.54	135.20	136.99	137.81	140.42
Medical care		98.81	99.23	99.00	98.81	97.91	98.14
Transportation		124.24	121.84	123.73	124.77	124.78	125.37
Communications		107.70	106.89	107.43	107.41	107.60	108.63
Recreational, cultural goods & services		99.23	98.92	99.94	99.36	99.24	99.40
Education		100.56	100.56	100.37	100.37	100.37	107.59
Restaurants and cafes		143.50	143.77	144.10	144.07	145.20	147.79
Miscellaneous goods and services		117.54	116.82	117.25	117.91	116.94	116.53
All items of consumer price index		129.09	128.78	128.64	129.00	130.48	131.04
Source: PCBS							

The Palestinian CPI reached 126.28 in September 2009, an increase of 0.54% compared to August 2009, with most of the increase being experienced in Gaza. Increases were recorded in the food and soft drink group (0.28%) in the medical care group (0.83 %) in Housing (0.26 %) and in Textiles, clothing and footwear (0.16 % each). Alcoholic Beverages and tobacco experienced a 0.06% decline.

Indicator	Baseline Aug-00	Apr-09	May-09	June -09	July -09	Aug -09	Sep -09
Truck Loads Movement							
AI Montar/ Karni commercial crossing							
Total Truck Loads Exports	992	0	0	0	0	0	0
Total Truck Loads Imports	2,923	554	642	643	486	632	615
Karem Abu Salem / Kerem Shalom commercial crossing							
Total Truck Loads Exports	0	5	0	0	0	0	0
Total Truck Loads Imports	0	1,902	2,023	1,807	1,526	1,827.5	1,400
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	157	231	121	215	160	123
Source: Baseline: Ministry of National Economy; General Petroleum Corporation and Ministry of Finance							

September 2009 data indicates a decline in the total number of the imported truckloads to the Gaza Strip by approximately 17%, compared to August 2009 (2,168 vs. 2,619.5). Karni crossing has remained closed since 12 June 2007 for the movement of goods in and out of Gaza. The single conveyor belt/chute for cereals and animal feed at Karni, was open for a total of 7 days – and a total of 615 truckloads of animal feed (61%), and wheat (39%) entered Gaza via that conveyor belt. Of the 1,400 truckloads entering Gaza during the month through Karem Shalom (Karm Abu Salem), 315 truckloads (or 22.03%) were designated for humanitarian aid agencies and the remaining 1,115 truckloads (or 77.97%) were for the private sector. Food items made up the majority of imported goods (1,115 truckloads, or 78%) while 315 truckloads, or 22%, were for non food items.



PRIVATE SECTOR AND BANKING UPDATE – SEPTEMBER 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:

Gaza Strip: *Raed Raqeb*

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Indicator	Baseline Q2-2000	Apr-09	May-09	June -09	July -09	Aug -09	Sep -09
Number of new Company Registrations (by region and legal status)							
Gaza Strip							
Private	162	5	10	10	6	4	5
Private Limited	46	21	23	18	13	17	8
Public Limited	1	0	0	0	0	0	0
Foreign	3	0	0	0	0	0	0
Total	212	26	33	28	19	21	13
West Bank							
Private	66	57	51	57	72	73	33
Private Limited	163	107	66	87	66	91	42
Public Limited	0	1	0	1	1	1	0
Foreign	0	2	2	3	0	0	2
Total	229	167	119	148	139	165	77
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 decline in September 2009 by 53.33%, when compared to August 2009. If compared to pre-Intifada levels, new company registrations have dropped by approximately 66.38 %. 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 13 new registered companies for September 2009. If considering data from authorities in Gaza, the number of newly registered companies in Gaza decline by approximately 38.10% compared to August 2009.

Indicator	Baseline Aug-00	Apr-09	May-09	June -09	July -09	Aug -09	Sep -09
Area licensed for new construction (Gaza Strip, dunums)							
Northern District	27,902	3,540	1,950	2,120	1,820	2,240	1,080
Gaza	50,116	2,860	4,700	3,350	2,950	3,250	2,150
Al Wastah	15,984	870	1,100	1,170	830	1,120	950
Khan Younis	51,146	690	3,650	3,200	1,050	2,600	1,780
Rafah	39,429	2,390	5,320	4,350	4,410	2,950	1,140
Gaza Strip Total	184,577	10,350	16,720	14,190	11,060	12,160	7,100
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	Apr-09	May-09	June -09	July -09	Aug -09	Sep -09
Area licensed for new construction (West Bank, dunums)							
Ramallah & Al- Bireh & Jerusalem		35,865	61,273	69,932	99,172	72,463	50,749
Nablus		44,555	61,230	66,003	73,174	49,387	58,483
Tulkarm		34,248	29,398	24,334	35,194	36,987	21,132
Hebron		33,554	39,385	36,299	91,799	68,217	29,026
Bethlehem		14,069	16,070	15,594	14,530	28,917	7,421
Jenin		9,128	18,595	17,549	17,773	17,579	12,448
Qalqilya		369	1,054	1,709	7,752	1,727	3,476
Safit		0	0	0	0	0	0
Total	345,685	171,788	227,005	231,420	339,394	275,277	182,735
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. September 2009 data shows decline in the area licensed for new construction of approximately 33.62% compared to the previous month in the West Bank. When compared to pre *intifada* levels, area licensed for new construction has decreased by 47.14 %.

Indicator	Q3-08*	Q4-08	Q1-09	Q2-09
Bank Credit				
Bank Credit by economic activity (x million US\$)				
Agriculture	33	48	40	41
Manufacturing & Mining	83	72	165	174
Real estate and Lands	237	234	190	219
General Trade	304	330	312	351
Transportation	25	14	18	16
Tourism, Hotels & Restaurants	26	26	29	31
Public Services	238	250	240	252
Financial Services & Facilitations granted to financial institutions	128	120	45	46
Financing granted to the investment of the shares	51	51	67	66
Finance the purchase of cars	32	40	43	48
Total Public Sector	545	534	582	749
Financing for consuming purposes	70	70	66	60
Others in the private sector	37	40	45	47
GRAND TOTAL	1,807	1,830	1,842	2,100
Total Excluding theirs in the Public Services and Total Public Sector	1,024	1,045	1,020	1,099
Bank Credit by economic activity (as percentage of total)				
Agriculture	1.8%	2.6%	2.2%	2.0%
Industry & Mining	4.6%	3.9%	9.0%	8.3%
Real estate and Lands	13.1%	12.8%	10.3%	10.4%
General Trade	16.8%	18.0%	16.9%	16.7%
Transportation	1.4%	0.8%	1.0%	0.8%
Tourism, Hotels & Restaurants	1.4%	1.4%	1.6%	1.5%
Public Services	13.2%	13.7%	13.0%	12.0%
Financial Services & Facilitations granted to financial institutions	7.1%	6.5%	2.4%	2.2%
Financing granted to the investment of the shares	2.8%	2.8%	3.7%	3.2%
Finance the purchase of cars	1.8%	2.2%	2.4%	2.3%
Total Public Sector	30.1%	29.2%	31.6%	35.7%
Financing for consuming purposes	3.9%	3.8%	3.6%	2.8%
Others in the private sector	2.0%	2.2%	2.5%	2.3%
Total	100%	100%	100%	100%
Bank Credit by Economic Branch (excluding Total public sector and Public Services) (% of total)				
Agriculture	3.2%	4.6%	3.9%	3.8%
Manufacturing and Mining	8.1%	6.9%	16.2%	15.8%
Real estate and Lands	23.1%	22.4%	18.6%	20.0%
General Trade	29.7%	31.6%	30.5%	31.9%
Tourism, Hotels & Restaurants	2.4%	1.4%	1.8%	1.5%
Transportation	2.6%	2.5%	2.8%	2.8%
Financial Services & Facilitations granted to financial institutions	12.5%	11.4%	4.4%	4.2%
Financing granted to the investment of the shares	5.0%	4.9%	6.6%	6.0%
Finance the purchase of cars	3.1%	3.8%	4.2%	4.3%
Financing for consuming purposes	6.8%	6.7%	6.4%	5.4%
Others in the private sector	3.6%	3.8%	4.4%	4.3%
Total	100%	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 indicates an increase of approximately 28.75% in Q2-2009 when compared with Q1-2009. (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	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09
Bank Credit							
Bank Credit by type (million US\$)							
Loans	512	1,061	1,066	1,109	1,113	1,159	1,339
Overdrafts	653	701	669	688	707	673	751
Leasing	0	11	11	10	10	10	10
BA & Discounted Bills	69	4	0	0	0	0	0
Total	1,234	1,777	1,747	1,807	1,830	1,842	2,100
Bank Credit by type (as percentage of total)							
Loans	41%	60%	61.1%	61.4%	60.8%	62.9%	63.8%
Overdrafts	53%	39%	38.3%	38.1%	38.6%	36.5%	35.8%
Leasing	0%	1%	0.6%	0.6%	0.6%	0.6%	0.5%
BA & Discounted Bills	6%	0%	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 overdrafts. Loans currently represent 63.8 % of all credit extended compared to only 41% in the *pre-Intifada* period.

Indicator	Baseline Jun-00	Q1-08	Q2-08	Q3-08*	Q4-08	Q1-09	Q2-09
Bank Credit							
Bank Credit by borrowing entity (million US\$)							
Businesses	752	1,124	1,009	1,024	1,045	1,020	1,099
Consumers	429	501	511	545	534	582	749
Public Services	52	152	227	238	250	240	252
Total	1,234	1,777	1,747	1,807	1,830	1,842	2,100
Bank Credit by borrowing entity (as percentage of total)							
Businesses	61%	63%	57.7%	56.7%	57.1%	55.4%	52.3%
Consumers	35%	28%	29.3%	30.1%	29.2%	31.6%	35.7%
Public Services	4%	9%	13.0%	13.2%	13.7%	13.0%	12.0%
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 Q2 -2009 compared to Q1-2009.

Indicator	Baseline Aug-00	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09
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	75.1	70.2	60.9	54.6	57.9	65.1
Time Deposits	49.7	69.5	67.0	60.1	72.4	74.4	78.6
Sub-total	73.6	144.7	137.2	121.0	127.1	132.3	143.7
Government							
Current Accounts	39.8	206.7	172.7	220.8	276.6	243.2	199.5
Time Deposits	74.8	181.3	191.8	213.4	191.3	152.7	158.3
Sub-total	114.6	388.1	364.5	434.2	467.9	395.9	357.9
Total Public sector deposits	188.2	532.7	501.7	555.3	595.0	528.1	501.6
Distribution of Private sector deposits by residency and type (million US\$)							
Residents							
Current Accounts	865.3	1,610.3	1,682.9	1,756.8	1,686.7	1,704.2	1,794.5
Savings Accounts	454.3	1,264.0	1,350.9	1,439.8	1,364.7	1,366.9	1,474.4
Time Deposits	2,084.3	1,884.2	1,915.3	1,978.4	2,047.0	1,939.9	1,925.1
Sub-total	3,403.9	4,758.5	4,949.1	5,174.9	5,098.4	5,011.0	5,194.0
Non-Residents							
Current Accounts	9.5	40.5	39.0	39.8	41.1	100.7	139.9
Savings Accounts	3.6	16.3	18.7	21.5	24.8	31.1	40.5
Time Deposits	22.8	58.3	69.1	58.9	65.0	76.2	88.1
Sub-total	35.9	115.1	126.8	120.2	130.9	208.0	268.5
Total Private sector deposits	3,439.8	4,873.6	5,075.9	5,295.1	5,229.3	5,219.0	5,462.5
Total Deposits (public and private)	3,628.0	5,406.3	5,577.6	5,850.4	5,824.3	5,747.1	5,964.1
Source: PMA							

Bank deposits for the Q2- 2009 indicate a decrease in public sector deposits of approximately 5.03% and an increase in private sector deposits of 4.67% compared with Q1- 2009.

Indicator	Baseline Jun-00	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09
Value of Loans and Deposits (million US\$)							
Total Loans	1,234	1,777	1,747	1,807	1,830	1,842	2,100
Total Deposits	3,328	6,067	6,035	6,307	6,269	6,165	6,390
Loans/Deposits (ratio)	37.06%	29.29%	28.94%	28.66%	29.19%	29.88%	32.86%
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. Q2- 2009 figures however marked the second quarterly increase after two years of decline, with a 13.97% jump from Q1- 2009.

Indicator	Baseline Aug-00	Apr-09	May-09	June -09	July -09	Aug -09	Sep -09
Palestinian Securities Exchange							
Volume of trade							
Number of shares traded (x million)	n.a.	16.8	11.2	26.7	11.9	12.0	26.9
Value of shares traded (x million US\$)	n.a.	46.5	28.8	70.2	19.9	27.9	32.7
Indices							
Al-Quds index	n.a.	517.70	512.03	524.85	488.77	498.45	498.92
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 September 2009 shows an increase in terms of value of shares traded of approximately 124.12 % and in terms of number of stocks traded of approximately 16.99 %. The Al-Quds index increased by 0.09 %.