



SOCIO-ECONOMIC REPORT

FEBRUARY 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 six 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. 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 -FEBRUARY 2011

Key macroeconomic indicators					
Production		Q2/2000	Q3/2010	Q4/2010	Change in Q4/2010 (%)
GDP (constant 2004 prices, US\$ million)		a/	1,437 ^{b/}	1,477 ^{b/}	2.8 ^{b/}
GDP rate of change (year-on-year, constant 2004 prices, %)		a/	6.7 ^{b/}	8.5 ^{b/}	----
GDP per capita (annualized, constant 2004 prices, US\$)		a/	1,502 ^{b/}	1,533 ^{b/}	2.1 ^{b/}
Prices		Aug 2000	Jan 2011	Feb 2011	Year-on-year (Feb 2011)
Change in prices (CPI, %)	Total ^{c/}	-0.9	0.1	0.4	3.6
	East Jerusalem	-1.1	0.5	0.1	4.9
	West Bank	-0.6	-0.3	0.1	3.9
	Gaza Strip	-0.8	0.1	0.9	2.7
Labor market		Q2/2000	Q3/2010	Q4/2010	Change in Q4/2010 (%)
Labor force (thousands)	Total	706.2	966.9	1,001.2	3.5
	West Bank	483.8	658.0	686.5	4.3
	Gaza Strip	222.4	308.9	314.7	1.9
Unemployment rate (%)	Total	8.8	26.6	23.4	----
	West Bank	6.5	20.1	16.9	----
	Gaza Strip	13.8	40.5	37.4	----
Adjusted unemployment rate (%)	Total	18.5	33.3	29.9	----
	West Bank	15.8	26.6	23.5	----
	Gaza Strip	24.2	47.0	43.5	----
Public sector					
		Q2/2000	Q3/2010	Q4/2010	Change in Q4/2010 (%)
Government total net revenue (cash basis, US\$ million)		a/	522.2	438.9	-16.0
Government wage expenditure (cash basis, US\$ million)		a/	373.8	423.3	13.2
Government non-wage expenditure (cash basis, million)		a/	258.0	334.2	29.5
Government net lending (cash basis, US\$ million)		a/	59.0	46.3	-21.5
Government balance (cash basis, US\$ million)		a/	-262.4	-441.3	68.2
External budget support (US\$ million)		a/	177.9	443.4	149.2
Banking sector					
		Q2/2000	Q3/2010	Q4/2010	Change in Q4/2010 (%)
Bank credit (US\$ million)		1,234	2,852	2,887	1.2
Bank deposits (US\$ million)		3,328	7,050	7,246	2.8
Loan-to-deposit ratio (%)		37.1	40.5	39.9	----
Private sector					
		Aug 2000	Jan 2011	Feb 2011	Change in Feb 2011 (%)
New company registrations	Total	231	162	172	6.2
	West Bank	137	119	135	13.4
	Gaza Strip	94	43	37	-14.0
Area licensed for new construction (thousand m ²)	Total	530.3	320.2	407.4	27.2
	West Bank	345.7	225.9	396.4	75.5
	Gaza Strip	184.6	94.3	11.0	-88.3
Gaza Strip					
Truck movement		Aug 2000	Jan 2011	Feb 2011	Change in Feb 2011 (%)
Gaza Strip imports (trucksloads) ^{d/}	Karni (conveyor belt/chute)	4,373	1,005	1,050	4.5
	Sufa	4,384	0	0	0.0
	Rafah	953	0	0	0.0
	Kerem Shalom	0	2,978	3,045	2.2
	Kerem Shalom (fuel)	0	140	107	-23.6
	Nahal Oz	904	0	0	0.0
Gaza Strip exports (trucksloads) ^{d/}	Karni	2,460	0	0	0.0
	Kerem Shalom	0	107	52	-51.4
Closure		Aug 2000	Complete closure-Feb 2011	Partial closure-Feb 2011	
Effective closure days (%)	Karni (conveyor belt)	0	50	50	
	Kerem Shalom	n.a.	17	0	
	Nahal Oz (fuel)	0	100	0	
	Sufa (aggregates)	0	100	0	
	Rafah (commercial)	0	100	0	
	Rafah (passenger)	0	57	43	

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.

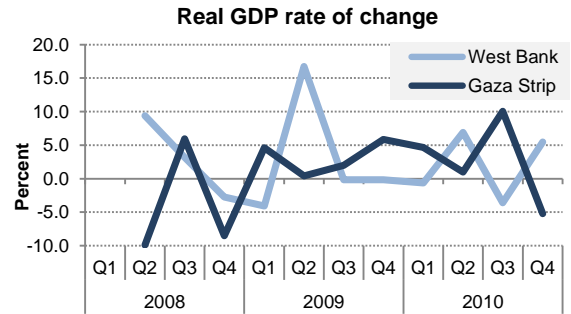
c/ Includes data for occupied East Jerusalem.

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

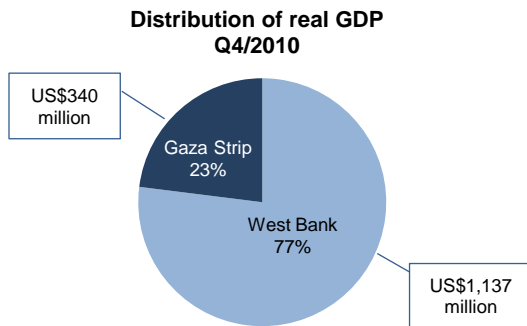
II. MACRO-ECONOMIC SITUATION

II.a Production

Real GDP grew by 2.8% in Q4/2010, bringing the annual growth rate to 9.3%. The recent economic growth was experienced only in the West Bank, however, where real GDP was 5.5% higher in Q4 than in Q3. In the Gaza Strip, on the other hand, real GDP fell by 5.2% during the quarter, ending an almost 2-year period of expansion. Still, at 15.1% the overall annual growth rate in Gaza was much higher than in the West Bank, where real GDP grew by 7.6% in 2010 compared to 2009.



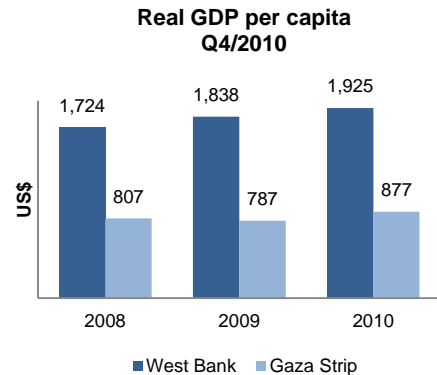
Source: PCBS, Preliminary Estimates of Quarterly National Accounts (Q4/2010).
Note: Base year is 2004.



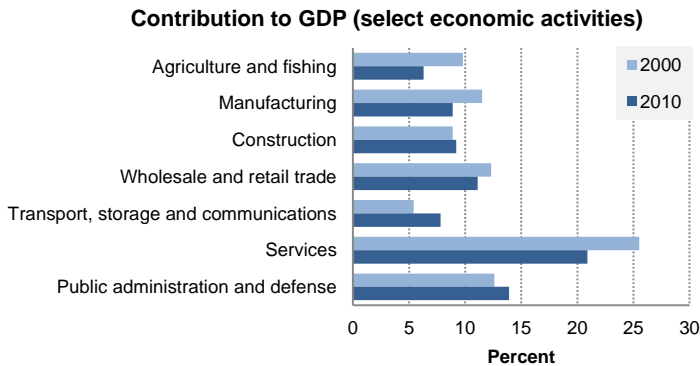
Despite the high growth observed after 2008, the Gaza economy is relatively small and contributes only around a fourth of total GDP.

Source: PCBS, Preliminary Estimates of Quarterly National Accounts (Q4/2010).
Note: Base year is 2004.

The disparities between the West Bank and the Gaza Strip become strikingly clear when the size of the population is taken into account. Although real GDP per capita has increased in both regions in the last years, in Gaza it remains less than half the real GDP per capita in the West Bank.



Source: PCBS, Preliminary Estimates of Quarterly National Accounts (Q4/2010).
Note: Base year is 2004.



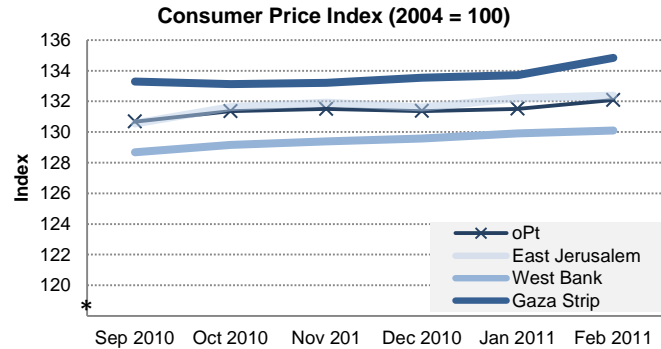
Source: PCBS, Preliminary Estimates of Quarterly National Accounts (Q4/2010).

The relative size of services has shrunk in the last ten years but it continues to be the most important sector in the economy, contributing 21% to GDP in 2010. This sector is followed by public administration and defense (14%), and wholesale and retail trade (11%).

In spite of its decreasing relative size over time, agriculture and fishing was the most dynamic sector in Q4/2010, expanding its gross value added by 36%. Construction saw the biggest decline in Q4/2010, 6%.

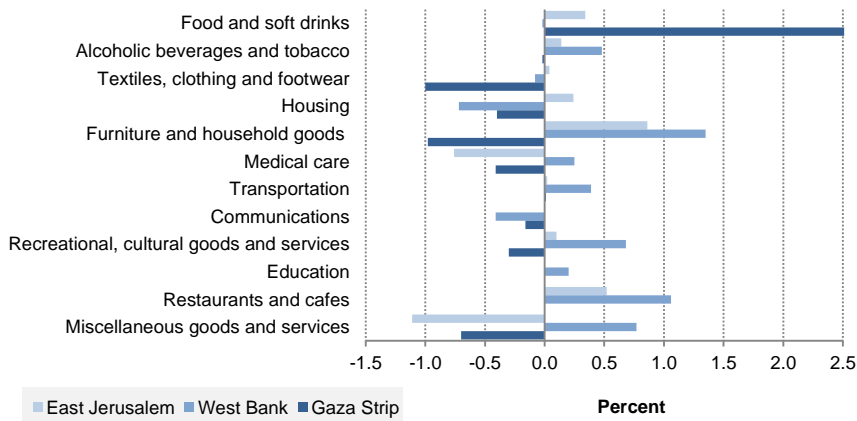
II.b Prices

The Consumer Price Index (CPI), used to measure inflation, reflects an increase of 0.4% in prices in February 2011 compared to the previous month, but an inflation rate of 3.6% in the year since February 2010. Year-on-year inflation was highest in East Jerusalem (4.9%), followed by the West Bank (3.9%). The greatest price rises were felt in the following sectors: food and soft drinks, restaurants, cafes and hotels. The biggest drops were in miscellaneous goods and services and medical care.



Source: PCBS.

**Change in Consumer Price Index by major expenditure groups
February 2011**



Source: PCBS.

In the Gaza Strip the CPI increased by 0.8% during the month of February, pushed by a rise of 2.5% in the price of food and soft drinks. The most significant decline in prices in Gaza during the month was in textiles, clothing and footwear, followed by furniture and household goods.

II.c Exchange rates

Both the NIS and the JOD fell against the euro in February 2011. The NIS also fell against the US dollar, while the JOD's exchange rate to the US dollar is constant at 0.71.

Average monthly exchange rates

	Aug 2000	Sept 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
NIS to US\$	4.05	3.74	3.61	3.64	3.60	3.58	3.66
NIS to euro	3.66	4.89	5.02	4.98	4.77	4.79	4.99
JOD to US\$	0.71	0.71	0.71	0.71	0.71	0.71	0.71
JOD to euro	0.64	0.93	0.99	0.97	0.94	0.95	0.97

Source: Bank of Israel and Central Bank of Jordan.

II.d Labor market

Labor force participation increased in absolute and relative terms in both the West Bank and the Gaza Strip in Q4/2010.

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

	Q2/2000	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
West Bank	45.3 (483.8)	43.7 (644.8)	44.1 (656.9)	43.2 (649.0)	43.9 (666.3)	43.0 (658.0)	44.5 (686.5)
Gaza Strip	40.1 (222.4)	37.7 (310.6)	36.9 (306.6)	36.3 (304.9)	37.0 (314.1)	36.0 (308.9)	36.3 (314.7)
oPt	43.5 (706.2)	41.6 (955.4)	41.5 (963.5)	40.7 (953.9)	41.5 (980.4)	40.5 (966.9)	41.5 (1001.2)

Source: PCBS, Labor Force Surveys.

A total of 69% of workers are wage employees, and only 6% are employers. The self-employed and unpaid family member categories absorb 18% and 8% 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	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Employer	4	7	7	6	7	6	6
Self-employed	19	19	21	20	19	19	18
Wage employee	68	67	65	67	67	69	69
Unpaid family member	9	8	8	7	8	6	8
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 net wages continue to be considerably higher for women than for men in Gaza, but the opposite is observed in the West Bank. Still, women’s wages in Gaza are about 80% their average in the West Bank. In the case of men, their wages in Gaza are 65% the West Bank average, and this disparity between the two regions is growing over time.

Average daily net wage (NIS)

	Q2/2000	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
West Bank	69.4	87.5	85.6	85.7	84.1	86.6	86.8
Females	^{a/}	81.5	83.1	80.0	76.4	80.9	83.0
Males	73.1	88.9	86.3	87.1	86.4	87.6	87.9
Gaza Strip	54.3	62.1	62.3	56.9	58.1	58.0	59.5
Females	^{a/}	74.0	68.3	60.8	60.5	70.3	67.2
Males	54.9	60.1	60.7	56.1	57.6	56.4	58.0
oPt ^{b/}	79.0	80.7	79.2	77.3	76.9	78.7	78.9
Females	^{a/}	79.8	79.4	75.2	72.9	78.5	79.7
Males	82.3	80.9	79.2	77.8	77.9	78.8	78.7

Source: PCBS, Labor Force Surveys.

a/ Data not available.

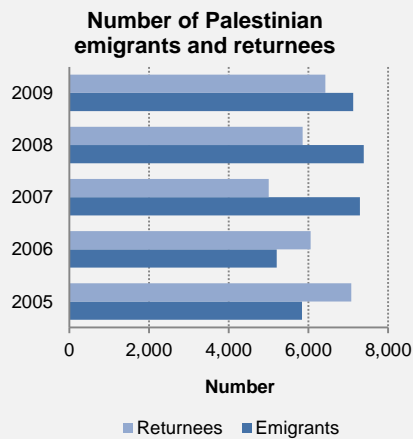
b/ Includes those employed in Israel and settlements.

Unemployment in oPt remains high at 23.4%. Q4/2010, however, saw a decrease in the unemployment rate, most notably in the West Bank. In both the West Bank and the Gaza Strip, the level of unemployment remains more than 2.5 times higher than it was in Q2/2000. (See Table A2. in Annex A for further details.)

Migration patterns in oPt

The upward trend in emigration from oPt was reversed in 2009, when a total of 7,122 persons left oPt to settle elsewhere (excluding whole families who have emigrated). About 40% of these emigrants are women, and 33% are aged between 15 and 29 years of age. The emigrants have, in general, a good level of formal education: 36% hold a bachelor's degree or higher, and 36% have secondary education. Common destinations for these Palestinians are Jordan, the United States and the countries in the Gulf. Studies was the reason to emigrate for 34% of them, whereas the improvement of living conditions motivated around 15%, and the lack of job opportunities in oPt was the reason in about 14% of the cases.

Thirteen percent of Palestinians in oPt aged 15 to 59 years express the desire to emigrate. Of these, 39% wish to do so to improve living conditions and 15% due to lack of job opportunities. In the Gaza Strip, 14% of those wishing to emigrate are motivated by the lack of security.



The number of Palestinian returnees has been rising rapidly since 2007, reaching a total of 6,426 in 2009. Thirty-six percent of them are in the 15-to-29-year age group, and most of them come from Jordan and the Gulf countries.

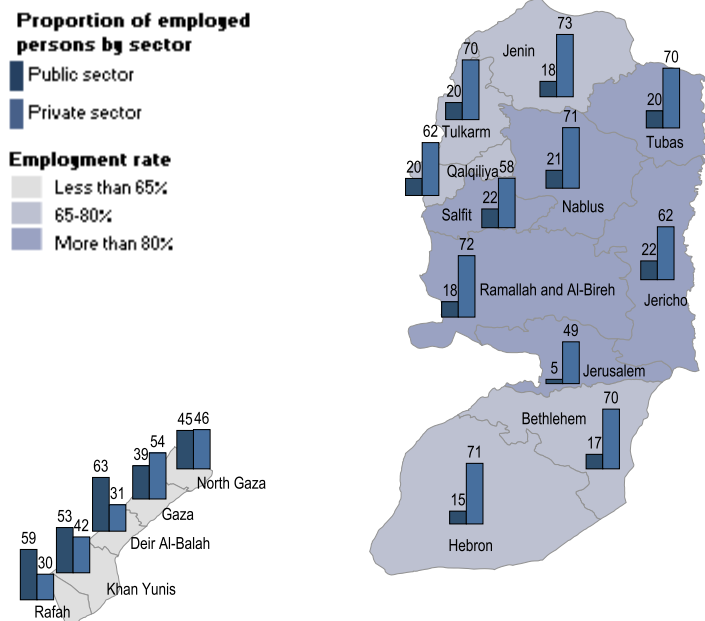
Source: PCBS, Migration Survey in the Palestinian Territory, 2010.

Regional differences are marked, with the rate in Gaza (37.4%) about double the rate in the West Bank (16.9%). The highest unemployment rates in the West Bank are observed in Bethlehem (22.4%) and Hebron (22.3%). In the case of Gaza, the highest rates are found in Khan Yunis (50.6%) and Rafah (40.7%).

In fact, all governorates in the Gaza Strip have employment rates below 65%. Employment in the governorates in the north and south of the West Bank is between 65% and 80% of the labor force. Only those governorates in the central area of the West Bank employ more than 80% of their labor force.

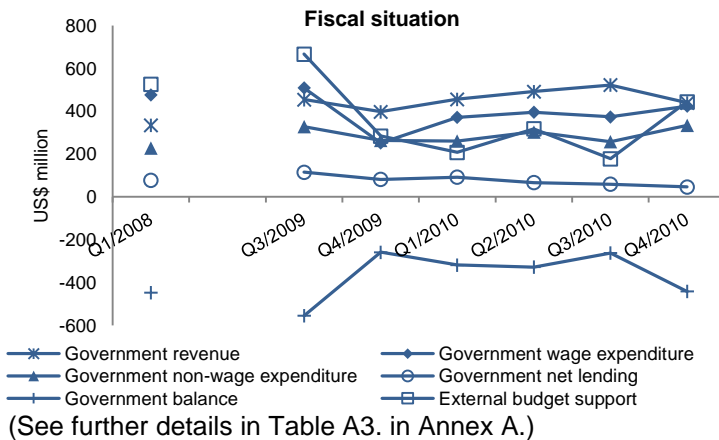
The distribution of employment by sector also reveals interesting intra-governorate differences. In particular, it is observed that the private sector is a more important employer than the public sector in the West Bank, but a different situation is observed in the Gaza Strip. In Deir Al-Balah governorate, for example, 63% of workers are employed in the public sector, followed by Rafah with 59%.

Labor force and unemployment rate Q4/2010



Source: PCBS, Labor Force Survey.
 Note: The boundaries and the names shown and the designations used on the map do not imply official endorsement or acceptance by the UN.

III. PUBLIC SECTOR

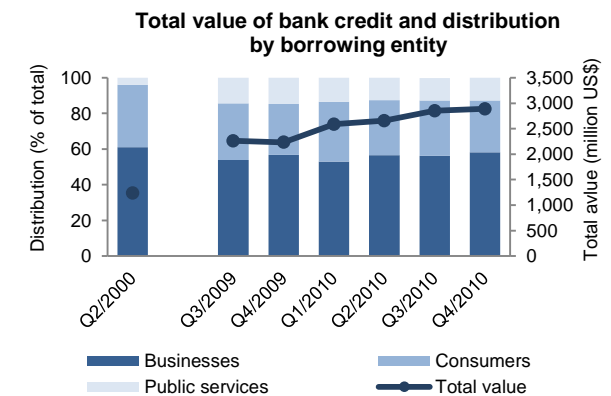


Source: Ministry of Finance.

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, most of which is destined to businesses, followed by consumers. The distribution of credit by borrowing entity has not shown major changes in the last quarters.

Source: PMA.



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

	Q2/2000	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Loans	41.0 (512)	66.4 (1,500)	70.1 (1,565)	72.4 (1,874)	72.5 (1,926)	70.1 (1,999)	66.8 (1,986)
Overdrafts	53.0 (653)	33.3 (753)	29.5 (659)	27.3 (705)	27.2 (724)	29.6 (845)	30.9 (893)
Leasing	0.0 (0)	0.3 (7)	0.3 (8)	0.3 (8)	0.3 (8)	0.3 (8)	0.3 (8)
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 (2,261)	100.0 (2,232)	100.0 (2,587)	100.0 (2,658)	100.0 (2,852)	100.0 (2,887)

Source: PMA.

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

Most of bank credit is in the form of loans, and their relative weight as a proportion of total bank credit grew over time until Q2/2010, as that of overdrafts falls. (See further details in Tables A4. and A5. in Annex A.)

Q4/2010 saw an increase of close to 3% 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 declined by almost 30% in Q4, following a sharp fall of 44% in Q3/2010. The proportion of public sector deposits in total deposits doubled to 10% between Q2/2000 and Q4/2010. Similarly, the proportion of government deposits in total public sector deposits has grown notably over time.

Distribution of bank deposits (in million US\$)

	Q2/2000	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Public institutions and local authorities	56.5	160.3	152.9	155.1	149.5	155.2	159.2
Government	115.1	451.6	413.2	490.9	482.7	484.8	534.1
Total public sector deposits	171.6	612.0	566.1	646.0	632.1	640.0	693.3
Residents	3,082.6	5,385.5	5,389.7	5,487.1	5,296.9	5,728.2	5,947.6
Non-residents	14.6	305.7	318.2	344.6	437.7	243.3	171.9
Total private sector deposits	3,097.2	5,691.2	5,708.0	5,831.8	5,734.6	5,971.5	6,119.5
Total deposits (public and private sectors)	3,268.8	6,303.2	6,274.1	6,477.8	6,366.7	6,611.5	6,812.9

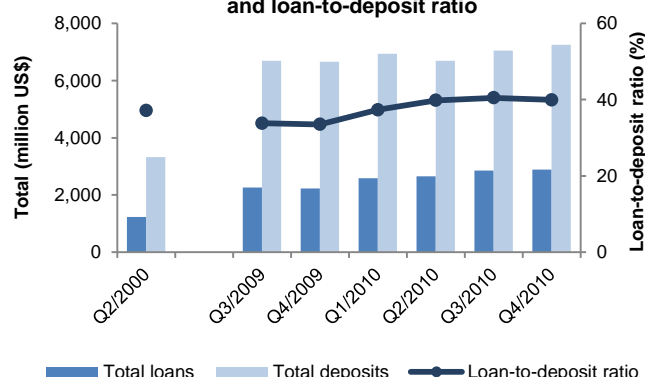
Source: PMA

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 decreased in Q4/2010 as deposits grew faster than loans. (See further details in Table A7. in Annex A.)

Total bank loans total bank deposits and loan-to-deposit ratio

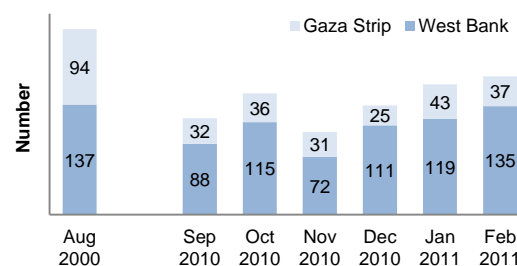


Source: PMA.

V. PRIVATE SECTOR

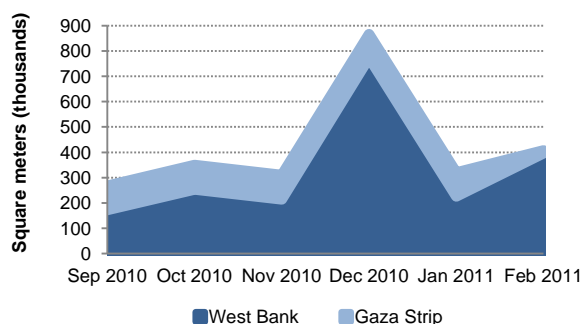
The number of new companies registered in the West Bank in February increased by 13% compared to January 2011. However, when compared to pre-Intifada registrations this number is marginally lower. For Gaza, data identify 37 new registered companies in February 2011, 14% less than in January 2011, and 60% below the pre-intifada level. (See further details in Table A8. in Annex A.)

Number of new company registrations



Source: Ministry of National Economy.

Area licensed for new construction



The area licensed for new construction can be used as a proxy for economic vitality. February 2011 data show a sharp rise of 75% in the area licensed for new construction in the West Bank compared to the previous month, a level 15% higher than the one observed in August 2000. In the Gaza Strip, there was an 88% drop in the area licensed for new construction in February 2011. (See further details in Table A9. in Annex A.)

Source: Engineering Offices and Consulting Firms.

Data on the Palestinian stock exchange are used as a proxy of Palestinian perceptions vis-à-vis the state of the national economy. Data for February 2011 show a decrease of approximately 14% in the number of stocks traded and a small decrease of 1% in the value of shares traded. The Al-Quds index fell by 1% in February.

Securities trade

	Aug 2000	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
Number of shares traded (million)	7.00	12.2	18.0	9.9	18.8	17.6	15.1
Value of shares traded (million US\$)	13.0	27.0	21.6	33.5	44.0	28.2	27.8
Al-Quds index	265.23	503.74	491.48	480.88	489.60	489.50	482.16

Source: Palestine Securities Exchange.

VI. GAZA STRIP

There was a significant decline in the amount of cooking gas imported in Gaza in February 2011, with 2,280 tons allowed in through Kerem Shalom (Karm Abu Salem). This represents a 25% reduction compared to the volume allowed in January 2011. During the reporting period, 40,000 liters of petrol and 127,810 liters of diesel were imported for UNRWA, and 45,000 liters of petrol and 123,010 liters diesel for the private sector.

Volume of registered fuel sales in the Gaza Strip

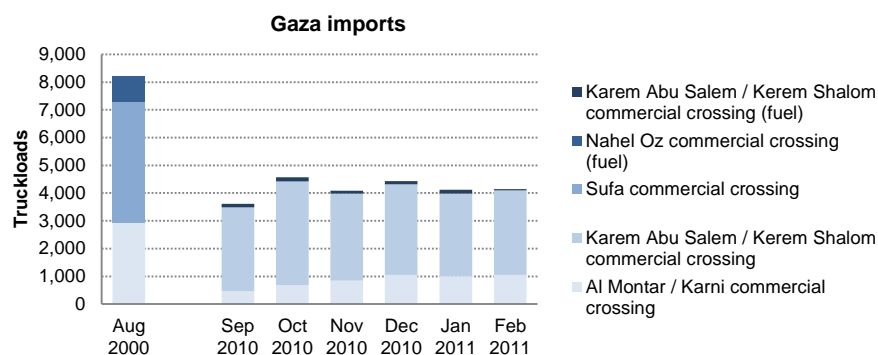
	Aug 2000	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
	Nahal Oz	Kerem Shalom					
Petrol (1000 liter)	3,188.9	31.0	78.5	125.3	0.0	138.6	85.0
Diesel (1000 liter)	11,343.0	0.0	370.0	246.3	135.0	251.8	260.8
White diesel (1000 liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (1000 ton)	1.9	2.9	3.2	2.2	2.7	3.1	2.3
Industrial diesel (1000 liter)	n.a	8,239.8	8,152.9	5,931.9	4,644.1	720.0	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.

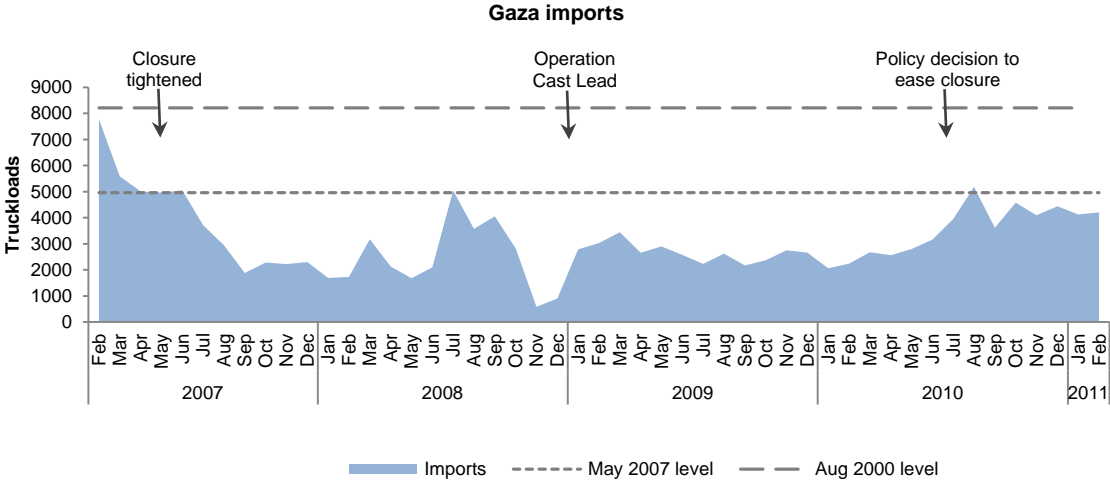
The level of imports into Gaza did not vary much in February 2011. Data for the month indicate that the total number of truckloads imported into the Gaza Strip increased by 2% compared to January 2011. (See further details in Table A10. in Annex A.)

Source: UNSCO.



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 11 days during February 2011. One thousand fifty truckloads of animal feed, wheat and gravel for UNRWA, UNDP and the Coastal Municipalities Water Utility entered Gaza via the conveyor belt. Of the 3,045 truckloads entering Gaza through Karem Shalom during the month, 2,521 (83%) were for the private sector and the remaining 524 (17%) were designated for humanitarian aid agencies. Food items made up 43% of imported goods (1,320 truckloads), while 57% of imports (1,725 truckloads) were non-food items.

Following the June 2010 decision to ease the closure of Gaza, monthly import levels have fluctuated between roughly 3,900 and 5,200 truckloads. On average, imports have grown by 6% per month since June 2010, which has not been enough to bring total imports to the level observed before the closure was tightened in 2007. In February 2011 imports were only about 85% of the May 2007 level and only 50% of the August 2000 level.



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 expand the number and range of exports permitted from Gaza. According to this announcement, allowed exports now include agricultural produce, furniture, textiles, and light industrial products.

Gaza exports			
	Total number of trucks	Goods	Destinations
December 2010	99	Strawberries (91 trucks/171.1 tons)	Europe
		Carnations (7 trucks/996,000 stems)	West Bank
		Vegetables (1 truck)	
January 2011	107	Strawberries (88 trucks/167.6 tons)	Europe
		Carnations (17 trucks/2,762,000 stems)	West Bank
		Sweet peppers (2 trucks/5 tons)	
February 2011	52	Strawberries (27 trucks/53.2 tons)	Europe
		Carnations (25 trucks/4,054,000 stems)	

Source: UNSCO

In February 2011 Gaza was able to export strawberries and flowers to Europe. In total, 27 trucks of strawberries (53.2 tons) and 25 trucks of carnations (4,054,000 stems) were exported via the Kerem Shalom crossing. This represents less than half the January 2011 export level.

ANNEX A: Statistical reference tables

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

	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
oPt (including occupied East Jerusalem)						
Food and soft drinks	148.3	149.5	148.9	148.2	147.0	148.5
Alcoholic beverages and tobacco	158.6	158.6	158.6	158.7	159.4	159.8
Textiles, clothing and footwear	109.5	110.0	111.5	111.9	111.9	111.7
Housing	126.5	127.3	128.0	128.2	129.5	129.4
Furniture, household goods	114.9	115.4	115.6	115.7	116.3	116.7
Medical care	114.8	114.9	115.2	115.8	116.0	115.7
Transportation	120.5	120.7	121.6	121.8	125.3	125.5
Communications	106.9	106.8	106.8	106.9	106.9	106.7
Recreational, cultural goods & services	103.1	103.1	103.5	103.3	103.5	103.6
Education	110.8	110.8	110.8	110.8	110.9	111.0
Restaurants and cafes	136.7	137.1	138.6	139.3	140.7	141.6
Miscellaneous goods and services	121.6	122.1	122.8	123.1	122.7	122.1
All items of consumer price index	130.7	131.4	131.5	131.4	131.5	132.1
East Jerusalem						
Food and soft drinks	150.3	152.7	152.0	150.7	149.2	149.8
Alcoholic beverages and tobacco	155.9	155.9	155.9	156.0	156.9	157.1
Textiles, clothing and footwear	116.9	117.8	120.6	119.9	120.8	120.8
Housing	120.4	120.7	121.0	121.2	121.7	122.0
Furniture, household goods	109.4	110.2	110.6	111.2	112.1	113.0
Medical care	123.0	123.2	123.8	124.7	124.4	123.5
Transportation	127.9	128.6	129.6	129.5	135.8	135.8
Communications	103.3	103.1	103.1	103.1	103.0	103.0
Recreational, cultural goods & services	108.0	108.1	108.9	108.6	109.5	109.6
Education	112.9	112.9	112.9	112.9	112.9	112.9
Restaurants and cafes	147.3	147.9	149.1	151.7	152.2	153.0
Miscellaneous goods and services	115.0	115.2	116.0	116.6	117.4	116.1
All items of consumer price index	130.6	131.6	131.9	131.6	132.2	132.4
West Bank						
Food and soft drinks	146.1	147.0	146.7	146.8	145.9	145.9
Alcoholic beverages and tobacco	160.0	160.0	160.0	160.0	160.6	161.4
Textiles, clothing and footwear	96.4	96.6	98.1	97.9	97.8	97.7
Housing	134.8	135.8	136.5	136.6	139.0	138.0
Furniture, household goods	99.8	99.2	99.3	99.7	100.1	101.5
Medical care	111.4	111.4	111.2	112.7	112.7	113.0
Transportation	117.5	117.5	118.6	118.9	122.7	123.2
Communications	107.8	107.8	107.8	108.1	108.0	107.6
Recreational, cultural goods & services	92.3	92.4	92.6	92.1	92.9	93.5
Education	107.0	107.0	107.0	107.0	107.2	107.5
Restaurants and cafes	131.1	131.4	133.6	134.2	135.3	136.7
Miscellaneous goods and services	126.8	127.2	128.1	127.9	127.7	128.7
All items of consumer price index	128.7	129.2	129.4	129.6	129.2	130.1
Gaza Strip						
Food and soft drinks	151.4	150.2	149.9	150.1	149.9	153.7
Alcoholic beverages and tobacco	156.6	156.6	156.6	156.8	157.2	157.2
Textiles, clothing and footwear	113.7	114.5	115.5	117.6	117.5	116.3
Housing	121.3	123.0	124.1	124.8	126.1	125.6
Furniture, household goods	141.6	141.5	141.5	140.9	140.9	139.6
Medical care	98.2	98.4	98.6	98.6	99.4	99.0
Transportation	126.0	126.0	126.6	126.9	127.8	127.9
Communications	105.5	105.5	105.5	105.6	105.6	105.4
Recreational, cultural goods & services	101.3	101.4	101.2	101.2	100.5	100.2
Education	107.6	107.6	107.6	107.6	107.6	107.6
Restaurants and cafes	151.6	151.9	151.9	152.6	156.4	156.4
Miscellaneous goods and services	123.9	124.6	125.0	125.2	123.8	123.0
All items of consumer price index	133.3	133.1	133.2	133.6	133.7	134.8

Source: PCBS.

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

	Q2/2000	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
oPt							
Unemployment	8.8	25.8	24.8	22.0	22.9	26.6	23.4
Adjusted unemployment	18.5	31.4	30.2	28.0	28.6	33.3	29.9
West Bank							
Unemployment	6.5	17.8	18.1	16.5	15.5	20.1	16.9
Adjusted unemployment	15.8	23.7	23.5	22.4	21.1	26.6	23.5
Gaza Strip							
Unemployment	13.8	42.3	39.3	33.9	39.3	40.5	37.4
Adjusted unemployment	24.2	47.1	44.3	39.7	44.3	47.0	43.5

Source: PCBS, Labor Force Surveys.

Table A3.
Fiscal indicators (million US\$)

	Q1/2008	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Government revenue	334.9	453.9	397.3	455.8	491.3	522.2	438.9
Government wage expenditure	476.5	509.0	251.8	371.2	395.4	373.8	423.3
Government non-wage expenditure	228.8	327.9	264.0	260.8	303.0	258.0	334.2
Government net lending	77.5	115.3	81.2	91.5	66.7	59.0	46.3
Government balance	-447.9	-555.2	-258.3	-318.4	-327.8	-262.4	-441.3
External budget support	525.6	666.4	284.2	207.6	317.6	177.9	443.4

Source: Ministry of Finance.

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

Table A4.
Bank credit by borrowing entity

	Q2/2000	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Total value (million US\$)							
Businesses	752	1,216	1,269	1,370	1,501	1,604	1,681
Consumers	429	722	637	870	825	885	837
Public services	52	323	328	347	332	363	369
Total	1,234	2,261	2,234	2,587	2,658	2,852	2,888
Relative distribution (% of total)							
Businesses	61.0	53.8	56.8	53.0	56.5	56.2	58.2
Consumers	35.0	31.9	28.5	33.6	31.0	31.0	29.0
Public services	4.0	14.3	14.7	13.4	12.5	12.7	12.8
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

	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Total (in million US\$)						
Total public sector	722	637	870	825	885	837
Total private sector	1,538	1,597	1,718	1,834	1,966	2,051
<i>Agriculture and food processing</i>	37	39	47	53	57	66
<i>Manufacturing and mining</i>	179	185	194	213	235	240
<i>Real estate, construction and land</i>	238	266	292	320	319	335
<i>Local and foreign trade</i>	360	341	379	425	470	487
<i>Transportation</i>	23	25	24	22	23	27
<i>Tourism, hotels, restaurants and others</i>	35	39	44	50	53	67
<i>Financial services</i>	69	73	70	66	66	55
<i>Public services</i>	323	328	347	332	363	369
<i>Investment in securities and financial tools</i>	56	56	54	54	53	52
<i>Cars and vehicles</i>	56	57	68	81	92	102
<i>Consumption</i>	65	77	88	99	107	118
<i>Other private sector</i>	97	111	111	119	128	132
Total	2,261	2,234	2,587	2,658	2,852	2,888
Total excluding total public sector and public services	1,216	1,269	1,370	1,501	1,604	1,681
Relative distribution (% of total)						
Total public sector	31.9	28.5	33.6	31.0	31.0	29.0
Total private sector	68.1	71.5	66.4	69.0	69.0	6.3
<i>Agriculture and food processing</i>	1.6	1.7	1.8	2.0	2.0	15.5
<i>Manufacturing and mining</i>	7.9	8.3	7.5	8.0	8.2	0.5
<i>Real estate, construction and land</i>	10.5	11.9	11.3	12.0	11.2	1.8
<i>Local and foreign trade</i>	15.9	15.3	14.6	16.0	16.5	2.5
<i>Transportation</i>	1.0	1.1	0.9	0.8	0.8	3.7
<i>Tourism, hotels, restaurants and others</i>	1.6	1.8	1.7	1.9	1.9	0.2
<i>Financial services</i>	3.1	3.3	2.7	2.5	2.3	0.5
<i>Public services</i>	14.3	14.7	13.4	12.5	12.7	0.4
<i>Investment in securities and financial tools</i>	2.5	2.5	2.1	2.0	1.9	2.8
<i>Cars and vehicles</i>	2.5	2.6	2.6	3.0	3.2	0.4
<i>Consumption</i>	2.9	3.4	3.4	3.7	3.8	0.8
<i>Other private sector</i>	4.3	5.0	4.3	4.5	4.5	4.6
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	3.1	3.0	3.4	3.5	3.5	3.9
Manufacturing and mining	14.7	14.6	14.2	14.2	14.6	14.2
Real estate, construction and land	19.6	21.0	21.3	21.3	19.9	19.9
Local and foreign trade	29.7	26.9	27.6	28.3	29.3	29.0
Transportation	1.9	2.0	1.8	1.4	1.4	1.6
Tourism, hotels, restaurants and others	2.9	3.1	3.2	3.3	3.3	4.0
Financial services	5.7	5.8	5.1	4.4	4.1	3.3
Investment in securities and financial tools	4.6	4.4	4.0	3.6	3.3	3.1
Cars and vehicles	4.6	4.5	4.9	5.4	5.7	6.1
Consumption	5.3	6.0	6.4	6.6	6.7	7.0
Other private sector	8.0	8.7	8.1	7.9	8.0	7.9
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	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Public sector deposits							
Public institutions and local authorities							
Current accounts	17.3	81.6	78.2	78.9	74.7	79.4	82.6
Time deposits	39.2	78.7	74.7	76.2	74.8	75.8	76.6
<i>Sub-total public institutions and local authorities</i>	<i>56.5</i>	<i>160.3</i>	<i>152.9</i>	<i>155.1</i>	<i>149.5</i>	<i>155.2</i>	<i>159.2</i>
Government							
Current accounts	37.6	275.4	232.6	310.9	300.5	296.5	340.9
Time deposits	77.5	176.2	180.6	180.0	182.1	188.3	193.2
<i>Sub-total government</i>	<i>115.1</i>	<i>451.6</i>	<i>413.2</i>	<i>490.9</i>	<i>482.7</i>	<i>484.8</i>	<i>534.1</i>
Total public sector deposits	171.6	612.0	566.1	646.0	632.1	640.0	693.3
Private sector deposits							
Residents							
Current accounts	746.5	2,014.3	1,890.2	1,975.1	1,936.1	2,171.3	2,198.6
Savings accounts	440.4	1,535.4	1,608.3	1,632.7	1,639.6	1,743.2	1,802.1
Time deposits	1,895.7	1,835.9	1,891.3	1,879.3	1,721.2	1,813.8	1,947.0
<i>Sub-total residents</i>	<i>3,082.6</i>	<i>5,385.5</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>
Non-residents							
Current accounts	3.3	162.8	152.1	167.3	222.9	119.1	59.2
Savings accounts	2.4	51.1	61.5	69.2	86.8	44.0	42.1
Time deposits	8.9	91.8	104.6	108.2	128.0	80.1	70.6
<i>Sub-total non-residents</i>	<i>14.6</i>	<i>305.7</i>	<i>318.2</i>	<i>344.6</i>	<i>437.7</i>	<i>243.3</i>	<i>171.9</i>
Total private sector deposits	3,097.2	5,691.2	5,708.0	5,831.8	5,734.6	5,971.5	6,119.5
Total deposits (public and private sectors)	3,268.8	6,303.2	6,274.1	6,477.8	6,366.7	6,611.5	6,812.9

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	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010
Total loans (US\$ million)	1,234	2,261	2,232	2,587	2,658	2,852	2,887
Total deposits (US\$ million)	3,328	6,687	6,655	6,935	6,685	7,050	7,246
Loan-to-deposit ratio (%)	37.1	33.8	33.5	37.3	39.8	40.5	39.9

Source: PMA.

Table A8.
Number of new company registrations by legal status

	Aug 2000	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
West Bank							
Private	42	33	35	24	34	48	60
Private limited	95	53	77	46	71	69	72
Public limited	0	0	1	0	0	0	0
Foreign	0	2	1	1	2	1	2
Non-profit	0	0	1	1	4	1	1
Total	137	88	115	72	111	119	135
Gaza Strip							
Private	81	9	15	14	8	18	16
Private limited	12	23	21	17	17	25	21
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	94	32	36	31	25	43	37

Source: Ministry of National Economy.

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

	Aug 2000	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2011
West Bank							
Ramallah, Al-Bireh and Jerusalem		62,232	76,858	58,940	272,753	55,238	101,998
Nablus		40,429	56,690	53,458	170,220	37,247	36,549
Tulkarm		19,813	21,873	19,007	78,610	16,793	23,947
Hebron		20,797	46,670	38,710	149,730	72,254	189,184
Bethlehem		13,905	26,577	18,307	53,683	20,828	8,165
Jenin		14,558	23,434	19,875	34,148	22,855	32,340
Qalqilya		752	1,322	5,930	14,185	677	4,239
Salfit		0	0	0	0	0	0
Total	345,685	172,486	253,424	214,227	773,329	225,892	396,422
Gaza Strip							
Northern District	27,902	21,320	23,250	20,880	18,750	21,240	2,630
Gaza	50,116	25,200	23,870	21,745	20,545	24,330	2,880
Al Wastah	15,984	11,480	12,180	14,510	16,560	15,070	1,750
Khan Younis	51,146	24,790	22,560	23,240	20,820	18,740	2,050
Rafah	39,429	12,680	14,490	15,670	16,325	14,880	1,645
Gaza Strip Total	184,577	95,470	96,350	96,045	93,000	94,260	10,955

Source: Engineering Offices and Consulting Firms.

Table A10.
Gaza truckload movement

	Aug 2000	Sep 2010	Oct 2010	Nov 2010	Dec 2010	Jan 2011	Feb 2010
Al Montar / Karni commercial crossing							
Truckloads exports	992	0	0	0	0	0	0
Truckloads imports	2,923	461	680	850	1,054	1,005	1,050
Karem Abu Salem / Kerem Shalom commercial crossing							
Truckloads exports	0	0	0	4	99	107	52
Truckloads imports	0	3,029	3,744	3,136	3,260	2,978	3,045
Sufa commercial crossing							
Truckloads exports	0	0	0	0	0	0	0
Truckloads imports	4,384	0	0	0	0	0	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	124	152	105	123	140	107

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 oPt 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.

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.