

UNITED NATIONS



NATIONS UNIES

OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – APRIL 2009

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 for the current and previous reporting period and it provides, for reference purposes, base line figures for the period just prior to the outbreak of the second *Intifada*.

Sections 2 and 3 report on the Macro-economic situation, the Private sector and the banking modules of the UNSCO database. They provide data on the last six reporting periods for each indicator as well as base line data, which is pre *Al-Aqsa intifada*. In addition, summary analysis on observed trends is given below each table.



SOCIO-ECONOMIC FACT SHEET – APRIL 2009

A. GENERAL		Previous period	Current period	B. FISCAL SITUATION		Baseline	Previous period	Current period	
Indicator		Q3-2008	Q4-2008	Indicator (US\$ millions)		Q4-1999	Q4-2008	Q1-2009 (budget)	
1. GDP (\$US)		1,180.2	1,145.0. ¹	1. Revenue		235	302.9	335.0	
2. GDP per capita (\$US)		326.9	314.9	2. Expenditure		235	248.1	300.6	
				3. Net lending		0	107.7	75.5	
				4. Balance		0	-315.2	-377.4	
				5. External Budget support (including TIM)		0	351.1	259.1	
Source: PCBS				Source: World Bank- Ministry of Finance					
C. MACRO-ECONOMIC		Baseline	Previous period	Current period	D. PRIVATE SECTOR		Baseline	Previous period	Current period
Indicator ²		Aug-2004	Mar 2009	Apr 2009	Indicator				
1. Consumer Price Index ³					1. New Company Registrations		Q2-2000	Q4-2008	Q1-2009
Total			122.82	122.55	Total		568	342	512
West Bank			119.98	119.16	West Bank		288	289	456
Gaza Strip			129.15	129.09	Gaza Strip		280	53	56
2. Truck movement ⁴					2. Area Licensed for new Construction (dunums)		Q2-2000	Q3-2008	Q4-2008
<u>Imports</u>		Aug-2000	Mar-2009	Apr-2009	Total		739.7	458.8	385.6
Karni		4,373	751	554	West Bank		665.3	458.8	385.6
Sufa		4,384	0	0	Gaza Strip		74.4	0.0	0.0
Rafah		953	147	39	3. Banking (US\$ thousands)		Q2-2000	Q3-2008 ⁵	Q4-2008
Kerem Shalom		0	2,516	1,902	Loans		1,234	1,806	1,830
Nahal Oz		904	173	157	Deposits		3,328	6,307	6,269
<u>Exports</u>					Loans/Deposits Ratio		37.1 %	28.66%	29.19%
Karni		2,460	0	0					
Kerem Shalom		0	9	5					
Source: PCBS (1), Ministry of National Economy, General Petroleum Corporation					Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3)				
E. LABOUR FLOWS		Baseline	Previous period	Current period	F. CLOSURE		Baseline	Previous period	Current period
Indicator		Q2-2000	Q4-2008	Q1-2009	Indicator		Aug-2000	Mar- 2009	Apr- 2009
1. Labour Force size					1. Effective closure days ⁷				
Total		706,174	896,100	934,000	Karni (goods)		0 %	100%	100%
West Bank		483,796	604,000	620,400	Erez (workers)		0 %	100%	100%
Gaza Strip		222,378	292,100	313,600	Sufa (aggregates)		0 %	100%	100%
2. Unemployment		8.8 %	27.9%	25.4%	Rafah (passenger)		0 %	100%	100%
3. Adjusted Unemployment ⁶		18.5 %	33.4%	30.6%	Rafah (commercial)		0 %	100%	100%
					Nahal Oz (fuel)		0 %	100%	100%
					Kerem Shalom		0 %	0%	9 %
Source: PCBS					Source: UNSCO				

¹ These numbers may be adjusted

² For a more detailed report on sections C (Macro-economy) and D (Private sector), see data below.

³ CPI Base year 2004 = 100

⁴ MoNE data does not include aggregates or aid flows in Aug 2000.

⁵ * Please note that data for Q3-2008 has been adjusted by the PMA for all bank credit categories.

⁶ Adjusted unemployment is calculated by adding discouraged workers (i.e. unemployed but no longer seeking work) to the ILO standard.

⁷ Effective closure days are calculated by adding all days when a crossing was fully or partially closed excluding weekend and holidays.



OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

MACRO-ECONOMIC UPDATE – APRIL 2009

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

For further information please contact:
Gaza Strip: *Raed Raqeb*

raqeb@un.org

Indicator	Baseline Aug-00	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Exchange Rate							
Exchange Rate	4.05	3.87	3.83	3.90	4.11	4.10	4.19
Source: PCBS							

The exchange rate between the US dollar and the NIS slightly increase in April 2009.

Indicator	Baseline Aug-00	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
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	124.4	50.0	0.0	0.0	40.0	30.0
Benzene 96 (Liter)	2,310.6	0.0	0.0	0.0	0.0	0.0	0.0
Gasoline (Liter)	11,342.6	262.4	400.0	92.0	391.3	300.0	298.4
Gas (Ton)	1.9	0.8	0.8	0.9	1.7	3.9	3.5
White Gasoline (Liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Source: General Petroleum Corporation and Ministry of Finance							

Volume of registered fuel sales in the Gaza Strip has continued to decline in April 2009. No Gasoline and no Benzene have been imported for the private sector since November 3rd 2008, and only 3.5 tons of Gas were allowed in for the private sector, during the reporting period. 30,000 liters of Benzene (95) and 298,400 liters of Gasoline were imported for UNRWA in April 2009.

Indicator	Baseline Aug-04	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Palestinian Consumer Price Index (by region and expenditure group)							
Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)							
Food and soft drinks		139.44	138.24	137.55	136.48	138.99	138.04
Alcoholic Beverages and tobacco		124.18	123.88	124.75	125.48	126.18	126.84
Textiles, clothing and footwear		103.83	104.52	103.42	103.05	103.12	103.39
Housing		122.38	120.99	117.60	118.52	119.76	118.85
Furniture, household goods		107.71	108.30	109.14	110.69	111.48	111.30
Medical care		114.80	114.74	114.32	113.89	113.22	112.84
Transportation		118.09	116.35	113.91	114.87	114.81	116.18
Communications		109.85	109.84	109.93	109.89	109.80	109.83
Recreational, cultural goods & services		99.75	100.41	100.24	100.39	101.00	101.03
Education		101.36	101.28	101.28	101.28	101.26	101.30
Restaurants and cafes		129.46	129.76	129.71	130.02	130.94	131.21
Miscellaneous goods and services		110.04	110.52	110.38	111.88	113.79	114.27
All items of consumer price index		123.08	122.44	121.57	121.54	122.82	122.55
Major Groups of Expenditure (Jerusalem)							
Food and soft drinks		138.32	137.81	135.92	134.22	136.29	135.77
Alcoholic Beverages and tobacco		109.85	109.54	109.89	110.36	111.38	112.78
Textiles, clothing and footwear		105.59	106.12	104.38	103.73	104.91	104.58
Housing		118.04	117.28	114.59	114.59	114.94	115.01
Furniture, household goods		96.82	97.77	98.17	101.22	102.90	103.18
Medical care		120.52	120.59	120.36	120.55	121.15	120.65
Transportation		120.05	119.13	115.62	116.38	116.67	117.45
Communications		106.32	106.37	106.75	106.65	106.65	106.75
Recreational, cultural goods & services		101.88	102.95	102.46	102.74	103.57	103.63
Education		107.07	107.07	107.07	107.07	107.07	107.07
Restaurants and cafes		141.88	142.42	143.70	143.71	143.67	143.77
Miscellaneous goods and services		105.93	105.14	105.53	105.79	106.53	107.32
All items of consumer price index		120.61	120.33	118.92	118.66	119.76	119.79
Major Groups of Expenditure (Rest of the West Bank)							
Food and soft drinks		137.56	133.68	132.02	130.54	133.82	132.03
Alcoholic Beverages and tobacco		114.94	115.11	117.31	119.35	119.34	119.36
Textiles, clothing and footwear		97.74	98.48	96.99	95.49	94.84	94.69
Housing		129.92	127.91	124.70	126.18	128.01	126.21
Furniture, household goods		104.10	104.06	103.49	103.12	101.93	101.07
Medical care		111.98	111.82	111.99	111.97	109.64	108.52
Transportation		115.22	112.92	110.05	111.70	111.95	114.14
Communications		111.51	111.57	111.59	111.45	110.95	111.05
Recreational, cultural goods & services		92.59	92.51	92.31	92.30	92.64	92.56
Education		94.64	94.64	94.64	94.64	94.59	94.59
Restaurants and cafes		125.52	125.21	124.64	123.81	124.61	124.85
Miscellaneous goods and services		116.21	118.28	118.02	119.57	122.97	122.26
All items of consumer price index		121.95	120.13	118.82	118.58	119.98	119.16
Major Groups of Expenditure (Gaza Strip)							
Food and soft drinks		142.92	144.05	145.54	147.15	148.54	147.81
Alcoholic Beverages and tobacco		145.20	144.95	145.10	145.11	145.20	145.65
Textiles, clothing and footwear		107.45	109.05	109.22	109.31	110.40	112.23
Housing		116.74	113.81	110.6	112.79	115.56	113.33
Furniture, household goods		129.56	129.17	130.39	131.15	133.15	133.79
Medical care		102.59	102.19	100.65	98.82	98.28	98.81
Transportation		126.64	124.52	123.29	124.15	122.98	124.24
Communications		107.62	107.47	107.32	107.46	107.81	107.70
Recreational, cultural goods & services		97.50	98.28	98.30	98.11	98.71	99.23
Education		100.75	100.51	100.51	100.51	100.51	100.56
Restaurants and cafes		138.12	138.56	138.71	139.42	142.74	143.50
Miscellaneous goods and services		110.38	110.69	110.21	112.96	116.63	117.54
All items of consumer price index		127.90	126.56	126.87	127.93	129.15	129.09
Source: PCBS							

The Palestinian CPI reached 122.55 in April 2009, a decline of (0.21%) percent compared to March 2009. Significant declined were recorded in the food and soft drink group (0.69%), increase miscellaneous goods and services 0.42%, decline housing (0.76%) and furniture and household goods (0.17%). The medical care group declined by (0.34%), followed by the communication and transportation groups by increase 1.19% each.

Indicator	Baseline Aug-00	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Truck Movement							
Karni commercial crossing							
Total Truck Loads Exports	992	0	0	0	0	0	0
Total Truck Loads Imports	2,923	209	260	656	762	751	554
Kerem Shalom commercial crossing							
Total Truck Loads Exports	0	0	0	0	1	9	5
Total Truck Loads Imports	0	330	594	2,089	2,185.5	2,516	1,902
Sufa commercial crossing							
Total Truck Loads Exports	0	0	0	0	0	0	0
Total Truck Loads Imports	4,384	0	0	0	0	0	0
Nahel Oz commercial crossing (fuel)							
Total Truck Loads Imports	904	40	46	40	80	173	157
Source: Baseline: Ministry of National Economy; General Petroleum Corporation and Ministry of Finance							

Truck movement into Gaza has been restricted to humanitarian supplies since 12 June 2006. At the same time, exports have stopped altogether except for limited agricultural exports. On February 2nd 2009 and in time for Valentine's day, Israel allowed Gaza to export 50,000 flowers to Europe. In April 2009, 5 trucks of flowers (204,000 flowers) were exported. April 2009 data indicates a decline in the total of imported truckloads to the Gaza Strip by approximately 23 percent, if compared to March 2009. The 554 trucks that crossed in through Karni were limited to animal feed, sesame, and wheat. Of the 1902 trucks crossing in through Kerem Shalom, 622 were humanitarian trucks and 1280 trucks were for the private sector.



OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

PRIVATE SECTOR AND BANKING UPDATE – APRIL 2009

- 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:

Gaza Strip: *Raed Raqeb*

raqeb@un.org

Indicator	Baseline Q2-2000	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Number of new Company Registrations (by region and legal status)							
Gaza Strip							
Private	162	6	2	0	6	14	5
Private Limited	46	13	11	4	14	18	21
Public Limited	1	1	0	0	0	0	0
Foreign	3	0	0	0	0	0	0
Total	212	20	13	4	20	32	26
West Bank							
Private	66	38	33	59	65	76	57
Private Limited	163	60	56	72	93	86	107
Public Limited	0	1	0	0	0	0	1
Foreign	0	0	4	0	3	2	2
Total	229	99	93	131	161	164	167
Source: Ministry of Economy							

The number of new companies 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 April 2009 by 1.8 percent, if compared to March 2009. However, if compared to pre-Intifada levels, new company registrations have significantly dropped by approximately 27 percent. As for Gaza, figures from the Ministry of Economy in Ramallah show that no new companies were registered, while data from the authorities in Gaza indicate 26 new registered companies for April 2009. If considering data from authorities in Gaza, then for the number of newly registered companies in Gaza declined in April 2009.

Indicator	Baseline Aug-00	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Area licensed for new construction (Gaza Strip, dunums)							
Northern District	27,902	1,150	0	205	2,800	30,500	3,540
Gaza	50,116	2,650	2,110	1,450	3,120	6,180	2,860
Al Wastah	15,984	1,130	0	650	600	1,160	870
Khan Younis	51,146	2,020	0	0	800	5,150	690
Rafah	39,429	2,540	2,370	850	670	6,120	2,390
Gaza Strip Total	184,577	9,490	4,480	3,155	7,990	49,110	10,350
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Area licensed for new construction (West Bank, dunums)							
Ramallah & Al- Bireh & Jerusalem		47,010	209,946	29,387	31,149	73,345	35,865
Nablus		40,501	171,325	2,412	30,380	42,005	44,555
Tulkarm		17,226	70,576	5,227	19,704	34,739	34,248
Hebron		46,773	97,959	351	21,789	29,250	33,554
Bethlehem		18,561	47,803	817	12,929	9,032	14,069
Jenin		12,111	37,111	1,646	10,180	14,367	9,128
Qalqilya		7,572	9,791	3,928	366	7,763	369
Salfit		0	0	0	0	0	0
Total	345,685	189,754	644,511	43,768	126,497	210,501	171,788
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. April 2009 data indicates a marked decreased in the area licensed for new construction, if compared with March 2009 data, by approximately 22.5 percent. If compared to pre *intifada* levels, area licensed for new construction decreased by 50 percent.

Indicator	Baseline Q2-00	Q3-2007	Q4-2007	Q1-2008	Q2-2008	Q3-2008	Q4-2008
Area licensed for new construction (by region and by type, x 1000 m²)							
Non-residential							
West Bank	122.0	94.7	46.3	n.a	78.5	127.8	115.4
Gaza Strip	5.5	64.9	0.5	n.a	0.7	0.0	0.0
Total Palestinian territory	127.5	159.6	46.8	107.0	79.2	127.8	115.4
Residential							
West Bank	543.3	343.3	339.9	n.a	270.4	331.0	270.2
Gaza Strip	68.9	14.1	12.6	n.a	5.2	0.0	0.0
Total Palestinian territory	612.2	357.4	352.5	423.1	275.6	331.0	270.2
Source: PCBS							

If disaggregated by type, and if compared with Q3-2008, it appears that in Q4-2008 non-residential and residential construction decreased in the oPt by 9.7 percent and 18.36 percent, respectively. It is worth noting that obtaining data for Gaza is not possible due to the closing of the PCBS office in Gaza.

Indicator		Q3-08*	Q4-08
Bank Credit			
Bank Credit by economic activity (x million US\$)			
Agriculture		33	48
Manufacturing & Mining		83	72
Real estate and Lands		237	234
General Trade		304	330
Transportation		25	14
Tourism, Hotels & Restaurants		26	26
Public Services		238	250
Financial Services & Facilitations granted to financial institutions		128	120
Financing granted to the investment of the shares		51	51
Finance the purchase of cars		32	40
Total Public Sector		545	534
Financing for consuming purposes		70	70
Others in the private sector		37	40
GRAND TOTAL		1,807	1,830
Total Excluding theirs in the Public Services and Total Public Sector		1,024	1,045
Bank Credit by economic activity (as percentage of total)			
Agriculture		1.8%	2.6%
Industry & Mining		4.6%	3.9%
Real estate and Lands		13.1%	12.8%
General Trade		16.8%	18.0%
Transportation		1.4%	0.8%
Tourism, Hotels & Restaurants		1.4%	1.4%
Public Services		13.2%	13.7%
Financial Services & Facilitations granted to financial institutions		7.1%	6.5%
Financing granted to the investment of the shares		2.8%	2.8%
Finance the purchase of cars		1.8%	2.2%
Total Public Sector		30.1%	29.2%
Financing for consuming purposes		3.9%	3.8%
Others in the private sector		2.0%	2.2%
Total		100%	100%
Bank Credit by Economic Branch (excluding Total public sector and Public Services) (% of total)			
Agriculture		3.2%	4.6%
Manufacturing and Mining		8.1%	6.9%
Real estate and Lands		23.1%	22.4%
General Trade		29.7%	31.6%
Tourism, Hotels & Restaurants		2.4%	1.4%
Transportation		2.6%	2.5%
Financial Services & Facilitations granted to financial institutions		12.5%	11.4%
Financing granted to the investment of the shares		5.0%	4.9%
Finance the purchase of cars		3.1%	3.8%
Financing for consuming purposes		6.8%	6.7%
Others in the private sector		3.6%	3.8%
Total		100%	100%
* Please note that data for Q3-2008 has been adjusted by the PMA for all bank credit categories.			
Source: PMA			

Data on bank credit is another proxy indicator for economic progress and business confidence (increasing use of bank credit, particularly in the main productive sectors) or decline (decreasing use of bank credit). The Palestine Monetary Authority provides adjusted data once every three months. In relative terms, general trade and Public Services show an increase in the use of credit. Bank credit to the public sector also indicates a decrease of approximately 4.8% in Q4-2008 when compared with Q3-2008. (Please note the PMA has adjusted the indicators for bank credit by economic activities starting Q3-2008. Due to such significant changes in the methodology, current trends cannot be compared to those prior to 2008.)

Indicator	Baseline Jun-00	Q3-07	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08
Bank Credit							
Bank Credit by type (million US\$)							
Loans	512	1,148	1,094	1,061	1,066	1,109	1,113
Overdrafts	653	667	649	701	669	688	707
Leasing	0	11	11	11	11	10	10
BA & Discounted Bills	69	4	5	4	0	0	0
Total	1,234	1,829	1,758	1,777	1,747	1,807	1,830
Bank Credit by type (as percentage of total)							
Loans	41%	63%	62%	60%	61.1%	61.4%	60.8%
Overdrafts	53%	36%	37%	39%	38.3%	38.1%	38.6%
Leasing	0%	1%	1%	1%	0.6%	0.6%	0.6%
BA & Discounted Bills	6%	0%	0%	0%	0.0%	0.0%	0.0%
Total	100%	100%	100%	100%	100%	100%	100%
Source: PMA							

Disaggregating bank credit by the type of credit, the data shows an increase in both loans and bank overdrafts. Loans currently represent 60.8 percent of all credit extended compared to only 41% in the *pre-Intifada* period.

Indicator	Baseline Jun-00	Q3-07	Q4 -07	Q1-08	Q2-08	Q3-08*	Q4-08
Bank Credit							
Bank Credit by borrowing entity (million US\$)							
Businesses	752	1,010	987	1,124	1,009	1,024	1,045
Consumers	429	651	609	501	511	545	534
Public Services	52	168	163	152	227	238	250
Total	1,234	1,829	1,758	1,777	1,747	1,807	1,830
Bank Credit by borrowing entity (as percentage of total)							
Businesses	61%	55%	56%	63%	57.7%	56.7%	57.1%
Consumers	35%	36%	35%	28%	29.3%	30.1%	29.2%
Public Services	4%	9%	9%	9%	13.0%	13.2%	13.7%
Total	100%	100%	100%	100%	100%	100%	100%
* Please note that data for Q3-2008 has been adjusted by the PMA							
Source: PMA							

Disaggregating bank credit by borrowing entities shows that consumer lending has decreased in Q4 -2008 compared to Q3-2008.

Indicator	Baseline Aug-00	Q3-07	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08
Bank Deposits (excluding deposits of the PMA and commercial banks)							
Distribution of Public sector deposits by depositor and type (million US\$)							
Public Institutions and Local Auth.							
Current Accounts	23.9	75.9	71.0	75.1	70.2	60.9	54.6
Time Deposits	49.7	70.4	73.0	69.5	67.0	60.1	72.4
Sub-total	73.6	146.3	144.0	144.7	137.2	121.0	127.1
Government							
Current Accounts	39.8	168.9	177.7	206.7	172.7	220.8	276.6
Time Deposits	74.8	175.2	183.3	181.3	191.8	213.4	191.3
Sub-total	114.6	344.1	361.0	388.1	364.5	434.2	467.9
Total Public sector deposits	188.2	490.4	505.0	532.7	501.7	555.3	595.0
Distribution of Private sector deposits by residency and type (million US\$)							
Residents							
Current Accounts	865.3	1,459.9	1,502.7	1,610.3	1,682.9	1,756.8	1,686.7
Savings Accounts	454.3	1,020.1	1,126.9	1,264.0	1,350.9	1,439.8	1,364.7
Time Deposits	2,084.3	1,780.7	1,848.3	1,884.2	1,915.3	1,978.4	2,047.0
Sub-total	3,403.9	4,260.8	4,477.9	4,758.5	4,949.1	5,174.9	5,098.4
Non-Residents							
Current Accounts	9.5	36.6	39.5	40.5	39.0	39.8	41.1
Savings Accounts	3.6	13.9	15.5	16.3	18.7	21.5	24.8
Time Deposits	22.8	52.8	62.0	58.3	69.1	58.9	65.0
Sub-total	35.9	103.3	117.0	115.1	126.8	120.2	130.9
Total Private sector deposits	3,439.8	4,364.1	4,594.9	4,873.6	5,075.9	5,295.1	5,229.3
Total Deposits (public and private)	3,628.0	4,854.4	5,099.9	5,406.3	5,577.6	5,850.4	5,824.3
Source: PMA							

Bank deposits for the Q4- 2008 indicate a decrease in private deposits, and increase in public sector deposits. Compared with the Q3- 2008.

Indicator	Baseline Jun-00	Q3-07	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08
Value of Loans and Deposits (million US\$)							
Total Loans	1,234	1,829	1,758	1,777	1,747	1,807	1,830
Total Deposits	3,328	5,420	5,702	6,067	6,035	6,307	6,269
Loans/Deposits (ratio)	37.06%	33.75%	30.84%	29.29%	28.94%	28.66%	29.19%
Source: PMA							

In a functioning economy, an increase in the loans versus deposits ratio is perceived as a positive sign, as monies are not saved but invested or consumed, each of which acts as a stimulant for the economy. Since September 2006, this ratio has steadily declined in the oPt signaling little optimism in the prospects for the Palestinian economy, which limits appetite for domestic investment and thus increases deposits. 4th quarter 2008 figures marked the first quarterly increase after a 2 year of decline.

Indicator	Baseline Aug-00	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09
Palestinian Securities Exchange							
Volume of trade							
Number of shares traded (x million)	n.a.	19.9	12.4	9.9	50.4	31.0	16.8
Value of shares traded (x million US\$)	n.a.	40.3	37.2	30.2	66.3	92.5	46.5
Indices							
Al-Quds index	n.a.	423.53	441.66	510.22	510.35	514.61	517.70
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 April 2009 shows an decrease in trade at the stock exchange in terms of value and in terms of number of stocks traded. The Al-Quds index slightly increased in April, 0.60% if compared to March 2009.