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OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – APRIL 2008

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 of the current and previous reporting period and for reference purposes provides base line figures for the period just prior to the outbreak of the second *Intifada*.

Section 2 and 3 report on the Macro-economic and the Private sector and banking modules of the UNSCO database. They provide data on the last six reporting periods for each indicator as well as base line data. In addition, some initial analysis on observed trends is given below each table.



SOCIO-ECONOMIC FACT SHEET – APRIL 2008

A. GENERAL				B. FISCAL SITUATION			
Indicator	2006			Indicator (US\$ millions)	Baseline	Previous period	Current period
1. GDP (\$US)	4,150,600,000			1. Revenue	Q4-1999	Q4-2006	Q4-2007 (budget)
2. GDP per capita (\$US)	1,067.5			2. Expenditure	235	104	332
3. GDP growth rate	- 6.6 %			3. Net lending	235	220	457
4. GNI	4,521,500,000			4. Balance	0	68	125
Source: World Bank				5. External Budget support (including TIM)	0	-184	-250
				Source: IMF			
C. MACRO-ECONOMIC				D. PRIVATE SECTOR			
Indicator ¹	Baseline	Previous period	Current period	Indicator	Baseline	Previous period	Current period
	Aug-200	Mar-2008	Apr -2008		Q2-2000	Q3-2007	Q4-2007
1. Consumer Price Index ²				1. New Company Registrations			
Total		118.69	120.46	Total	568	263	241
West Bank		119.23	121.08	West Bank	288	237	223
Gaza Strip		120.99	123.05	Gaza Strip	280	26	18
2. Truck movement ³				2. Area Licensed for new Construction (dunums)			
<u>Imports</u>	Aug-2000	Mar-2008	Apr -2008	Total	Q2-2000	Q3-2007	Q4-2007
Karni	4,373	1,035	298	West Bank	739.7	517	399.3
Sufa	4,384	875	943.5	Gaza Strip	665.3	438	386.2
Rafah	953	0	0	3. Banking (US\$ thousands)	74.4	79	13.1
Kerem Shalom	0	897	757	Loans	Q2-2000	Q3-2007	Q4-2007
Nahal Oz	904	365	129	Deposits	1,234	1,829	1,758
<u>Exports</u>				Loans/Deposits Ratio	3,328	5,420	5,702
Karni	2,460	0	0		37.1 %	33.75%	30.84%
Kerem Shalom	0	0	0	Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3)			
Source: PCBS (1), Ministry of National Economy							
E. LABOUR FLOWS				F. CLOSURE			
Indicator	Baseline	Previous period	Current period	Indicator	Baseline	Previous period	Current period
	Q2-2000	Q2-2007	Q3-2007		Aug-2000	Mar-2008	Apr -2008
1. Labour Force size				1. Effective closure days ⁵			
Total	706,174	926,300	937,200	Karni (goods)	0 %	100%	100%
West Bank	483,796	634,600	636,600	Erez (workers)	0 %	100%	100%
Gaza Strip	222,378	291,700	300,600	Sufa (aggregates)	0 %	100%	100%
2. Unemployment	8.8 %	19.2%	23.2%	Rafah (passenger)	0 %	100%	100%
3. Adjusted Unemployment ⁴	18.5 %	25.8 %	29.1%	Rafah (commercial)	0 %	100%	100%
Source: PCBS				Nahal Oz (fuel)	0 %	36 %	76 %
				Kerem Shalom	0 %	8 %	36 %
				Source: UNSCO			

¹ For a more detailed report on sections C (Macro-economy) and D (Private sector), see data below.

² CPI Base year = 100

³ MoNE data does not include aggregates or aid flows.

⁴ Adjusted unemployment is calculated by adding discouraged workers (i.e. unemployed but no longer seeking work) to the ILO standard.

⁵ Effective closure days are calculated by adding all days when a crossing was fully or partially closed excluding weekend and holidays.



MACRO-ECONOMIC UPDATE – APRIL 2008

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

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Indicator	Baseline Aug-00	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Exchange Rate							
Exchange Rate	4.05	3.92	3.88	8	3.59	3.56	3.53
Source: PCBS							

The exchange rate between the US dollar and the NIS dropped again in April, 2008. The declining dollar could benefit the Palestinian economy, as it could make imports cheaper.

Indicator	Baseline Aug-00	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
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	1,154.5	1,232.2	650.0	283.5	343.0	135.0
Benzene 96 (Liter)	2,310.6	0.0	0.0	0.0	0.0	0.0	0.0
Gasoline (Liter)	11,342.6	4,796.0	6,330.7	5,058.6	2,795.0	3,806.0	1,306.4
Gas (Ton)	1.9	5.0	3.1	5.0	5.4	6.3	2.2
White Gasoline (Liter)	243.1	49.0	196.0	0.0	192.0	0.0	0.0
Source: General Petroleum Corporation and Ministry of Finance							

Registered fuel sales in the Gaza Strip markedly dropped in April, if compared with March 2008. Although fuel prices have been increasing, Israeli imposed reduction in supplies and a slow down in internal distribution are seen as the main factors contributing to the drop.

Indicator	Baseline Aug-04	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Palestinian Consumer Price Index (by region and expenditure group)							
Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)							
Food and soft drinks		121.50	121.80	124.67	126.73	131.81	135.30
Alcoholic Beverages and tobacco		121.29	121.77	121.88	121.83	121.97	122.24
Textiles, clothing and footwear		99.52	99.12	98.44	99.95	97.94	99.95
Housing		116.77	117.94	119.29	120.01	120.35	121.23
Furniture, household goods		101.01	101.55	100.80	102.58	101.58	101.79
Medical care		114.74	113.32	112.71	113.05	114.18	114.10
Transportation		114.82	116.28	117.49	117.53	118.22	120.03
Communications		111.24	111.18	111.17	110.61	110.73	110.81
Recreational, cultural goods & services		99.58	98.11	98.17	98.13	97.71	97.48
Education		98.13	99.08	98.43	98.43	99.16	99.16
Restaurants and cafes		121.66	118.92	120.37	120.78	122.50	123.63
Miscellaneous goods and services		108.66	108.49	109.66	108.15	108.17	108.31
All items of consumer price index		114.25	114.48	115.78	116.77	118.69	120.46
Major Groups of Expenditure (Jerusalem)							
Food and soft drinks		118.29	117.92	121.54	122.73	124.93	129.06
Alcoholic Beverages and tobacco		107.14	108.45	109.02	109.02	108.73	109.24
Textiles, clothing and footwear		103.58	100.47	102.50	100.62	96.75	99.55
Housing		115.21	116.66	116.71	117.38	118.05	118.10
Furniture, household goods		97.36	95.37	96.08	98.47	94.41	94.69
Medical care		117.25	114.81	114.30	113.49	116.70	116.74
Transportation		121.53	121.89	122.08	122.07	121.94	122.67
Communications		107.11	107.07	106.86	106.86	106.72	107.07
Recreational, cultural goods & services		101.23	99.23	99.41	99.19	98.28	98.19
Education		105.55	105.63	104.94	104.94	104.94	104.94
Restaurants and cafes		142.07	137.44	135.70	136.24	137.84	137.00
Miscellaneous goods and services		106.39	106.06	107.09	107.39	106.80	106.31
All items of consumer price index		113.51	113.01	114.42	114.91	115.24	116.89
Major Groups of Expenditure (Rest of the West Bank)							
Food and soft drinks		122.87	122.76	126.69	128.24	131.64	134.90
Alcoholic Beverages and tobacco		115.21	115.41	115.31	115.16	114.97	115.17
Textiles, clothing and footwear		97.76	99.58	94.64	100.38	98.90	100.29
Housing		124.88	125.66	128.72	129.74	129.62	131.64
Furniture, household goods		104.22	105.05	101.51	103.69	104.62	104.50
Medical care		109.34	108.24	108.77	108.94	110.53	109.92
Transportation		113.35	113.95	116.92	116.97	116.40	118.72
Communications		111.28	111.20	111.31	109.52	109.82	109.76
Recreational, cultural goods & services		94.26	93.63	92.30	92.86	92.95	92.77
Education		90.49	90.84	89.01	89.01	90.41	90.41
Restaurants and cafes		112.37	111.98	113.54	114.38	117.49	121.00
Miscellaneous goods and services		110.37	110.38	110.75	110.23	111.90	112.24
All items of consumer price index		114.80	115.01	116.55	117.75	119.23	121.08
Major Groups of Expenditure (Gaza Strip)							
Food and soft drinks		121.16	123.89	125.28	129.19	136.95	141.72
Alcoholic Beverages and tobacco		137.65	137.70	137.70	137.46	142.92	142.92
Textiles, clothing and footwear		96.12	97.02	97.58	97.86	98.75	98.35
Housing		110.57	110.99	112.38	111.63	111.47	111.92
Furniture, household goods		103.75	108.39	109.15	110.01	110.26	111.23
Medical care		108.96	107.83	106.20	108.15	106.47	106.41
Transportation		113.19	116.40	115.05	115.74	119.98	120.57
Communications		110.81	110.80	110.80	111.02	110.84	110.84
Recreational, cultural goods & services		96.09	96.13	97.21	96.98	97.41	96.83
Education		96.55	98.82	101.71	101.71	101.71	101.71
Restaurants and cafes		113.73	117.80	125.32	122.04	122.04	123.45
Miscellaneous goods and services		107.14	107.65	109.15	106.26	107.50	108.91
All items of consumer price index		112.95	114.86	115.87	117.27	120.99	123.05
Source: PCBS							

The Palestinian CPI continued its steady increase in the month of April 2008. The CPI increased by 1.4% in the oPt, by 1.51% in the West Bank, and 1.7% in Gaza. During the month of April, food prices increased in the Gaza Strip by 5.6% reaching higher levels than those in Ramallah and in Hebron where traditionally prices are higher.

Indicator	Baseline Aug-00	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Truck Movement							
Karni commercial crossing							
Total Truck Loads Exports	992	0	0	401	572	1,035	0
Total Truck Loads Imports	2,923	631	478				298
Kerem Shalom commercial crossing							
Total Truck Loads Exports	0	13	78	0	0	0	0
Total Truck Loads Imports	0	1,009	1,065		0	897	757
Sufa commercial crossing							
Total Truck Loads Exports	0	0	0			0	0
Total Truck Loads Imports	4,384	176	391		808	875	943.5
Nahel Oz commercial crossing (fuel)							
Total Truck Loads Imports	904	403	364	3	346	365	129
Source: Baseline: Ministry of National Economy; Paltrade , General Petroleum Corporation and Ministry of Finance							

Truck movement to Gaza has been restricted to the import of humanitarian supplies since 12 June 2007. Exports were suspended at the same time with only approximately 78 truckloads of strawberries and flowers grown with the support of the Netherlands exported in December. Compared with March, April data indicates a decrease in the total of imported truckloads to the Gaza Strip, by approximately 33%. One of the reasons for this decline is that effective closure days in April were 43 day, while in March effective closure days were 18.5.

Indicator	Baseline Q2-00	Q2-2006	Q3-2006	Q4-2006	Q1-2007	Q2-2007	Q3-2007
Palestinian Trade with Israel (in million US \$)							
Trade in goods							
Exports	85	62	65	76	99	99	97
Imports	418	511	475	514	545	501	487
Balance	-333	-449	-410	-438	-446	-402	-390
Trade in Services							
Exports	45	29	30	32	41	28	35
Imports	91	65	59	72	88	85	64
Balance	-46	-36	-28	-40	-47	-57	-29
Total							
Exports	130	91	95	108	140	127	132
Imports	509	576	534	586	633	586	551
Balance	-379	-485	-438	-478	-493	-459	-419
Source: Israeli Central Bureau of statistics							

The negative consequences of the closure of the Gaza crossings for Israeli continued. The Israel-oPt trade balance - which had reached almost half a billion per quarter in the early part of 2007 - has dropped by 15 percent since the first quarter of 2007 - primarily as a result of declining imports from Israel into the oPt. A second notable finding is that despite the suspension of exports from Gaza, total oPt exports to Israel remained at the same level as during previous quarters indicating an increase in exports from the West Bank.



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PRIVATE SECTOR AND BANKING UPDATE – APRIL 2008

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

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Indicator	Baseline Q2-2000	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Number of new Company Registrations (by region and legal status)							
Gaza Strip							
Private	162	0	0	0	0	0	0
Private Limited	46	0	0	0	0	0	0
Public Limited	1	0	0	0	0	0	0
Foreign	3	0	0	0	0	0	0
Total	212	0	0	0	0	0	0
West Bank							
Private	66	36	28	25	40	44	47
Private Limited	163	50	39	46	57	64	65
Public Limited	0	0	0	1	1	0	0
Foreign	0	0	0	0	1	1	1
Total	229	86	67	72	99	109	113
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 slightly increased in April 2008, by approximately 3.53%. However, if compared to pre-Intifada levels new company registrations has dropped by approximately 50.65%. In Gaza, new company registrations remained at its all-time low of zero.

Indicator	Baseline Aug-00	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Area licensed for new construction (Gaza Strip, dunums)							
Northern District	27,902	1,055	1,310	840	1,930	750	1,460
Gaza	50,116	6,270	13,440	1,600	5,370	1,720	2,150
Al Wastah	15,984	140	150	810	1,500	850	740
Khan Younis	51,146	690	690	870	1,100	1,350	950
Rafah	39,429	2,830	1,250	1,500	2,900	3,400	4,425
Gaza Strip Total	184,577	10,985	16,840	5,620	12,800	8,070	9,725
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Area licensed for new construction (West Bank, dunums)							
Ramallah & Al- Bireh & Jerusalem		40,956	173,799	37,023	38,439	65,993	50,344
Nablus		40,530	88,333	10,557	28,915	31,256	32,596
Tulkarm		18,365	46,136	3,112	13,540	16,691	29,636
Hebron		37,842	73,892	1,525	23,061	15,217	32,696
Bethlehem		29,408	36,624	1,046	8,822	11,623	9,786
Jenin		11,557	38,355	4,153	14,246	9,692	10,195
Qalqilya		2,674	57,043	398	5,375	10,883	6,972
Salfit		0	0	0	0	0	0
Total	345,685	181,332	514,182	57,814	132,398	161,355	172,225
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. If compared with March, areas licensed for new construction for the West Bank increased in April by 6.3%. However, if compared with pre-Intifada levels, areas licensed for new constructions have significantly dropped, by approximately 50.1%.

Indicator	Baseline Q2-00	Q3-06	Q4-06	Q1-2007	Q -2007	Q3-2007	Q4-2007
Area licensed for new construction (by region and by type, x 1000 m²)							
Non-residential							
West Bank	122.0	113.1	59.5	95.2		94.7	46.3
Gaza Strip	5.5	2.0	2.9	12.2		64.9	0.5
Total Palestinian territory	127.5	115.1	62.4	107.4		159.6	46.8
Residential							
West Bank	543.3	356.6	286.1	269.4	330.4	343.3	339.9
Gaza Strip	68.9	40.0	16.4	27.9	17.7	14.1	12.6
Total Palestinian territory	612.2	396.6	302.5	297.3	348.1	357.4	352.5
Source: PCBS							

If disaggregated by type, and if compared with Q3-2007, it appears that in Q4-2007 non-residential construction significantly decreased in the oPt, by 70.6%, while residential construction slightly decreased by 1.41%.

Indicator	Baseline Jun-00	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07
Bank Credit							
Bank Credit by economic activity (x million US\$)							
Agriculture	20	16	15	18	19	20	19
Manufacturing & Mining	123	111	117	113	111	126	119
Construction	145	213	209	218	226	241	225
General Trade	349	355	365	365	379	396	370
<i>Internal Trade</i>	235	234	233	240	254	266	247
<i>External Trade</i>	114	121	132	125	125	130	123
<i>Exports</i>	8	18	20	20	20	25	19
<i>Imports</i>	106	104	112	105	105	105	104
Transportation	45	69	46	54	54	94	94
Tourism, Hotels & Restaurants	33	24	24	26	26	26	26
Public Services	52	162	164	167	166	168	163
Financial Services	28	102	104	111	109	99	131
Purchase of Securities	10	3	3	3	2	9	2
Miscellaneous	429	835	856	842	809	651	609
GRAND TOTAL	1,234	1,891	1,903	1,916	1,902	1,829	1,758
TOTAL excluding miscellaneous and public services	752	893	883	907	927	1,010	987
Bank Credit by economic activity (as percentage of total)							
Agriculture	2%	1%	1%	1%	1%	1%	1%
Manufacturing & Mining	10%	6%	6%	6%	6%	7%	7%
Construction	12%	11%	11%	11%	12%	13%	13%
General Trade	28%	19%	19%	19%	20%	22%	21%
Transportation	4%	4%	2%	3%	3%	5%	5%
Tourism, Hotels & Restaurants	3%	1%	1%	1%	1%	1%	1%
Public Services	4%	9%	9%	9%	9%	9%	9%
Financial Services	2%	5%	5%	6%	6%	5%	7%
Purchase of Securities	1%	0%	0%	0%	0%	0%	0%
Miscellaneous	35%	44%	45%	44%	43%	36%	35%
Total	100%	100%	100%	100%	100%	100%	100%
Bank Credit by economic activity excluding miscellaneous and public services (as percentage of total)							
Agriculture	3%	2%	2%	2%	2%	2%	2%
Manufacturing and Mining	16%	13%	12%	12%	12%	12%	12%
Construction	19%	24%	24%	24%	24%	24%	23%
General Trade	46%	41%	40%	40%	41%	39%	38%
<i>Internal Trade</i>	31%	26%	26%	26%	27%	26%	25%
<i>External Trade</i>	15%	15%	14%	14%	14%	13%	12%
<i>Exports</i>	1%	2%	2%	2%	2%	3%	2%
<i>Imports</i>	14%	13%	12%	12%	11%	10%	11%
Transportation	6%	5%	6%	6%	6%	9%	10%
Tourism, Hotels & Restaurants	4%	3%	3%	3%	3%	3%	3%
Financial Services	4%	12%	12%	12%	12%	10%	13%
Total	100%	100%	100%	100%	100%	100%	100%
Source: PMA							

Data on bank credit is used as a proxy indicator for perceptions of economic progress (increasing use of bank credit, particularly in the main productive sectors) or decline (decreasing use of bank credit). The Palestine Monetary Authority provides adjusted monthly data once per every three months. The last six months of 2007 show a distinct decline in the use of bank credit, a trend that is particularly evident during Q4-2007 in the main productive sectors (manufacturing, construction, general trade). In contrast, the use of bank credit increased by over 32 percent in the financial services sector, most likely as a preventative effort by banks to stave off potential implications of severed relations with Israeli banks. Bank credit to the public sector has more than tripled if compared with the pre-*Intifada* period.

Indicator	Baseline Jun-00	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07
Bank Credit							
Bank Credit by type (x million US\$)							
Loans	512	1,201	1,191	1,198	1,207	1,148	1,094
Overdrafts	653	680	702	705	681	667	649
Leasing	0	11	10	11	11	11	11
BA & Discounted Bills	69	0.07	0.01	2	3.56	4	5
Total	1,234	1,891	1,903	1,916	1,902	1,829	1,758
Bank Credit by type (as percentage of total)							
Loans	41%	63%	63%	63%	63%	63%	62%
Overdrafts	53%	36%	37%	37%	36%	36%	37%
Leasing	0%	1%	1%	1%	1%	1%	1%
BA & Discounted Bills	6%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%
Source: PMA							

Disaggregating bank credit by the type of credit, confirms the relative stability of the banking sector. The ability of the PA to resume regular salary payments will have had some impact in the decrease of loans.

Indicator	Baseline Jun-00	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07
Bank Credit							
Bank Credit by borrowing entity (x million US\$)							
Businesses	752	893	883	907	927	1,010	987
Consumers	429	835	856	842	809	651	609
Public Agencies	52	162	164	167	166	168	163
Total	1,234	1,891	1,903	1,916	1,902	1,829	1,758
Bank Credit by borrowing entity (as percentage of total)							
Businesses	61%	47%	46%	47%	49%	55%	56%
Consumers	35%	44%	45%	44%	43%	36%	35%
Public Agencies	4%	9%	9%	9%	9%	9%	9%
Total	100%	100%	100%	100%	100%	100%	100%
Source: PMA							

Disaggregating bank credit by the borrowing entity shows that consumer lending has declined significantly in the third quarter of 2007 and has continued to drop in the fourth quarter. The most likely reason for this development is the continued risk-adverse stance of Palestinian banks combined with the recommencement of regular payment of PA salaries which has allowed a number of PA staff to pay off existing loans reducing the demand for credit.

Indicator	Baseline Aug-00	Jan-07	Feb-07	Mar-07	Jun-07	Sep-07	Dec-07
Bank Deposits (excluding deposits of the PMA and commercial banks)							
Distribution of Public sector deposits by depositor and type (x million US\$)							
Public Institutions and Local Auth.							
Current Accounts	23.9	63.1	65.0	63.5	61.8	75.9	71.0
Time Deposits	49.7	44.2	47.9	48.8	56.5	70.4	73.0
Sub-total	73.6	107.3	112.9	112.3	118.3	146.3	144.0
Government							
Current Accounts	39.8	154.9	121.7	113.2	255.9	168.9	177.7
Time Deposits	74.8	177.9	173.8	187.1	86.1	175.2	183.3
Sub-total	114.6	332.8	295.6	300.3	342.0	344.1	361.0
Total Public sector deposits	188.2	440.1	408.5	412.6	460.3	490.4	505.0
Distribution of Private sector deposits by residency and type (x million US\$)							
Residents							
Current Accounts	865.3	1,238.7	1,255.4	1,244.7	1,283.8	1,459.9	1,502.7
Savings Accounts	454.3	918.3	932.3	943.2	966.1	1,020.1	1,126.9
Time Deposits	2,084.3	1,636.0	1,678.7	1,712.1	1,703.1	1,780.7	1,848.3
Sub-total	3,403.9	3,793.0	3,866.5	3,900.0	3,953.0	4,260.8	4,477.9
Non-Residents							
Current Accounts	9.5	29.6	29.8	27.4	30.0	36.6	39.5
Savings Accounts	3.6	12.7	12.9	13.0	14.0	13.9	15.5
Time Deposits	22.8	48.1	48.6	49.4	50.9	52.8	62.0
Sub-total	35.9	90.4	91.3	89.8	94.9	103.3	117.0
Total Private sector deposits	3,439.8	3,883.4	3,957.8	3,989.8	4,047.9	4,364.1	4,594.9
Total Deposits (public and private)	3,628.0	4,323.5	4,366.2	4,402.4	4,508.2	4,854.4	5,099.9
Source: PMA							

Bank deposit data for the fourth quarter indicates a continued sizeable increase in private sector deposits (both in terms of public and private sector bank deposits). Compared with January 2007, bank deposits in December 2007 show an increase of 18.3 percent.

Indicator	Baseline Jun-00	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07
Value of Loans and Deposits (x million US\$)							
Total Loans	1,234	1,891	1,903	1,916	1,902	1,829	1,758
Total Deposits	3,328	4,514	4,657	4,876.6	4,997	5,420	5,702
Loans/Deposits (ratio)	37.06%	41.89%	40.87%	39.29%	38.06%	33.75%	30.84%
Source: PMA							

In an efficient economy, an increase in the loans versus deposits ratio is a positive sign as monies are not saved but invested or consumed, stimulating the economy. Between September 2006, and the end of December 2007, this ratio steadily declined by over 26 percent in the oPt signaling little optimism concerning the Palestinian economy which limits appetite for domestic investment and thus increases deposits. The sharp drop in the third and fourth quarter signals heightened concern with regard to overall economic performance, most likely due to the events in Gaza since June 2007.

Indicator	Baseline Aug-00	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08
Palestinian Securities Exchange							
Volume of trade							
Number of shares traded (x million)	n.a.	17.5	16.2	37.3	23.5	45.7	57.1
Value of shares traded (x million US\$)	n.a.	44.3	53.6	140.0	78.3	128.7	234.3
Indices							
Al-Quds index	n.a.	522.16	527.26	596.09	599.69	655.22	714
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 April 2008 shows an increase in trade at the stock exchange both in terms of value and number of stocks traded. The Al-Quds index has grown in April, by approximately 8.23%. It is worth noting that Al-Quds index has increased by 35.6% since the beginning of the year.