



SOCIO-ECONOMIC REPORT

SEPTEMBER 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 the 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 of socio-economic conditions in the 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 short term changes in socio-economic conditions in the occupied Palestinian territory.

The report is divided into seven sections, as follows:

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

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

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

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

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

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

I. SOCIO-ECONOMIC FACT SHEET - SEPTEMBER 2011

Key macroeconomic indicators					
Production		Q2/2000	Q1/2011	Q2/2011	Change in Q2/2011 (%)
GDP (constant 2004 prices, US\$ million)		a/	1,493 ^{b/}	1,598 ^{b/}	7.1 ^{b/}
GDP rate of change (year-on-year, constant 2004 prices, %)		a/	8.3 ^{b/}	10.6 ^{b/}	----
GDP per capita (annualized, constant 2004 prices, US\$)		a/	1,538 ^{b/}	1,634 ^{b/}	6.2 ^{b/}
Prices		Aug 2000	Aug 2011	Sep 2011	Year-on-year (Sep 2011)
Change in prices (CPI, %)	Total ^{c/}	-0.9	0.2	0.7	2.1
	East Jerusalem	-1.1	0.3	0.2	3.3
	West Bank	-0.6	0.2	0.2	2.7
	Gaza Strip	-0.8	0.0	1.0	-0.7
Labor market		Q2/2000	Q1/2011	Q2/2011	Change in Q2/2011 (%)
Labor force (thousands)	Total	706.2	996.9	1,047.9	5.1
	West Bank	483.8	672.7	711.1	5.7
	Gaza Strip	222.4	324.2	336.8	3.9
Unemployment rate (%)	Total	8.8	21.7	18.7	----
	West Bank	6.5	17.4	15.4	----
	Gaza Strip	13.8	30.8	25.6	----
Adjusted unemployment rate (%)	Total	18.5	27.7	24.0	----
	West Bank	15.8	23.8	21.2	----
	Gaza Strip	24.2	35.9	30.0	----
Public sector					
		Q2/2000	Q2/2011	Q3/2011	Change in Q3/2011 (%)
Government total net revenue (cash basis, US\$ million)		a/	536.3	545.0	1.6
Government wage expenditure (cash basis, US\$ million)		a/	453.8	410.5	-9.5
Government non-wage expenditure (cash basis, million)		a/	248.5	231.4	-6.9
Government net lending (cash basis, US\$ million)		a/	43.1	39.2	-9.0
Government balance (cash basis, US\$ million)		a/	-301.2	-183.4	-39.1
External budget support (US\$ million)		a/	126.8	347.4	174.0
Banking sector					
		Q2/2000	Q4/2010	Q1/2011	Change in Q1/2011 (%)
Bank credit (US\$ million)		1,234	2,887	3,155	9.3
Bank deposits (US\$ million)		3,328	7,246	7,347	1.4
Loan-to-deposit ratio (%)		37.1	39.9	47.3	----
Private sector					
		Aug 2000	Aug 2011	Sep 2011	Change in Sep 2011 (%)
New company registrations	Total	231	111	104	-6.3
	West Bank	137	92	85	-7.6
	Gaza Strip	94	19	19	0.0
Area licensed for new construction (thousand m ²)	Total	530.3	695.2	744.3	7.1
	West Bank	345.7	260.8	254.3	-2.5
	Gaza Strip	184.6	434.3	490.0	12.8
Gaza Strip					
Truck movement		Aug 2000	Aug 2011	Sep 2011	Change in Sep 2011 (%)
Gaza Strip imports (trucksloads) ^{d/}	Karni (conveyor belt/chute)	4,373	0	0	0.0
	Sufa	4,384	0	0	0.0
	Rafah	953	0	0	0.0
	Kerem Shalom	0	4,343	4,157	-4.3
	Kerem Shalom (fuel)	0	145	112	-22.8
	Nahal Oz	904	0	0	0.0
Gaza Strip exports (trucksloads) ^{d/}	Karni	2,460	0	0	0.0
	Kerem Shalom	0	0	0	0.0
Closure		Aug 2000	Complete closure-Sep 2011	Partial closure-Sep 2011	
Effective closure days (%)	Karni (conveyor belt)	0	100	0	
	Kerem Shalom	n.a.	28	0	
	Nahal Oz (fuel)	0	100	0	
	Sufa (aggregates)	0	100	0	
	Rafah (commercial)	0	100	0	
	Rafah (passenger)	0	4	96	

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

a/ Data not available.

b/ Preliminary data.

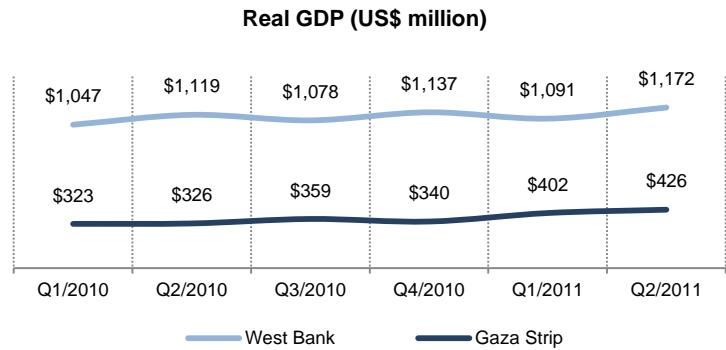
c/ Includes data for occupied East Jerusalem.

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

II. MACRO-ECONOMIC SITUATION

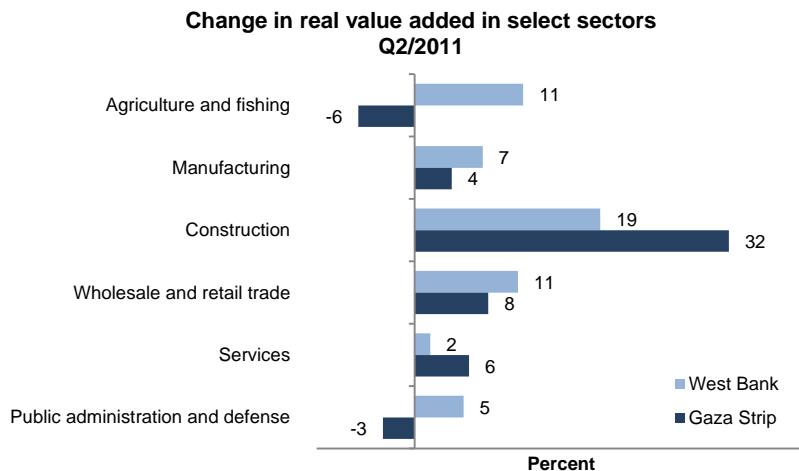
II.a Production

Real GDP grew by 7% in Q2/2011 compared to the previous quarter, and it was 11% higher than in Q2/2010. During the quarter, real GDP increased by 7% in the West Bank and by 6% in the Gaza Strip. Real GDP reached US\$1,598 million in Q2/2011, of which US\$1,172 million was generated in the West Bank and US\$426 million in the Gaza Strip.



Source: PCBS.
Note: Base year is 2004.

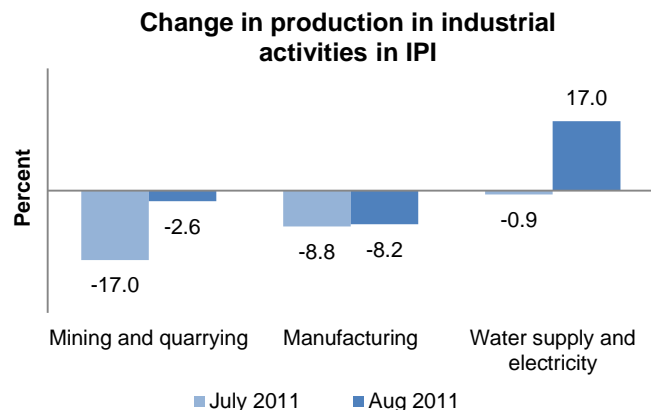
Growth in Gaza was led primarily by a dynamic construction sector, where real value added grew by 32% during Q2/2011. Wholesale and retail trade, services and manufacturing also expanded in Gaza during the quarter, but agriculture and fishing, and public administration and defense contracted.



Source: PCBS.
Note: Base year is 2004.

Construction was also the leading sector in terms of real growth during the quarter in the West Bank, followed by wholesale and retail trade, and agriculture and fishing. Services showed the smallest increase during the quarter in the West Bank but continues to be the largest sector of the economy.

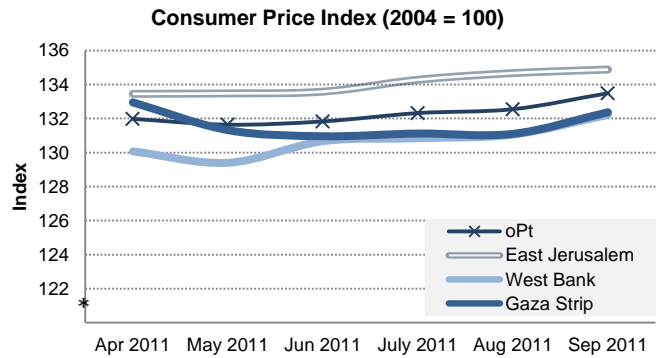
The Industrial Production Index (IPI), used to gauge short term changes in productive activity, decreased by 4.2% in August 2011, as productive activity in two of the sectors that form part of the IPI decreased. Productive activity in the manufacturing sector (whose relative share in the IPI is 80.5%) decreased by 8.2% in August 2011, and it fell by 2.6% in the mining and quarrying sector (with 4.6% relative share). Productive activity increased by 17.0% in the water supply and electricity sector (with 14.9% relative share).



Source: PCBS.

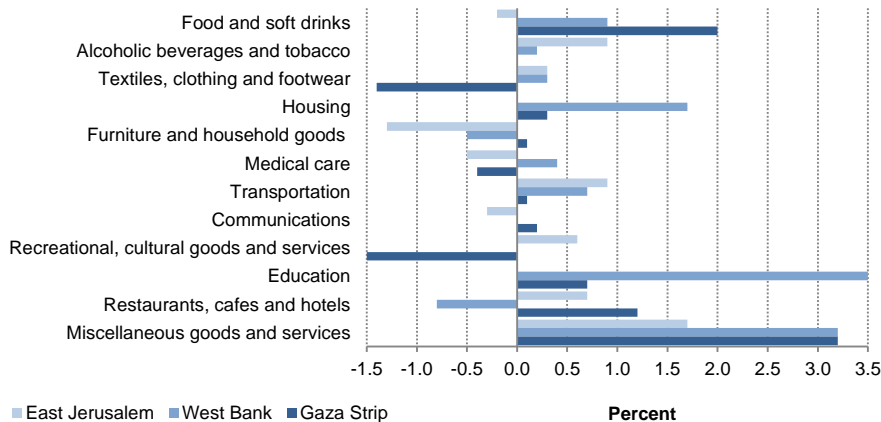
II.b Prices

The Consumer Price Index (CPI), used to measure inflation, reflects an increase of 0.7% in prices in September 2011 compared to the previous month, and an inflation rate of 2.2% in the year since September 2010. The highest price rises in September 2011 were in miscellaneous goods and services, and education and housing, while overall price decreases were registered in furniture and household goods, and textiles, clothing and footwear.



Source: PCBS.

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



Source: PCBS.

The CPI increased by 0.9% in the West Bank in September 2011, led primarily by increases in the price of education, miscellaneous goods and services, housing, and food and soft drinks. The cost of restaurants, cafes and hotels presented the greatest price decrease in this region, followed by furniture and household goods.

In East Jerusalem the CPI rose by 0.2%, pushed primarily by a rise in the cost of miscellaneous goods and services, followed by transportation and alcoholic beverages and tobacco. The price of furniture and household goods saw the biggest decline, followed by the cost of medical care.

The Gaza Strip saw the highest price increase during the month of September 2011, with the CPI rising by 1.0%. The most significant price increase in Gaza during the month was in miscellaneous goods and services, followed by food and soft drinks, and restaurants, cafes and hotels. The price of recreational, cultural goods and services experienced the biggest decline, followed by the cost of textiles, clothing and footwear.

II.c Exchange rates

Both the NIS and the JOD rose against the euro in September 2011. The NIS fell against the US dollar, and the JOD's exchange rate to the US dollar continues to be fixed at 0.71.

Average monthly exchange rates

	Aug 2000	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sep 2011
NIS/USD	4.05	3.43	3.47	3.42	3.42	3.55	3.68
NIS/euro	3.66	4.97	4.98	4.92	4.88	5.10	5.09
JOD/US\$	0.71	0.71	0.71	0.71	0.71	0.71	0.71
JOD/euro	0.64	1.02	1.02	1.02	1.01	1.02	0.97

Source: PCBS, Bank of Israel, Central Bank of Jordan.

II.d Labor market

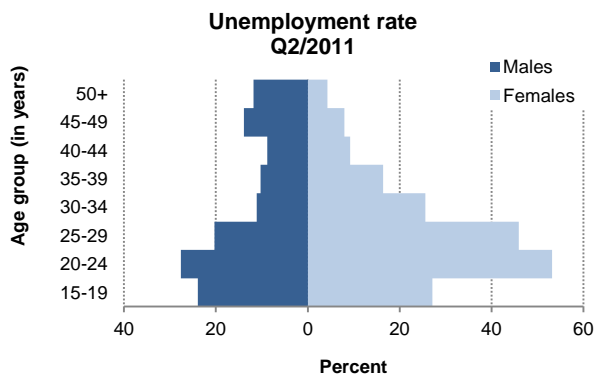
In Q2/2011, 43% of persons aged 15 years and above (about 1,047,900 persons) participated in the labor force. About 711,100 of these economically active persons were in the West Bank and 336,800 were in the Gaza Strip. The labor force participation rate in the West Bank reached 45%, but it was only 38% in the Gaza Strip.

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

	Q2/2000	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011
West Bank	45.3 (483.8)	43.2 (649.0)	43.9 (666.3)	43.0 (658.0)	44.5 (686.5)	43.2 (672.7)	45.3 (711.1)
Gaza Strip	40.1 (222.4)	36.3 (304.9)	37.0 (314.1)	36.0 (308.9)	36.3 (314.7)	37.0 (324.2)	38.1 (336.8)
oPt	43.5 (706.2)	40.7 (953.9)	41.5 (980.4)	40.5 (966.9)	41.5 (1001.2)	41.0 (996.9)	42.7 (1,047.9)

Source: PCBS.

Overall unemployment decreased from 22% to 19% in Q2/2011 but continues to show great variations with sex and age, affecting the young more than those in other age groups. Similarly, in Q2/2011 women's unemployment rate was 13 percentage points above men's (29% vs. 16%).



Source: PCBS.

The average duration of the period of unemployment went down from 13 months in Q1/2011 to 12 months in Q2/2011. Even though the average period of unemployment is still more than twice as long in Gaza as in the West Bank, in Gaza it decreased from 19 months in Q1/2011 to 17 months in Q2/2011, whereas it remained unchanged at 8 months in the West Bank. As was observed in the previous quarter, in Q2/2011 the period of unemployment was longer for women than for men, although this differential is observed only in the West Bank, where unemployed women spend on average 14 months unemployed but men only 6 months.

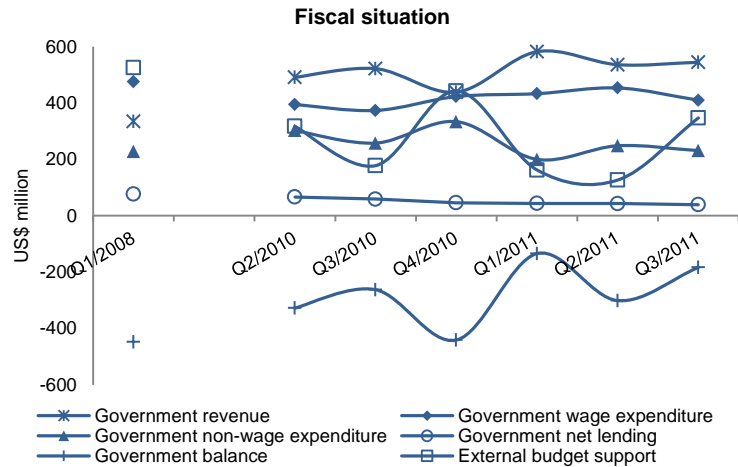
Average duration of unemployment (in months)
Q2/2011

	Female	Male	Total
West Bank	14	6	8
Gaza Strip	17	17	17
oPt	15	11	12

Source: PCBS.

III. PUBLIC SECTOR

Government revenue in Q3/2011 was 2% higher than in the previous quarter and 4% higher than in Q3/2010. More than two thirds of government revenue is clearance revenue. Whereas clearance revenue rose during the third quarter of 2011, the level of domestic revenue, particularly tax revenue, fell. Government non-wage expenditure decreased by 7%, wage expenditure decreased by 10%, and net lending decreased by 9% in the third quarter of 2011. The government deficit shrank by 30% to US\$183.4 million, whereas external budgetary support more than doubled to reach US\$347.4.

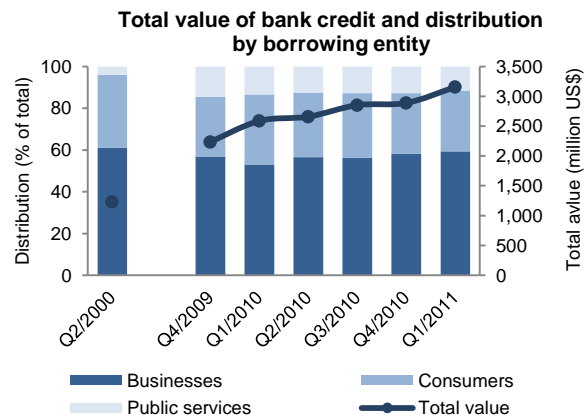


Source: Ministry of Finance.

Note: Data in NIS are converted to USD using the exchange rate released by the Ministry of Finance.

IV. BANKING SECTOR

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



Source: Palestine Monetary Authority.

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

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

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

Source: PMA.

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

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

Distribution of bank deposits (in million US\$)

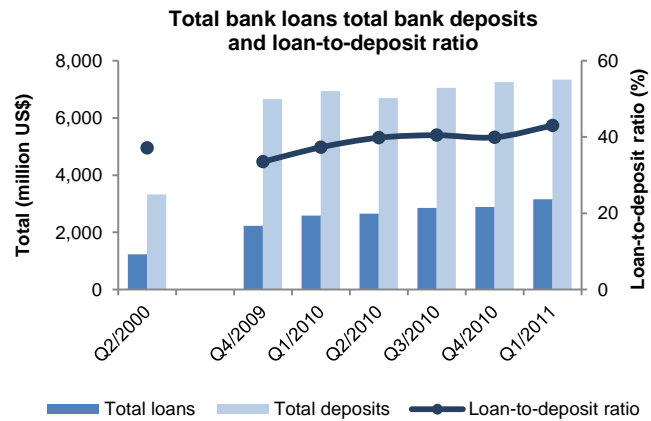
	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Public institutions and local authorities	56.5	152.9	155.1	149.5	155.2	159.2	160.7
Government	115.1	413.2	490.9	482.7	484.8	534.1	534.3
Total public sector deposits	171.6	566.1	646.0	632.1	640.0	693.3	695.0
Residents	3,082.6	5,389.7	5,487.1	5,296.9	5,728.2	5,947.6	6,053.0
Non-residents	14.6	318.2	344.6	437.7	243.3	171.9	180.6
Total private sector deposits	3,097.2	5,708.0	5,831.8	5,734.6	5,971.5	6,119.5	6,233.7
Total deposits (public and private sectors)	3,268.8	6,274.1	6,477.8	6,366.7	6,611.5	6,812.9	6,928.7

Source: Palestine Monetary Authority.

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

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

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

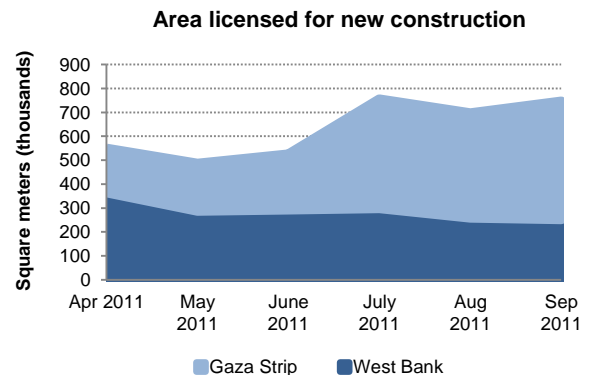


Source: Palestine Monetary Authority.

V. PRIVATE SECTOR

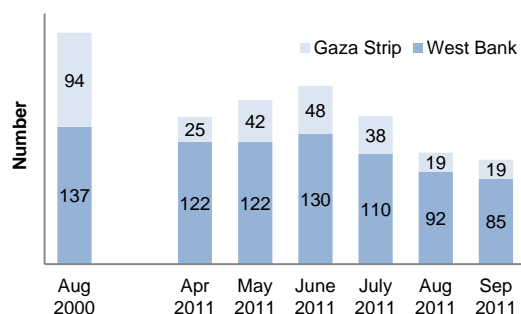
September 2011 data show a decrease of 3% in the area licensed for new construction in the West Bank compared to the previous month.

In the Gaza Strip there was an increase of 13% in the area licensed for new construction in September 2011, and this level is still more than twice the pre-Intifada level. (See further details in Table A9. in Annex A.)



Source: Engineering Offices and Consulting Firms.

Number of new company registrations



There were 7 new company registrations less in the West Bank in September 2011 than in the previous month, for a total of 85. For Gaza, the data reveal 19 new registered companies in September 2011, the same level as in August, but well below the pre-intifada level of 94. (See further details in Table A8. in Annex A).

Source: Ministry of National Economy.

Forty-six companies from five economic sectors (banking and financial services, insurance, investments, industry, and services) are currently listed in the Palestinian Stock Exchange. At the end of September 2011 market capitalization was about US\$2.8 billion.

Data for the month of September 2011 show increases of approximately 31% in the number of shares traded and 50% in the value of shares traded. Of the 40 companies traded in the month, 12 were gainers, 22 were decliners and 6 companies were stable. The AI-Quds index declined by 0.58% in September 2011.

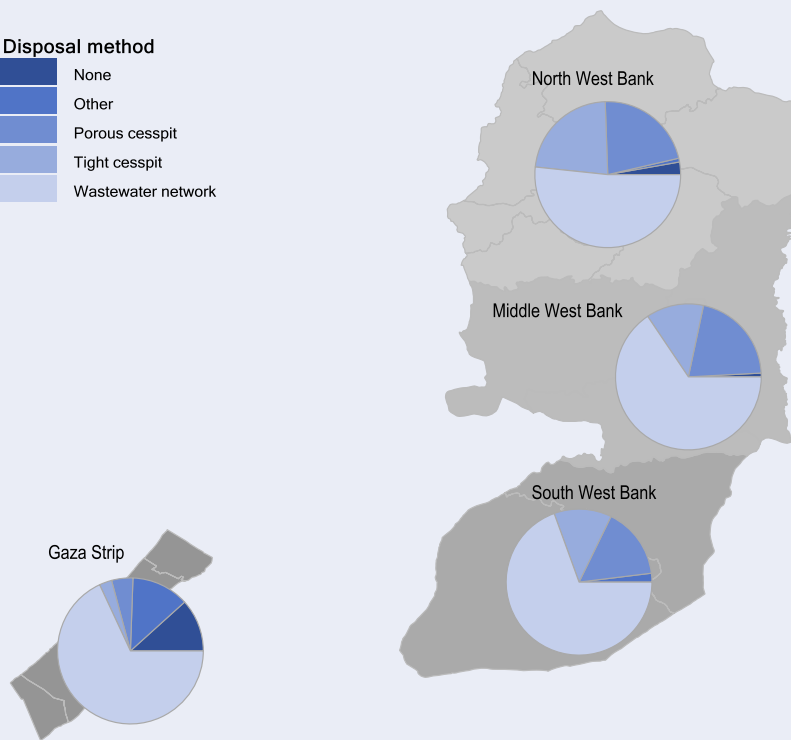
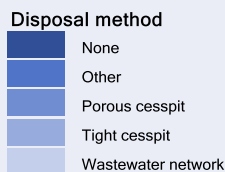
Securities trade

	Aug 2000	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sep 2011
Number of shares traded (million)	7.00	22.6	34.6	14.5	11.2	5.9	7.7
Value of shares traded (million US\$)	13.0	42.3	61.2	32.8	22.1	10.5	15.7
AI-Quds index	265.23	496.25	498.80	492.71	494.77	491.03	488.20

Source: Palestine Securities Exchange.

Wastewater disposal of economic establishments in the oPt

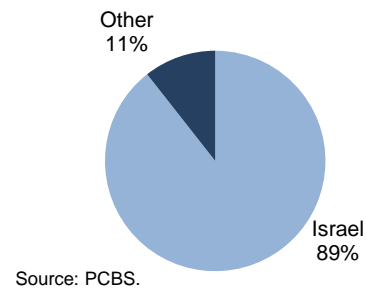
Data released by PCBS on the 2011 Environmental Economic Survey show that 62% of economic establishments in the oPt use the wastewater network as the means to dispose of wastewater, 16% use a porous cesspit, 13% use a tight cesspit, 5% use another method, and 4% report that they use no method. Regional disparities are evident, however, with the use of the wastewater network reported by only 51% of economic establishments in the North West Bank, and no method registered for 12% of establishments in Gaza, for example.



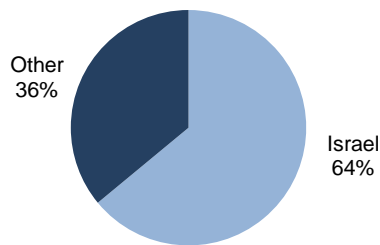
VI. TRADE

Registered exports of goods increased by 18% in August 2011 and amounted to around US\$63.4 million. Palestinian exports of goods to Israel increased by 16% during the month, and exports to other countries increased by 30%. Still, Israel continues to be the main market for Palestinian goods, absorbing 89% of total goods exports from oPt in August 2011.

**Goods exports from oPt
August 2011**



**Goods imports to oPt
August 2011**



Registered imports of goods were almost unchanged in August 2011 as compared to the previous month, amounting to US\$344.3 million. Whereas goods imports from Israel increased by 6% during the month, goods imports from other countries decreased by 9% compared to July 2011. Goods imports from Israel represented 64% of total Palestinian goods imports in August.

A goods trade deficit of US\$280.9 million was recorded in August 2011, reflecting a 3% decrease from the previous month.

VII. GAZA STRIP

There was an 18% decrease in the amount of cooking gas imported in Gaza in September 2011, with 2,595 tons allowed in through Kerem Shalom (Karm Abu Salem).

Volume of registered fuel sales in the Gaza Strip

	Aug 2000	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sep 2011
	Nahal Oz	Kerem Shalom					
Petrol (1000 liter)	3,188.9	65.0	73.0	0.0	0.0	67.0	0.0
Diesel (1000 liter)	11,343.0	297.5	340.0	0.0	0.0	212.0	0.0
White diesel (1000 liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (1000 ton)	1.9	2.3	2.7	2.8	3.2	3.2	2.6
Industrial diesel (1000 liter)	n.a	0.0	0.0	0.0	0.0	0.0	0.0

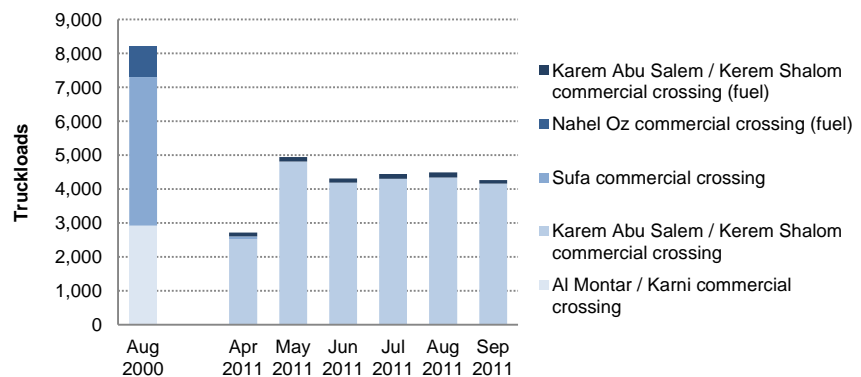
Source: General Petroleum Corporation, Ministry of National Economy.

September 2011 data show a 5% decrease in the total number of truckloads (including fuel) imported into the Gaza Strip compared to August 2011. (See further details in Table A10. in Annex A.)

Source: UNSCO.

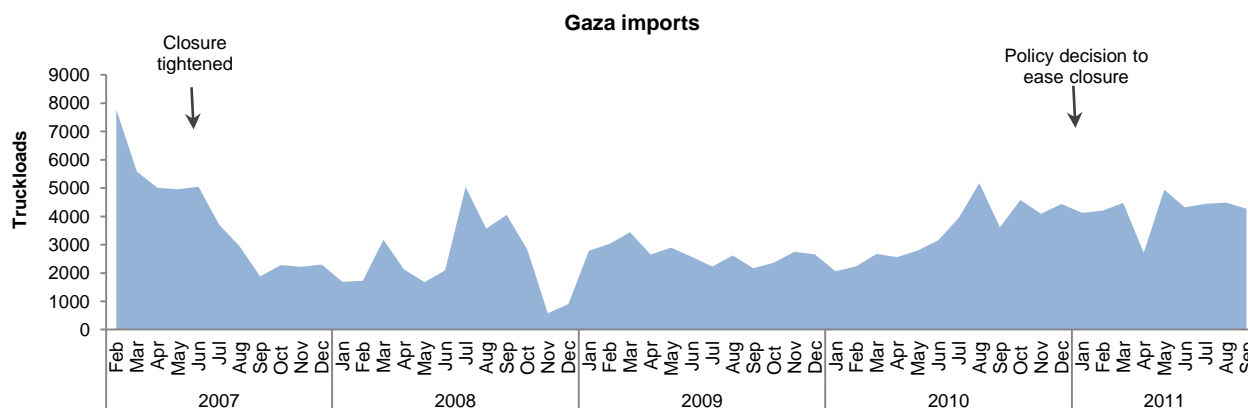
Note: Karni crossing has remained closed since 12 June 2007 for the movement of goods in and out of Gaza, and on 1 March 2011 Israel closed the conveyor belt at Karni, too.

Gaza imports



Of the 4,157 (non-fuel) truckloads entering Gaza through the Karem Shalom commercial crossing during the month, 3,009 (72%) were for the private sector and the remaining 1,148 (28%) were designated for humanitarian aid agencies. Food items made up 35% of imported goods (1,451 truckloads), while the remaining 65% of imports (2,706 truckloads) were non-food items. Nine hundred and thirty-eight truckloads entering Gaza brought materials for approved international humanitarian building projects, including 652 truckloads (45,640 tons) of gravel, 245 truckloads (10,105 tons) of cement and 41 truckloads (1,408 tons) of steel bars for UNRWA and UNDP building projects and the Coastal Municipalities Water Utility.

Following the June 2010 decision to ease the closure of Gaza, monthly import levels have averaged 4,276 truckloads.



Source: UNSCO.

Note: The figures exclude gravel imported through Karni in February-May 2007, as well as imports through Rafah and Erez.

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

Gaza exports

	Total number of trucks	Goods	Destinations
November 2010	4	Strawberries (trucks/ 5.7 tons)	Europe
		Carnations (trucks/43,000 stems)	
December 2010	99	Strawberries (91 trucks/171.1 tons)	Europe
		Carnations (7 trucks/996,000 stems)	
		Vegetables (1 truck)	
January 2011	107	Strawberries (88 trucks/167.6 tons)	Europe
		Carnations (17 trucks/2,762,000 stems)	
		Sweet peppers (2 trucks/5 tons)	
February 2011	52	Strawberries (27 trucks/53.2 tons)	Europe
		Carnations (25 trucks/4,054,000 stems)	
March 2011	19	Cherry tomatoes (3 trucks/6.7 tons)	Europe
		Carnations (16 trucks/ 2,152,000 stems)	
April 2011	6	Carnations (6 trucks/ 475,000 stems)	Europe
May 2011	3	Carnations (3 trucks/ 186,520 stems)	Europe
June 2011	0	---	---
July 2011	0	---	---
Aug 2011	0	---	---
Sep 2011	0		

Source: Palestinian Agricultural Relief Committees.

During the last cash crop export season, which lasted from 28 November 2010 to 15 May 2011, a total of 290 truckloads were exported via Kerem Shalom: 210 truckloads (397.6 tons) of strawberries, 74 truckloads (10,668,520 stems) of carnations, 3 truckloads (6 tons) of sweet peppers, and 3 truckloads of cherry tomatoes (6.7 tons). The Palestinian Agricultural Relief Committees (PARC) indicated that the cash crops exports season for 2010/2011 had ended in May. There were no agricultural or non-agricultural exports in September 2011.

ANNEX A: Statistical reference tables

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

	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sep 2011
oPt (including occupied East Jerusalem)						
Food and soft drinks	147.1	145.6	145.9	147.2	147.7	149.0
Alcoholic beverages and tobacco	160.9	161.0	161.1	161.3	161.4	161.9
Textiles, clothing and footwear	113.8	114.3	115.5	115.3	114.8	114.4
Housing	129.5	130.6	130.4	130.2	130.2	132.0
Furniture, household goods	116.4	115.4	114.7	114.9	114.8	113.9
Medical care	116.2	115.3	115.1	116.2	116.5	116.2
Transportation	126.1	127.1	127.0	126.3	126.5	127.4
Communications	107.2	107.1	107.4	107.5	107.5	107.5
Recreational, cultural goods & services	104.7	104.8	105.0	104.6	104.1	103.9
Education	111.0	111.0	112.8	112.8	112.8	114.4
Restaurants, cafes and hotels	143.4	144.0	145.0	147.8	146.2	147.2
Miscellaneous goods and services	123.2	123.8	123.2	123.4	125.4	128.4
All items of consumer price index	132.0	131.6	131.8	132.3	132.6	133.5
East Jerusalem						
Food and soft drinks	150.2	149.2	149.1	152.0	152.8	152.5
Alcoholic beverages and tobacco	158.2	158.5	158.6	159.1	159.4	160.8
Textiles, clothing and footwear	125.8	126.7	128.6	127.3	126.1	126.5
Housing	122.4	123.7	122.6	122.4	123.0	123.1
Furniture, household goods	114.1	113.4	113.4	112.4	114.4	112.9
Medical care	125.6	124.0	123.2	122.6	122.8	122.2
Transportation	136.9	139.2	139.3	138.7	139.0	140.2
Communications	103.0	103.3	103.5	103.5	103.4	103.1
Recreational, cultural goods & services	111.9	112.3	113.1	111.7	110.6	111.2
Education	112.9	112.9	117.1	117.1	117.1	117.1
Restaurants, cafes and hotels	153.9	151.8	152.8	156.1	153.6	154.7
Miscellaneous goods and services	117.0	116.9	116.0	115.8	116.4	118.4
All items of consumer price index	133.5	133.5	133.6	134.3	134.7	134.9
West Bank						
Food and soft drinks	144.1	142.3	144.8	145.2	145.2	146.5
Alcoholic beverages and tobacco	163.5	163.8	163.5	163.7	163.9	164.1
Textiles, clothing and footwear	99.3	99.9	102.1	103.2	103.6	104.0
Housing	138.4	138.8	139.5	139.3	139.2	141.6
Furniture, household goods	101.7	100.6	100.9	101.1	100.6	100.2
Medical care	114.5	113.6	113.7	114.2	114.7	115.1
Transportation	124.2	124.9	124.4	123.6	123.8	124.7
Communications	108.3	107.7	108.3	108.5	108.6	108.6
Recreational, cultural goods & services	92.9	92.8	92.3	91.8	92.0	92.0
Education	107.5	107.5	108.9	108.9	108.9	112.6
Restaurants, cafes and hotels	141.8	142.8	143.2	142.5	142.8	141.6
Miscellaneous goods and services	131.0	130.7	131.7	132.0	135.8	140.2
All items of consumer price index	130.1	129.4	130.7	130.8	131.1	132.2
Gaza Strip						
Food and soft drinks	149.5	145.6	144.9	145.3	145.6	148.4
Alcoholic beverages and tobacco	157.2	157.2	157.3	157.3	157.3	157.3
Textiles, clothing and footwear	115.2	114.3	113.8	112.8	111.7	110.2
Housing	126.1	126.5	126.6	126.7	126.2	126.6
Furniture, household goods	136.4	134.1	133.1	133.6	131.3	131.4
Medical care	98.5	98.0	98.4	100.6	100.7	100.3
Transportation	126.9	127.4	127.3	126.5	126.5	126.6
Communications	106.2	105.8	106.2	106.3	106.3	106.6
Recreational, cultural goods & services	101.1	101.1	100.7	101.3	101.3	99.8
Education	107.6	107.6	107.6	107.6	107.6	108.3
Restaurants, cafes and hotels	157.1	157.1	158.5	158.5	158.5	160.5
Miscellaneous goods and services	122.4	123.9	123.1	122.8	125.3	129.3
All items of consumer price index	132.9	131.3	131.0	131.1	131.1	132.4

Source: PCBS.

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

	Q2/2000	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011
oPt							
Unemployment	8.8	22.0	22.9	26.6	23.4	21.7	18.7
Adjusted unemployment	18.5	28.0	28.6	33.3	29.9	27.7	24.0
West Bank							
Unemployment	6.5	16.5	15.5	20.1	16.9	17.4	15.4
Adjusted unemployment	15.8	22.4	21.1	26.6	23.5	23.8	21.2
Gaza Strip							
Unemployment	13.8	33.9	39.3	40.5	37.4	30.8	25.6
Adjusted unemployment	24.2	39.7	44.3	47.0	43.5	35.9	30.0

Source: PCBS, Labor Force Surveys.

Table A3.
Fiscal indicators (million US\$)

	Q1/2008	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
Government revenue	334.9	491.3	522.2	438.9	582.5	536.3	545.0
Government w age expenditure	476.5	395.4	373.8	423.3	433.4	453.8	410.5
Government non-w age expenditure	228.8	303.0	258.0	334.2	200.1	248.5	231.4
Government net lending	77.5	66.7	59.0	46.3	44.2	43.1	39.2
Government balance	-447.9	-327.8	-262.4	-441.3	-134.2	-301.2	-183.4
External budget support	525.6	317.6	177.9	443.4	162.7	126.8	347.4

Source: Ministry of Finance.

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

Table A4.
Bank credit by borrowing entity

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

Source: PMA.

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

Table A5.
Bank credit by economic activity

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

Source: PMA.

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

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

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Public sector deposits							
Public institutions and local authorities							
Current accounts	17.3	78.2	78.9	74.7	79.4	82.6	89.3
Time deposits	39.2	74.7	76.2	74.8	75.8	76.6	71.3
<i>Sub-total public institutions and local authorities</i>	<i>56.5</i>	<i>152.9</i>	<i>155.1</i>	<i>149.5</i>	<i>155.2</i>	<i>159.2</i>	<i>160.7</i>
Government							
Current accounts	37.6	232.6	310.9	300.5	296.5	340.9	287.9
Time deposits	77.5	180.6	180.0	182.1	188.3	193.2	246.4
<i>Sub-total government</i>	<i>115.1</i>	<i>413.2</i>	<i>490.9</i>	<i>482.7</i>	<i>484.8</i>	<i>534.1</i>	<i>534.3</i>
Total public sector deposits	171.6	566.1	646.0	632.1	640.0	693.3	695.0
Private sector deposits							
Residents							
Current accounts	746.5	1,890.2	1,975.1	1,936.1	2,171.3	2,198.6	2,321.0
Savings accounts	440.4	1,608.3	1,632.7	1,639.6	1,743.2	1,802.1	1,848.7
Time deposits	1,895.7	1,891.3	1,879.3	1,721.2	1,813.8	1,947.0	1,883.2
<i>Sub-total residents</i>	<i>3,082.6</i>	<i>5,389.7</i>	<i>5,487.1</i>	<i>5,296.9</i>	<i>5,728.2</i>	<i>5,947.6</i>	<i>6,053.0</i>
Non-residents							
Current accounts	3.3	152.1	167.3	222.9	119.1	59.2	64.0
Savings accounts	2.4	61.5	69.2	86.8	44.0	42.1	44.4
Time deposits	8.9	104.6	108.2	128.0	80.1	70.6	72.2
<i>Sub-total non-residents</i>	<i>14.6</i>	<i>318.2</i>	<i>344.6</i>	<i>437.7</i>	<i>243.3</i>	<i>171.9</i>	<i>180.6</i>
Total private sector deposits	3,097.2	5,708.0	5,831.8	5,734.6	5,971.5	6,119.5	6,233.7
Total deposits (public and private sectors)	3,268.8	6,274.1	6,477.8	6,366.7	6,611.5	6,812.9	6,928.7

Source: PMA

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

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

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Total loans (US\$ million)	1,234	2,232	2,587	2,658	2,852	2,887	3,155
Total deposits (US\$ million)	3,328	6,655	6,935	6,685	7,050	7,246	7,347
Loan-to-deposit ratio (%)	37.1	33.5	37.3	39.8	40.5	39.9	47.3

Source: PMA.

Table A8.
Number of new company registrations by legal status

	Aug 2000	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sep 2011
West Bank							
Private	42	53	47	56	50	32	38
Private limited	95	68	70	69	56	55	44
Public limited	0	0	0	0	0	0	0
Foreign	0	0	2	3	1	3	0
Non-profit	0	1	3	2	3	2	3
Total	137	122	122	130	110	92	85
Gaza Strip							
Private	81	10	18	18	19	7	9
Private limited	12	15	24	30	29	12	10
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	94	25	42	48	38	19	19

Source: Ministry of National Economy.

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

	Aug 2000	Apr 2011	May 2011	June 2011	Jul 2011	Aug 2011	Sep 2011
West Bank							
Ramallah, Al-Bireh and Jerusalem		129,114	81,687	86,740	113,642	105,781	81,498
Nablus		71,238	75,471	66,732	60,800	57,963	61,778
Tulkarm		21,576	20,385	39,905	22,435	18,773	19,891
Hebron		100,422	45,286	43,580	36,717	34,954	32,299
Bethlehem		16,858	33,898	31,406	36,667	16,837	35,679
Jenin		26,737	25,803	22,890	25,862	24,026	22,178
Qalqilya		838	7,028	3,590	4,431	2,504	986
Salfit		0	0	0	0	0	0
Total	345,685	366,783	289,558	294,843	300,554	260,838	254,309
Gaza Strip							
Northern District	27,902	42,530	48,215	55,600	80,025	75,450	95,540
Gaza	50,116	47,690	51,145	68,500	116,470	112,215	120,580
Al Wastah	15,984	28,210	29,400	32,355	74,760	70,050	75,855
Khan Younis	51,146	36,355	38,350	41,560	92,400	90,855	102,560
Rafah	39,429	25,670	27,655	30,305	88,895	85,750	95,450
Gaza Strip Total	184,577	180,455	194,765	228,320	452,550	434,320	489,985

Source: Engineering Offices and Consulting Firms.

Table A10.
Gaza truckload movement

	Aug 2000	Apr 2011	May 2011	June 2011	July 2011	Aug 2011	Sep 2011
Al Montar / Karni commercial crossing							
Truckloads exports	992	0	0	0	0	0	0
Truckloads imports	2,923	0	0	0	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing							
Truckloads exports	0	6	3	0	0	0	0
Truckloads imports	0	2,519	4,810	4,194	4,302	4,343	4,157
Sufa commercial crossing							
Truckloads exports	0	0	0	0	0	0	0
Truckloads imports	4,384	86	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	109	131	123	141	145	112

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.

Industrial Production Index (IPI)

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

Labor force

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

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

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

Loan-to-deposit ratio

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

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

Number of new company registrations

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

Number of shares traded

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

Underemployment

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

Unemployment rate

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

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

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

Value of shares traded

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