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OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – AUGUST 2008

Since 1996 UNSCO has continually monitored and reported on socio-economic conditions in the occupied Palestinian territory and in the process established an extensive socio-economic database. UNSCO does not create raw data but rather uses available data which, in the occupied Palestinian territory is relatively abundant. However, the data that is available tends to remain dispersed and is not always automatically shared between institutions. The objective of the database is to bring together in one place a wide variety of data on socio-economic conditions and by doing so present a broader, more detailed perspective on socio-economic conditions. The purpose of this report is to: 1) broaden the access to this database through publication of the most recent data gathered; and 2) provide readers with up to date information on socio-economic conditions in the occupied Palestinian territory.

The report is divided into three sections:

Section 1 consists of a one-page fact sheet which provides a snapshot view of the socio-economic situation of the current and previous reporting period and for reference purposes provides base line figures for the period just prior to the outbreak of the second *Intifada*.

Section 2 and 3 report on the Macro-economic and the Private sector and banking modules of the UNSCO database. They provide data on the last six reporting periods for each indicator as well as base line data. In addition, some initial analysis on observed trends is given below each table.



SOCIO-ECONOMIC FACT SHEET – AUGUST 2008

A. GENERAL				B. FISCAL SITUATION			
Indicator	2006			Indicator (US\$ millions)	Baseline	Previous period	Current period
1. GDP (\$US)	4,150,600,000			1. Revenue	Q4-1999	Q4-2006	Q4-2007 (budget)
2. GDP per capita (\$US)	1,067.5			2. Expenditure	235	104	332
3. GDP growth rate	- 6.6 %			3. Net lending	235	220	457
4. GNI	4,521,500,000			4. Balance	0	68	125
				5. External Budget support (including TIM)	0	-184	-250
					0	178	250
Source: World Bank				Source: IMF			
C. MACRO-ECONOMIC				D. PRIVATE SECTOR			
Indicator ¹	Baseline	Previous period	Current period	Indicator	Baseline	Previous period	Current period
	Aug-2004	July 2008	Aug 2008	1. New Company Registrations	Q2-2000	Q1-2008	Q2-2008
1. Consumer Price Index ²				Total	568	280	357
Total		122.12	122.62	West Bank	288	280	334
West Bank		122.53	122.15	Gaza Strip	280	0	23
Gaza Strip		125.90	126.49	2. Area Licensed for new Construction (dunums)	Q2-2000	Q1-2008	Q2-2008
2. Truck movement ³				Total	739.7	530.1	354.8
<u>Imports</u>	Aug-2000	July 2008	Aug-2008	West Bank	665.3	n.a	348.9
Karni	4,373	2,886	1,588	Gaza Strip	74.4	n.a	5.9
Sufa	4,384	1,840	1,316.5	3. Banking (US\$ thousands)	Q2-2000	Q1-2008	Q2-2008
Rafah	953	0	0	Loans	1,234	1,777	1,750
Kerem Shalom	0	0	323	Deposits	3,328	6,067	5,578
Nahal Oz	904	312	342	Loans/Deposits Ratio	37.1 %	29.29%	31.38%
<u>Exports</u>							
Karni	2,460	0	0	Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3)			
Kerem Shalom	0	0	0				
Source: PCBS (1), Ministry of National Economy				Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3)			
E. LABOUR FLOWS				F. CLOSURE			
Indicator	Baseline	Previous period	Current period	Indicator	Baseline	Previous period	Current period
	Q2-2000	Q2-2007	Q3-2007	1. Effective closure days ⁵	Aug-2000	July 2008	Aug-2008
1. Labour Force size				Karni (goods)	0 %	100%	100%
Total	706,174	926,300	937,200	Erez (workers)	0 %	100%	100%
West Bank	483,796	634,600	636,600	Sufa (aggregates)	0 %	100%	100%
Gaza Strip	222,378	291,700	300,600	Rafah (passenger)	0 %	100%	100%
2. Unemployment	8.8 %	19.2%	23.2%	Rafah (commercial)	0 %	100%	100%
3. Adjusted Unemployment ⁴	18.5 %	25.8 %	29.1%	Nahal Oz (fuel)	0 %	33 %	27 %
				Kerem Shalom	0 %	100 %	77 %
Source: PCBS				Source: UNSCO			

¹ For a more detailed report on sections C (Macro-economy) and D (Private sector), see data below.

² CPI Base year 2004 = 100

³ MoNE data does not include aggregates or aid flows.

⁴ Adjusted unemployment is calculated by adding discouraged workers (i.e. unemployed but no longer seeking work) to the ILO standard.

⁵ Effective closure days are calculated by adding all days when a crossing was fully or partially closed excluding weekend and holidays.



MACRO-ECONOMIC UPDATE – AUGUST 2008

- Exchange rate
- Consumer Index by region and expenditure group
- Truck Movement
- Palestinian Imports and Exports
- Volume of registered fuel sales
- Palestinian Trade with Israel

For further information please contact:

Ramallah: *Bushra Mukbil*

mukbil@un.org

Gaza Strip: *Raed Raqeb*

raqeb@un.org

Indicator	Baseline Aug-00	Mar-08	Apr-08	May-08	June-08	July-08	Aug-08
Exchange Rate							
Exchange Rate	4.05	3.56	3.53	3.39	3.34	3.47	3.55
Source: PCBS							

The exchange rate between the US dollar and the NIS has increased in August, 2008 which could possibly increase the cost of imports to the oPt.

Indicator	Baseline Aug-00	Mar-08	Apr-08	May-08	June-08	July-08	Aug-08
Volume of Registered Fuel sales in the Gaza Strip (x 1000 liters/ton)							
volume of registered fuel sales in the Gaza Strip							
Benzene 95 (Liter)	878.3	343.0	135.0	203.5	291.0	540.6	652.5
Benzene 96 (Liter)	2,310.6	0.0	0.0	0.0	0.0	0.0	0.0
Gasoline (Liter)	11,342.6	3,806.0	1,306.4	2,377.0	4,137.5	4,787.5	6,007.5
Gas (Ton)	1.9	6.3	2.2	3.0	3.0	4.1	4.2
White Gasoline (Liter)	243.1	0.0	0.0	0.0	0.0	217.4	0.0
Source: General Petroleum Corporation and Ministry of Finance							

All fuel categories, with the exception of White Gasoline, experienced an increase in registered fuel sales during August, 2008. It is worth noting that the volume of registered fuel sales in the Gaza Strip has been on the rise since May, 2008 with 61.23% increase occurring in August, if compared to May.

Indicator	Baseline Aug-04	Mar-08	Apr-08	May-08	June-08	July-08	Aug-08
Palestinian Consumer Price Index (by region and expenditure group)							
Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)							
Food and soft drinks		131.81	135.30	134.13	134.94	136.21	137.24
Alcoholic Beverages and tobacco		121.97	122.24	121.64	123.12	123.73	124.62
Textiles, clothing and footwear		97.94	99.95	100.79	101.32	99.88	101.19
Housing		120.35	121.23	122.03	122.32	123.46	123.19
Furniture, household goods		101.58	101.79	103.46	104.10	105.50	105.95
Medical care		114.18	114.10	114.13	114.17	114.57	114.33
Transportation		118.22	120.03	121.20	124.07	125.53	125.23
Communications		110.73	110.81	111.17	109.47	109.46	109.32
Recreational, cultural goods & services		97.71	97.48	99.06	99.24	99.37	99.21
Education		99.16	99.16	99.25	99.20	99.32	100.14
Restaurants and cafes		122.50	123.63	127.22	127.90	129.09	129.13
Miscellaneous goods and services		108.17	108.31	109.11	109.03	109.38	109.49
All items of consumer price index		118.69	120.46	120.57	121.28	122.12	122.62
Major Groups of Expenditure (Jerusalem)							
Food and soft drinks		124.93	129.06	128.57	129.09	130.59	133.60
Alcoholic Beverages and tobacco		108.73	109.24	107.84	110.57	110.56	111.14
Textiles, clothing and footwear		96.75	99.55	100.45	100.24	99.13	101.25
Housing		118.05	118.10	118.45	119.07	119.28	118.48
Furniture, household goods		94.41	94.69	96.39	95.35	95.80	96.05
Medical care		116.70	116.74	119.34	121.58	121.78	121.64
Transportation		121.94	122.67	123.67	125.51	126.72	125.46
Communications		106.72	107.07	107.40	107.35	107.35	107.13
Recreational, cultural goods & services		98.28	98.19	99.60	99.86	99.99	99.93
Education		104.94	104.94	104.94	104.94	104.94	104.94
Restaurants and cafes		137.84	137.00	141.33	141.24	143.41	143.47
Miscellaneous goods and services		106.80	106.31	107.15	107.44	107.85	107.55
All items of consumer price index		115.24	116.89	117.33	117.96	118.67	119.56
Major Groups of Expenditure (Rest of the West Bank)							
Food and soft drinks		131.64	134.90	132.82	134.13	136.52	135.62
Alcoholic Beverages and tobacco		114.97	115.17	115.38	115.75	115.60	115.65
Textiles, clothing and footwear		98.90	100.29	100.79	101.05	99.91	99.22
Housing		129.62	131.64	131.64	130.66	132.11	132.44
Furniture, household goods		104.62	104.50	104.05	104.35	105.30	104.49
Medical care		110.53	109.92	108.90	108.71	109.70	109.28
Transportation		116.40	118.72	119.25	122.15	123.72	123.56
Communications		109.82	109.76	110.29	109.78	109.83	109.86
Recreational, cultural goods & services		92.95	92.77	94.29	94.08	94.25	93.54
Education		90.41	90.41	90.59	90.61	91.02	92.67
Restaurants and cafes		117.49	121.00	124.40	125.13	125.07	124.37
Miscellaneous goods and services		111.90	112.24	112.47	113.10	114.38	115.85
All items of consumer price index		119.23	121.08	120.45	121.20	122.53	122.15
Major Groups of Expenditure (Gaza Strip)							
Food and soft drinks		136.95	141.72	142.68	142.74	143.52	144.38
Alcoholic Beverages and tobacco		142.92	142.92	142.11	143.58	144.34	145.59
Textiles, clothing and footwear		98.75	98.35	100.92	102.80	101.02	103.63
Housing		111.47	111.92	114.80	116.52	118.56	118.27
Furniture, household goods		110.26	111.23	115.29	118.26	121.88	124.01
Medical care		106.47	106.41	104.89	103.07	103.17	102.26
Transportation		119.98	120.57	123.38	127.22	128.40	128.29
Communications		110.84	110.84	111.63	107.64	107.47	107.16
Recreational, cultural goods & services		97.41	96.83	96.54	97.50	97.30	97.33
Education		101.71	101.71	101.16	101.07	101.01	100.91
Restaurants and cafes		122.04	123.45	125.63	129.68	131.48	131.76
Miscellaneous goods and services		107.50	108.91	110.19	109.18	108.78	108.1
All items of consumer price index		120.99	123.05	124.39	125.17	125.90	126.49
Source: PCBS							

The Palestinian CPI figures for August 2008 show a .40 % increase from July 2008 for the oPt. Since the beginning of the year, the CPI has risen by 4.6% in the West Bank, and 8.4% in the Gaza Strip. If compared to August 2007 the CPI increased by 13.2% in the Gaza Strip and 9.66% in the West Bank. The worldwide phenomena in the increase of prices together with the closure of Gaza crossings are major factors for the increase in the CPI for Gaza.

Indicator	Baseline Aug-00	Mar-08	Apr-08	May-08	June-08	July-08	Aug-08
Truck Movement							
Karni commercial crossing							
Total Truck Loads Exports	992	0	0	0	0	0	0
Total Truck Loads Imports	2,923	1,035	298	551	774	2,886	1,588
Kerem Shalom commercial crossing							
Total Truck Loads Exports	0	0	0	0	0	0	0
Total Truck Loads Imports	0	897	757	0	0	0	323
Sufa commercial crossing							
Total Truck Loads Exports	0	0	0	0	0	0	0
Total Truck Loads Imports	4,384	875	943.5	935	1,083	1,840	1,316.5
Nahel Oz commercial crossing (fuel)							
Total Truck Loads Imports	904	365	129	190	237	312	342
Source: Baseline: Ministry of National Economy; Paltrade , General Petroleum Corporation and Ministry of Finance							

Truck movement to Gaza has been restricted to the import of limited humanitarian supplies since 12 June 2007. Exports were suspended at the same time with only approximately 78 truckloads of strawberries and flowers grown with the support of the Netherlands exported in December 2007. Compared with July 2008, August data indicates a decline in the total of imported truckloads to the Gaza Strip, by approximately 29.1%. Of the 1588 trucks imported through Karni, 757 trucks are gravel, 109 cement, and 722 trucks of Beans,wheat and animal feed.



OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

PRIVATE SECTOR AND BANKING UPDATE – AUGUST 2008

- Number of Company Registrations by region and legal status
- Area licensed for Construction
- Bank Credit
- Value of loans and deposits

For further information please contact:

 Ramallah: *Bushra Mukbil*

mukbil@un.org

 Gaza Strip: *Raed Raqeb*

raqeb@un.org

Indicator	Baseline Q2-2000	Mar-08	Apr-08	May-08	June-08	July-08	Aug-08
Number of new Company Registrations (by region and legal status)							
Gaza Strip							
Private	162	0	0	0	8	7	8
Private Limited	46	0	0	0	15	15	9
Public Limited	1	0	0	0	0	0	0
Foreign	3	0	0	0	0	0	0
Total	212	0	0	0	23	22	17
West Bank							
Private	66	44	47	41	40	50	44
Private Limited	163	64	65	73	63	56	68
Public Limited	0	0	0	0	0	0	0
Foreign	0	1	1	3	1	1	0
Total	229	109	113	117	104	107	112
Source: Ministry of Economy							

The number of new company registrations is used as a proxy indicator for the vitality of the local economy as well as the ability of the local economy to create new employment. New company registrations in the West Bank slightly increased in August 2008, by approximately 4.46%. However, if compared to pre-Intifada levels new company registrations have dropped by approximately 51.09%. As for Gaza, figures for the Ministry of Economy in Ramallah show that the number of new company registrations has remained at zero, while data from the authorities in Gaza indicate 17 new registered companies for the month of August.

Indicator	Baseline Aug-00	Mar-08	Apr-08	May-08	June-08	July-08	Aug-08
Area licensed for new construction (Gaza Strip, dunums)							
Northern District	27,902	750	1,460	1,600	1,410	5,380	2,255
Gaza	50,116	1,720	2,150	710	2,650	3,400	6,025
Al Wastah	15,984	850	740	520	680	1,250	3,145
Khan Younis	51,146	1,350	950	610	500	5,430	2,305
Rafah	39,429	3,400	4,425	2,760	2,480	3,310	3,410
Gaza Strip Total	184,577	8,070	9,725	6,200	7,720	18,770	17,140
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	Mar-08	Apr-08	May-08	June-08	July-08	Aug-08
Area licensed for new construction (West Bank, dunums)							
Ramallah & Al- Bireh & Jerusalem		65,993	50,344	46,821	42,276	89,964	66,197
Nablus		31,256	32,596	38,686	24,433	50,172	36,368
Tulkarm		16,691	29,636	30,911	14,923	17,741	17,549
Hebron		15,217	32,696	35,410	41,284	38,248	41,671
Bethlehem		11,623	9,786	15,278	10,313	14,525	9,060
Jenin		9,692	10,195	12,643	10,399	10,040	7,826
Qalqilya		10,883	6,972	4,261	3,028	3,234	5,730
Salfit		0	0	0	0	0	0
Total	345,685	161,355	172,225	184,010	146,656	223,924	184,401
Source: Engineering Offices and Consulting Firms							

Similar to new company registrations, the area licensed for new construction is also used as a proxy indicator for economic vitality. If compared with July 2008, areas licensed for new construction for the West Bank decreased in August by 17.6%. However, if compared with pre-Intifada levels, areas licensed for new constructions have dropped by approximately 46.7%. As for the Gaza Strip, areas licensed for new construction have dropped by 8.68 % in August. It is worth noting that area licensed for new construction sizably increased in July due to the fact that municipalities in Gaza have lowered the fee for area licensing by 50%.

Indicator	Baseline Q2-00	Q1-2007	Q2-2007	Q3-2007	Q4-2007	Q1-2008	Q2-2008
Area licensed for new construction (by region and by type, x 1000 m²)							
Non-residential							
West Bank	122.0	95.2	107.0	94.7	46.3	n.a	78.5
Gaza Strip	5.5	12.2	3.0	64.9	0.5	n.a	0.7
Total Palestinian territory	127.5	107.4	110.0	159.6	46.8	107.0	79.2
Residential							
West Bank	543.3	269.4	330.4	343.3	339.9	n.a	270.4
Gaza Strip	68.9	27.9	17.7	14.1	12.6	n.a	5.2
Total Palestinian territory	612.2	297.3	348.1	357.4	352.5	423.1	275.6
Source: PCBS							

If disaggregated by type, and if compared with Q1-2008, it appears that in Q2-2008 non-residential construction decreased in the oPt by approximately 26%, and residential construction decreased by 34.9%. It is important to note that data for Gaza, according to the PCBS, is based on estimates.

Indicator	Q1-08	Q2-08
Bank Credit		
Bank Credit by economic activity (x million US\$)		
Agriculture	26	24
Manufacturing & Mining	89	73
Real estate and Lands	195	182
General Trade	277	285
Transportation	12	20
Tourism, Hotels & Restaurants	43	39
Public Services	152	235
Financial Services	135	129
Financing granted to the investment of the shares	5	9
Facilitations granted to financial institutions	5	2
Total Public Sector	501	511
Financing for consuming purposes	245	194
Others in the private sector	92	47
GRAND TOTAL	1,777	1,750
Total Excluding theirs in the Public Services and Total Public Sector	1,124	1,004
Bank Credit by economic activity (as percentage of total)		
Agriculture	1%	1.3%
Industry & Mining	5%	4.2%
Real estate and Lands	11%	10.4%
General Trade	16%	16.3%
Transportation	1%	1.1%
Tourism, Hotels & Restaurants	2%	2.2%
Public Services	9%	13.4%
Financial Services	8%	7.4%
Financing granted to the investment of the shares	0%	0.5%
Facilitations granted to financial institutions	0%	0.1%
Total Public Sector	28%	29.2%
Financing for consuming purposes	14%	11.1%
Others in the private sector	5%	2.7%
Total	100%	100%
Bank Credit by Economic Branch (excluding Total public sector and Public Services) (% of total)		
Agriculture	2%	2.3%
Manufacturing and Mining	8%	7.3%
Real estate and Lands	17%	18.1%
General Trade	25%	28.4%
Tourism, Hotels & Restaurants	1%	2.0%
Transportation	4%	3.9%
Financial Services	12%	12.8%
Financing granted to the investment of the shares	0%	0.9%
Facilitations granted to financial institutions	0%	0.2%
Financing for consuming purposes	22%	19.3%
Others in the private sector	8%	4.7%
Total	100%	100%
Source: PMA		

Data on bank credit is used as a proxy indicator for perceptions of economic progress (increasing use of bank credit, particularly in the main productive sectors) or decline (decreasing use of bank credit). The Palestine Monetary Authority provides adjusted data once every three months. In relative terms, general trade, transportation and public services show an increase in its use of credit, while financial sector services and real estate show a decline in its use of bank credit. (Please note the PMA has adjusted the indicators for bank credit by economic activities starting Q1-2008. Due to such significant changes, current trends cannot be compared to those prior to 2008.)

Indicator	Baseline Jun-00	Mar-07	Jun -07	Sep -07	Dec -07	Q1-08	Q2-08
Bank Credit							
Bank Credit by type (x million US\$)							
Loans	512	1,198	1,207	1,148	1,094	1,061	1,064
Overdrafts	653	705	681	667	649	701	671
Leasing	0	11	11	11	11	11	11
BA & Discounted Bills	69	2	3.56	4	5	4	5
Total	1,234	1,916	1,902	1,829	1,758	1,777	1,750
Bank Credit by type (as percentage of total)							
Loans	41%	63%	63%	63%	62%	60%	60.8%
Overdrafts	53%	37%	36%	36%	37%	39%	38.3%
Leasing	0%	1%	1%	1%	1%	1%	0.6%
BA & Discounted Bills	6%	0%	0%	0%	0%	0%	0.3%
Total	100%	100%	100%	100%	100%	100%	100%
Source: PMA							

Disaggregating bank credit by the type of credit, confirms the relative stability of the banking sector. Loans have slightly increased, while overdrafts have declined by 4.27%.

Indicator	Baseline Jun-00	Mar-07	Jun -07	Sep -07	Dec -07	Q1-08	Q2-08
Bank Credit							
Bank Credit by borrowing entity (x million US\$)							
Businesses	752	907	927	1,010	987	1,124	1,004
Consumers	429	842	809	651	609	501	511
Public Services	52	167	166	168	163	152	235
Total	1,234	1,916	1,902	1,829	1,758	1,777	1,750
Bank Credit by borrowing entity (as percentage of total)							
Businesses	61%	47%	49%	55%	56%	63%	57.4%
Consumers	35%	44%	43%	36%	35%	28%	29.2%
Public Services	4%	9%	9%	9%	9%	9%	13.4%
Total	100%	100%	100%	100%	100%	100%	100%
Source: PMA							

Disaggregating bank credit by the borrowing entity shows that consumer lending increased in the second quarter of 2008 by 2% in comparison to the first quarter of 2008. When compared to second quarter 2007, consumer lending decreased by 28.5% in Q2-2008.

Indicator	Baseline Aug-00	Mar-07	Jun -07	Sep -07	Dec -07	Q1-08	Q2-08
Bank Deposits (excluding deposits of the PMA and commercial banks)							
Distribution of Public sector deposits by depositor and type (x million US\$)							
Public Institutions and Local Auth.							
Current Accounts	23.9	63.5	61.8	75.9	71.0	75.1	70.2
Time Deposits	49.7	48.8	56.5	70.4	73.0	69.5	67.0
Sub-total	73.6	112.3	118.3	146.3	144.0	144.7	137.2
Government							
Current Accounts	39.8	113.2	255.9	168.9	177.7	206.7	172.7
Time Deposits	74.8	187.1	86.1	175.2	183.3	181.3	191.8
Sub-total	114.6	300.3	342.0	344.1	361.0	388.1	364.5
Total Public sector deposits	188.2	412.6	460.3	490.4	505.0	532.7	501.7
Distribution of Private sector deposits by residency and type (x million US\$)							
Residents							
Current Accounts	865.3	1,244.7	1,283.8	1,459.9	1,502.7	1,610.3	1,682.9
Savings Accounts	454.3	943.2	966.1	1,020.1	1,126.9	1,264.0	1,350.9
Time Deposits	2,084.3	1,712.1	1,703.1	1,780.7	1,848.3	1,884.2	1,915
Sub-total	3,403.9	3,900.0	3,953.0	4,260.8	4,477.9	4,758.5	4,949.1
Non-Residents							
Current Accounts	9.5	27.4	30.0	36.6	39.5	40.5	39.0
Savings Accounts	3.6	13.0	14.0	13.9	15.5	16.3	18.7
Time Deposits	22.8	49.4	50.9	52.8	62.0	58.3	69.1
Sub-total	35.9	89.8	94.9	103.3	117.0	115.1	126.8
Total Private sector deposits	3,439.8	3,989.8	4,047.9	4,364.1	4,594.9	4,873.6	5,075.9
Total Deposits (public and private)	3,628.0	4,402.4	4,508.2	4,854.4	5,099.9	5,406.3	5,577.6
Source: PMA							

Bank deposit data for the second quarter in 2008 indicates an increase in private sector deposits, and a decrease in public sector deposits. Compared with the first quarter of 2008, total bank deposits in the second quarter of 2008 showed an increase of 3.07 percent. The increase is due to the increase in private sector deposits.

Indicator	Baseline Jun-00	Mar-07	Jun -07	Sep -07	Dec -07	Q1-08	Q2-08
Value of Loans and Deposits (x million US\$)							
Total Loans	1,234	1,916	1,902	1,829	1,758	1,777	1,750
Total Deposits	3,328	4,876.6	4,997	5,420	5,702	6,067	5,578
Loans/Deposits (ratio)	37.06%	39.29%	38.06%	33.75%	30.84%	29.29%	31.38%
Source: PMA							

In an efficient economy, an increase in the loans versus deposits ratio is a positive sign as monies are not saved but invested or consumed, stimulating the economy. Between September 2006, and the end of January 2008, this ratio steadily declined in the oPt, while in second quarter of 2008, the ratio increased by 2%, possibly signaling optimism concerning the Palestinian economy, thereby increasing appetite for domestic investment, and thus deposits.

Indicator	Baseline Aug-00	Mar-08	Apr-08	May-08	June-08	July-08	Aug-08
Palestinian Securities Exchange							
Volume of trade							
Number of shares traded (x million)	n.a.	45.7	57.1	42.8	37.1	13.7	15.7
Value of shares traded (x million US\$)	n.a.	128.7	234.3	182.7	122.3	47.4	44.0
Indices							
Al-Quds index	n.a.	655.22	714	696.70	688.58	702.34	665.50
Source: Palestinian Securities Exchange (PSE)							

Similar to bank credit and deposits, data on the Palestinian stock exchange is used as a proxy indicator of Palestinian perceptions vis-à-vis the state of the national economy. Data for August 2008 shows a decrease in trade at the stock exchange in terms of value and an increase in terms of number of stocks traded. Although the Al-Quds index declined in August, by approximately 5.24%, it has been fluctuating since the beginning of the 2008, possibly mirroring fluctuating Palestinian perceptions vis-à-vis the state of the national economy this year.