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OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – MAY 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 – MAY 2009

A. GENERAL			Previous period	Current period	B. FISCAL SITUATION			Baseline	Previous period	Current period
Indicator		Q4-2008	Q1-2009		Indicator (US\$ millions)		Q4-1999	Q4-2008	Q1-2009 (budget)	
1. GDP (\$US)		1,145.0	1,189.5 ¹		1. Revenue		235	302.9	335.0	
2. GDP per capita (\$US)		314.9	324.8		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	Apr 2009	May 2009	Indicator		Q2-2000	Q4-2008	Q1-2009	
1. Consumer Price Index ³					1. New Company Registrations					
Total			122.55	123.05	Total		568	342	512	
West Bank			119.16	119.77	West Bank		288	289	456	
Gaza Strip			129.09	128.78	Gaza Strip		280	53	56	
2. Truck movement ⁴					2. Area Licensed for new Construction (dunums)					
<u>Imports</u>		Aug-2000	Apr-2009	May-2009	Total		739.7	385.6	468.9	
Karni		4,373	554	642	West Bank		665.3	385.6	468.9	
Sufa		4,384	0	0	Gaza Strip		74.4	0.0	0.0	
Rafah		953	39	64	3. Banking (US\$ thousands)					
Kerem Shalom		0	1,902	2,023	Loans		1,234	1,830	1,842	
Nahal Oz		904	157	231	Deposits		3,328	6,269	6,165	
<u>Exports</u>					Loans/Deposits Ratio		37.1 %	29.19%	29.88%	
Karni		2,460	0	0						
Kerem Shalom		0	5	0						
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	Apr- 2009	May- 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 %	9 %	4 %	
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.



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MACRO-ECONOMIC UPDATE – MAY 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	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Exchange Rate							
Exchange Rate	4.05	3.83	3.90	4.11	4.10	4.19	4.07
Source: PCBS							

The exchange rate between the US dollar and the NIS declined by approximately 2.8% in May 2009 compared to April 2009.

Indicator	Baseline Aug-00	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-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	50.0	0.0	0.0	40.0	30.0	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	400.0	92.0	391.3	300.0	298.4	100.0
Gas (Ton)	1.9	0.8	0.9	1.7	3.9	3.5	5.4
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							

The volume of registered fuel sales in the Gaza Strip continued to decline in May 2009. No Gasoline and no Benzene have been imported for the private sector since November 3rd 2008, and only 5.4 tons of Gas were allowed in for use by the private sector during the reporting period. 30,000 liters of Benzene (95) were imported for UNRWA, and 100,000 liters of Gasoline were imported for M.O.H in May 2009.

Indicator	Baseline Aug-04	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Palestinian Consumer Price Index (by region and expenditure group)							
Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)							
Food and soft drinks		138.24	137.55	136.48	138.99	138.04	138.01
Alcoholic Beverages and tobacco		123.88	124.75	125.48	126.18	126.84	137.23
Textiles, clothing and footwear		104.52	103.42	103.05	103.12	103.39	103.97
Housing		120.99	117.60	118.52	119.76	118.85	118.95
Furniture, household goods		108.30	109.14	110.69	111.48	111.30	110.43
Medical care		114.74	114.32	113.89	113.22	112.84	113.35
Transportation		116.35	113.91	114.87	114.81	116.18	116.07
Communications		109.84	109.93	109.89	109.80	109.83	109.78
Recreational, cultural goods & services		100.41	100.24	100.39	101.00	101.03	100.91
Education		101.28	101.28	101.28	101.26	101.30	101.30
Restaurants and cafes		129.76	129.71	130.02	130.94	131.21	132.30
Miscellaneous goods and services		110.52	110.38	111.88	113.79	114.27	114.21
All items of consumer price index		122.44	121.57	121.54	122.82	122.55	123.05
Major Groups of Expenditure (Jerusalem)							
Food and soft drinks		137.81	135.92	134.22	136.29	135.77	138.39
Alcoholic Beverages and tobacco		109.54	109.89	110.36	111.38	112.78	125.83
Textiles, clothing and footwear		106.12	104.38	103.73	104.91	104.58	105.17
Housing		117.28	114.59	114.59	114.94	115.01	115.13
Furniture, household goods		97.77	98.17	101.22	102.90	103.18	102.08
Medical care		120.59	120.36	120.55	121.15	120.65	121.44
Transportation		119.13	115.62	116.38	116.67	117.45	119.11
Communications		106.37	106.75	106.65	106.65	106.75	106.82
Recreational, cultural goods & services		102.95	102.46	102.74	103.57	103.63	103.59
Education		107.07	107.07	107.07	107.07	107.07	107.07
Restaurants and cafes		142.42	143.70	143.71	143.67	143.77	144.70
Miscellaneous goods and services		105.14	105.53	105.79	106.53	107.32	107.76
All items of consumer price index		120.33	118.92	118.66	119.76	119.79	121.50
Major Groups of Expenditure (Rest of the West Bank)							
Food and soft drinks		133.68	132.02	130.54	133.82	132.03	131.74
Alcoholic Beverages and tobacco		115.11	117.31	119.35	119.34	119.36	134.27
Textiles, clothing and footwear		98.48	96.99	95.49	94.84	94.69	94.88
Housing		127.91	124.70	126.18	128.01	126.21	126.11
Furniture, household goods		104.06	103.49	103.12	101.93	101.07	100.48
Medical care		111.82	111.99	111.97	109.64	108.52	108.38
Transportation		112.92	110.05	111.70	111.95	114.14	114.05
Communications		111.57	111.59	111.45	110.95	111.05	111.30
Recreational, cultural goods & services		92.51	92.31	92.30	92.64	92.56	92.49
Education		94.64	94.64	94.64	94.59	94.59	94.59
Restaurants and cafes		125.21	124.64	123.81	124.61	124.85	126.02
Miscellaneous goods and services		118.28	118.02	119.57	122.97	122.26	121.99
All items of consumer price index		120.13	118.82	118.58	119.98	119.16	119.77
Major Groups of Expenditure (Gaza Strip)							
Food and soft drinks		144.05	145.54	147.15	148.54	147.81	147.10
Alcoholic Beverages and tobacco		144.95	145.10	145.11	145.20	145.65	149.91
Textiles, clothing and footwear		109.05	109.22	109.31	110.40	112.23	113.06
Housing		113.81	110.6	112.79	115.56	113.33	113.57
Furniture, household goods		129.17	130.39	131.15	133.15	133.79	133.54
Medical care		102.19	100.65	98.82	98.28	98.81	99.23
Transportation		124.52	123.29	124.15	122.98	124.24	121.84
Communications		107.47	107.32	107.46	107.81	107.70	106.89
Recreational, cultural goods & services		98.28	98.30	98.11	98.71	99.23	98.92
Education		100.51	100.51	100.51	100.51	100.56	100.56
Restaurants and cafes		138.56	138.71	139.42	142.74	143.50	143.77
Miscellaneous goods and services		110.69	110.21	112.96	116.63	117.54	116.82
All items of consumer price index		126.56	126.87	127.93	129.15	129.09	128.78
Source: PCBS							

The Palestinian CPI reached 123.05 in May 2009, an increase of 0.40% percent compared to April 2009, with most of the increase being experienced in the West Bank, while prices, on average, fell in the Gaza Strip. Declines were recorded in the food and soft drink group (0.02%) for miscellaneous goods and services (0.05 %) for furniture and household goods (0.78 %) and in communication and transportation groups (0.10 % each).. Housing related prices experienced a 0.08% increase. The medical care group index increased by 0.45 %, and increase were also recorded in Textiles, clothing

and footwear (+0.56 %).

Indicator	Baseline Aug-00	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Truck Movement							
Karni commercial crossing							
Total Truck Loads Exports	992	0	0	0	0	0	0
Total Truck Loads Imports	2,923	260	656	762	751	554	642
Kerem Shalom commercial crossing							
Total Truck Loads Exports	0	0	0	1	9	5	0
Total Truck Loads Imports	0	594	2,089	2,185.5	2,516	1,902	2,023
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	46	40	80	173	157	231
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. May 2009 data indicates an increase in the total of imported truckloads to the Gaza Strip by approximately 8 percent, if compared to April 2009. The 642 trucks that crossed in through Karni were limited to animal feed, sesame, chickpeas and wheat. Of the 2,023 trucks crossing in through Kerem Shalom, 723 were humanitarian trucks and 1,300 trucks were for the private sector.



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PRIVATE SECTOR AND BANKING UPDATE – MAY 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*

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Indicator	Baseline Q2-2000	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Number of new Company Registrations (by region and legal status)							
Gaza Strip							
Private	162	2	0	6	14	5	10
Private Limited	46	11	4	14	18	21	23
Public Limited	1	0	0	0	0	0	0
Foreign	3	0	0	0	0	0	0
Total	212	13	4	20	32	26	33
West Bank							
Private	66	33	59	65	76	57	51
Private Limited	163	56	72	93	86	107	66
Public Limited	0	0	0	0	0	1	0
Foreign	0	4	0	3	2	2	2
Total	229	93	131	161	164	167	119
Source: Ministry of Economy							

The number of new company registrations is used as a proxy indicator for the vitality of the local economy as well as the ability of the local economy to create new employment. New company registrations in the West Bank declined in May 2009 by 28.7 percent, if compared to April 2009. If compared to pre-Intifada levels, new company registrations have dropped by approximately 48.03 %. 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 33 new registered companies for May 2009. If considering data from authorities in Gaza, then for the number of newly registered companies in Gaza increased by approximately 21.2% in May 2009.

Indicator	Baseline Aug-00	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Area licensed for new construction (Gaza Strip, dunums)							
Northern District	27,902	0	205	2,800	30,500	3,540	1,950
Gaza	50,116	2,110	1,450	3,120	6,180	2,860	4,700
Al Wastah	15,984	0	650	600	1,160	870	1,100
Khan Younis	51,146	0	0	800	5,150	690	3,650
Rafah	39,429	2,370	850	670	6,120	2,390	5,320
Gaza Strip Total	184,577	4,480	3,155	7,990	49,110	10,350	16,720
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Area licensed for new construction (West Bank, dunums)							
Ramallah & Al- Bireh & Jerusalem		209,946	29,387	31,149	73,345	35,865	61,273
Nablus		171,325	2,412	30,380	42,005	44,555	61,230
Tulkarm		70,576	5,227	19,704	34,739	34,248	29,398
Hebron		97,959	351	21,789	29,250	33,554	39,385
Bethlehem		47,803	817	12,929	9,032	14,069	16,070
Jenin		37,111	1,646	10,180	14,367	9,128	18,595
Qalqilya		9,791	3,928	366	7,763	369	1,054
Salfit		0	0	0	0	0	0
Total	345,685	644,511	43,768	126,497	210,501	171,788	227,005
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. May 2009 data shows an increase in the area licensed for new construction, of approximately 24.3 percent compared to the previous month. If compared to pre *intifada* levels, area licensed for new construction has decreased by 34.3 percent.

Indicator	Baseline Q2-00	Q4-2007	Q1-2008	Q2-2008	Q3-2008	Q4-2008	Q1-2009
Area licensed for new construction (by region and by type, x 1000 m²)							
Non-residential							
West Bank	122.0	46.3	n.a	78.5	127.8	115.4	113.1
Gaza Strip	5.5	0.5	n.a	0.7	0.0	0.0	0
Total Palestinian territory	127.5	46.8	107.0	79.2	127.8	115.4	113.1
Residential							
West Bank	543.3	339.9	n.a	270.4	331.0	270.2	355.8
Gaza Strip	68.9	12.6	n.a	5.2	0.0	0.0	0
Total Palestinian territory	612.2	352.5	423.1	275.6	331.0	270.2	355.8
Source: PCBS							

If disaggregated by type, and if compared with Q4-2008, it appears that in Q1-2009 non-residential and residential construction decreased in the opt by 1.9 %, while residential construction has increased by %24. 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	Q1-09
Bank Credit			
Bank Credit by economic activity (x million US\$)			
Agriculture	33	48	40
Manufacturing & Mining	83	72	165
Real estate and Lands	237	234	190
General Trade	304	330	312
Transportation	25	14	18
Tourism, Hotels & Restaurants	26	26	29
Public Services	238	250	240
Financial Services & Facilitations granted to financial institutions	128	120	45
Financing granted to the investment of the shares	51	51	67
Finance the purchase of cars	32	40	43
Total Public Sector	545	534	582
Financing for consuming purposes	70	70	66
Others in the private sector	37	40	45
GRAND TOTAL	1,807	1,830	1,842
Total Excluding theirs in the Public Services and Total Public Sector	1,024	1,045	1,020
Bank Credit by economic activity (as percentage of total)			
Agriculture	1.8%	2.6%	2.2%
Industry & Mining	4.6%	3.9%	9.0%
Real estate and Lands	13.1%	12.8%	10.3%
General Trade	16.8%	18.0%	16.9%
Transportation	1.4%	0.8%	1.0%
Tourism, Hotels & Restaurants	1.4%	1.4%	1.6%
Public Services	13.2%	13.7%	13.0%
Financial Services & Facilitations granted to financial institutions	7.1%	6.5%	2.4%
Financing granted to the investment of the shares	2.8%	2.8%	3.7%
Finance the purchase of cars	1.8%	2.2%	2.4%
Total Public Sector	30.1%	29.2%	31.6%
Financing for consuming purposes	3.9%	3.8%	3.6%
Others in the private sector	2.0%	2.2%	2.5%
Total	100%	100%	100%
Bank Credit by Economic Branch (excluding Total public sector and Public Services) (% of total)			
Agriculture	3.2%	4.6%	3.9%
Manufacturing and Mining	8.1%	6.9%	16.2%
Real estate and Lands	23.1%	22.4%	18.6%
General Trade	29.7%	31.6%	30.5%
Tourism, Hotels & Restaurants	2.4%	1.4%	1.8%
Transportation	2.6%	2.5%	2.8%
Financial Services & Facilitations granted to financial institutions	12.5%	11.4%	4.4%
Financing granted to the investment of the shares	5.0%	4.9%	6.6%
Finance the purchase of cars	3.1%	3.8%	4.2%
Financing for consuming purposes	6.8%	6.7%	6.4%
Others in the private sector	3.6%	3.8%	4.4%
Total	100%	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 a decrease in the use of credit. Bank credit to the public sector also indicates an increase of approximately 8% in Q1-2009 when compared with Q4-2008. (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	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09
Bank Credit							
Bank Credit by type (million US\$)							
Loans	512	1,094	1,061	1,066	1,109	1,113	1,159
Overdrafts	653	649	701	669	688	707	673
Leasing	0	11	11	11	10	10	10
BA & Discounted Bills	69	5	4	0	0	0	0
Total	1,234	1,758	1,777	1,747	1,807	1,830	1,842
Bank Credit by type (as percentage of total)							
Loans	41%	62%	60%	61.1%	61.4%	60.8%	62.9%
Overdrafts	53%	37%	39%	38.3%	38.1%	38.6%	36.5%
Leasing	0%	1%	1%	0.6%	0.6%	0.6%	0.6%
BA & Discounted Bills	6%	0%	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 loans and a decrease in bank overdrafts. Loans currently represent 62.9 percent of all credit extended compared to only 41% in the *pre-Intifada* period.

Indicator	Baseline Jun-00	Q4 -07	Q1-08	Q2-08	Q3-08*	Q4-08	Q1-09
Bank Credit							
Bank Credit by borrowing entity (million US\$)							
Businesses	752	987	1,124	1,009	1,024	1,045	1,020
Consumers	429	609	501	511	545	534	582
Public Services	52	163	152	227	238	250	240
Total	1,234	1,758	1,777	1,747	1,807	1,830	1,842
Bank Credit by borrowing entity (as percentage of total)							
Businesses	61%	56%	63%	57.7%	56.7%	57.1%	55.4%
Consumers	35%	35%	28%	29.3%	30.1%	29.2%	31.6%
Public Services	4%	9%	9%	13.0%	13.2%	13.7%	13.0%
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 increased in Q1 -2009 compared to Q4-2008.

Indicator	Baseline Aug-00	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09
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	71.0	75.1	70.2	60.9	54.6	57.9
Time Deposits	49.7	73.0	69.5	67.0	60.1	72.4	74.4
Sub-total	73.6	144.0	144.7	137.2	121.0	127.1	132.3
Government							
Current Accounts	39.8	177.7	206.7	172.7	220.8	276.6	243.2
Time Deposits	74.8	183.3	181.3	191.8	213.4	191.3	152.7
Sub-total	114.6	361.0	388.1	364.5	434.2	467.9	395.9
Total Public sector deposits	188.2	505.0	532.7	501.7	555.3	595.0	528.1
Distribution of Private sector deposits by residency and type (million US\$)							
Residents							
Current Accounts	865.3	1,502.7	1,610.3	1,682.9	1,756.8	1,686.7	1,704.2
Savings Accounts	454.3	1,126.9	1,264.0	1,350.9	1,439.8	1,364.7	1,366.9
Time Deposits	2,084.3	1,848.3	1,884.2	1,915.3	1,978.4	2,047.0	1,939.9
Sub-total	3,403.9	4,477.9	4,758.5	4,949.1	5,174.9	5,098.4	5,011.0
Non-Residents							
Current Accounts	9.5	39.5	40.5	39.0	39.8	41.1	100.7
Savings Accounts	3.6	15.5	16.3	18.7	21.5	24.8	31.1
Time Deposits	22.8	62.0	58.3	69.1	58.9	65.0	76.2
Sub-total	35.9	117.0	115.1	126.8	120.2	130.9	208.0
Total Private sector deposits	3,439.8	4,594.9	4,873.6	5,075.9	5,295.1	5,229.3	5,219.0
Total Deposits (public and private)	3,628.0	5,099.9	5,406.3	5,577.6	5,850.4	5,824.3	5,747.1
Source: PMA							

Bank deposits for the Q1- 2009 indicate a decrease in private deposits and public sector deposits compared with the Q4- 2008.

Indicator	Baseline Jun-00	Q4 -07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09
Value of Loans and Deposits (million US\$)							
Total Loans	1,234	1,758	1,777	1,747	1,807	1,830	1,842
Total Deposits	3,328	5,702	6,067	6,035	6,307	6,269	6,165
Loans/Deposits (ratio)	37.06%	30.84%	29.29%	28.94%	28.66%	29.19%	29.88%
Source: PMA							

In a functioning economy, an increase in the loans versus deposits ratio is perceived as a positive sign, as monies are not saved but invested or consumed, each of which acts as a stimulant for the economy. Since September 2006, this ratio had steadily declined in the oPt signaling little optimism in the prospects for the Palestinian economy,.Q1- 2009 figures marked the first quarterly increase after a 2 year of decline.

Indicator	Baseline Aug-00	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
Palestinian Securities Exchange							
Volume of trade							
Number of shares traded (x million)	n.a.	12.4	9.9	50.4	31.0	16.8	11.2
Value of shares traded (x million US\$)	n.a.	37.2	30.2	66.3	92.5	46.5	28.8
Indices							
Al-Quds index	n.a.	441.66	510.22	510.35	514.61	517.70	512.03
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 May 2009 shows an decrease in trade at the stock exchange in terms of value of approximately 33.54 % and in terms of number of stocks traded of approximately 38.02 %. The Al-Quds index slightly decreases in May, 1.10 % if compared to April 2009.