



OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

**SOCIO-ECONOMIC REPORT – JULY 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) 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 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 period and it provides, for reference purposes, base line figures for the period just prior to the outbreak of the second *Intifada*.

Sections 2 and 3 report on the macro-economic situation and the 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 base line data, which is pre *Al-Aqsa intifada*. In addition, summary analysis on observed trends is presented below each table.

**For further information please contact:**

Gaza Strip: *Raed Rageb* [rageb@un.org](mailto:rageb@un.org)

---

## I. SOCIO-ECONOMIC FACT SHEET – JULY 2010

A. GENERAL	Baseline 2004	Previous period	Previous period	Current period	B. FISCAL SITUATION	Baseline 1999	Previous period	Current period
<b>Indicator</b>	<b>2004<sup>1</sup></b>	<b>Q3-2004</b>	<b>Q4-2009</b>	<b>Q1-2010</b>	<b>Indicator (US\$ millions)</b>	<b>1999-Q4<sup>3</sup></b>	<b>Q1-2010</b>	<b>Q2-2010<sup>4</sup> (budget)</b>
1. GDP (\$US)	4,198.4	1,120.9	1,327.4	1,365.4 <sup>2</sup>	1. Revenue	235	448.2	440.4
2. GDP per capita (\$US)	1,317.0	350.4	354.6	362.1	2. Expenditure	235	261.1	294.1
					3. Net lending	0	73.9	67.7
					4. Balance	0	-310.3	-367.8
					5. External Budget support (including TIM)	0	207.6	317.5
Source: PCBS					Source: World Bank Ministry of Finance			
C. MACRO-ECONOMIC	Baseline	Previous period	Current period	D. PRIVATE SECTOR	Baseline	Previous period	Current period	
<b>Indicator<sup>5</sup></b>	<b>2004</b>	<b>June 2010</b>	<b>July 2010</b>	<b>Indicator</b>				
1. Consumer Price Index <sup>6</sup>				1. New Company Registrations	<b>Aug-2000<sup>8</sup></b>	<b>June 2010</b>	<b>July 2010</b>	
Total	100	127.90	128.50	Total	231	148	128	
West Bank	100	125.18	125.59	West Bank	137	117	95	
Gaza Strip	100	130.88	130.73	Gaza Strip	94	31	33	
2. Truck movement <sup>7</sup>	<b>Aug-2000</b>	<b>June 2010</b>	<b>July 2010</b>	2. Area Licensed for new Construction (x 1000 m <sup>2</sup> )	<b>Q2-2000</b>	<b>Q4-2009</b>	<b>Q1-2010</b>	
<u>Imports</u>				Total	739.7	593.5	531.5	
Karni - conveyor belt/chute	4,373	764	796	West Bank	665.3	593.5	531.5	
Sufa	4,384	0	0	Gaza Strip	74.4	0	0	
Rafah	953	0	0	3. Banking (US\$ thousands)	<b>Q2-2000</b>	<b>Q1-2010</b>	<b>Q2-2010</b>	
Kerem Shalom	0	2,199	2,984	Loans	1,234	2,587	2,658	
Kerem Shalom (fuel)	0	193	166	Deposits	3,328	6,935	6,685	
Nahal Oz	904	0	0	Loans/Deposits Ratio	37.1 %	37.30%	39.76%	
<u>Exports</u>				Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3)				
Karni	2,460	0	0	Source: PCBS (1), Ministry of National Economy, General Petroleum Corporation .				
Kerem Shalom	0	0	0					
E. LABOR FLOWS	Baseline	Previous period	Current period	F. CLOSURE	Baseline (Open)	Complete Closure	Partial Closure	
<b>Indicator</b>	<b>Q2-2000</b>	<b>Q1-2010</b>	<b>Q2-2010</b>	<b>Indicator</b>	<b>Aug-2000</b>	<b>July-2010</b>	<b>July-2010</b>	
1. Labor Force size				1 <b>Indicator</b>				
Total	706,174	953,900	980,400	1. Effective closure days <sup>10</sup>				
West Bank	483,796	649,000	666,300	Karni (Conveyer Belt)	100 %	66%	34%	
Gaza Strip	222,378	304,900	314,100	Kerem Shalom	0 %	16%	0%	
2. Unemployment	8.8 %	22.0%	22.9%	Nahal Oz (fuel)	100 %	100%	0%	
3. Adjusted Unemployment <sup>9</sup>	18.5 %	28.0%	28.6%	Sufa (aggregates)	100 %	100%	0%	
				Rafah (commercial)	100 %	87%	13%	
				Rafah (passenger)	100 %	0%	0%	
Source: PCBS				Source: UNSCO				

<sup>1</sup> The base year for GDP is 2004

<sup>2</sup> These numbers may be adjusted

<sup>3</sup> No available baseline data on the year 2000.

<sup>4</sup> These numbers may be adjusted

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

<sup>6</sup> CPI Base year for 2004 = 100

<sup>7</sup> MoNE data does not include aggregates or aid flows in Aug 2000.

<sup>8</sup> On indicators measured on monthly basis, August, 2000 was used as a baseline since Intifada broke up.

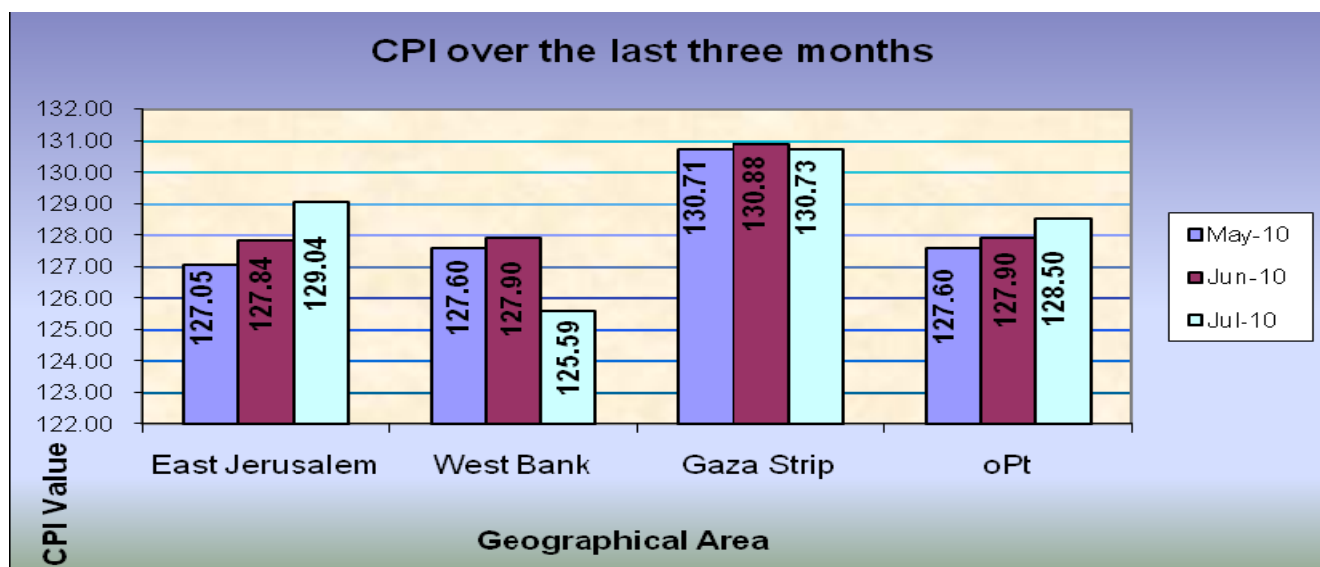
<sup>9</sup> Adjusted unemployment is calculated by adding discouraged workers (i.e. unemployed but no longer seeking work) to the ILO standard.

<sup>10</sup> Effective closure days are calculated by adding all days when a crossing was fully or partially closed excluding weekend and holiday. Partial closure means that crossing was partially closed for more than one hour but not for a full day where it is 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 – JULY 2010

Indicator	Baseline Aug-04	Feb -2010	Mar - 2010	Apr -2010	May - 2010	June -2010	July -2010
<b>Palestinian consumer price index (by region and expenditure group)</b>							
<b>Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)</b>							
Food and soft drinks		142.17	142.26	141.93	141.64	142.35	142.99
Alcoholic Beverages and tobacco		145.38	145.40	145.38	145.29	145.38	156.69
Textiles, clothing and footwear		108.26	106.96	107.76	108.60	109.33	108.81
Housing		127.38	127.59	127.52	127.27	127.71	126.34
Furniture, household goods		115.63	115.18	115.41	115.72	115.30	114.65
Medical care		114.96	114.51	113.85	114.87	115.34	114.05
Transportation		119.49	120.27	121.01	121.37	120.51	121.21
Communications		106.97	106.89	107.01	107.07	106.97	106.94
Recreational, cultural goods & services		103.00	102.62	102.75	103.06	102.82	103.07
Education		110.32	110.34	110.34	110.34	110.34	110.34
Restaurants and cafes		136.09	135.59	136.19	136.58	136.97	137.01
Miscellaneous goods and services		117.42	117.48	118.51	119.37	119.95	120.56
All items of consumer price index		<b>127.48</b>	<b>127.44</b>	<b>127.50</b>	<b>127.60</b>	<b>127.90</b>	<b>128.50</b>
<b>Major Groups of Expenditure (Jerusalem)</b>							
Food and soft drinks		142.19	143.89	143.17	143.38	145.05	147.01
Alcoholic Beverages and tobacco		133.94	133.79	133.78	133.45	133.79	153.39
Textiles, clothing and footwear		113.88	111.57	112.77	113.81	115.71	115.27
Housing		120.52	120.71	120.70	120.87	121.38	120.01
Furniture, household goods		107.73	107.20	107.92	108.50	108.05	107.76
Medical care		126.29	125.02	124.09	125.99	126.02	123.01
Transportation		125.38	126.31	127.76	127.87	128.20	128.00
Communications		103.62	103.62	103.62	103.62	103.57	103.57
Recreational, cultural goods & services		107.72	106.92	107.17	107.63	107.10	107.93
Education		112.05	112.05	112.05	112.05	112.05	112.05
Restaurants and cafes		147.97	146.80	147.97	148.72	149.23	147.82
Miscellaneous goods and services		110.93	110.91	111.80	112.55	113.22	113.85
All items of consumer price index		<b>126.17</b>	<b>126.56</b>	<b>126.69</b>	<b>127.05</b>	<b>127.84</b>	<b>129.04</b>
<b>Major Groups of Expenditure (Rest of the West Bank)</b>							
Food and soft drinks		140.01	139.51	139.15	138.03	138.60	138.15
Alcoholic Beverages and tobacco		144.68	145.31	145.22	145.29	145.22	157.90
Textiles, clothing and footwear		95.43	94.55	96.22	97.50	98.01	97.26
Housing		135.1	135.49	135.36	134.83	135.16	134.73
Furniture, household goods		100.05	99.65	99.71	99.99	100.07	99.69
Medical care		109.94	110.35	110.01	110.61	111.92	111.10
Transportation		117.45	118.23	118.71	119.31	117.59	118.46
Communications		107.83	107.47	107.93	108.18	107.83	107.76
Recreational, cultural goods & services		92.73	92.73	92.84	92.96	92.75	92.72
Education		106.46	106.52	106.52	106.52	106.52	106.52
Restaurants and cafes		129.42	128.86	129.40	129.35	129.39	129.45
Miscellaneous goods and services		122.46	122.63	122.99	124.75	126.31	126.95
All items of consumer price index		<b>125.24</b>	<b>125.11</b>	<b>125.14</b>	<b>124.94</b>	<b>125.18</b>	<b>125.59</b>
<b>Major Groups of Expenditure (Gaza Strip)</b>							
Food and soft drinks		145.81	143.98	144.86	144.10	144.69	144.91
Alcoholic Beverages and tobacco		156.63	156.63	156.63	156.58	156.58	156.57
Textiles, clothing and footwear		114.66	114.39	113.93	113.95	113.88	113.63
Housing		123.28	123.26	123.13	122.29	122.86	121.73
Furniture, household goods		145.32	145.34	144.83	144.70	144.25	141.89
Medical care		98.57	98.57	98.57	98.57	98.57	98.57
Transportation		125.69	126.17	126.45	126.84	125.80	126.31
Communications		105.58	105.48	105.48	105.48	105.48	105.48
Recreational, cultural goods & services		100.55	100.75	100.68	101.08	101.24	101.16
Education		107.59	107.59	107.59	107.59	107.59	107.59
Restaurants and cafes		151.35	151.46	152.37	152.47	152.04	150.62
Miscellaneous goods and services		119.72	120.10	121.50	121.49	121.63	122.07
All items of consumer price index		<b>131.30</b>	<b>130.64</b>	<b>131.03</b>	<b>130.71</b>	<b>130.88</b>	<b>130.73</b>
Source: PCBS							

The Palestinian CPI reached 128.50 in July 2010, an increase of 0.47% compared to June 2010. Increases were recorded in the Food and Soft Drinks sector (0.45%), in Miscellaneous Goods and Services (0.51 %) Transportation (0.58 %) and Restaurants and Cafes (0.03% each) while the Textiles, Clothing and Footwear sector experienced a 0.48% price decline.



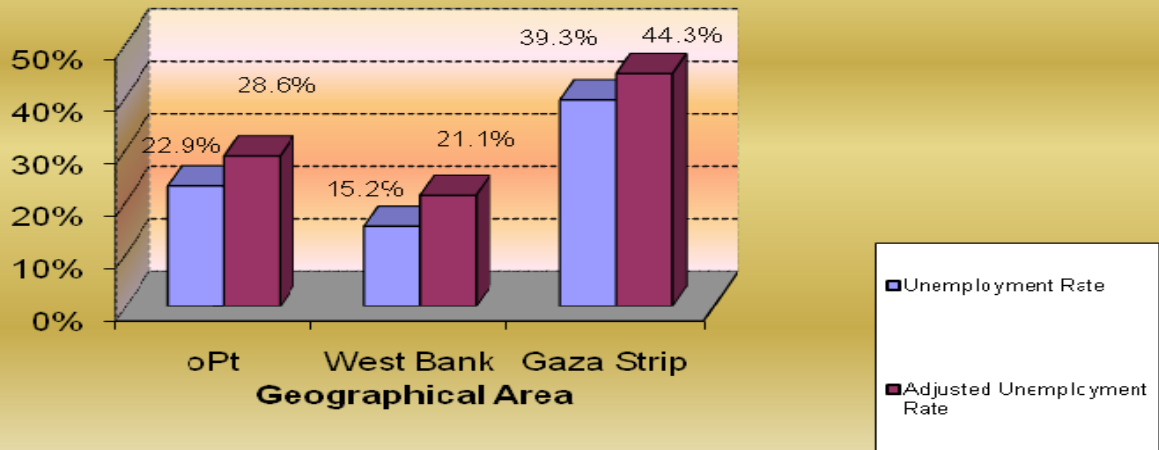
Indicator	Baseline Q2 -00	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010
<b>Labor Force</b>							
<b>Unemployment and Adjusted Unemployment<sup>11</sup> in occupied Palestinian territory</b>							
Labor Force -Total	706,174	934000	949,800	955,400	963,500	953,900	980,400
Labor Force - West Bank	483,796	620400	649,600	644,800	656,900	649,000	666,300
Labor Force - Gaza Strip	222,378	313600	300,200	310,600	306,600	304,900	314,100
<b>occupied Palestinian territory</b>							
Unemployment	8.8%	25.4%	22.2%	25.8%	24.8%	22.0%	22.9%
Adjusted Unemployment	18.5%	30.6%	28.0%	31.4%	30.2%	28.0%	28.6%
<b>West Bank</b>							
Unemployment	6.5%	19.5%	15.9%	17.8%	18.1%	16.5%	15.5%
Adjusted Unemployment	15.8%	25.1%	21.2%	23.7%	23.5%	22.4%	21.1%
<b>Gaza Strip</b>							
Unemployment	13.8%	37.0%	36.0%	42.3%	39.3%	33.9%	39.3%
Adjusted Unemployment	24.2%	41.5%	42.1%	47.1%	44.3%	39.7%	44.3%
Source: PCBS							

The data indicates that the percentage of the unemployed increased from 22.0% in the 1<sup>st</sup> quarter 2010 to 22.9% in the 2<sup>nd</sup> quarter of 2010, (compared with 22.2% in the 2<sup>nd</sup> quarter of 2009). The unemployment rate increased in Gaza Strip from 33.9% in the 1<sup>st</sup> quarter 2010 to 39.3% in the 2<sup>nd</sup> quarter of 2010, while in the West Bank decreased from 16.5% in the 1<sup>st</sup> quarter 2010 to 15.2% in the 2<sup>nd</sup> quarter of 2010.

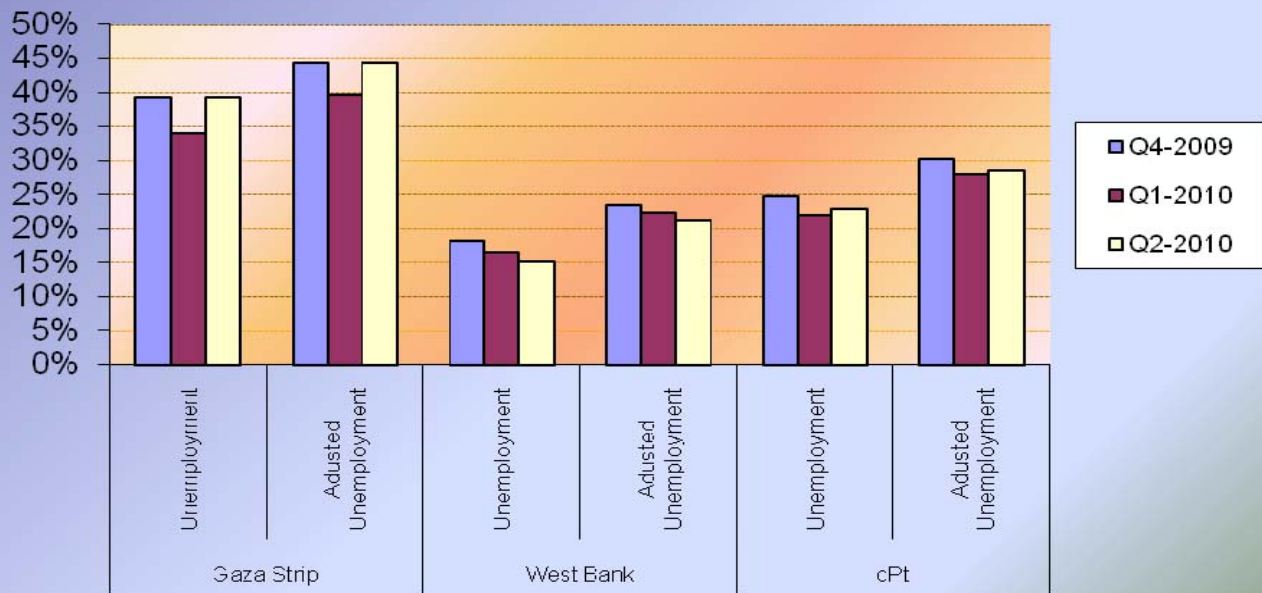
The Tulkarm governorate had the highest unemployment rate among the West Bank governorates (21.3%) followed by Qalqilia governorate at (19.0%); while Jerusalem governorate has the lowest unemployment rate (9.7%). For the Gaza Strip, the Deir AlBalah governorate has the highest unemployment rate (43.3%) followed by North Gaza governorate (41.1%), then Khan Younis governorate (40.7%).

<sup>11</sup> Adjusted unemployment is the total number of unemployed in addition to those who are unemployed and don't seek any employment.

### Unemployment in Q2 2010



### Unemployment in the last three quarters



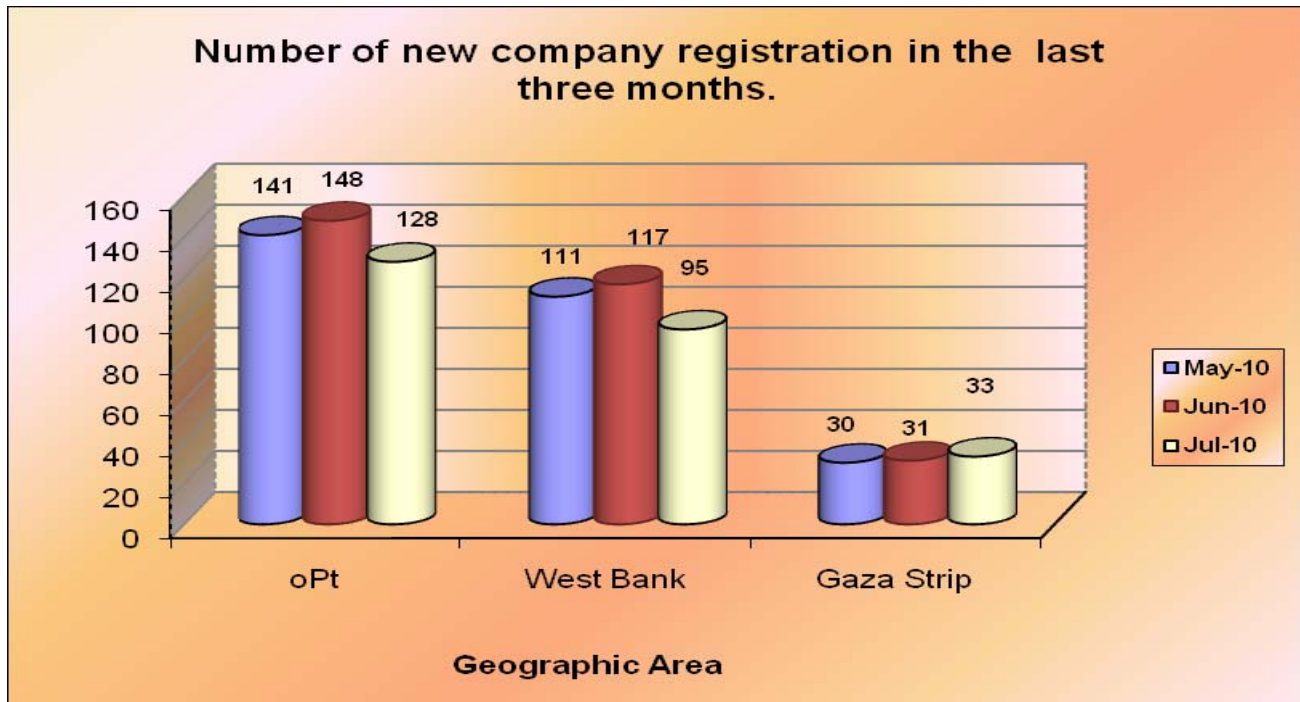
Indicator	Baseline Aug-00	Feb - 2010	Mar - 2010	Apr -2010	May -2010	June -2010	July -2010
<b>Exchange Rate</b>							
Exchange Rate	4.05	3.74	3.75	3.73	3.78	3.86	3.86
Source: PCBS							

The exchange rate of the Israeli Shekel against the US dollar was unchanged, at 3.86 from the previous month.

### III. ECONOMIC ACTIVITY – JULY 2010

Indicator	Baseline Aug.2000	Feb - 2010	Mar - 2010	Apr -2010	May -2010	June -2010	July -2010
<b>Number of new company registrations (by region and legal status)</b>							
<b>Gaza Strip</b>							
Private	81	8	11	6	5	11	10
Private Limited	12	13	26	20	25	20	23
Public Limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
<b>Total</b>	<b>94</b>	<b>21</b>	<b>37</b>	<b>26</b>	<b>30</b>	<b>31</b>	<b>33</b>
<b>West Bank</b>							
Private	42	55	30	69	34	53	19
Private Limited	95	76	8	135	74	61	72
Public Limited	0	1	1	1	0	0	0
Foreign	0	1	1	4	3	1	2
Non- Profit	0	0	0	0	0	2	3
<b>Total</b>	<b>137</b>	<b>133</b>	<b>40</b>	<b>209</b>	<b>111</b>	<b>117</b>	<b>95</b>
Source: Ministry of Economy							

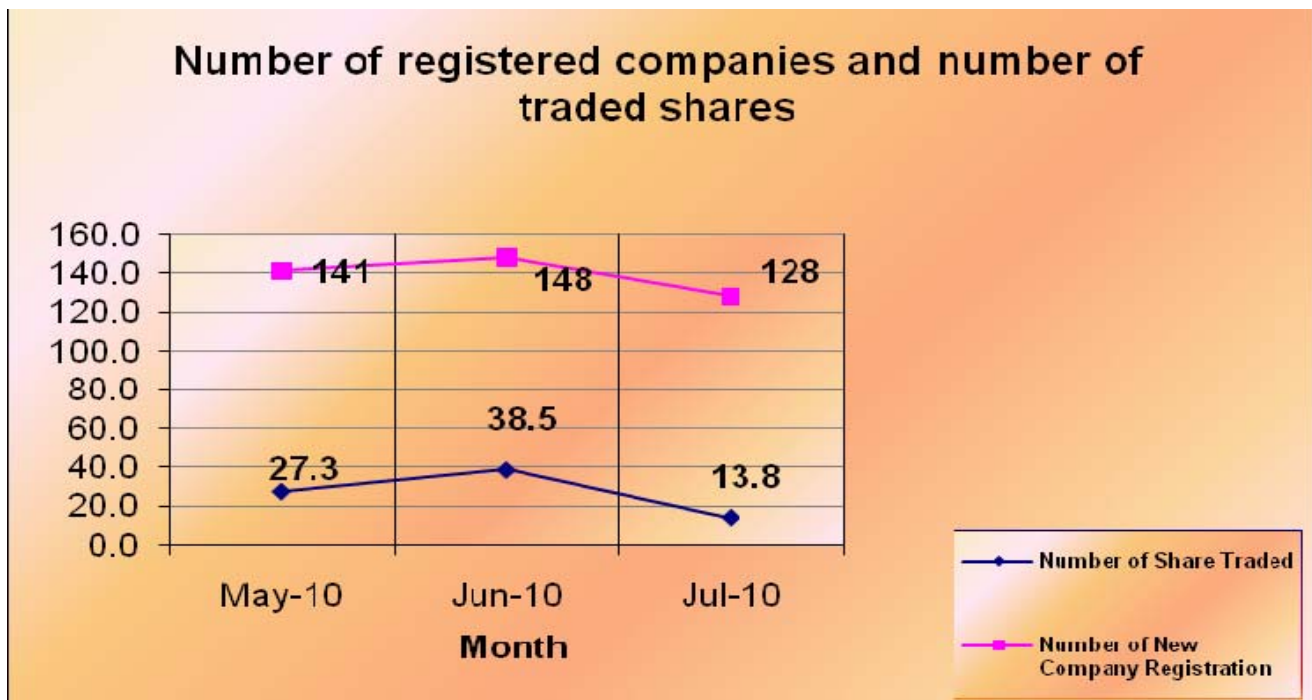
The number of new company registrations is used as a proxy indicator for the vitality of the local economy as well as the ability of the local economy to create new employment. New company registrations in the West Bank declined by 18.80% compared to June 2010. When compared to pre-Intifada levels, new company registrations have declined by approximately 30.66%. In Gaza data from the Ministry of Economy in Gaza indicates 33 new registered companies for July 2010. On such basis, the number of newly registered companies in Gaza shows an increase of approximately 6.45% compared to June 2010.





Indicator	Baseline Aug-00	Feb - 2010	Mar - 2010	Apr - 2010	May - 2010	June - 2010	July - 2010
<b>Palestinian Securities Exchange</b>							
<b>Volume of trade</b>							
Number of shares traded (x million)	7.02	33.3	18.6	19.7	27.3	38.5	13.8
Value of shares traded (x million US\$)	13.06	70.3	43.7	30.6	41.0	76.8	25.0
Al-Quds index	265.23	525.18	503.17	501.72	491.52	515.84	501.50
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 July 2010 shows a decline in terms of value of shares traded of approximately 64.16 % and in terms of number of stocks traded of approximately 67.48 %. The Al-Quds index dropped by 2.78 %.



Indicator	Baseline Aug-00	Feb - 2010	Mar - 2010	Apr - 2010	May - 2010	June - 2010	July -2010
<b>Area licensed for new construction (Gaza Strip, square meters)</b>							
Northern District	27,902	10,130	18,400	15,440	22,800	25,650	20,500
Gaza	50,116	7,520	7,560	9,260	18,300	21,440	23,150
Al Wastah	15,984	1,290	2,450	3,170	5,450	7,520	9,400
Khan Younis	51,146	9,850	9,540	14,830	17,300	18,870	25,560
Rafah	39,429	3,620	5,540	7,240	8,550	9,630	11,640
<b>Gaza Strip Total</b>	<b>184,577</b>	<b>32,410</b>	<b>43,490</b>	<b>49,940</b>	<b>72,400</b>	<b>83,110</b>	<b>90,250</b>
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	Feb - 2010	Mar - 2010	Apr - 2010	May - 2010	June - 2010	July -2010
<b>Area licensed for new construction (West Bank, square meters)</b>							
Ramallah & Al- Bireh & Jerusalem		77,299	73,738	96,907	67,548	120,793	155,799
Nablus		21,131	53,877	57,315	45,523	57,548	60,434
Tulkarm		23,718	30,368	24,146	32,789	33,894	27,288
Hebron		40,470	71,110	30,366	49,481	28,274	32,414
Bethlehem		13,322	14,194	15,692	28,521	32,379	15,316
Jenin		12,335	20,084	20,988	26,581	21,093	35,243
Qalqilya		5,792	760	1,047	454	4,721	4,721
Salfit		0	0	0	0	0	0
<b>Total</b>	<b>345,685</b>	<b>194,067</b>	<b>264,131</b>	<b>246,461</b>	<b>250,897</b>	<b>298,702</b>	<b>331,215</b>
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. July 2010 data shows an increase in the area licensed for new construction of approximately 10.88% compared to the previous month in the West Bank. When compared to pre *intifada* levels, area licensed for new construction has now experienced a decline of 4.19 %.



Indicator	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010
<b>Bank Credit</b>					
<b>Bank Credit by economic activity (x million US\$)</b>					
Agriculture	41	37	39	47	53
Manufacturing & Mining	174	179	185	194	213
Real estate and Lands	219	238	266	292	320
General Trade	351	360	341	379	425
Transportation	16	23	25	24	22
Tourism, Hotels & Restaurants	31	35	39	44	50
Public Services	252	323	328	347	332
Financial Services & Facilitations granted to financial institutions	46	69	73	70	66
Financing granted to the investment of the shares	66	56	56	54	54
Finance the purchase of cars	48	56	57	68	81
Total Public Sector	749	722	637	870	825
Financing for consuming purposes	60	65	77	88	99
Others in the private sector	47	97	111	111	119
<b>GRAND TOTAL</b>	<b>2,100</b>	<b>2,261</b>	<b>2,234</b>	<b>2,587</b>	<b>2,658</b>
Total Excluding theirs in the Public Services and Total Public Sector	1,099	1,216	1,269	1,370	1,501
<b>Bank Credit by economic activity (as percentage of total)</b>					
Agriculture	2.0%	1.6%	1.7%	1.8%	2.0%
Industry & Mining	8.3%	7.9%	8.3%	7.5%	8.0%
Real estate and Lands	10.4%	10.5%	11.9%	11.3%	12.0%
General Trade	16.7%	15.9%	15.3%	14.6%	16.0%
Transportation	0.8%	1.0%	1.1%	0.9%	0.8%
Tourism, Hotels & Restaurants	1.5%	1.6%	1.8%	1.7%	1.9%
Public Services	12.0%	14.3%	14.7%	13.4%	12.5%
Financial Services & Facilitations granted to financial institutions	2.2%	3.1%	3.3%	2.7%	2.5%
Financing granted to the investment of the shares	3.2%	2.5%	2.5%	2.1%	2.0%
Finance the purchase of cars	2.3%	2.5%	2.6%	2.6%	3.0%
Total Public Sector	35.7%	31.9%	28.5%	33.6%	31.0%
Financing for consuming purposes	2.8%	2.9%	3.4%	3.4%	3.7%
Others in the private sector	2.3%	4.3%	5.0%	4.3%	4.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Bank Credit by Economic Branch (excluding Total public sector and Public Services) (% of total)</b>					
Agriculture	3.8%	3.1%	3.0%	3.4%	3.5%
Manufacturing and Mining	15.8%	14.7%	14.6%	14.2%	14.2%
Real estate and Lands	20.0%	19.6%	21.0%	21.3%	21.3%
General Trade	31.9%	29.7%	26.9%	27.6%	28.3%
Tourism, Hotels & Restaurants	1.5%	1.9%	2.0%	1.8%	1.4%
Transportation	2.8%	2.9%	3.1%	3.2%	3.3%
Financial Services & Facilitations granted to financial institutions	4.2%	5.7%	5.8%	5.1%	4.4%
Financing granted to the investment of the shares	6.0%	4.6%	4.4%	4.0%	3.6%
Finance the purchase of cars	4.3%	4.6%	4.5%	4.9%	5.4%
Financing for consuming purposes	5.4%	5.3%	6.0%	6.4%	6.6%
Others in the private sector	4.3%	8.0%	8.7%	8.1%	7.9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Source: PMA					

Data on bank credit is another proxy indicator for economic progress and business confidence (increasing use of bank credit, particularly in the main productive sectors) or decline (decreasing use of bank credit). The Palestine Monetary Authority provides adjusted data once every three months. In relative terms, the data shows an increase in the use of credit. Bank credit to the public sector indicates decline of approximately 5.20% in Q2-2010 when compared with Q1-2010. (Please note the PMA has adjusted the indicators for bank credit by economic activities starting Q3-2008. Due to such significant changes in the methodology, current trends cannot be compared to those prior to 2008.)

Indicator	Baseline Q2 -00	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010
<b>Bank Credit</b>							
<b>Bank Credit by type ( million US\$)</b>							
Loans	512	1,159	1,339	1,500	1,565	1,874	1,926
Overdrafts	653	673	751	753	659	705	724
Leasing	0	10	10	7	8	8	8
BA & Discounted Bills	69	0	0	0	0	0	0
<b>Total</b>	<b>1,234</b>	<b>1,842</b>	<b>2,100</b>	<b>2,261</b>	<b>2,232</b>	<b>2,587</b>	<b>2,658</b>
<b>Bank Credit by type (as percentage of total)</b>							
Loans	41%	62.9%	63.8%	66.4%	70.1%	72.4%	72.5%
Overdrafts	53%	36.5%	35.8%	33.3%	29.5%	27.3%	27.2%
Leasing	0%	0.6%	0.5%	0.3%	0.3%	0.3%	0.3%
BA & Discounted Bills	6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Source: PMA							

Disaggregating bank credit by the type of credit, the data shows an increase in loans and overdrafts. Loans currently represent 72.5 % of all credit extended compared to only 41% in the *pre-Intifada* period.

Indicator	Baseline Q2-00	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010
<b>Bank Credit</b>							
<b>Bank Credit by borrowing entity (million US\$)</b>							
Businesses	752	1,020	1,099	1,216	1,269	1,370	1,501
Consumers	429	582	749	722	637	870	825
Public Services	52	240	252	323	328	347	332
<b>Total</b>	<b>1,234</b>	<b>1,842</b>	<b>2,100</b>	<b>2,261</b>	<b>2,234</b>	<b>2,587</b>	<b>2,658</b>
<b>Bank Credit by borrowing entity (as percentage of total)</b>							
Businesses	61%	55.4%	52.3%	53.8%	56.8%	53.0%	56.5%
Consumers	35%	31.6%	35.7%	31.9%	28.5%	33.6%	31.0%
Public Services	4%	13.0%	12.0%	14.3%	14.7%	13.4%	12.5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Source: PMA							

Disaggregating bank credit by borrowing entity shows that consumer lending has experienced decline of approximately 5.20 % in Q2 -2010 compared to Q1-2010.

Indicator	Baseline Q2-00	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010
<b>Bank Deposits (excluding deposits of the PMA and commercial banks)</b>							
<b>Distribution of Public sector deposits by depositor and type (million US\$)</b>							
<b>Public Institutions and Local Auth.</b>							
Current Accounts	17.3	57.9	65.1	81.6	78.2	78.9	74.7
Time Deposits	39.2	74.4	78.6	78.7	74.7	76.2	74.8
Sub-total	56.5	132.3	143.7	160.3	152.9	155.1	149.5
<b>Government</b>							
Current Accounts	37.6	243.2	199.5	275.4	232.6	310.9	300.5
Time Deposits	77.5	152.7	158.3	176.2	180.6	180.0	182.1
Sub-total	115.1	395.9	357.9	451.6	413.2	490.9	482.7
<b>Total Public sector deposits</b>	<b>171.6</b>	<b>528.1</b>	<b>501.6</b>	<b>612.0</b>	<b>566.1</b>	<b>646.0</b>	<b>632.1</b>
<b>Distribution of Private sector deposits by residency and type (million US\$)</b>							
<b>Residents</b>							
Current Accounts	746.5	1,704.2	1,794.5	2,014.3	1,890.2	1,975.1	1,936.1
Savings Accounts	440.4	1,366.9	1,474.4	1,535.4	1,608.3	1,632.7	1,639.6
Time Deposits	1,895.70	1,939.9	1,925.1	1,835.9	1,891.3	1,879.3	1,721.2
Sub-total	3,082.6	5,011.0	5,194.0	5,385.5	5,389.7	5,487.1	5,296.9
<b>Non-Residents</b>							
Current Accounts	3.3	100.7	139.9	162.8	152.1	167.3	222.9
Savings Accounts	2.4	31.1	40.5	51.1	61.5	69.2	86.8
Time Deposits	8.9	76.2	88.1	91.8	104.6	108.2	128.0
Sub-total	14.6	208.0	268.5	305.7	318.2	344.6	437.7
<b>Total Private sector deposits</b>	<b>3,097.2</b>	<b>5,219.0</b>	<b>5,462.5</b>	<b>5,691.2</b>	<b>5,708.0</b>	<b>5,831.8</b>	<b>5,734.6</b>
<b>Total Deposits (public and private)</b>	<b>3,268.8</b>	<b>5,747.1</b>	<b>5,964.1</b>	<b>6,303.2</b>	<b>6,274.1</b>	<b>6,477.8</b>	<b>6,366.7</b>
Source: PMA							

Bank deposits for the Q2- 2010 indicate a decline in public sector deposits of approximately 2.15% and a decline in private sector deposits of 1.67% compared with Q1- 2010.

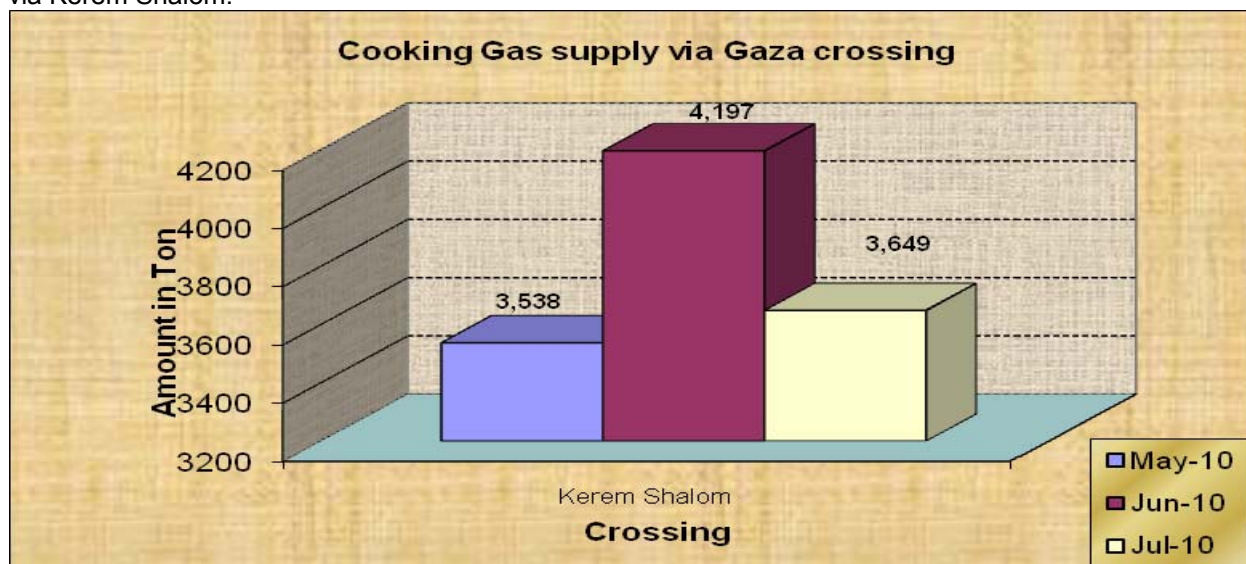
Indicator	Baseline Q2-00	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010	Q2-2010
<b>Value of Loans and Deposits (million US\$)</b>							
Total Loans	1,234	1,842	2,100	2,261	2,232	2,587	2,658
Total Deposits	3,328	6,165	6,390	6,687	6,655	6,935	6,685
Loans/Deposits (ratio)	<b>37.06%</b>	<b>29.88%</b>	<b>32.86%</b>	<b>33.81%</b>	<b>33.54%</b>	<b>37.30%</b>	<b>39.76%</b>
Source: PMA							

In a functioning economy, an increase in the loans versus deposits ratio is perceived as a positive sign, as monies are not saved but invested or consumed, each of which acts as a stimulant for the economy. Since September 2006, this ratio had steadily declined in the oPt signaling little optimism in the prospects for the Palestinian economy. However, Q2-2010 indicates an increase in total loans of approximately 2.77 %, and decline in total deposits of 3.60 % compared with Q1- 2010.

## IV. GAZA ECONOMIC ACCESS – JULY 2010

Indicator	Baseline Aug-00	Feb -2010	Mar -2010	Apr - 2010	May - 2010	June - 2010	July -2010
<b>Volume of registered fuel sales in the Gaza Strip (x 1000 liters/ton)</b>							
<b>volume of registered fuel sales in the Gaza Strip ( Nahal Oz Crossing )</b>							
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
<b>volume of registered fuel sales in the Gaza Strip ( Kerem Shalom )</b>							
Petrol (Liter)	0.0	112.6	0.0	64.7	45.3	79.5	76.4
Diesel (Liter)	0.0	377.3	0.0	393.3	0.0	569.2	341.1
White diesel (Liter)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
cooking gas (Ton)	0.0	2.9	3.8	3.3	3.5	4.2	3.6
Industrial Diesel (Liter)	0.0	6,291.5	5,446.5	5,276.1	4,527.1	3,553.7	4,707.6
Source: General Petroleum Corporation							

There was a significant decline in the amount of imported cooking gas, with 3,649 tonnes allowed in through Kerem Shalom, which represents an 13.06% decline compared to the volume allowed in June 2010). During the reporting period, 39,998 liters of petrol and 214,196 liters of diesel were imported for UNRWA, 36,440 liters of petrol for the private sector, and 90,500 liters of diesel for the World Bank. On 01 Jan 2010, Israel declared Nahal Oz fuel pipelines closed, with fuel being transferred to Gaza only via Kerem Shalom.



Indicator	Baseline Aug-00	Feb - 2010	Mar - 2010	Apr - 2010	May - 2010	June - 2010	July -2010
<b>Truck Loads Movement</b>							
<b>Al Montar/ Karni commercial crossing</b>							
Total Truck Loads Exports	992	0	0	0	0	0	0
Total Truck Loads Imports	2,923	549	785	693	736	764	796
<b>Karem Abu Salem / Kerem Shalom commercial crossing</b>							
Total Truck Loads Exports	0	28	34	5	0	0	0
Total Truck Loads Imports	0	1,555	1,728.5	1,717.5	1,914.5	2,199	2,984
<b>Sufa commercial crossing</b>							
Total Truck Loads Exports	0	0	0	0	0	0	0
Total Truck Loads Imports	4,384	0	0	0	0	0	0
<b>Nahel Oz commercial crossing (fuel)</b>							
Total Truck Loads Imports	904	0	0	0	0	0	0
<b>Karem Abu Salem / Kerem Shalom commercial crossing (fuel)</b>							
Total Truck Loads Imports	0	132	161	148	144	193	166
<b>Truckloads Imports Exclude Industrial Diesel supplies to power plant</b>							
Source: Baseline: Ministry of National Economy; General Petroleum Corporation							

July 2010 data indicates an increase in the total number of imported truckloads to the Gaza Strip by approximately 25%, compared to June 2010 (3,946 vs. 3,156). 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 8 days. 796 truckloads of animal feed (51.9%), and wheat (38.9%), and gravel (9.02% for UNRWA 151 Housing Units at Khan Yunis Project) entered Gaza via the conveyor belt. Of the 2,984 truckloads entering Gaza during the month through Karem Shalom (Karm Abu Salem), 443 (or 14.85%) were designated for humanitarian aid agencies and the remaining 2,541 (or 85.15%) were for the private sector. Food items made up the majority of imported goods (1,458.5 truckloads, or 49%) while 1,525.5 truckloads, or 51%, were for non food items.

