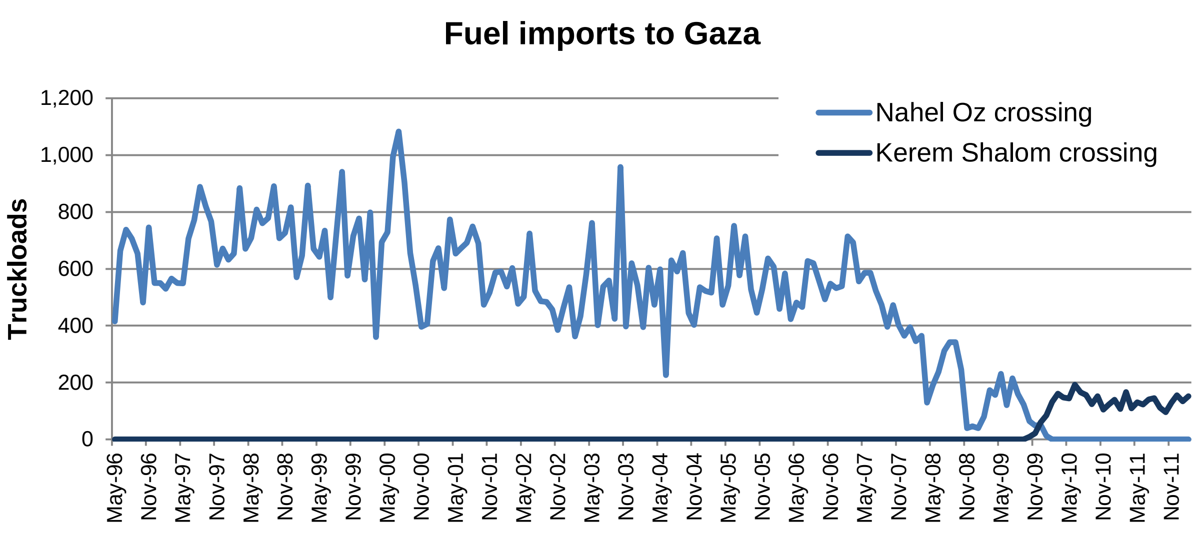
SOCIO-ECONOMIC REPORT - FEBRUARY 2012

Supplement – Energy in Gaza

The only power plant in the Gaza Strip stopped working at several times in February and March 2012 due to a lack of fuel. This supplement to the UNSCO's Socio-Economic Report for February 2012 takes a longer term view at the development of official fuel imports to the Gaza Strip since May 1996 and registered fuel sales since January 2005.

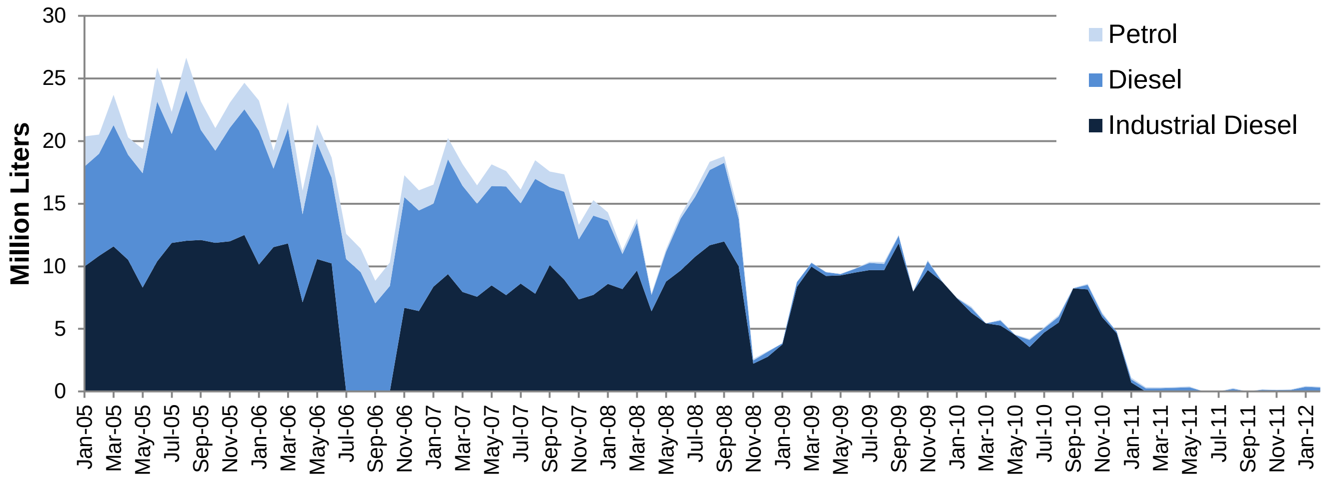
Fuel used to be imported to the Gaza Strip via the Nahel Oz crossing near Gaza City until October 2009, when Kerem Shalom (Karem Abu Salem) crossing started to be used instead (see graph on 'Fuel imports to Gaza'). Between May 1996 and May 2007, a monthly average of 613 truckloads of fuel was imported, including petrol, diesel, cooking gas, kerosene and industrial diesel. Between June 2007, when the blockade of the Gaza Strip began, and September 2009, before the Kerem Shalom crossing was opened for fuel imports, the monthly average was 268 truckloads, and since October 2009, it has been 131 truckloads.



Source: UNSCO Socio-Economic Database.

In line with the trends in fuel imports, registered fuel sales in the Gaza Strip have declined over the years. Between January 2005 and May 2007, the monthly average was 19.3 million liters. This declined to 12.4 million liters between June 2007 and September 2009; and to 3.6 million liters since October 2009. Since January 2011, the monthly average has been about 300,000 liters (see graph on 'Registered fuel sales in Gaza'). In addition to official, registered imports and sales, fuel is smuggled from Egypt to the Gaza Strip via the tunnels at Rafah.

Registered fuel sales in Gaza



Sources: UNSCO Socio-Economic Database, General Petroleum Corporation.

The only sources of electricity within the Gaza Strip are the Gaza Power Plant and small-scale generators, both relying on fuel to produce electricity. The power plant switched from using fuel imported from Israel to using fuel from Egypt in January 2011. The World Bank reported in March 2012[1] that the plant has a capacity of 140 megawatt but this was reduced to 30 to 60 megawatt during Operation Cast Lead, the conflict in Gaza in December 2008 and January 2009. In addition, up to 120 megawatt of electricity can be imported from Israel, and 22 megawatt were imported from Egypt in February 2012. Thus, electrical capacity is about 170 to 200 megawatt according to the World Bank, while demand can reach up to 360 megawatt (OCHA)[2]. As a result, people in Gaza face regular power cuts and rely on private generators. The power plant shut down completely between 14 and 21 February and again on 28 February and 10 March 2012.[3]

[1] World Bank (March 2012): "Stagnation or Revival? Palestinian Economic Prospects: Economic Monitoring Report to the Ad Hoc Liaison Committee, March 21, 2012", accessed at www.worldbank.org/ps on 15 March 2012.

[2] OCHA (March 2012): "The Humanitarian Impact of Gaza's Electricity and Fuel Crisis", accessed at http://www.ochaopt.org/documents/ocha_opt_electricity_factSheet_march_2012_english.pdf on 26 March 2012. The World Bank provides a lower figure of 280 megawatt at peak demand.

[3] AFP (10 March 2012): "Gaza power plan shuts down for third time in a month", accessed at www.reliefweb.int/node/482066 on 12 March 2012, and Ma'an News, various dates.