



SOCIO-ECONOMIC REPORT

May 2011

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The UNSCO Socio-Economic Report is also accessible on www.unsco.org.

Since 1996 UNSCO has continually monitored and reported on socio-economic conditions in the occupied Palestinian territory (oPt) and, in the process, established an extensive socio-economic database. UNSCO does not produce primary data but rather makes use of available data, that in oPt are relatively abundant. The information that is available, however, often remains dispersed and is not automatically shared between institutions. The objective of the database is to collate a wide range of social and economic indicators in one location, and, through the report, present a broad perspective on socio-economic conditions in oPt.

The purpose of the present report is to: 1) broaden the access to the information contained in the 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 seven sections, as follows:

Section I. consists of a one-page fact sheet that provides a snapshot view of the socio-economic situation for the current and previous reporting periods.

Sections II. and III. report on the macro-economic and fiscal situation, and sections IV. and V. give an overview of developments in the banking and private sectors, respectively. Section VI. deals with trade, and Section VII. is dedicated to issues on Gaza.

Two annexes provide detailed reference information. Annex A presents detailed statistical reference tables, and Annex B lists the main socio-economic terms used in this report along with their corresponding definitions.

Topics of current interest are analyzed in-depth in periodic "Supplements".

Most sections provide data on the six preceding reporting periods for each indicator and, for comparison purposes, data for a reference period immediately before the Al-Aqsa intifada, which started in September 2000, or the closest time period available.

Note: The data for the West Bank and oPt in this report do not include occupied East Jerusalem unless otherwise specified.

I. SOCIO-ECONOMIC FACT SHEET -May 2011

Key macroeconomic indicators					
Production		Q2/2000	Q4/2010	Q1/2011	Change in Q1/2011 (%)
GDP (constant 2004 prices, US\$ million)		a/	1,477 ^{b/}	1,483 ^{b/}	0.4 ^{b/}
GDP rate of change (year-on-year, constant 2004 prices, %)		a/	8.5 ^{b/}	8.3 ^{b/}	----
GDP per capita (annualized, constant 2004 prices, US\$)		a/	1,502 ^{b/}	1,527 ^{b/}	1.7 ^{b/}
Prices		Aug 2000	Apr 2011	May 2011	Year-on-year (May2011)
Change in prices (CPI, %)	Total ^{c/}	-0.9	0.0	-0.3	3.2
	East Jerusalem	-1.1	0.0	0.0	5.1
	West Bank	-0.6	0.2	-0.5	3.6
	Gaza Strip	-0.8	-0.6	-1.2	0.5
Labor market		Q2/2000	Q4/2010	Q1/2011	Change in Q1/2011 (%)
Labor force (thousands)	Total	706.2	1,001.2	996.9	-0.4
	West Bank	483.8	686.5	672.7	-2.0
	Gaza Strip	222.4	314.7	324.2	3.0
Unemployment rate (%)	Total	8.8	23.4	21.7	----
	West Bank	6.5	16.9	17.4	----
	Gaza Strip	13.8	37.4	30.8	----
Adjusted unemployment rate (%)	Total	18.5	29.9	27.7	----
	West Bank	15.8	23.5	23.8	----
	Gaza Strip	24.2	43.5	35.9	----
Public sector					
		Q2/2000	Q4/2010	Q1/2011	Change in Q1/2011 (%)
Government total net revenue (cash basis, US\$ million)		a/	438.9	574.4	30.9
Government wage expenditure (cash basis, US\$ million)		a/	423.3	443.2	4.7
Government non-wage expenditure (cash basis, million)		a/	334.2	226.9	-32.1
Government net lending (cash basis, US\$ million)		a/	46.3	44.2	-4.5
Government balance (cash basis, US\$ million)		a/	-441.3	-183.1	-58.5
External budget support (US\$ million)		a/	443.4	166.3	-62.5
Banking sector					
		Q2/2000	Q4/2010	Q1/2011	Change in Q1/2011 (%)
Bank credit (US\$ million)		1,234	2,887	3,155	9.3
Bank deposits (US\$ million)		3,328	7,246	7,340	1.3
Loan-to-deposit ratio (%)		37.1	39.9	43.0	----
Private sector					
		Aug 2000	Apr 2011	May 2011	Change in May 2011 (%)
New company registrations	Total	231	147	164	11.6
	West Bank	137	122	122	0.0
	Gaza Strip	94	25	42	68.0
Area licensed for new construction (thousand m ²)	Total	530.3	547.2	484.3	-11.5
	West Bank	345.7	366.8	289.6	-21.0
	Gaza Strip	184.6	180.5	194.8	7.9
Gaza Strip					
Truck movement		Aug 2000	Apr 2011	May 2011	Change in May 2011 (%)
Gaza Strip imports (truckloads) ^{d/}	Karni (conveyor belt/chute)	4,373	0	0	0.0
	Sufa	4,384	86	0	-100.0
	Rafah	953	0	0	0.0
	Kerem Shalom	0	2,519	4,810	90.9
	Kerem Shalom (fuel)	0	109	131	20.2
	Nahal Oz	904	0	0	0.0
Gaza Strip exports (truckloads) ^{d/}	Karni	2,460	0	0	0.0
	Kerem Shalom	0	6	3	-50.0
Closure		Aug 2000	Complete closure-May 2011	Partial closure-May2011	
Effective closure days (%)	Karni (conveyor belt)	0	100	0	
	Kerem Shalom	n.a.	19	0	
	Nahal Oz (fuel)	0	100	0	
	Sufa (aggregates)	0	100	0	
	Rafah (commercial)	0	100	0	
	Rafah (passenger)	0	4	96	

Sources: PCBS: production, prices, labor market; MoF: public sector; PMA: banking sector; MoNE: new company registrations; Engineering Offices and Consulting Firms: area licensed for new construction; MoNE and General Petroleum Corporation: Gaza truck movement; UNSCO: closure and Gaza truck movement.

a/ Data not available.

b/ Preliminary data.

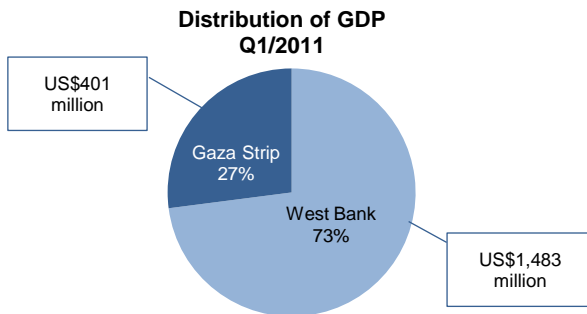
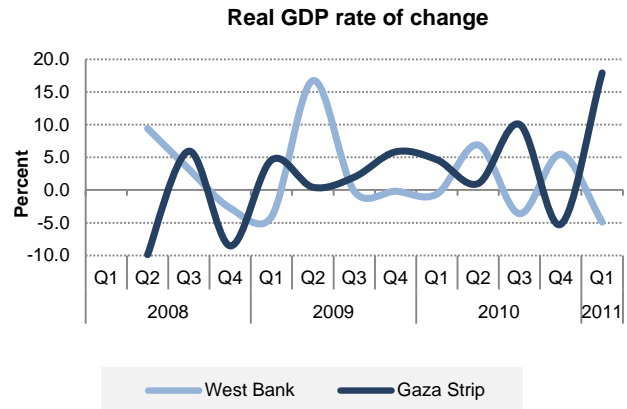
c/ Includes data for occupied East Jerusalem.

d/ MoNE data for August 2000 do not include aggregates or aid flows.

II. MACRO-ECONOMIC SITUATION

II.a Production

Real GDP grew by 0.4% in Q1/2011 compared to the previous quarter. In the West Bank, real GDP decreased by 4.9% in Q1/2011, whereas in the Gaza Strip it increased by 17.9%. Real GDP reached US\$1,483 million in Q1/2011, of which US\$1,082 million was generated in the West Bank and US\$401 million in the Gaza Strip.

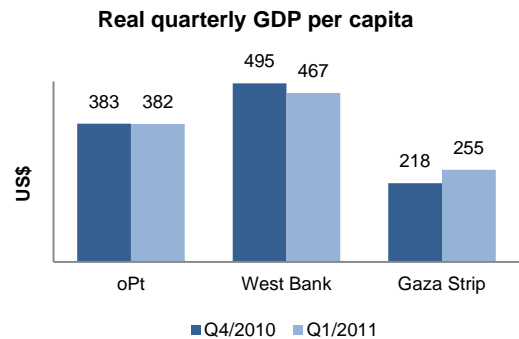


Source: PCBS, Preliminary Estimates of Quarterly National Accounts (Q1/2011).
Note: Base year is 2004.

Despite the high growth observed after 2008, the Gaza economy is relatively small and contributes only 27% of total real GDP.

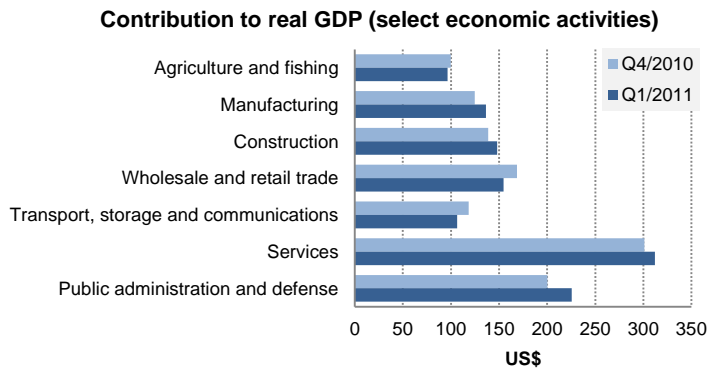
Source: PCBS, Preliminary Estimates of Quarterly National Accounts (Q1/2011).
Note: Base year is 2004.

Real GDP per capita in oPt was almost unchanged between Q4/2010 and Q1/2011. In the West Bank real GDP per capita fell from US\$495 to US\$467 in the first quarter of 2011, but it increased in Gaza from US\$218 to US\$255 during the same period. Real GDP per capita in Gaza is only 55% its value in the West Bank.



Source: PCBS, Preliminary Estimates of Quarterly National Accounts (Q1/2011).
Note: Base year is 2004.

The service sector, the biggest in the economy, expanded by 4% in real terms in Q1/2011, contributing 21% to total GDP. This sector is followed in relative importance by public administration and defense, which grew 13% in the first quarter of 2011. Manufacturing also experienced growth during the quarter, expanding by 9%, as did construction, which grew by 7%. Some of the sectors that contracted during the quarter are transport, storage and communications (10%), wholesale retail and trade (8%) and agriculture and fishing (3%).

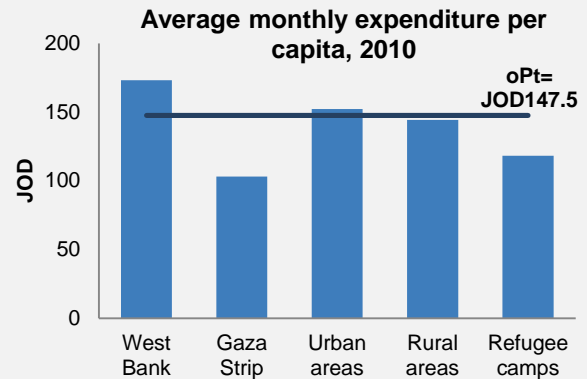


Source: PCBS, Preliminary Estimates of Quarterly National Accounts (Q1/2011).

Per capita expenditure in oPt

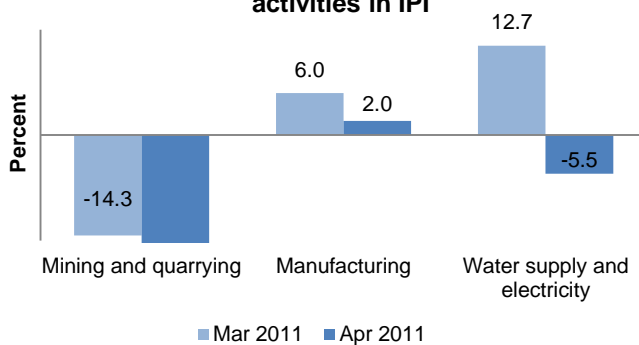
Average monthly expenditure reached JOD147.5 in 2010, with small differences between urban and rural areas. Refugee camps, however, do exhibit considerably lower per capita expenditure, JOD118.1. There is also a marked gap between the West Bank and Gaza, with average per capita expenditure at JOD173.1 in the West Bank, but expenditure in Gaza reaching only 60% of that, JOD103.1.

Average monthly expenditure per capita was higher in 2010 than in 2009, but this rise was felt only in the West Bank, where expenditure increased by 17% from JOD147.4 in 2009 to JOD173.1 in 2010. In Gaza, on the other hand, average monthly expenditure per capita fell (by less than 1%).



Source: PCBS, PECS2010.

Change in production in industrial activities in IPI

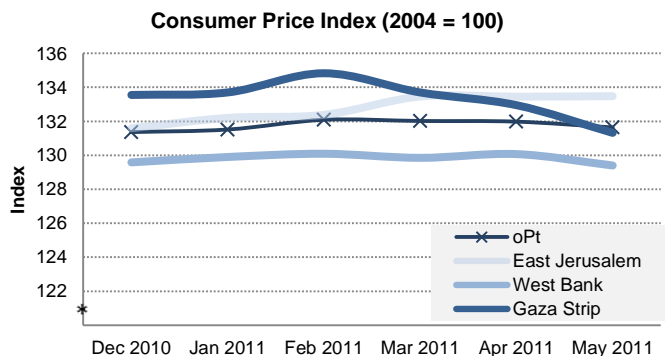


Source: PCBS.

The Industrial Production Index (IPI), used to gauge short term changes in productive activity, decreased by 0.63% in April 2011. This decrease in productive activity is traced mainly to the mining and quarrying sector (whose relative share is 4.6%) and the water supply and electricity sector (14.9% relative share). The manufacturing industry (with 80.5% relative share) registered a 2% increases during the month.

I.b Prices

The Consumer Price Index (CPI), used to measure inflation, reflects a decrease of 0.26% in prices in May 2011 compared to the previous month, but an inflation rate of 3.2% in the year since May 2010. The highest price rises in May 2011 were in housing and transportation, while the largest price decreases were in food and soft drinks, and furniture and household goods.

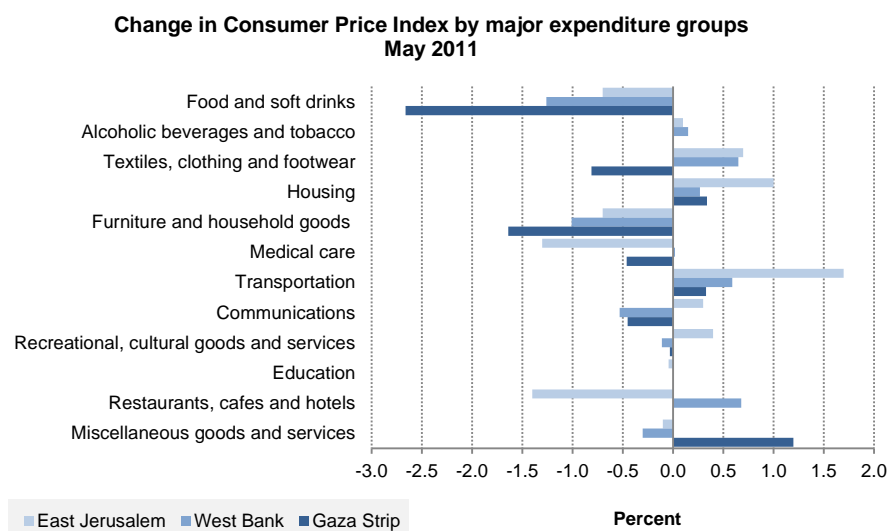


Source: PCBS.

The CPI declined in the West Bank in May, mainly due to decreases in the price of food and soft drinks, followed by furniture and household goods, and communications.

The cost of restaurants, cafes and hotels, textiles, clothing and footwear, and transportation saw the biggest increases in the West Bank during the month.

In East Jerusalem the CPI was basically unchanged in May, although the price of transportation rose considerably, followed by housing. Restaurants, cafes and hotels, medical care, food and soft drinks, and furniture and household goods registered the biggest price decreases in East Jerusalem in May.



Source: PCBS.

In the Gaza Strip the CPI declined by 1.2% during the month of May. The most significant decreases in prices in Gaza during the month were in food and soft drinks, furniture and household goods, and textiles, clothing and footwear. Miscellaneous goods and services exhibited the highest price increase during the month, followed by transportation and housing.

II.c Exchange rates

The NIS decreased in value against the US dollar in May and was almost constant against the euro. The JOD exchange rate to both the euro and the US dollar remained unchanged.

Average monthly exchange rates

	Aug 2000	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
NIS/USD	4.05	3.60	3.58	3.66	3.56	3.43	3.47
NIS/euro	3.66	4.77	4.79	4.99	4.98	4.97	4.98
JOD/US\$	0.71	0.71	0.71	0.71	0.71	0.71	0.71
JOD/euro	0.64	0.94	0.95	0.97	1.00	1.02	1.02

Source: PCBS.

II.d Labor market

In Q1/2011 the labor force participation rate of persons aged 15 years and above was 41%. The number of persons participating in the labor force was 996,900 –about 4,300 less than at the end of 2010. Of these, about 672,700 were in the West Bank and 324,200 were in Gaza Strip. The labor force participation rate in the West Bank reached 43.2%, while it was 37.0% in Gaza Strip. In the case of males over 15 years, 66.7% of them participated in the labor force, while only 14.7% of women over 15 years did.

Labor force participation rate (%)
(Labor force in thousands)

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
West Bank	45.3 (483.8)	44.1 (656.9)	43.2 (649.0)	43.9 (666.3)	43.0 (658.0)	44.5 (686.5)	43.2 (672.7)
Gaza Strip	40.1 (222.4)	36.9 (306.6)	36.3 (304.9)	37.0 (314.1)	36.0 (308.9)	36.3 (314.7)	37.0 (324.2)
oPt	43.5 (706.2)	41.5 (963.5)	40.7 (953.9)	41.5 (980.4)	40.5 (966.9)	41.5 (1001.2)	41.0 (996.9)

Source: PCBS, Labor Force Surveys.

A total of 69% of workers are wage employees, and only 7% are employers. The self-employed and unpaid family member categories absorb 19% and 6% of workers, respectively. These categories are less likely to offer formal work arrangements, access to benefits, to protection programs or to other safety nets, and they are more likely to be affected by an economic downturn. They are therefore used to approximate “vulnerable employment”. Using this proxy, the data show that 1 in 4 workers in oPt are in a precarious work situation.

Employment by status in employment (%)

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Employer	4	7	6	7	6	6	7
Self-employed	19	21	20	19	19	18	19
Wage employee	68	65	67	67	69	69	69
Unpaid family member	9	8	7	8	6	8	6
Total	100	100	100	100	100	100	100

Source: PCBS, Labor Force Surveys.

Note: The totals may not be exactly equal to the sum of percentages due to rounding.

Average daily wages (excluding those employed in Israel and settlements) were unchanged at NIS78.9 in Q1/2011. Average wages in the West Bank fell by almost NIS1.8 during the quarter, but those in Gaza rose by NIS5.1. Similarly, average wages in the private sector fell by NIS1.1 to NIS70.6, while those in the public sector rose by NIS2.2 to reach NIS88.6, thus widening the existing gap.

Average daily wages (NIS)

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
West Bank	69.4	85.6	85.7	84.1	86.6	86.8	85.0
Females	a/	83.1	80.0	76.4	80.9	83.0	79.6
Males	73.1	86.3	87.1	86.4	87.6	87.9	86.5
Gaza Strip	54.3	62.3	56.9	58.1	58.0	59.5	64.6
Females	a/	68.3	60.8	60.5	70.3	67.2	74.6
Males	54.9	60.7	56.1	57.6	56.4	58.0	62.6
oPt ^{b/}	79.0	79.2	77.3	76.9	78.7	78.9	78.9
Females	a/	79.4	75.2	72.9	78.5	79.7	78.3
Males	82.3	79.2	77.8	77.9	78.8	78.7	79.1

Source: PCBS, Labor Force Surveys.

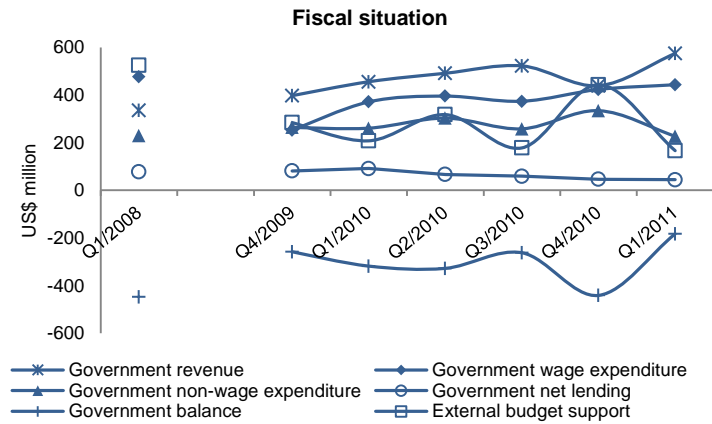
a/ Data not available.

b/ Includes those employed in Israel and settlements.

III. PUBLIC SECTOR

Government revenue in Q1/2011 was 31% higher than in the previous quarter, and 26% higher than in Q1/2010. Government non-wage expenditure decreased by 32% and net lending by 5% in the first quarter of 2011, but wage expenditure increased by 5%. The government deficit shrank considerably to US\$183.1 million, but external budgetary support also fell, to US\$166.3.

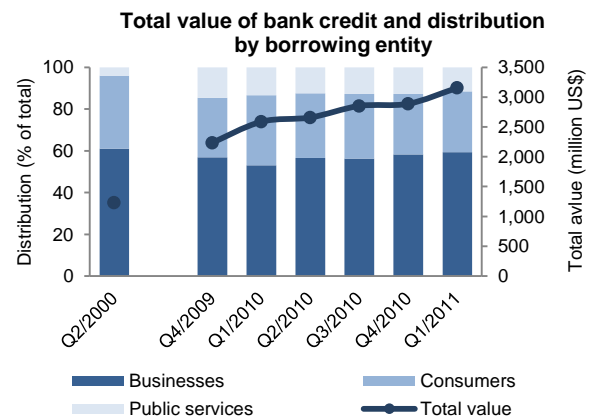
(See further details in Table A3. in Annex A.)



Source: Ministry of Finance.

IV. BANKING SECTOR

Information on bank credit, particularly credit to productive sectors, gives an indication of economic progress and business confidence. Data for oPt show a gradual increase in the use of credit over time, and in Q1/2011 the total value of credit increased by more than 9% to reach US\$3,155 million. The proportion of credit destined to businesses increased by one percentage point and represented 59% of the total in Q1/2011. The proportion of credit absorbed by consumers remained unchanged at 29% during the quarter, and that corresponding to public services decreased by one percentage point to 12%.



Source: PMA.

Most of bank credit is in the form of loans, and their size relative to total bank credit grew by one percentage point to reach 70% in Q1/2011. At the same time, the proportion of overdrafts in total credit decreased, while that of leasing was almost unchanged. (See further details in Tables A4. and A5. in Annex A.)

Distribution of bank credit by type (%)
(Bank credit by type in million US\$)

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Loans	41.0 (512)	70.1 (1,565)	72.4 (1,874)	72.5 (1,926)	70.1 (1,999)	68.8 (1,986)	69.9 (2,204)
Overdrafts	53.0 (653)	29.5 (659)	27.3 (705)	27.2 (724)	29.6 (845)	30.9 (893)	29.9 (943)
Leasing	0.0 (0)	0.3 (8)	0.3 (8)	0.3 (8)	0.3 (8)	0.3 (8)	0.2 (7)
Bankers' acceptances and discounted bills	6.0 (69)	0.0 (0)	0.0 (0)	0.0 (0)	0.0 (0)	0.0 (0)	0.0 (0)
Total	100.0 (1,234)	100.0 (2,232)	100.0 (2,587)	100.0 (2,658)	100.0 (2,852)	100.0 (2,887)	100.0 (3,155)

Source: PMA.

Note: The totals may not be exactly equal to the sum of percentages due to rounding.

Q1/2011 saw an increase of 1% in total bank deposits. Deposits stem mainly from the private sector (90% of total deposits), particularly from residents (87%). The proportion corresponding to non-residents increased by almost 5% in Q1, following sharp falls Q3 and Q4/2010. The proportion of public sector deposits in total deposits contracted by 1% in Q1/2011.

Distribution of bank deposits (in million US\$)

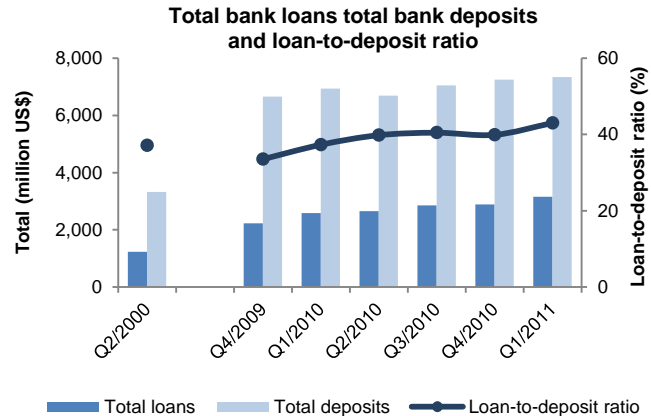
	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Public institutions and local authorities	56.5	152.9	155.1	149.5	155.2	159.2	153.7
Government	115.1	413.2	490.9	482.7	484.8	534.1	534.3
Total public sector deposits	171.6	566.1	646.0	632.1	640.0	693.3	688.0
Residents	3,082.6	5,389.7	5,487.1	5,296.9	5,728.2	5,947.6	6,053.0
Non-residents	14.6	318.2	344.6	437.7	243.3	171.9	180.6
Total private sector deposits	3,097.2	5,708.0	5,831.8	5,734.6	5,971.5	6,119.5	6,233.7
Total deposits (public and private sectors)	3,268.8	6,274.1	6,477.8	6,366.7	6,611.5	6,812.9	6,927.7

Source: PMA

Note: Data do not include deposits of the PMA and commercial banks.

Current accounts are the main form of deposits for residents and non-residents, as well as for government. (See further details in Table A6. in Annex A.)

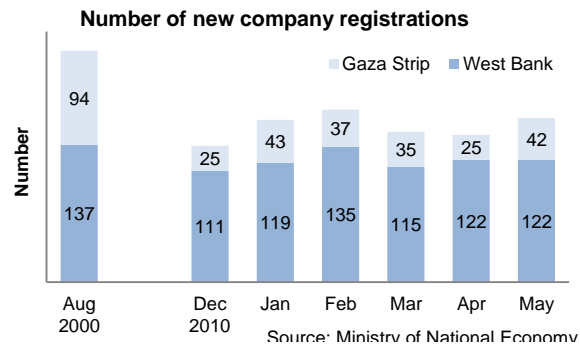
The amount of loans relative to deposits gives an idea of the liquidity of the banking system. In a functioning economy, a relative increase in loans versus deposits (within limits) can be perceived as a positive sign, as monies are not saved but invested or consumed, which in turn stimulates the economy. In oPt, the loan-to-deposit ratio increased from 40% to 43% in Q1/2011 as loans grew much faster than deposits. (See further details in Table A7. in Annex A.)



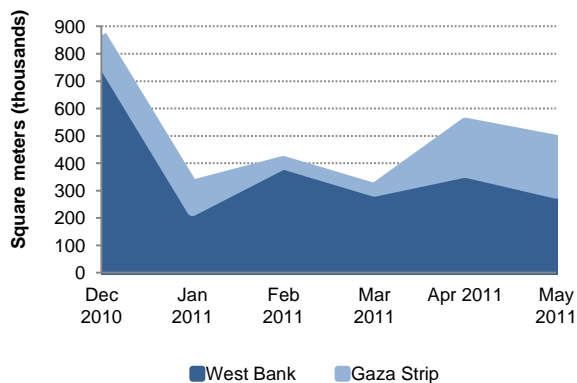
Source: PMA.

V. PRIVATE SECTOR

The number of new companies registered in the West Bank in May was the same as in the previous month, 122. In Gaza, data show 42 new companies registered in May 2011, 68% more than in April 2011, but still less than half the pre-intifada level of 94 new registrations in August 2000. (See further details in Table A8. in Annex A.)



Area licensed for new construction



May 2011 data show a decrease of 21% in the area licensed for new construction in the West Bank compared to the previous month. This level is 16% lower than the pre-intifada (August 2000) level. In the Gaza Strip, on the other hand, there was an 8% increase in the area licensed for new construction in May 2011 -a 6% increase on the pre-intifada level. This rise in the area licensed for new construction could be linked to simplified license procedures in municipalities and the availability of construction materials from the tunnels. (See further details in Table A9. in Annex A.)

Source: Engineering Offices and Consulting Firms.

Forty-six companies from five economic sectors (banking and financial services, insurance, investments, industry, and services) are now listed in the Palestinian Stock Exchange. At the end of May 2011 market capitalization of about US\$ 2.86 billion. Data for the month of May show increases of approximately 53% in the number of stocks traded and 45% in the value of shares traded. Of the 41 companies traded in the month, 11 were gainers and 25 were decliners. The Al-Quds index increased by 0.51% in May 2011.

Securities trade

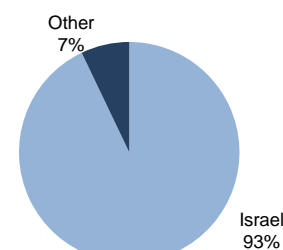
	Aug 2000	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
Number of shares traded (million)	7.00	18.8	17.6	15.1	16.6	22.6	34.6
Value of shares traded (million US\$)	13.0	44.0	28.2	27.8	30.6	42.3	61.2
Al-Quds index	265.23	489.60	489.50	482.16	497.67	496.25	498.80

Source: Palestine Securities Exchange.

VI. TRADE

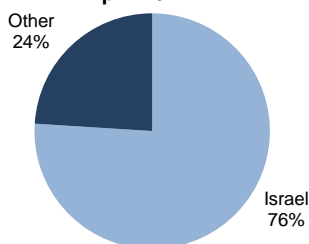
Exports of goods declined by 10% in April 2011, reaching US\$61.6 million. Palestinian exports of goods to Israel declined by 9% in April, while those to other countries decreased by 17%. Israel continues to be the main market for Palestinian goods, absorbing 93% of total exports from oPt in April 2011.

Goods exports from oPt
April 2011



Source: PCBS.

Goods imports to oPt
April 2011



Source: PCBS.

In the case of imports of goods, they decreased by 18% in April 2011, amounting to US\$408.1 million. Imports from Israel decreased by 14% during the month and represented 76% of total imports. Imports from other countries decreased by 28% compared to March 2011.

A trade deficit of US\$346.5 million was registered in April 2011, reflecting a 19% decrease from the previous month.

VII. GAZA STRIP

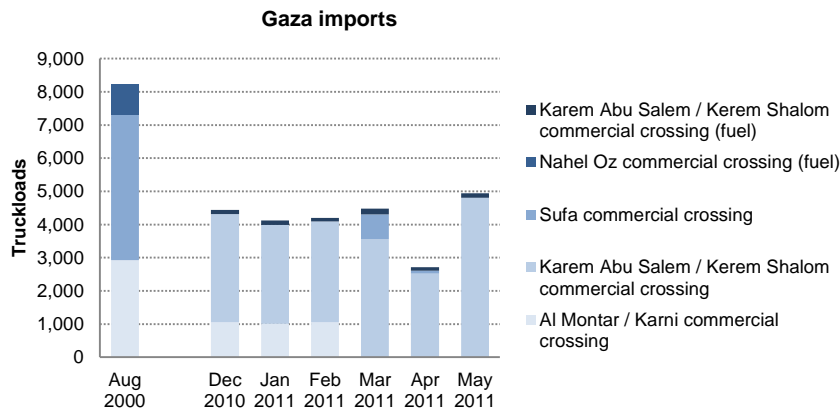
There was a significant increase in the amount of cooking gas imported in Gaza in May 2011, with 2,719 tons allowed in through Kerem Shalom (Karm Abu Salem). This represents an 18% increase compared to the volume allowed in April 2011. During the reporting period, 73,000 liters of petrol and 340,000 liters of diesel were imported for UNRWA.

Volume of registered fuel sales in the Gaza Strip

	Aug 2000	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
	Nahal Oz		Kerem Shalom				
Petrol (1000 liter)	3,188.9	0.0	138.6	85.0	73.0	65.0	73.0
Diesel (1000 liter)	11,343.0	135.0	251.8	260.8	262.0	297.5	340.0
White diesel (1000 liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (1000 ton)	1.9	2.7	3.1	2.3	3.6	2.3	2.7
Industrial diesel (1000 liter)	n.a	4,644.1	720.0	0.0	0.0	0.0	0.0

Source: General Petroleum Corporation.

Note: On 1 January 2010, Israel declared Nahal Oz fuel pipelines closed, with fuel being transferred to Gaza only via Kerem Shalom.



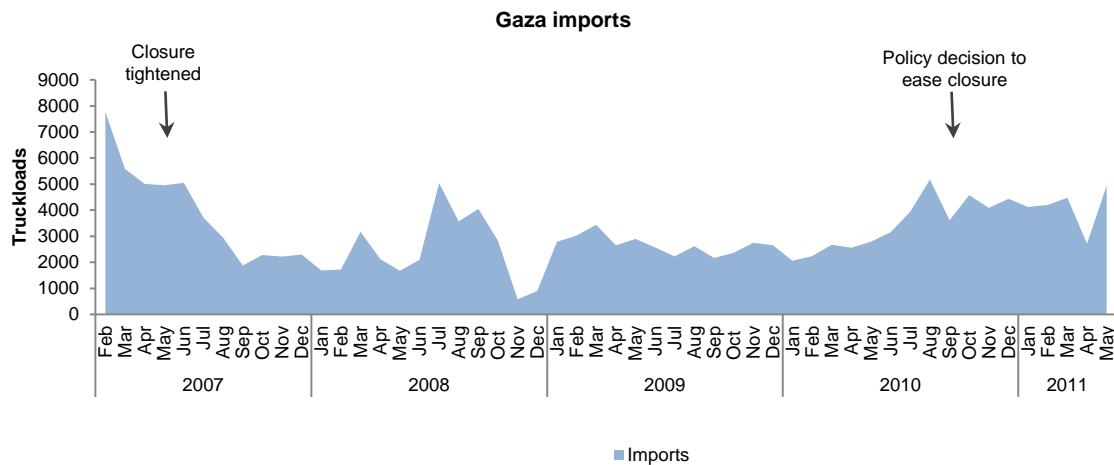
Source: UNSCO.

Karni crossing has remained closed since 12 June 2007 for the movement of goods in and out of Gaza, and on 1 March 2011 Israel closed the conveyor belt at Karni, too.

May 2011 data show an 82% increase in the total number of truckloads imported into the Gaza Strip compared to April 2011 (See further details in Table A10. in Annex A.)

Of the 4,810 truckloads entering Gaza through Karem Shalom during the month, 3,709 (77%) were for the private sector and the remaining 1,101 (23%) were designated for humanitarian aid agencies. Food items made up 40% of imported goods (1,929.5 truckloads), while the remaining 60% of imports (2,880.5 truckloads) were non-food items. Six hundred and forty truckloads entering Gaza brought materials for approved international humanitarian building projects, including 380 truckloads (26,570 tons) of gravel, 224.5 truckloads (9,184 tons) of cement and 35.5 truckloads (942 tons) of steel bars for UNRWA, UNDP, PWA and ANERA's building projects.

Following the June 2010 decision to ease the closure of Gaza, monthly import levels have averaged 4,209 truckloads.

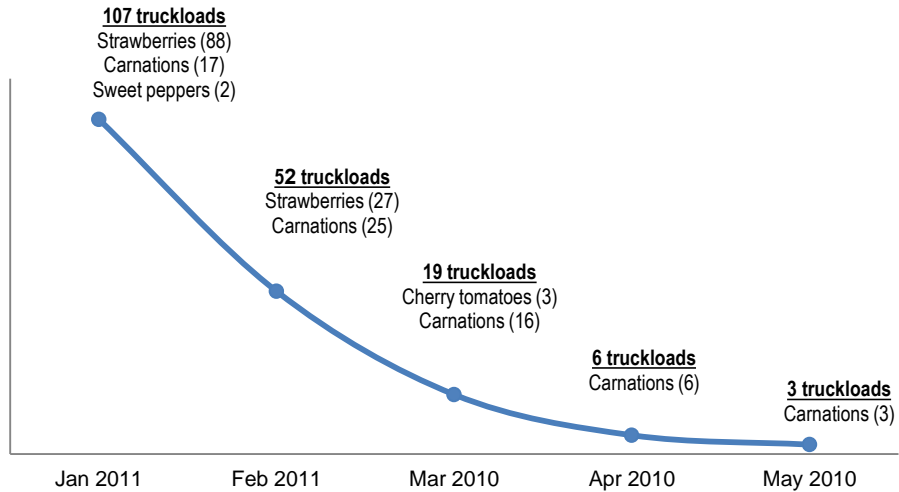


Source: UNSCO.

Note: The figures exclude gravel imported through Karni in February-May 2007. They also exclude imports through Rafah and Erez.

On 8 December 2010 Israel announced its intention to gradually expand the number and range of exports permitted from Gaza. According to this announcement, allowed exports will include agricultural produce, furniture and textiles.

Gaza exports



Source: UNSCO.

In May 2011 Gaza was able to export flowers to Europe. In total, 3 trucks of carnations (186,520 stems) were exported via the Kerem Shalom crossing. This represents half the number of truckloads exported from the Gaza Strip in April. On 12 May 2011, the Palestinian Agricultural Relief Committees (PARC) indicated that the cash crops exports season for 2010/2011 had ended.

ANNEX A: Statistical reference tables

Table A1.
Consumer price index (2004=100) by major expenditure group

	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
oPt (including occupied East Jerusalem)						
Food and soft drinks	148.2	147.0	148.5	147.5	147.1	145.6
Alcoholic beverages and tobacco	158.7	159.4	159.8	161.0	160.9	161.0
Textiles, clothing and footwear	111.9	111.9	111.7	112.4	113.8	114.3
Housing	128.2	129.5	129.4	129.7	129.5	130.6
Furniture, household goods	115.7	116.3	116.7	116.7	116.4	115.4
Medical care	115.8	116.0	115.7	116.9	116.2	115.3
Transportation	121.8	125.3	125.5	125.7	126.1	127.1
Communications	106.9	106.9	106.7	107.1	107.2	107.1
Recreational, cultural goods & services	103.3	103.5	103.6	104.7	104.7	104.8
Education	110.8	110.9	111.0	111.0	111.0	111.0
Restaurants, cafes and hotels	139.3	140.7	141.6	141.6	143.4	144.0
Miscellaneous goods and services	123.1	122.7	122.1	122.6	123.2	123.8
All items of consumer price index	131.4	131.5	132.1	132.0	132.0	131.6
East Jerusalem						
Food and soft drinks	150.7	149.2	149.8	150.5	150.2	149.2
Alcoholic beverages and tobacco	156.0	156.9	157.1	158.7	158.2	158.5
Textiles, clothing and footwear	119.9	120.8	120.8	122.6	125.8	126.7
Housing	121.2	121.7	122.0	122.3	122.4	123.7
Furniture, household goods	111.2	112.1	113.0	115.4	114.1	113.4
Medical care	124.7	124.4	123.5	127.5	125.6	124.0
Transportation	129.5	135.8	135.8	136.7	136.9	139.2
Communications	103.1	103.0	103.0	103.4	103.0	103.3
Recreational, cultural goods & services	108.6	109.5	109.6	112.5	111.9	112.3
Education	112.9	112.9	112.9	112.9	112.9	112.9
Restaurants, cafes and hotels	151.7	152.2	153.0	152.7	153.9	151.8
Miscellaneous goods and services	116.6	117.4	116.1	117.0	117.0	116.9
All items of consumer price index	131.6	132.2	132.4	133.5	133.5	133.5
West Bank						
Food and soft drinks	146.8	145.9	145.9	144.4	144.1	142.3
Alcoholic beverages and tobacco	160.0	160.6	161.4	163.2	163.5	163.8
Textiles, clothing and footwear	97.9	97.8	97.7	98.6	99.3	99.9
Housing	136.6	139.0	138.0	138.3	138.4	138.8
Furniture, household goods	99.7	100.1	101.5	100.4	101.7	100.6
Medical care	112.7	112.7	113.0	114.5	114.5	113.6
Transportation	118.9	122.7	123.2	123.6	124.2	124.9
Communications	108.1	108.0	107.6	108.0	108.3	107.7
Recreational, cultural goods & services	92.1	92.9	93.5	92.6	92.9	92.8
Education	107.0	107.2	107.5	107.4	107.5	107.5
Restaurants, cafes and hotels	134.2	135.3	136.7	139.2	141.8	142.8
Miscellaneous goods and services	127.9	127.7	128.7	129.8	131.0	130.7
All items of consumer price index	129.6	129.2	130.1	129.9	130.1	129.4
Gaza Strip						
Food and soft drinks	150.1	149.9	153.7	151.5	149.5	145.6
Alcoholic beverages and tobacco	156.8	157.2	157.2	157.3	157.2	157.2
Textiles, clothing and footwear	117.6	117.5	116.3	114.7	115.2	114.3
Housing	124.8	126.1	125.6	126.7	126.1	126.5
Furniture, household goods	140.9	140.9	139.6	137.3	136.4	134.1
Medical care	98.6	99.4	99.0	98.5	98.5	98.0
Transportation	126.9	127.8	127.9	127.0	126.9	127.4
Communications	105.6	105.6	105.4	105.7	106.2	105.8
Recreational, cultural goods & services	101.2	100.5	100.2	100.2	101.1	101.1
Education	107.6	107.6	107.6	107.6	107.6	107.6
Restaurants, cafes and hotels	152.6	156.4	156.4	156.8	157.1	157.1
Miscellaneous goods and services	125.2	123.8	123.0	121.9	122.4	123.9
All items of consumer price index	133.6	133.7	134.8	133.7	132.9	131.3

Source: PCBS.

Table A2.
Rate of unemployment and adjusted unemployment (%)

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
oPt							
Unemployment	8.8	24.8	22.0	22.9	26.6	23.4	21.7
Adjusted unemployment	18.5	30.2	28.0	28.6	33.3	29.9	27.7
West Bank							
Unemployment	6.5	18.1	16.5	15.5	20.1	16.9	17.4
Adjusted unemployment	15.8	23.5	22.4	21.1	26.6	23.5	23.8
Gaza Strip							
Unemployment	13.8	39.3	33.9	39.3	40.5	37.4	30.8
Adjusted unemployment	24.2	44.3	39.7	44.3	47.0	43.5	35.9

Source: PCBS, Labor Force Surveys.

Table A3.
Fiscal indicators (million US\$)

	Q1/2008	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Government revenue	334.9	397.3	455.8	491.3	522.2	438.9	574.4
Government w age expenditure	476.5	251.8	371.2	395.4	373.8	423.3	443.2
Government non-w age expenditure	228.8	264.0	260.8	303.0	258.0	334.2	226.9
Government net lending	77.5	81.2	91.5	66.7	59.0	46.3	44.2
Government balance	-447.9	-258.3	-318.4	-327.8	-262.4	-441.3	-183.1
External budget support	525.6	284.2	207.6	317.6	177.9	443.4	166.3

Source: Ministry of Finance.

Note: Comparable data prior to Q1/2008 are not available.

Table A4.
Bank credit by borrowing entity

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Total value (million US\$)							
Businesses	752	1,269	1,370	1,501	1,604	1,681	1,871
Consumers	429	637	870	825	885	837	917
Public services	52	328	347	332	363	369	367
Total	1,234	2,234	2,587	2,658	2,852	2,888	3,155
Relative distribution (% of total)							
Businesses	61.0	56.8	53.0	56.5	56.2	58.2	59.3
Consumers	35.0	28.5	33.6	31.0	31.0	29.0	29.1
Public services	4.0	14.7	13.4	12.5	12.7	12.8	11.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: PMA.

Note: The totals may not be exactly equal to the sum of percentages due to rounding

Table A5.
Bank credit by economic activity

	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Total (in million US\$)						
Total public sector	637	870	825	885	837	917
Total private sector	1,597	1,718	1,834	1,966	2,051	2,238
<i>Agriculture and food processing</i>	39	47	53	57	66	50
<i>Manufacturing and mining</i>	185	194	213	235	240	288
<i>Real estate, construction and land</i>	266	292	320	319	335	451
<i>Local and foreign trade</i>	341	379	425	470	487	428
<i>Transportation</i>	25	24	22	23	27	22
<i>Tourism, hotels, restaurants and others</i>	39	44	50	53	67	53
<i>Financial services</i>	73	70	66	66	55	92
<i>Public services</i>	328	347	332	363	369	367
<i>Investment in securities and financial tools</i>	56	54	54	53	52	55
<i>Cars and vehicles</i>	57	68	81	92	102	93
<i>Consumption</i>	77	88	99	107	118	172
<i>Other private sector</i>	111	111	119	128	132	169
Total	2,234	2,587	2,658	2,852	2,888	3,155
Total excluding total public sector and public services	1,269	1,370	1,501	1,604	1,681	1,871
Relative distribution (% of total)						
Total public sector	28.5	33.6	31.0	31.0	29.0	29.1
Total private sector	71.5	66.4	69.0	69.0	6.3	70.9
<i>Agriculture and food processing</i>	1.7	1.8	2.0	2.0	15.5	1.6
<i>Manufacturing and mining</i>	8.3	7.5	8.0	8.2	0.5	9.1
<i>Real estate, construction and land</i>	11.9	11.3	12.0	11.2	1.8	14.3
<i>Local and foreign trade</i>	15.3	14.6	16.0	16.5	2.5	13.6
<i>Transportation</i>	1.1	0.9	0.8	0.8	3.7	0.7
<i>Tourism, hotels, restaurants and others</i>	1.8	1.7	1.9	1.9	0.2	1.7
<i>Financial services</i>	3.3	2.7	2.5	2.3	0.5	2.9
<i>Public services</i>	14.7	13.4	12.5	12.7	0.4	11.6
<i>Investment in securities and financial tools</i>	2.5	2.1	2.0	1.9	2.8	1.7
<i>Cars and vehicles</i>	2.6	2.6	3.0	3.2	0.4	3.0
<i>Consumption</i>	3.4	3.4	3.7	3.8	0.8	5.5
<i>Other private sector</i>	5.0	4.3	4.5	4.5	4.6	5.3
Total	100.0	100.0	100.0	100.0	100.0	100.0
Relative distribution excluding total public sector and public services (% of total)						
Agriculture and food processing	3.0	3.4	3.5	3.5	3.9	2.6
Manufacturing and mining	14.6	14.2	14.2	14.6	14.2	15.4
Real estate, construction and land	21.0	21.3	21.3	19.9	19.9	24.1
Local and foreign trade	26.9	27.6	28.3	29.3	29.0	22.8
Transportation	2.0	1.8	1.4	1.4	1.6	1.2
Tourism, hotels, restaurants and others	3.1	3.2	3.3	3.3	4.0	2.8
Financial services	5.8	5.1	4.4	4.1	3.3	4.9
Investment in securities and financial tools	4.4	4.0	3.6	3.3	3.1	2.9
Cars and vehicles	4.5	4.9	5.4	5.7	6.1	5.0
Consumption	6.0	6.4	6.6	6.7	7.0	9.2
Other private sector	8.7	8.1	7.9	8.0	7.9	9.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: PMA.

Note: The totals may not be exactly equal to the sum of percentages due to rounding.

Table A6.
Bank deposits by sector and type (million US\$)

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Public sector deposits							
Public institutions and local authorities							
Current accounts	17.3	78.2	78.9	74.7	79.4	82.6	82.3
Time deposits	39.2	74.7	76.2	74.8	75.8	76.6	71.3
<i>Sub-total public institutions and local authorities</i>	<i>56.5</i>	<i>152.9</i>	<i>155.1</i>	<i>149.5</i>	<i>155.2</i>	<i>159.2</i>	<i>153.7</i>
Government							
Current accounts	37.6	232.6	310.9	300.5	296.5	340.9	287.9
Time deposits	77.5	180.6	180.0	182.1	188.3	193.2	246.4
<i>Sub-total government</i>	<i>115.1</i>	<i>413.2</i>	<i>490.9</i>	<i>482.7</i>	<i>484.8</i>	<i>534.1</i>	<i>534.3</i>
Total public sector deposits	171.6	566.1	646.0	632.1	640.0	693.3	688.0
Private sector deposits							
Residents							
Current accounts	746.5	1,890.2	1,975.1	1,936.1	2,171.3	2,198.6	2,321.0
Savings accounts	440.4	1,608.3	1,632.7	1,639.6	1,743.2	1,802.1	1,848.7
Time deposits	1,895.7	1,891.3	1,879.3	1,721.2	1,813.8	1,947.0	1,883.2
<i>Sub-total residents</i>	<i>3,082.6</i>	<i>5,389.7</i>	<i>5,487.1</i>	<i>5,296.9</i>	<i>5,728.2</i>	<i>5,947.6</i>	<i>6,053.0</i>
Non-residents							
Current accounts	3.3	152.1	167.3	222.9	119.1	59.2	64
Savings accounts	2.4	61.5	69.2	86.8	44.0	42.1	44.4
Time deposits	8.9	104.6	108.2	128.0	80.1	70.6	72.2
<i>Sub-total non-residents</i>	<i>14.6</i>	<i>318.2</i>	<i>344.6</i>	<i>437.7</i>	<i>243.3</i>	<i>171.9</i>	<i>180.6</i>
Total private sector deposits	3,097.2	5,708.0	5,831.8	5,734.6	5,971.5	6,119.5	6,233.7
Total deposits (public and private sectors)	3,268.8	6,274.1	6,477.8	6,366.7	6,611.5	6,812.9	6,921.7

Source: PMA

Note: Data do not include deposits of the PMA and commercial banks.

Table A7.
Total loans, total deposits and loan-to-deposit ratio

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Total loans (US\$ million)	1,234	2,232	2,587	2,658	2,852	2,887	3,155
Total deposits (US\$ million)	3,328	6,655	6,935	6,685	7,050	7,246	7,340
Loan-to-deposit ratio (%)	37.1	33.5	37.3	39.8	40.5	39.9	43.0

Source: PMA.

Table A8.
Number of new company registrations by legal status

	Aug 2000	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
West Bank							
Private	42	34	48	60	52	53	47
Private limited	95	71	69	72	62	68	70
Public limited	0	0	0	0	0	0	0
Foreign	0	2	1	2	0	0	2
Non-profit	0	4	1	1	1	1	3
Total	137	111	119	135	115	122	122
Gaza Strip							
Private	81	8	18	16	15	10	18
Private limited	12	17	25	21	20	15	24
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	94	25	43	37	35	25	42

Source: Ministry of National Economy.

Table A9.
Area licensed for new construction (square meters)

	Aug 2000	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
West Bank							
Ramallah, Al-Bireh and Jerusalem		272,753	55,238	101,998	110,184	129,114	81,687
Nablus		170,220	37,247	36,549	49,584	71,238	75,471
Tulkarm		78,610	16,793	23,947	25,658	21,576	20,385
Hebron		149,730	72,254	189,184	49,174	100,422	45,286
Bethlehem		53,683	20,828	8,165	30,002	16,858	33,898
Jenin		34,148	22,855	32,340	25,639	26,737	25,803
Qalqilya		14,185	677	4,239	6,624	838	7,028
Salfit		0	0	0	0	0	0
Total	345,685	773,329	225,892	396,422	296,865	366,783	289,558
Gaza Strip							
Northern District	27,902	18,750	21,240	2,630	2,440	42,530	48,215
Gaza	50,116	20,545	24,330	2,880	2,960	47,690	51,145
Al Wastah	15,984	16,560	15,070	1,750	1,960	28,210	29,400
Khan Younis	51,146	20,820	18,740	2,050	2,320	36,355	38,350
Rafah	39,429	16,325	14,880	1,645	1,855	25,670	27,655
Gaza Strip Total	184,577	93,000	94,260	10,955	11,535	180,455	194,765

Source: Engineering Offices and Consulting Firms.

Table A10.
Gaza truckload movement

	Aug 2000	Dec 2010	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011
Al Montar / Karni commercial crossing							
Truckloads exports	992	0	0	0	0	0	0
Truckloads imports	2,923	1,054	1,005	1,050	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing							
Truckloads exports	0	99	107	52	19	6	3
Truckloads imports	0	3,260	2,978	3,045	3,566	2,519	4,810
Sufa commercial crossing							
Truckloads exports	0	0	0	0	0	0	0
Truckloads imports	4,384	0	0	0	743	86	0
Nahel Oz commercial crossing (fuel)							
Truckloads imports	904	0	0	0	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing (fuel)							
Truckloads imports	0	123	140	107	167	109	131

Source: Ministry of National Economy (Aug 2000); General Petroleum Corporation (other periods).

Note: Truckload imports exclude industrial diesel supplies to powerplant.

ANNEX B: Terms and definitions

Adjusted unemployment rate

The adjusted unemployment rate presents the number of unemployed according to the relaxed definition as a percentage of the labor force. The relaxed definition of unemployment includes all persons aged 15 or over who are unemployed plus those who, during the reference period, are without work, are available for work but did not seek work (and therefore could not be classified as unemployed) because they felt that no work would be available to them.

The adjusted unemployment rate gives a broader measure of the unutilized supply of labor. The relaxation of the standard definition of unemployment makes sense in circumstances where the conventional means of seeking work are of limited relevance, where the labor market is largely unorganized, where labor absorption is inadequate or where the labor force is largely self-employed.

AI-Quds index

This is the primary stock index of the Palestine Securities Exchange (PSE).

Area licensed for new construction

This is the area licensed for construction in new and existing buildings.

Average daily net wage

This average is calculated as the total net wages paid to all employees divided by total workdays. Wages received in different currencies are converted into New Israeli Shekels according to the exchange rate in the survey month.

Bank credit

It measures the borrowing capacity provided to individuals, firms and organizations by the banking system in the form of loans or other types of credit. Credit is generally believed to contribute to economic growth.

Bank deposits

Deposits are accounts maintained by a bank on behalf of customers. This indicator is often used to measure the safety of and people's trust in the banking system.

Consumer Price Index (CPI)

The CPI is a statistical tool used to measure changes over time in the prices paid by households for a basket of goods and services that they customarily purchase for consumption. The CPI is used to measure inflation over time.

The main categories of goods and services included in the basket of goods are: fruits, vegetables and other food items, beverages, tobacco, textiles, clothing, footwear, furniture, household appliances, household utensils, fuel, power, transportation, communications, medical and pharmaceutical products, goods for personal care, services charges for public transport, communication, hospital care, and others, and school fees. Data on prices for consumers are collected through visits conducted by trained staff to selected markets including groceries, supermarkets, markets, restaurants, general services offices, hospitals, private schools, etc.

Effective/partial closure days

Effective closure days are calculated by adding all days when a crossing is fully or partially closed, excluding weekends and holidays. Partial closure means that the crossing is closed for more than one hour but not for a full day, in which case it would be considered fully closed.

Weekends and holidays include all Saturdays, half the Fridays (since labor and commercial flows are about half their normal workday level on Fridays) and universally celebrated Jewish and Muslim holidays. Jewish and Muslim holidays which fall on Saturday or Friday are not counted as a holiday but as a Saturday (full day closure) or Friday (half day closure), respectively.

Employed

The “employed” comprise all persons are 15 years or over who were working at a paid job or business for at least one hour during the week prior to the survey, or who did not work but held a job or owned business from which they were temporarily absent (because of illness, vacation, temporarily stoppage, or any other reason) during the reference week.

Exchange rate

The price of one currency stated in terms of another currency is the exchange rate.

Exports

Exports are any good or commodity, shipped or otherwise transported out of the territory to another part of the world, typically for use in trade or sale. Export products or services are provided to foreign consumers by domestic producers.

Gross Domestic Product (GDP)

GDP is the total value of all goods and services produced within a country in a given period of time.

When GDP is expressed in constant terms (real GDP), a deflator is used to adjust for changes in money-value.

Quarterly data are annualized by multiplying by 4.

GDP per capita

This is the result of the division of GDP by total population.

$$\text{GDP per capita} = \frac{\text{GDP}}{\text{population}}$$

GDP rate of change

The rate of change is the percentage change (increase or decrease) of GDP from the previous measurement cycle.

$$\text{GDP rate of change in period (t)} = \frac{\text{GDP in period (t)} - \text{GDP in period (t - 1)}}{\text{GDP in period (t - 1)}} \cdot 100\%$$

Inflation rate

The inflation rate is the percentage change in the price index over time.

$$\text{Inflation rate in period (t)} = \frac{\text{Price index in period (t)} - \text{Price index in period (t - 1)}}{\text{Price index in period (t - 1)}} \cdot 100\%$$

Government total net revenue

It measures the net inflows received by the government, including clearance revenue, tax refunds, and tax and non-tax revenue collected by the Ministry of Finance and other ministries for the consolidated Single Treasury Account (STA).

Government wage expenditure

This is the government’s outlay on the wages and salaries of permanent civilian and security employees.

Government non-wage expenditure

This is the part of government expenditure absorbed by operational expenditures, transfers and minor development and capital expenditures.

Government net lending

This term includes transfers to local government to cover clearance revenue, deductions by the Government of Israel for water and electricity, and services by the Ministry of Health and the Ministry of Agriculture.

Government balance

The government balance is the difference between the government's total net revenue and its expenditures, including wage and non-wage expenditures, net lending and development expenditures.

External budget support

It consists of transfers of resources by donor countries to the Palestinian National Authority to help finance its budget.

Imports

Imports are the goods and services that are produced by the foreign sector and are purchased by the domestic economy.

Industrial Production Index (IPI)

This index is a statistical tool used for measuring changes in the volume of industrial production during a certain period of time. The index uses the change in volume of production for the largest establishment in each industry. The relative share for the main industrial activities represents the percent share of value added of the industrial institutions in 2009 in addition to the value added of olive presses.

Labor force

The labor force consists of all persons of working age (15 years or over) who are either employed or unemployed during a specified reference period.

$$\text{labor force} = \text{employed} + \text{unemployed}$$

Excluded from the labor force are those of working age who are neither working nor searching for work. These could be students, retired persons, those in prison, and homemakers.

Loan-to-deposit ratio

This ratio gives the amount of banks' loans divided by the amount of their deposits. The statistic is often used to assess the banking system's liquidity. If the ratio is too high it may imply that banks could not have enough liquidity to cover any unforeseen fund requirements. Conversely, if the ratio is too low banks may not be lending and earning as much as they could be.

$$\text{loan-to-deposit ratio} = \frac{\text{bank loans}}{\text{bank deposits}} \cdot 100\%$$

Number of new company registrations

This is the number of new companies that register with the Ministry of National Economy to conduct business operations in oPt.

Number of shares traded

It is the amount of shares that trade hands from sellers to buyers in the market over a given period.

Underemployment

Underemployment exists when a person's employment is inadequate in relation to specified norms or alternative employment. Time-related underemployment applies to those who involuntarily work less than the normal duration of work determined for the activity and who seek or are available for additional work during the reference week.

Unemployment rate

The "unemployed" comprise all persons aged 15 or over who, during the week before the survey, were without work, available for work and seeking work. The unemployment rate expresses the number of unemployed as a percentage of the total labor force.

The indicator is widely used as a measure of unutilized labor supply.

$$\text{unemployment rate} = \frac{\text{unemployed}}{\text{labor force}} \cdot 100\%$$

Value of shares traded

The value of shares traded is the sum of the shares traded multiplied by their respective matching price.