UNITED NATIONS **NATIONS UNIES**

OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – DECEMBER 2010

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 (oPt), are relatively abundant. However, the data that are available tend to remain dispersed and are 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 four 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 periods and it provides, for reference purposes, baseline figures for the period just prior to the outbreak of the second *Intifada*.

Sections 2 and 3 report on the macro-economic situation and economic activity throughout the oPt, including private sector and banking activity. Section 4 focuses on access of goods in and out of the Gaza strip. All sections provide data on the last six reporting periods for each indicator as well as baseline data, which are pre *Al-Aqsa intifada*. In addition, a summary analysis on observed trends is presented below each table.

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I. SOCIO-ECONOMIC FACT SHEET – DECEMBER 2010

A. GENERAL	Baseline 2004	Previous period	Previous period	Current period
Indicator	**2004**[1]	**Q3-2004**	**Q2-2010**	**Q3-2010**
1. GDP (US$ millions)	4,198.4	1,120.9	1,417.8	1,409.5[2]
2. GDP per capita (US$)	1,317.0	350.4	373.4	368.4
Source: PCBS				

B. FISCAL SITUATION	Baseline 1999	Previous period	Current period
Indicator (US$ millions)	**1999-Q4**[3]	**Q3-2010**	**Q4-2010**[4] **(budget)**
1. Revenue	235	504.2	427.9
2. Expenditure	235	237.4	323.7
3. Net lending	0	60.3	42.3
4. Balance	0	-263.9	-433.4
5. External budget support (including TIM)	0	177.9	428.6
Source: World Bank, Ministry of Finance			

C. MACRO-ECONOMIC	Baseline	Previous period	Current period
Indicator[5]	**2004**	**Nov 2010**	**Dec 2010**
1. Consumer Price Index[6]			
Total	100	131.50	131.36
West Bank	100	129.40	129.58
Gaza Strip	100	133.21	133.55
2. Truck movement[7]			
	Aug-2000	**Nov 2010**	**Dec 2010**
Imports			
Karni - conveyor belt/chute	4,373	850	1,054
Sufa	4,384	0	0
Rafah	953	0	0
Kerem Shalom	0	3,136	3,260
Kerem Shalom (fuel)	0	105	123
Nahal Oz	904	0	0
Exports			
Karni	2,460	0	0
Kerem Shalom	0	4	99
Source: PCBS (1), Ministry of National Economy, General Petroleum Corporation.			

D. PRIVATE SECTOR	Baseline	Previous period	Current period
Indicator			
1. New company registrations	**Aug-2000**[8]	**Nov 2010**	**Dec- 2010**
Total	231	103	136
West Bank	137	72	111
Gaza Strip	94	31	25
2. Area licensed for new construction (**x 1000 m^2**)	**Aug-2000**	**Nov 2010**	**Dec- 2010**
Total	530.3	310.3	866.3
West Bank	345.7	214.2	773.3
Gaza Strip	184.6	96.0	93.0
3. Banking (US$ thousands)	**Q2-2000**	**Q2-2010**	**Q3-2010**
Loans	1,234	2,658	2,852
Deposits	3,328	6,685	7,050
Loans/Deposits ratio	37.10%	39.76%	40.45%
Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3)			

E. LABOR FLOWS	Baseline	Previous period	Current period
Indicator	**Q2-2000**	**Q2-2010**	**Q3-2010**
1. Labor force size (x 1000)			
Total	706.2	980.4	966.9
West Bank	483.8	666.3	658.0
Gaza Strip	222.4	314.1	308.9
2. Unemployment	8.8%	22.9%	26.6%
3. Adjusted unemployment[9]	18.5%	28.6%	33.3%
Source: PCBS			

F. CLOSURE	Baseline (Open)	Complete Closure	Partial Closure
Indicator			
	Aug-2000	**Dec -2010**	**Dec -2010**
1 **Indicator**			
1. Effective closure days[10]			
Karni (Conveyer Belt)	100%	63%	37%
Kerem Shalom	0 %	16%	0%
Nahal Oz (fuel)	100%	100%	0%
Sufa (aggregates)	100%	100%	0%
Rafah (commercial)	100%	100%	0%
Rafah (passenger)	100%	10%	0%
Source: UNSCO			

1 The base year for GDP is 2004.

2 These numbers may be adjusted.

3 No available baseline data on the year 2000.

4 These numbers may be adjusted.

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

6 CPI base year for 2004 = 100.

7 MoNE data do not include aggregates or aid flows in Aug 2000.

8 For indicators measured on a monthly basis, August 2000 is used as a baseline since Intifada broke out.

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

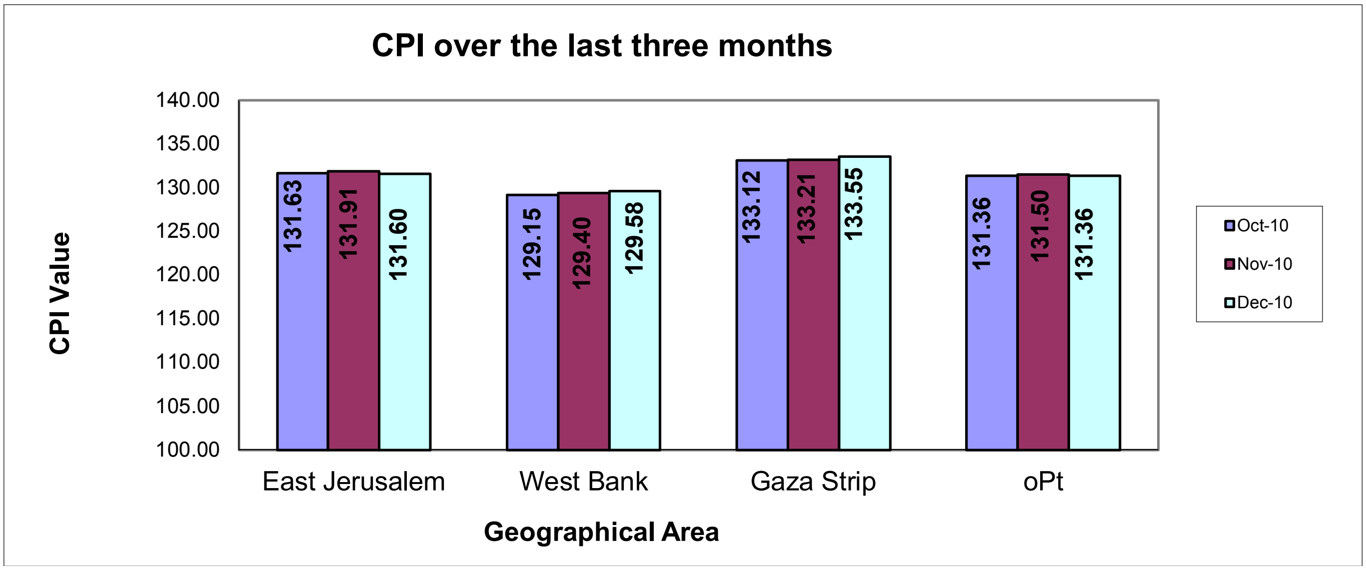
10 Effective closure days are calculated by adding all days when a crossing was fully or partially closed, excluding weekends and holidays. Partial closure means that the crossing was partially closed for more than one hour but not for a full day, where it would be considered full closure. Karni - conveyor belt/chute -The conveyor belt/chute for cereals and animal feed at Karni is the only operational one. Rafah Crossing for passengers is partially opened for humanitarian purposes.

II. MACRO-ECONOMIC INDICATORS – DECEMBER 2010

Indicator	Baseline Aug-04	July- 2010	Aug -2010	Sep -2010	Oct -2010	Nov -2010	Dec -2010
Palestinian consumer price index (by region and expenditure group)							
Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)							
Food and soft drinks		142.99	143.81	148.26	149.51	148.86	148.18
Alcoholic beverages and tobacco		156.69	158.55	158.56	158.57	158.58	158.72
Textiles, clothing and footwear		108.81	109.42	109.52	109.97	111.55	111.88
Housing		126.34	126.01	126.52	127.33	127.99	128.21
Furniture, household goods		114.65	114.71	114.91	115.35	115.58	115.65
Medical care		114.05	114.16	114.75	114.92	115.23	115.78
Transportation		121.21	120.89	120.50	120.72	121.58	121.78
Communications		106.94	106.77	106.88	106.79	106.79	106.93
Recreational, cultural goods & services		103.07	102.98	103.06	103.13	103.52	103.29
Education		110.34	110.34	110.81	110.81	110.81	110.81
Restaurants and cafes		137.01	137.36	136.74	137.05	138.65	139.28
Miscellaneous goods and services		120.56	120.72	121.62	122.13	122.83	123.09
All items of consumer price index		**128.50**	**128.89**	**130.68**	**131.36**	**131.50**	**131.36**
Major Groups of Expenditure (Jerusalem)							
Food and soft drinks		147.01	146.48	150.26	152.73	152.03	150.71
Alcoholic beverages and tobacco		153.39	155.97	155.93	155.93	155.94	155.97
Textiles, clothing and footwear		115.27	117.58	116.87	117.75	120.65	119.87
Housing		120.01	119.87	120.36	120.66	121.03	121.15
Furniture, household goods		107.76	108.48	109.43	110.19	110.60	111.19
Medical care		123.01	124.19	123.01	123.23	123.79	124.68
Transportation		128.00	127.50	127.88	128.60	129.57	129.50
Communications		103.57	103.11	103.31	103.06	103.06	103.11
Recreational, cultural goods & services		107.93	107.84	107.96	108.14	108.94	108.56
Education		112.05	112.05	112.91	112.91	112.91	112.91
Restaurants and cafes		147.82	148.63	147.34	147.85	149.06	151.73
Miscellaneous goods and services		113.85	114.51	114.97	115.24	115.97	116.57
All items of consumer price index		**129.04**	**129.18**	**130.55**	**131.63**	**131.91**	**131.60**
Major Groups of Expenditure (Rest of the West Bank)							
Food and soft drinks		138.15	140.70	146.08	146.99	146.68	146.83
Alcoholic beverages and tobacco		157.90	159.84	159.97	159.98	160.03	160.01
Textiles, clothing and footwear		97.26	96.66	96.42	96.64	98.06	97.88
Housing		134.73	134.24	134.79	135.76	136.48	136.63
Furniture, household goods		99.69	99.04	99.76	99.20	99.28	99.65
Medical care		111.10	110.42	111.39	111.44	111.25	112.68
Transportation		118.46	118.18	117.53	117.53	118.56	118.90
Communications		107.76	107.71	107.81	107.83	107.83	108.09
Recreational, cultural goods & services		92.72	92.64	92.34	92.38	92.56	92.14
Education		106.52	106.52	106.99	106.99	106.99	106.99
Restaurants and cafes		129.45	130.76	131.05	131.38	133.59	134.16
Miscellaneous goods and services		126.95	126.09	126.84	127.19	128.09	127.89
All items of consumer price index		**125.59**	**126.47**	**128.68**	**129.15**	**129.40**	**129.58**
Major Groups of Expenditure (Gaza Strip)							
Food and soft drinks		144.91	145.33	151.44	150.23	149.86	150.13
Alcoholic beverages and tobacco		156.57	156.57	156.57	156.61	156.61	156.79
Textiles, clothing and footwear		113.63	113.24	113.66	114.49	115.47	117.55
Housing		121.73	121.16	121.32	123.03	124.13	124.80
Furniture, household goods		141.89	141.56	141.56	141.47	141.52	140.92
Medical care		98.57	98.57	98.16	98.44	98.58	98.57
Transportation		126.31	126.12	125.99	126.00	126.59	126.87
Communications		105.48	105.48	105.49	105.49	105.49	105.58
Recreational, cultural goods & services		101.16	101.27	101.25	101.36	101.22	101.24
Education		107.59	107.59	107.59	107.59	107.59	107.59
Restaurants and cafes		150.62	150.67	151.58	151.93	151.94	152.63
Miscellaneous goods and services		122.07	122.18	123.85	124.64	124.97	125.21
All items of consumer price index		**130.73**	**130.79**	**133.30**	**133.12**	**133.21**	**133.55**

Source: PCBS

The Palestinian CPI reached 131.36 in December 2010, a decline of 0.10% compared to November 2010. Increases were recorded in the Transportation sector (0.17%), in Miscellaneous goods and services (0.21%) Textiles, clothing and footwear (0.30%) and Medical care (0.48%), while the Food and soft drinks sector experienced a 0.46% price decline.

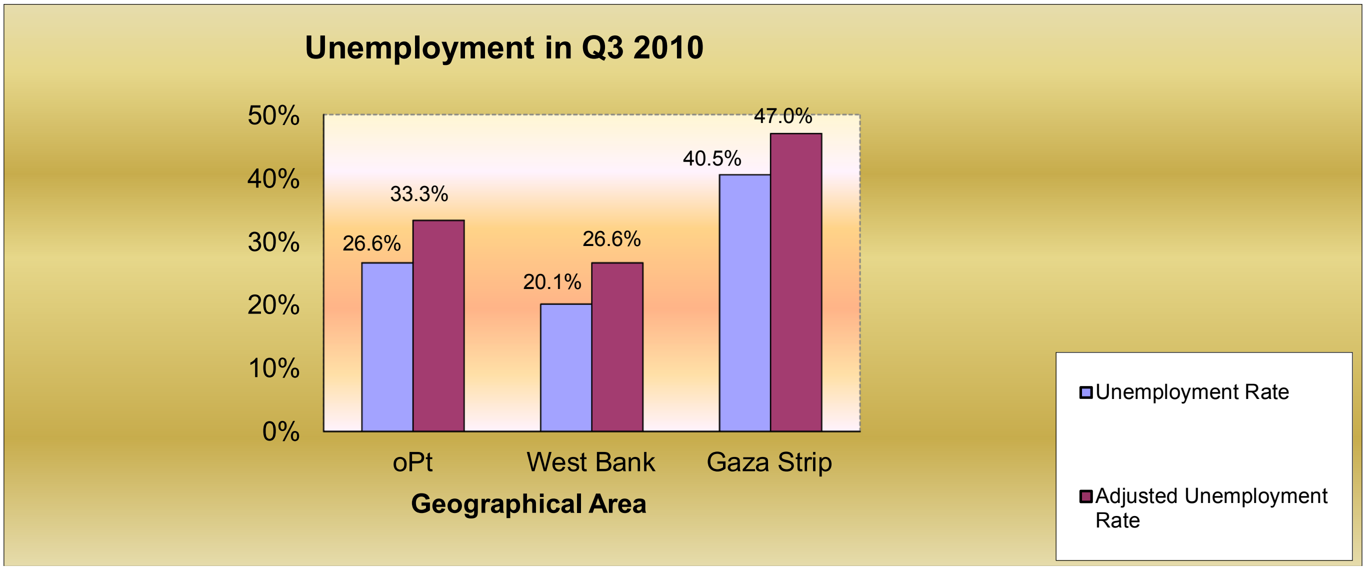


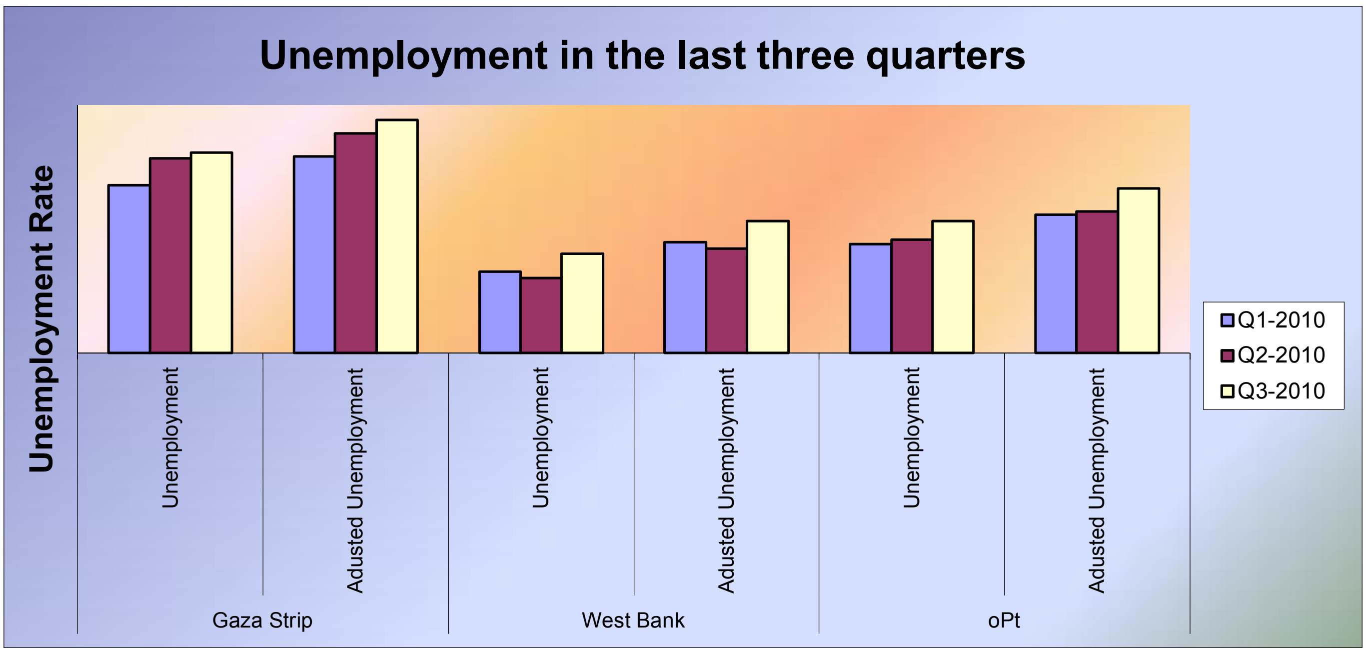
Indicator	Baseline Q2 -00	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010	Q3-2010
Labor Force							
Unemployment and adjusted unemployment[11] in the occupied Palestinian territory							
Labor force –Total (x 1000)	706.2	949.8	955.4	963.5	953.9	980.4	966.9
Labor force - West Bank	483.8	649.6	644.8	656.9	649.0	666.3	658.0
Labor force - Gaza Strip	222.4	300.2	310.6	306.6	304.9	314.1	308.9
occupied Palestinian territory							
Unemployment	8.8%	22.2%	25.8%	24.8%	22.0%	22.9%	26.6%
Adjusted unemployment	18.5%	28.0%	31.4%	30.2%	28.0%	28.6%	33.3%
West Bank							
Unemployment	6.5%	15.9%	17.8%	18.1%	16.5%	15.5%	20.1%
Adjusted unemployment	15.8%	21.2%	23.7%	23.5%	22.4%	21.1%	26.6%
Gaza Strip							
Unemployment	13.8%	36.0%	42.3%	39.3%	33.9%	39.3%	40.5%
Adjusted unemployment	24.2%	42.1%	47.1%	44.3%	39.7%	44.3%	47.0%
Source: PCBS							

According to the relaxed definition of unemployment, the percentage of persons who are able but do not work regardless of seeking or not seeking jobs, increased from 28.6% in the 2nd quarter 2010 to 33.3% In the 3rd quarter of 2010, compared with 31.4% in the 3rd quarter 2009. According to the ILO standards, the percentage of persons who do not work but are seeking jobs increased between the 2nd quarter 2010 and the 3rd quarter of 2010. The results show that the percentage of unemployed increased from 22.9% in the 2nd quarter 2010 to 26.6% in the 3rd quarter of 2010, as compared with 25.8% in the 3rd quarter of 2009. In the West Bank it increased from 15.2% in the 2nd quarter 2010 to 20.1% in the 3rd quarter of 2010. The unemployment rate also increased in Gaza Strip, from 39.3% in the 2nd quarter 2010 to 40.5% in the 3rd quarter of 2010.

Hebron governorate has the highest unemployment rate among the West Bank governorates (25.0%), followed by Bethlehem governorate (24.7%), while Jerusalem governorate has the lowest unemployment rate (13.3%). For Gaza Strip, Khan Younis governorate has the highest unemployment rate (46.2%), followed by North Gaza governorate (41.8%), and Deir AlBalah governorate (41.5%).

[11] Adjusted unemployment is the total number of unemployed in addition to those who are unemployed and do not seek any employment.





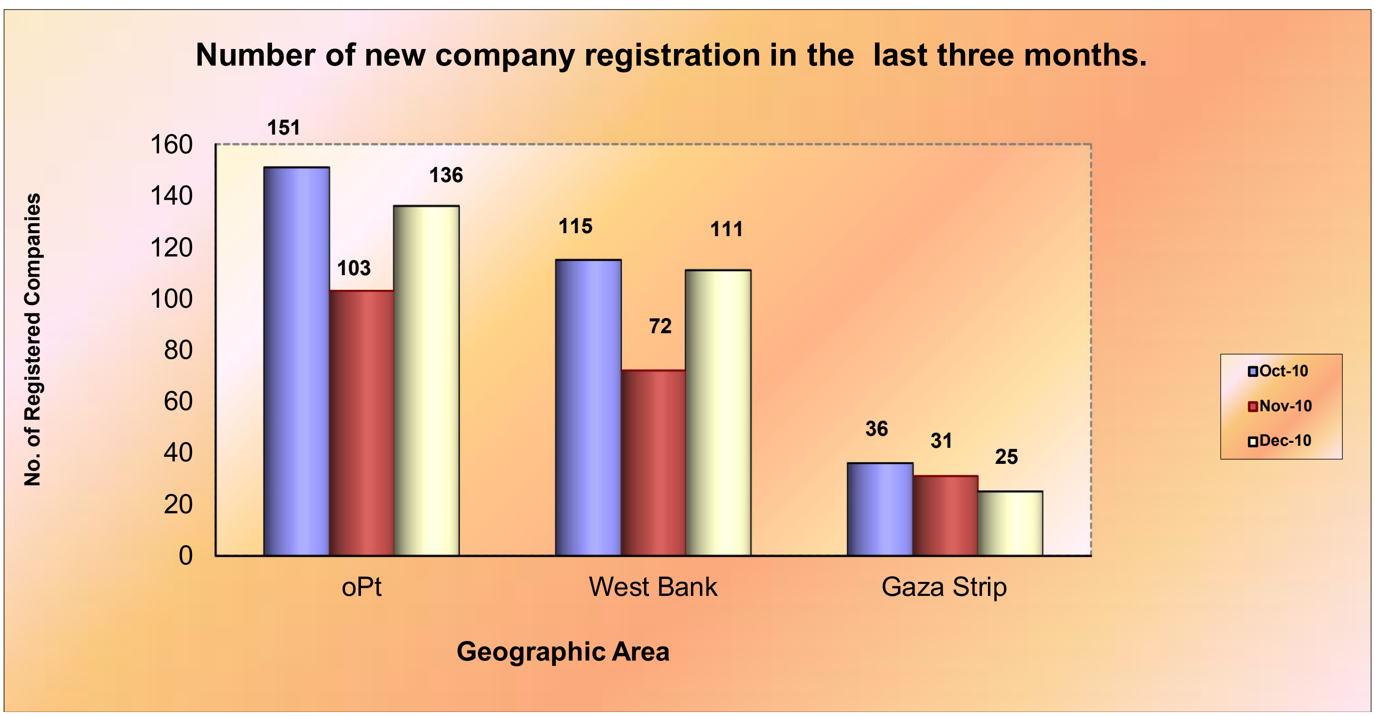
Indicator	Baseline Aug-00	July - 2010	Aug -2010	Sep -2010	Oct -2010	Nov -2010	Dec -2010
Exchange rate							
Exchange rate	4.05	3.86	3.79	3.73	3.61	3.64	3.61
Source: PCBS							

The exchange rate between the US dollar and the NIS declined by approximately 0.90% in December 2010 compared to November 2010.

III. ECONOMIC ACTIVITY – DECEMBER 2010

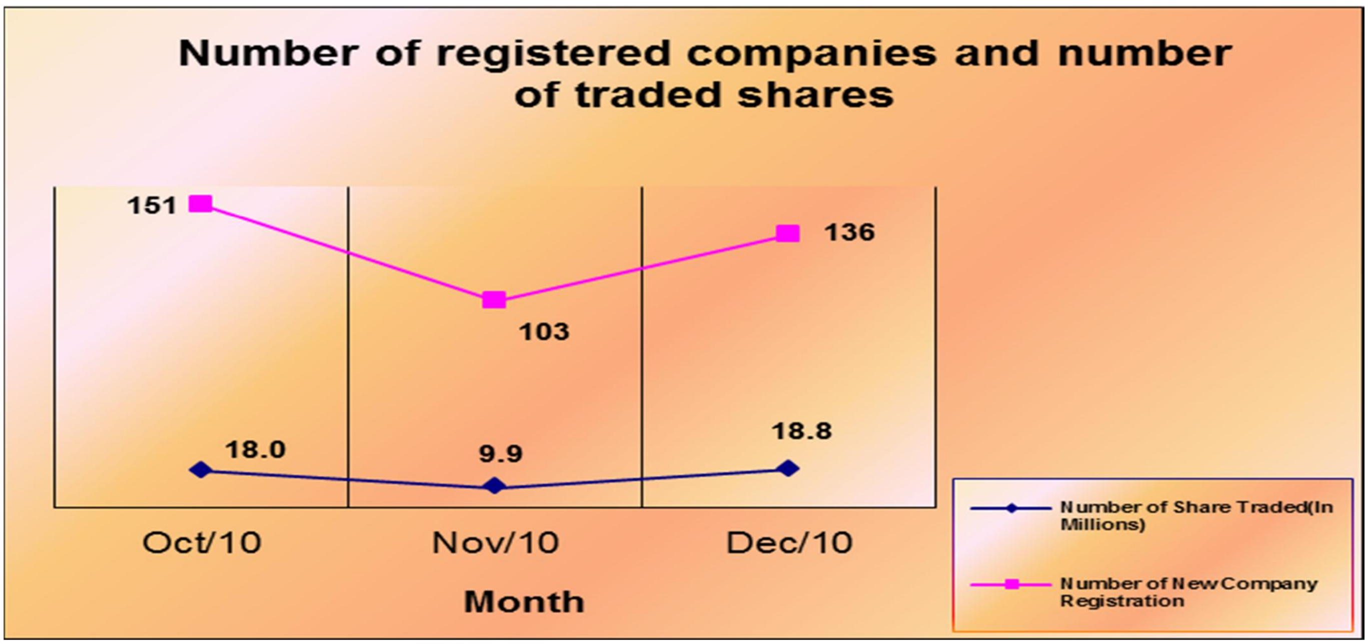
Indicator	Baseline Aug.2000	July -2010	Aug -2010	Sep -2010	Oct -2010	Nov -2010	Dec -2010
Number of new company registrations (by region and legal status)							
Gaza Strip							
Private	81	10	7	9	15	14	8
Private limited	12	23	38	23	21	17	17
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	**94**	**33**	**45**	**32**	**36**	**31**	**25**
West Bank							
Private	42	19	34	33	35	24	34
Private limited	95	72	70	53	77	46	71
Public limited	0	0	0	0	1	0	0
Foreign	0	2	1	2	1	1	2
Non- profit	0	3	1	0	1	1	4
Total	**137**	**95**	**106**	**88**	**115**	**72**	**111**
Source: Ministry of Economy							

New company registrations in the West Bank increased by 54.17% compared to November 2010. When compared to pre-Intifada levels, new company registrations have declined by approximately 18.98%. For Gaza, data from the local Ministry of Economy indicate 25 new registered companies in December 2010. On such basis, the number of newly registered companies in Gaza shows a decline of approximately 19.35% compared to November 2010.



Indicator	Baseline Aug-00	July -2010	Aug -2010	Sep -2010	Oct -2010	Nov -2010	Dec -2010
Palestinian Securities Exchange							
Volume of trade							
Number of shares traded (x million) Value of shares traded (x million US$)	7.0 13.0	13.8 25.0	10.3 16.7	12.2 27.0	18.0 21.6	9.9 33.5	18.8 44.0
Al-Quds index	265.23	501.50	491.83	503.74	491.48	480.88	489.60
Source: Palestinian Securities Exchange (PSE)							

Similar to bank credit and deposits, data on the Palestinian stock exchange are used as a proxy indicator of Palestinian perceptions vis-à-vis the state of the national economy. Data for December 2010 show an increase in terms of the number of stocks traded of approximately 90.73% and an increase in terms of value of shares traded of approximately 31.59%. The Al-Quds index increased by 1.81 %.



Indicator	Baseline Aug-00	July -2010	Aug -2010	Sep -2010	Oct -2010	Nov -2010	Dec -2010
Area licensed for new construction (Gaza Strip, square meters)							
Northern District	27,902	20,500	18,250	21,320	23,250	20,880	18,750
Gaza	50,116	23,150	14,640	25,200	23,870	21,745	20,545
Al Wastah	15,984	9,400	8,220	11,480	12,180	14,510	16,560
Khan Younis	51,146	25,560	22,360	24,790	22,560	23,240	20,820
Rafah	39,429	11,640	10,990	12,680	14,490	15,670	16,325
Gaza Strip Total	**184,577**	**90,250**	**74,460**	**95,470**	**96,350**	**96,045**	**93,000**
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	July -2010	Aug -2010	Sep -2010	Oct -2010	Nov -2010	Dec -2010
Area licensed for new construction (West Bank, square meters)							
Ramallah & Al- Bireh & Jerusalem		155,799	106,431	62,232	76,858	58,940	272,753
Nablus		60,434	56,319	40,429	56,690	53,458	170,220
Tulkarm		27,288	21,491	19,813	21,873	19,007	78,610
Hebron		32,414	65,762	20,797	46,670	38,710	149,730
Bethlehem		15,316	18,150	13,905	26,577	18,307	53,683
Jenin		35,243	22,741	14,558	23,434	19,875	34,148
Qalqilya		4,721	4,985	752	1,322	5,930	14,185
Salfit		0	0	0	0	0	0
Total	**345,685**	**331,215**	**295,879**	**172,486**	**253,424**	**214,227**	**773,329**
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. December 2010 data show an increase in the area licensed for new construction of approximately 260.99% compared to the previous month in the West Bank. When compared to pre *intifada* levels, area licensed for new construction has now increased by 123.71 %. The reason for the large increase in construction as suggested by the data for December is that all non-completed construction are resubmitted for licenses by year end to ensure that new licenses will be issued for the next year

Indicator	Q3-09	Q4-09	Q1-2010	Q2-2010	Q3-2010
Bank Credit					
Bank credit by economic activity (x million US$)					
Agricultural and food processing	37	39	47	53	57
Mining and Manufacturing	179	185	194	213	235
Real estate and Constructions , land	238	266	292	320	319
Local and foreign Trade Finance	360	341	379	425	470
Transportation	23	25	24	22	23
Tourism, Hotels & Restaurants, Swimming	35	39	44	50	53
Other Public Services	323	328	347	332	363
Financial Services	69	73	70	66	66
Securities Purchasing and Carrying	56	56	54	54	53
Cars & Vehicles Finance	56	57	68	81	92
Total Public Sector	722	637	870	825	885
Consumptions	65	77	88	99	107
Others in private sector	97	111	111	119	128
Total Private and Public Sector	**2,261**	**2,234**	**2,587**	**2,658**	**2,852**
Total excluding theirs in the public services and total public sector	1,216	1,269	1,370	1,501	1,604
Bank credit by economic activity (% of total)					
Agricultural and food processing	1.6%	1.7%	1.8%	2.0%	2.0%
Mining and Manufacturing	7.9%	8.3%	7.5%	8.0%	8.2%
Real estate and Constructions + land	10.5%	11.9%	11.3%	12.0%	11.2%
Local and foreign Trade Finance	15.9%	15.3%	14.6%	16.0%	16.5%
Transportation	1.0%	1.1%	0.9%	0.8%	0.8%
Tourism, Hotels & Restaurants, Swimming	1.6%	1.8%	1.7%	1.9%	1.9%
Other Public Services	14.3%	14.7%	13.4%	12.5%	12.7%
Financial Services	3.1%	3.3%	2.7%	2.5%	2.3%
Securities Purchasing and Carrying	2.5%	2.5%	2.1%	2.0%	1.9%
Cars & Vehicles Finance	2.5%	2.6%	2.6%	3.0%	3.2%
Total Public Sector	31.9%	28.5%	33.6%	31.0%	31.0%
Consumptions	2.9%	3.4%	3.4%	3.7%	3.8%
Others in private sector	4.3%	5.0%	4.3%	4.5%	4.5%
Total Private and Public Sector	**100%**	**100%**	**100%**	**100%**	**100%**
Bank credit by economic branch (excluding total public sector and public services) (% of total)					
Agricultural and food processing	3.1%	3.0%	3.4%	3.5%	3.5%
Mining and Manufacturing	14.7%	14.6%	14.2%	14.2%	14.6%
Real estate and Constructions + land	19.6%	21.0%	21.3%	21.3%	19.9%
Local and foreign Trade Finance	29.7%	26.9%	27.6%	28.3%	29.3%
Transportation	1.9%	2.0%	1.8%	1.4%	1.4%
Tourism, Hotels & Restaurants, Swimming	2.9%	3.1%	3.2%	3.3%	3.3%
Financial Services	5.7%	5.8%	5.1%	4.4%	4.1%
Securities Purchasing and Carrying	4.6%	4.4%	4.0%	3.6%	3.3%
Cars & Vehicles Finance	4.6%	4.5%	4.9%	5.4%	5.7%
Consumptions	5.3%	6.0%	6.4%	6.6%	6.7%
Others in private sector	8.0%	8.7%	8.1%	7.9%	8.0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Source: PMA					

The Palestine Monetary Authority provides adjusted data once every three months. In relative terms, Local and foreign trade finance and Other public services show an increase in the use of credit. Bank credit to the Total public sector increased by approximately 7.34% in Q3-2010 when compared with Q2-2010. (Please note that the PMA 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 Q2 -00	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010	Q3-2010
Bank Credit							
Bank credit by type (million US$)							
Loans	512	1,339	1,500	1,565	1,874	1,926	1,999
Overdrafts	653	751	753	659	705	724	845
Leasing	0	10	7	8	8	8	8
BA & discounted bills	69	0	0	0	0	0	0
Total	**1,234**	**2,100**	**2,261**	**2,232**	**2,587**	**2,658**	**2,852**
Bank credit by type (as percentage of total)							
Loans	41%	63.8%	66.4%	70.1%	72.4%	72.5%	70.1%
Overdrafts	53%	35.8%	33.3%	29.5%	27.3%	27.2%	29.6%
Leasing	0%	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%
BA & discounted bills	6%	0.0%	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 show an increase in loans and overdrafts. Loans currently represent 70.1% of all credit extended compared to only 41% in the *pre-Intifada* period.

Indicator	Baseline Q2-00	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010	Q3-2010
Bank Credit							
Bank credit by borrowing entity (million US$)							
Businesses	752	1,099	1,216	1,269	1,370	1,501	1,604
Consumers	429	749	722	637	870	825	885
Public services	52	252	323	328	347	332	363
Total	**1,234**	**2,100**	**2,261**	**2,234**	**2,587**	**2,658**	**2,852**
Bank credit by borrowing entity (% of total)							
Businesses	61%	52.3%	53.8%	56.8%	53.0%	56.5%	56.2%
Consumers	35%	35.7%	31.9%	28.5%	33.6%	31.0%	31.0%
Public services	4%	12.0%	14.3%	14.7%	13.4%	12.5%	12.7%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Source: PMA							

Disaggregating bank credit by borrowing entity shows that consumer lending has experienced an increase of approximately 7.34 % in Q3-2010 compared to Q2-2010.

Indicator	Baseline Q2-00	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010	Q3-2010
Bank Deposits (excluding deposits of the PMA and commercial banks)							
Distribution of public sector deposits by depositor and type (million US$)							
Public institutions and local auth.							
Current accounts	17.3	65.1	81.6	78.2	78.9	74.7	79.4
Time deposits	39.2	78.6	78.7	74.7	76.2	74.8	75.8
Sub-total	56.5	143.7	160.3	152.9	155.1	149.5	155.2
Government							
Current accounts	37.6	199.5	275.4	232.6	310.9	300.5	296.5
Time deposits	77.5	158.3	176.2	180.6	180.0	182.1	188.3
Sub-total	115.1	357.9	451.6	413.2	490.9	482.7	484.8
Total public sector deposits	**171.6**	**501.6**	**612.0**	**566.1**	**646.0**	**632.1**	**640.0**
Distribution of private sector deposits by residency and type (million US$)							
Residents							
Current accounts	746.5	1,794.5	2,014.3	1,890.2	1,975.1	1,936.1	2,171.3
Savings accounts	440.4	1,474.4	1,535.4	1,608.3	1,632.7	1,639.6	1,743.2
Time deposits	1,895.70	1,925.1	1,835.9	1,891.3	1,879.3	1,721.2	1,813.8
Sub-total	3,082.6	5,194.0	5,385.5	5,389.7	5,487.1	5,296.9	5,728.2
Non-residents							
Current accounts	3.3	139.9	162.8	152.1	167.3	222.9	119.1
Savings accounts	2.4	40.5	51.1	61.5	69.2	86.8	44.0
Time deposits	8.9	88.1	91.8	104.6	108.2	128.0	80.1
Sub-total	14.6	268.5	305.7	318.2	344.6	437.7	243.3
Total private sector deposits	**3,097.2**	**5,462.5**	**5,691.2**	**5,708.0**	**5,831.8**	**5,734.6**	**5,971.5**
Total deposits (public and private)	**3,268.8**	**5,964.1**	**6,303.2**	**6,274.1**	**6,477.8**	**6,366.7**	**6,611.5**
Source: PMA							

Bank deposits for the Q3- 2010 indicate an increase in Total public sector deposits of approximately 1.24% and an increase in Total private sector deposits of 4.13% compared with Q2- 2010.

Indicator	Baseline Q2-00	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010	Q3-2010
Value of Loans and Deposits (million US$)							
Total loans	1,234	2,100	2,261	2,232	2,587	2,658	2,852
Total deposits	3,328	6,390	6,687	6,655	6,935	6,685	7,050
Loans/Deposits (ratio)	**37.06%**	**32.86%**	**33.81%**	**33.54%**	**37.30%**	**39.76%**	**40.45%**
Source: PMA							

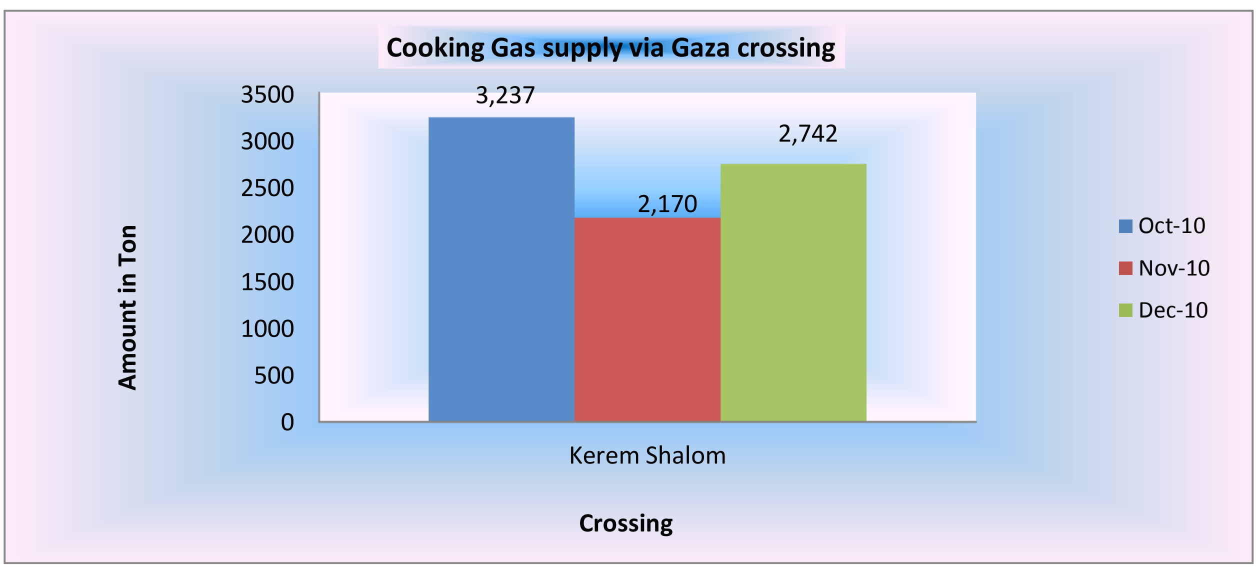
In a functioning economy, an increase in the loans versus deposits ratio is perceived as a positive sign, as monies are not saved but invested or consumed, both of which acts as a stimulant for the economy. Since September 2006, this ratio had steadily declined in the oPt, signaling little optimism in the prospects for the Palestinian economy. However, Q3-2010 shows an increase in total loans of approximately 7.28%, and an increase in total deposits of 5.46% compared with Q2- 2010.

IV. GAZA ECONOMIC ACCESS – DECEMBER 2010

Indicator	Baseline Aug-00	July -2010	Aug -2010	Sep -2010	Oct -2010	Nov -2010	Dec -2010
Volume of registered fuel sales in the Gaza Strip (x 1000 liters/ton)							
Volume of registered fuel sales in the Gaza Strip (Nahal Oz Crossing)							
Petrol (Liter)	3,188.9	0.0	0.0	0.0	0.0	0.0	0.0
Diesel (Liter)	11,343	0.0	0.0	0.0	0.0	0.0	0.0
White diesel (Liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (Ton)	1.9	0.0	0.0	0.0	0.0	0.0	0.0
Industrial diesel (Liter)	n.a	0.0	0.0	0.0	0.0	0.0	0.0
Volume of registered fuel sales in the Gaza Strip (Kerem Shalom)							
Petrol (Liter)	0.0	76.4	117.9	31.0	78.5	125.3	0.0
Diesel (Liter)	0.0	341.1	470.7	0.0	370.0	246.3	135.0
White diesel (Liter)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (Ton)	0.0	3.6	3.5	2.9	3.2	2.2	2.7
Industrial diesel (Liter)	0.0	4,707.6	5,507	8,239.8	8,152.9	5,931.9	4,644.1
Source: General Petroleum Corporation							

There was a significant increase in the amount of imported cooking gas, with 2,742 tons allowed in through Kerem Shalom, which represents a 26.36% increase compared to the volume allowed in November 2010. During the reporting period, 135,020 liters of Diesel were imported for the private sector.

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



Indicator	Baseline Aug-00	July -2010	Aug -2010	Sep -2010	Oct -2010	Nov -2010	Dec -2010
Truck Loads Movement							
Al Montar/ Karni commercial crossing							
Total truck loads exports	992	0	0	0	0	0	0
Total truck loads imports	2,923	796	815	461	680	850	1,054
Karem Abu Salem / Kerem Shalom commercial crossing							
Total truck loads exports	0	0	0	0	0	4	99
Total truck loads imports	0	2,984.0	4,205.0	3,029.0	3,744.0	3,136.0	3,260.0
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	0	0	0	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing (fuel)							
Total truck loads imports	0	166	156	124	152	105	123
Truckloads imports exclude industrial diesel supplies to power plant							
Source: Baseline: Ministry of National Economy; General Petroleum Corporation							

Exports have stopped altogether except for limited agricultural exports in December 2010. Israel allowed Gaza to export strawberries and flowers to Europe. In December 2010, 91 trucks of strawberries (171.1 tonnes), 7 trucks of carnations (996,000 stems) and 1 truck of vegetables to West Bank were exported through the Kerem Shalom Crossing. December 2010 data indicate an increase in the total number of imported truckloads to the Gaza Strip of approximately 8% compared to November 2010 (4,437 vs. 4,091). 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 9 days. 1,054 truckloads of animal feed (38.2%), wheat (41.84%) and gravel (19.9%) for UNRWA, the Coastal Municipalities Water Utility and the Palestinian Water Authority entered Gaza via the conveyor belt. Of the 3,260 truckloads entering Gaza during the month through Karem Shalom (Karm Abu Salem), 170 (or 5.21%) were designated for humanitarian aid agencies and the remaining 3,090 (or 94.79%) were for the private sector. Food items made up the smallest proportion of imported goods (1,309 truckloads, or 40%) while 1,951 truckloads, or 60%, were for non-food items.