

UNITED NATIONS



NATIONS UNIES

OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – MAY 2010

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 (oPt) 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 four 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 and the economic activity throughout the oPt, including private sector and banking activity. Section 4 focuses on access of goods in and out of the Gaza strip. All sections 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 presented below each table.

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I. SOCIO-ECONOMIC FACT SHEET – MAY 2010

A. GENERAL	Baseline 2004	Previous period	Previous period	Current period	B. FISCAL SITUATION	Baseline 1999	Previous period	Current period
Indicator	2004 ¹	Q3-2004	Q3-2009	Q4-2009	Indicator (US\$ millions)	1999-Q4 ³	Q4-2009	Q1-2010 ⁴ (budget)
1. GDP (\$US)	4,198.4	1,120.9	1,307.1	1,327.4 ²	1. Revenue	235	397.5	448.2
2. GDP per capita (\$US)	1,317.0	350.4	351.8	354.6	2. Expenditure	235	264.0	261.1
					3. Net lending	0	81.2	73.9
					4. Balance	0	-258.2	-310.3
					5. External Budget support (including TIM)	0	284.3	207.6
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 ⁵
1. Consumer Price Index ⁶				1. New Company Registrations				
Total	100	127.50	127.60	Total	568	506	410	
West Bank	100	125.14	124.94	West Bank	288	444	323	
Gaza Strip	100	131.03	130.71	Gaza Strip	280	62	87	
2. Truck movement ⁷	Aug-2000	Apr -2010	May-2010	2. Area Licensed for new Construction (x 1000 m ²)				
<u>Imports</u>				Total	739.7	509.4	593.5	
Karni - conveyor belt/chute	4,373	693	736	West Bank	665.3	509.4	593.5	
Sufa	4,384	0	0	Gaza Strip	74.4	0	0	
Rafah	953	0	0	3. Banking (US\$ thousands)				
Kerem Shalom	0	1,717.5	1,914.5	Q2-2000				
Kerem Shalom (fuel)	0	148	144	Q4-2009				
Nahal Oz	904	0	0	Q1-2010				
<u>Exports</u>				Loans	1,234	2,232	2,587	
Karni	2,460	0	0	Deposits	3,328	6,655	6,935	
Kerem Shalom	0	5	0	Loans/Deposits Ratio	37.1 %	33.54%	37.30%	
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. LABOR FLOWS	Baseline	Previous period	Current period	F. CLOSURE	Baseline (Open)	Complete Closure	Partial Closure	
								Indicator
1. Labor Force size	Q2-2000	Q4-2009	Q1-2010	1 Indicator				
Total	706,174	963,500	953,900	1. Effective closure days ¹⁰				
West Bank	483,796	656,900	649,000	Karni (Conveyer Belt)	100 %	65%	35%	
Gaza Strip	222,378	306,600	304,900	Kerem Shalom	0 %	16%	0%	
2. Unemployment	8.8 %	24.8%	22.0%	Nahal Oz (fuel)	100 %	100%	0%	
3. Adjusted Unemployment ⁹	18.5 %	30.2%	28.0%	Sufa (aggregates)	100 %	100%	0%	
Source: PCBS					Rafah (commercial)	100 %	100%	0%
					Rafah (passenger)	100 %	16%	84%
					Source: UNSCO			

¹ The base year for GDP is 2004

² These numbers may be adjusted

³ No available baseline data on the year 2000.

⁴ These numbers may be adjusted

⁵ For a more detailed report on sections C (Macro-economy) and D (Private sector), see data below.

⁶ CPI Base year for 2004 = 100

⁷ MoNE data does not include aggregates or aid flows in Aug 2000.

⁸ On indicators measured on quarter basis, 2nd quarter of 2000 was used as a baseline since Intifada broke up in the third quarter.

⁹ Adjusted unemployment is calculated by adding discouraged workers (i.e. unemployed but no longer seeking work) to the ILO standard.

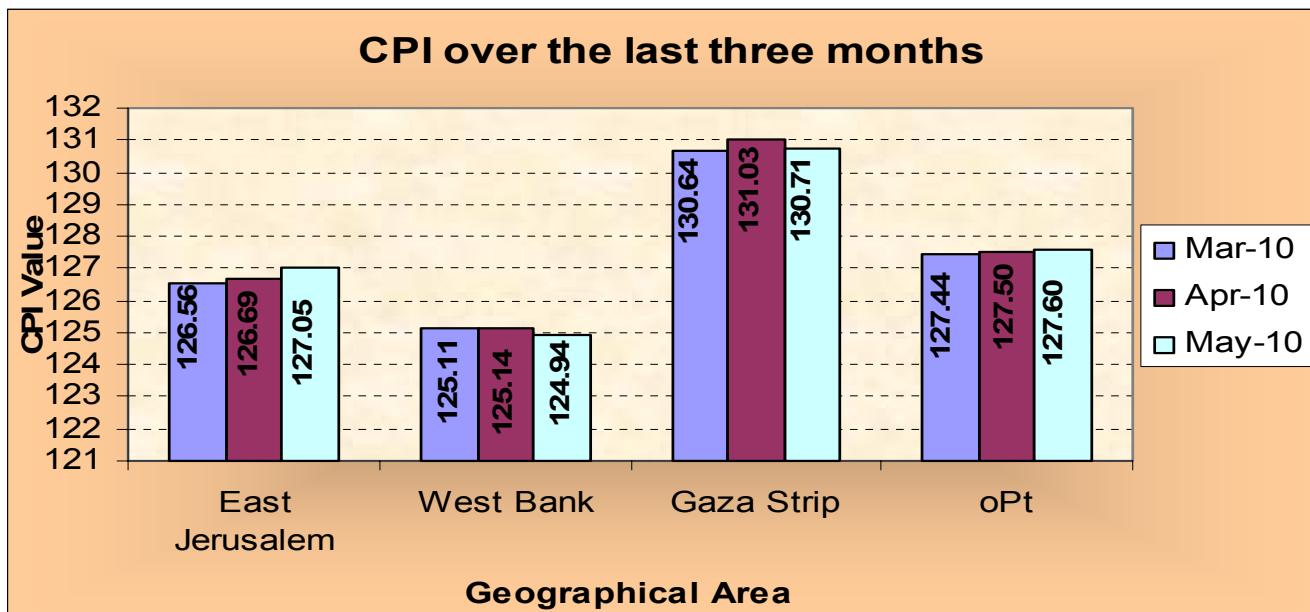
¹⁰ Effective closure days are calculated by adding all days when a crossing was fully or partially closed excluding weekend and holiday. Partial closure means that crossing was partially closed for more than one hour but not for a full day where it is considered full closure. Karni - conveyor belt/chute -The conveyor belt/chute for cereals and animal feed at Karni is the only operational one. Rafah Crossing for passengers is partially opened for humanitarian purposes.

II. MACRO-ECONOMIC INDICATORS – MAY 2010

Indicator	Baseline Aug-04	Dec -09	Jan - 2010	Feb -2010	Mar -2010	Apr -2010	May -2010
Palestinian consumer price index (by region and expenditure group)							
Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem)							
Food and soft drinks		144.25	143.57	142.17	142.26	141.93	141.64
Alcoholic Beverages and tobacco		140.78	145.14	145.38	145.40	145.38	145.29
Textiles, clothing and footwear		107.99	107.86	108.26	106.96	107.76	108.60
Housing		126.00	126.89	127.38	127.59	127.52	127.27
Furniture, household goods		114.94	115.48	115.63	115.18	115.41	115.72
Medical care		114.29	114.84	114.96	114.51	113.85	114.87
Transportation		119.46	119.16	119.49	120.27	121.01	121.37
Communications		106.85	107.03	106.97	106.89	107.01	107.07
Recreational, cultural goods & services		102.18	102.72	103.00	102.62	102.75	103.06
Education		110.32	110.32	110.32	110.34	110.34	110.34
Restaurants and cafes		134.51	135.04	136.09	135.59	136.19	136.58
Miscellaneous goods and services		117.89	117.48	117.42	117.48	118.51	119.37
All items of consumer price index		127.75	127.83	127.48	127.44	127.50	127.60
Major Groups of Expenditure (Jerusalem)							
Food and soft drinks		144.74	144.65	142.19	143.89	143.17	143.38
Alcoholic Beverages and tobacco		128.66	134.06	133.94	133.79	133.78	133.45
Textiles, clothing and footwear		113.21	112.88	113.88	111.57	112.77	113.81
Housing		120.55	120.57	120.52	120.71	120.70	120.87
Furniture, household goods		107.40	107.87	107.73	107.20	107.92	108.50
Medical care		124.47	125.97	126.29	125.02	124.09	125.99
Transportation		124.39	123.84	125.38	126.31	127.76	127.87
Communications		103.62	103.62	103.62	103.62	103.62	103.62
Recreational, cultural goods & services		107.40	107.71	107.72	106.92	107.17	107.63
Education		112.05	112.05	112.05	112.05	112.05	112.05
Restaurants and cafes		147.20	146.72	147.97	146.80	147.97	148.72
Miscellaneous goods and services		110.65	110.72	110.93	110.91	111.80	112.55
All items of consumer price index		126.47	126.69	126.17	126.56	126.69	127.05
Major Groups of Expenditure (Rest of the West Bank)							
Food and soft drinks		142.12	141.02	140.01	139.51	139.15	138.03
Alcoholic Beverages and tobacco		138.10	143.66	144.68	145.31	145.22	145.29
Textiles, clothing and footwear		95.48	95.17	95.43	94.55	96.22	97.50
Housing		132.77	134.50	135.1	135.49	135.36	134.83
Furniture, household goods		100.72	100.73	100.05	99.65	99.71	99.99
Medical care		110.09	110.28	109.94	110.35	110.01	110.61
Transportation		117.77	117.62	117.45	118.23	118.71	119.31
Communications		107.44	108.05	107.83	107.47	107.93	108.18
Recreational, cultural goods & services		92.29	92.62	92.73	92.73	92.84	92.96
Education		106.46	106.46	106.46	106.52	106.52	106.52
Restaurants and cafes		128.05	128.59	129.42	128.86	129.40	129.35
Miscellaneous goods and services		123.46	122.60	122.46	122.63	122.99	124.75
All items of consumer price index		125.54	125.56	125.24	125.11	125.14	124.94
Major Groups of Expenditure (Gaza Strip)							
Food and soft drinks		149.50	148.78	145.81	143.98	144.86	144.10
Alcoholic Beverages and tobacco		153.51	156.63	156.63	156.63	156.63	156.58
Textiles, clothing and footwear		115.07	115.03	114.66	114.39	113.93	113.95
Housing		119.87	121.71	123.28	123.26	123.13	122.29
Furniture, household goods		143.13	144.71	145.32	145.34	144.83	144.70
Medical care		98.30	98.28	98.57	98.57	98.57	98.57
Transportation		125.93	125.78	125.69	126.17	126.45	126.84
Communications		105.58	105.58	105.58	105.48	105.48	105.48
Recreational, cultural goods & services		99.68	100.21	100.55	100.75	100.68	101.08
Education		107.59	107.59	107.59	107.59	107.59	107.59
Restaurants and cafes		148.83	150.13	151.35	151.46	152.37	152.47
Miscellaneous goods and services		120.82	120.01	119.72	120.10	121.50	121.49
All items of consumer price index		132.15	132.27	131.30	130.64	131.03	130.71

Source: PCBS

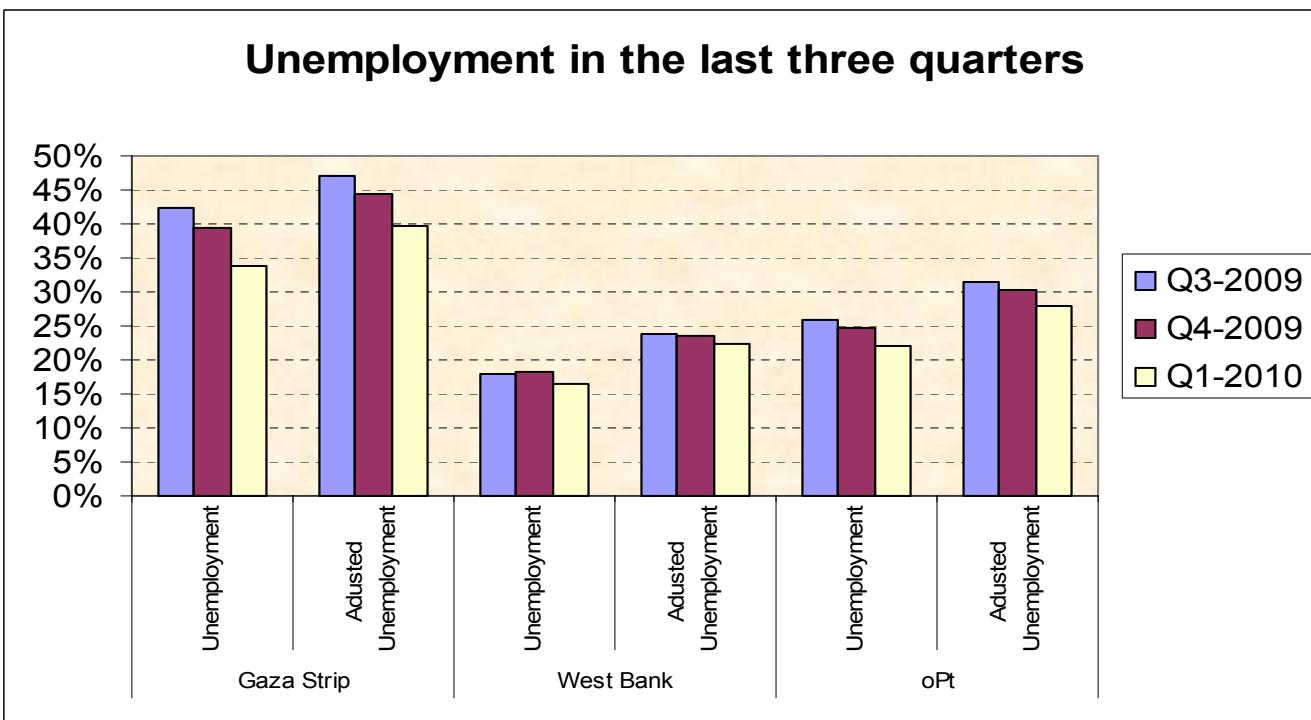
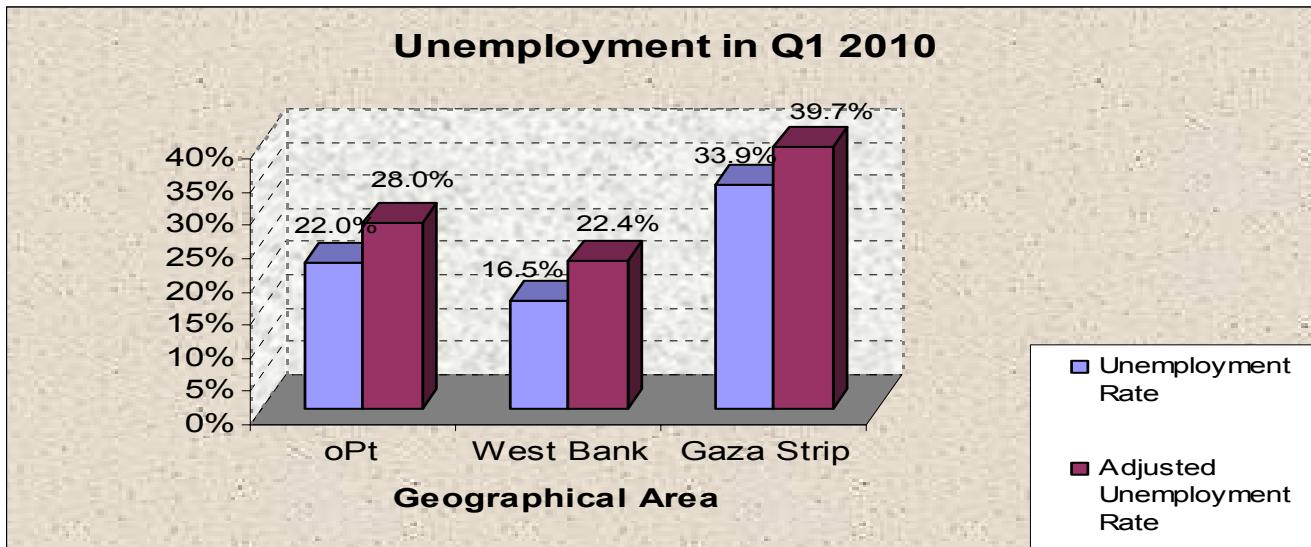
The Palestinian CPI reached 127.60 in May 2010, an increase of 0.07% compared to April 2010. Increases were recorded in the Furniture, Household goods sector (0.27%), in Miscellaneous goods and Services (0.73 %) Textiles, Clothing and Footwear (0.78 %) and in Transportation (0.30% each) while the Food and Soft Drinks sector experienced a 0.20% price decline.



Indicator	Baseline Q2 -00	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010
Labor Force							
Unemployment and Adjusted Unemployment¹¹ in occupied Palestinian territory							
Labor Force -Total							
Labor Force - West Bank	706,174	896,100	934000	949,800	955,400	963,500	953,900
Labor Force - Gaza Strip	483,796	604,000	620400	649,600	644,800	656,900	649,000
occupied Palestinian territory							
Unemployment	8.8%	27.9%	25.4%	22.2%	25.8%	24.8%	22.0%
Adjusted Unemployment	18.5%	33.4%	30.6%	28.0%	31.4%	30.2%	28.0%
West Bank							
Unemployment	6.5%	19.8%	19.5%	15.9%	17.8%	18.1%	16.5%
Adjusted Unemployment	15.8%	26.0%	25.1%	21.2%	23.7%	23.5%	22.4%
Gaza Strip							
Unemployment	13.8%	44.8%	37.0%	36.0%	42.3%	39.3%	33.9%
Adjusted Unemployment	24.2%	48.8%	41.5%	42.1%	47.1%	44.3%	39.7%
Source: PCBS							

The overall unemployment rate decreased from 24.8% in the 4th quarter 2009 to 22.0% in the 1st quarter 2010 (compared with 25.4% in the 1st quarter 2009). The Gaza Strip experienced a decline from 39.3% in the 4th quarter 2009 to 33.9% in the 1st quarter 2010 while the rate in the West Bank declined from 18.1% to 16.5%. The Tulkarm governorate registered the highest unemployment rate among the West Bank governorates (24.9%) followed by Hebron governorate at (21.2) while Jericho and Aghwar governorate registered the lowest unemployment rate (7.0%). For Gaza Strip, Khan Younis governorate registered the highest unemployment rate (41.0%) followed by Deir Al Balah governorate (35.8%), and the Gaza city governorate (32.9%).

¹¹ Adjusted unemployment is the total number of unemployed in addition to those who are unemployed and don't seek any employment.



Indicator	Baseline Aug-00	Dec -09	Jan - 2010	Feb -2010	Mar -2010	Apr -2010	May -2010
Exchange Rate							
Exchange Rate		4.05	3.78	3.72	3.74	3.75	3.73
Source: PCBS							

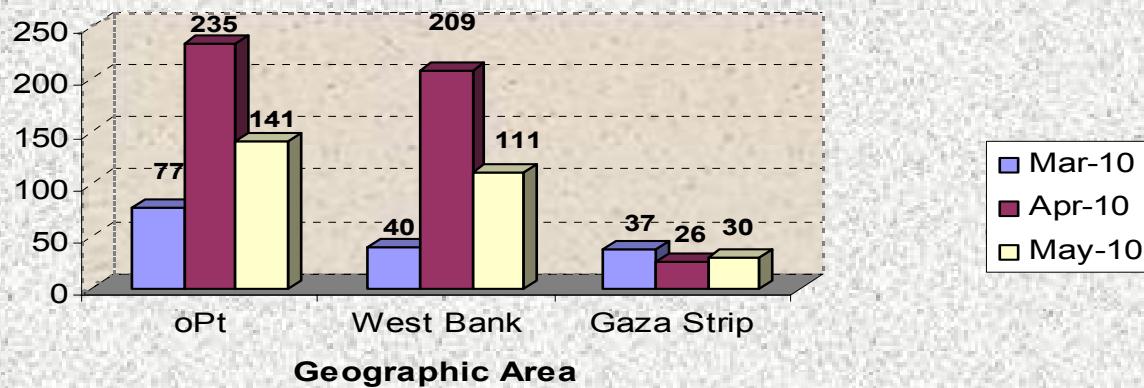
The exchange rate between the US dollar and the NIS increased by approximately 1.34% in May 2010 compared to April 2010.

III. ECONOMIC ACTIVITY – MAY 2010

Indicator	Baseline Aug.2000	Dec -09	Jan - 2010	Feb -2010	Mar -2010	Apr -2010	May -2010
Number of new company registrations (by region and legal status)							
Gaza Strip							
Private	81	7	10	8	11	6	5
Private Limited	12	11	19	13	26	20	25
Public Limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	94	18	29	21	37	26	30
West Bank							
Private	42	83	73	55	30	69	34
Private Limited	95	76	76	76	8	135	74
Public Limited	0	0	0	1	1	1	0
Foreign	0	1	1	1	1	4	3
Total	137	160	150	133	40	209	111
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 by 18.98% compared to April 2010. When compared to pre-Intifada levels, new company registrations have a decline by approximately 46.89 %., In for Gaza, data from the Ministry of Economy in Gaza indicates 30 new registered companies for May 2010. On such basis, the number of newly registered companies in Gaza an increase by approximately 15.38% compared to April 2010.

Number of new company registration in the last three months.



Indicator	Baseline Aug-00	Dec -09	Jan - 2010	Feb - 2010	Mar - 2010	Apr -2010	May -2010
Palestinian Securities Exchange							
Volume of trade							
Number of shares traded (x million)							
Value of shares traded (x million US\$)	7.02	18.7	10.1	33.3	18.6	19.7	27.3
13.06	34.2	21.0	70.3	43.7	30.6	41.0	
Indices							
Al-Quds index	265.23	493.00	502.43	525.18	503.17	501.72	491.52
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 2010 shows an increase in terms of number of stocks traded of approximately 38.45 % and an increase in terms of value of shares traded of approximately 37.07 %. The Al-Quds index dropped by 2.03 %.



Indicator	Baseline Aug-00	Dec -09	Jan - 2010	Feb - 2010	Mar - 2010	Apr -2010	May -2010
Area licensed for new construction (Gaza Strip, square meters)							
Northern District	27,902	3,540	15,330	10,130	18,400	15,440	22,800
Gaza	50,116	3,570	2,550	7,520	7,560	9,260	18,300
Al Wastah	15,984	1,240	1,230	1,290	2,450	3,170	5,450
Khan Younis	51,146	1,530	8,770	9,850	9,540	14,830	17,300
Rafah	39,429	2,520	4,470	3,620	5,540	7,240	8,550
Gaza Strip Total	184,577	12,400	32,350	32,410	43,490	49,940	72,400
Source: Engineering Offices and Consulting Firms							

Indicator	Baseline Aug-00	Dec -09	Jan - 2010	Feb - 2010	Mar - 2010	Apr -2010	May -2010
Area licensed for new construction (West Bank, square meters)							
Ramallah & Al- Bireh & Jerusalem	273,391	48,482	77,299	73,738	96,907	67,548	
Nablus	131,455	31,722	21,131	53,877	57,315	45,523	
Tulkarm	45,518	22,842	23,718	30,368	24,146	32,789	
Hebron	114,236	16,131	40,470	71,110	30,366	49,481	
Bethlehem	17,376	2,505	13,322	14,194	15,692	28,521	
Jenin	38,090	12,818	12,335	20,084	20,988	26,581	
Qalqilya	1,543	3,166	5,792	760	1,047	454	
Salfit	0	0	0	0	0	0	
Total	345,685	621,609	137,666	194,067	264,131	246,461	250,897
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 2010 data shows an increase in the area licensed for new construction of approximately 1.80% compared to the previous month in the West Bank. When compared to pre *intifada* levels, area licensed for new construction has now experienced a decline of 27.42 %.

Indicator	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010
Bank Credit					
Bank Credit by economic activity (x million US\$)					
Agriculture	40	41	37	39	47
Manufacturing & Mining	165	174	179	185	194
Real estate and Lands	190	219	238	266	292
General Trade	312	351	360	341	379
Transportation	18	16	23	25	24
Tourism, Hotels & Restaurants	29	31	35	39	44
Public Services	240	252	323	328	347
Financial Services & Facilitations granted to financial institutions	45	46	69	73	70
Financing granted to the investment of the shares	67	66	56	56	54
Finance the purchase of cars	43	48	56	57	68
Total Public Sector	582	749	722	637	870
Financing for consuming purposes	66	60	65	77	88
Others in the private sector	45	47	97	111	111
GRAND TOTAL	1,842	2,100	2,261	2,234	2,587
Total Excluding theirs in the Public Services and Total Public Sector	1,020	1,099	1,216	1,269	1,370
Bank Credit by economic activity (as percentage of total)					
Agriculture	2.2%	2.0%	1.6%	1.7%	1.8%
Industry & Mining	9.0%	8.3%	7.9%	8.3%	7.5%
Real estate and Lands	10.3%	10.4%	10.5%	11.9%	11.3%
General Trade	16.9%	16.7%	15.9%	15.3%	14.6%
Transportation	1.0%	0.8%	1.0%	1.1%	0.9%
Tourism, Hotels & Restaurants	1.6%	1.5%	1.6%	1.8%	1.7%
Public Services	13.0%	12.0%	14.3%	14.7%	13.4%
Financial Services & Facilitations granted to financial institutions	2.4%	2.2%	3.1%	3.3%	2.7%
Financing granted to the investment of the shares	3.7%	3.2%	2.5%	2.5%	2.1%
Finance the purchase of cars	2.4%	2.3%	2.5%	2.6%	2.6%
Total Public Sector	31.6%	35.7%	31.9%	28.5%	33.6%
Financing for consuming purposes	3.6%	2.8%	2.9%	3.4%	3.4%
Others in the private sector	2.5%	2.3%	4.3%	5.0%	4.3%
Total	100%	100%	100%	100%	100%
Bank Credit by Economic Branch (excluding Total public sector and Public Services) (% of total)					
Agriculture	3.9%	3.8%	3.1%	3.0%	3.4%
Manufacturing and Mining	16.2%	15.8%	14.7%	14.6%	14.2%
Real estate and Lands	18.6%	20.0%	19.6%	21.0%	21.3%
General Trade	30.5%	31.9%	29.7%	26.9%	27.6%
Tourism, Hotels & Restaurants	1.8%	1.5%	1.9%	2.0%	1.8%
Transportation	2.8%	2.8%	2.9%	3.1%	3.2%
Financial Services & Facilitations granted to financial institutions	4.4%	4.2%	5.7%	5.8%	5.1%
Financing granted to the investment of the shares	6.6%	6.0%	4.6%	4.4%	4.0%
Finance the purchase of cars	4.2%	4.3%	4.6%	4.5%	4.9%
Financing for consuming purposes	6.4%	5.4%	5.3%	6.0%	6.4%
Others in the private sector	4.4%	4.3%	8.0%	8.7%	8.1%
Total	100%	100%	100%	100%	100%

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 indicates an increase of approximately 36.50% in Q1-2010 when compared with Q4-2009. (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 Q2-00	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010
Bank Credit							
Bank Credit by type (million US\$)							
Loans	512	1,113	1,159	1,339	1,500	1,565	1,874
Overdrafts	653	707	673	751	753	659	705
Leasing	0	10	10	10	7	8	8
BA & Discounted Bills	69	0	0	0	0	0	0
Total	1,234	1,830	1,842	2,100	2,261	2,232	2,587
Bank Credit by type (as percentage of total)							
Loans	41%	60.8%	62.9%	63.8%	66.4%	70.1%	72.4%
Overdrafts	53%	38.6%	36.5%	35.8%	33.3%	29.5%	27.3%
Leasing	0%	0.6%	0.6%	0.5%	0.3%	0.3%	0.3%
BA & Discounted Bills	6%	0.0%	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 overdrafts. Loans currently represent 72.4 % of all credit extended compared to only 41% in the *pre-Intifada* period.

Indicator	Baseline Q2-00	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010
Bank Credit							
Bank Credit by borrowing entity (million US\$)							
Businesses	752	1,045	1,020	1,099	1,216	1,269	1,370
Consumers	429	534	582	749	722	637	870
Public Services	52	250	240	252	323	328	347
Total	1,234	1,830	1,842	2,100	2,261	2,234	2,587
Bank Credit by borrowing entity (as percentage of total)							
Businesses	61%	57.1%	55.4%	52.3%	53.8%	56.8%	53.0%
Consumers	35%	29.2%	31.6%	35.7%	31.9%	28.5%	33.6%
Public Services	4%	13.7%	13.0%	12.0%	14.3%	14.7%	13.4%
Total	100%	100%	100%	100%	100%	100%	100%
Source: PMA							

Disaggregating bank credit by borrowing entity shows that consumer lending has experienced an increase of approximately 36.50 % in Q1 -2010 compared to Q4-2009.

Indicator	Baseline Q2-00	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010
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	17.3	54.6	57.9	65.1	81.6	78.2	78.9
Time Deposits	39.2	72.4	74.4	78.6	78.7	74.7	76.2
Sub-total	56.5	127.1	132.3	143.7	160.3	152.9	155.1
Government							
Current Accounts	37.6	276.6	243.2	199.5	275.4	232.6	310.9
Time Deposits	77.5	191.3	152.7	158.3	176.2	180.6	180.0
Sub-total	115.1	467.9	395.9	357.9	451.6	413.2	490.9
Total Public sector deposits	171.6	595.0	528.1	501.6	612.0	566.1	646.0
Distribution of Private sector deposits by residency and type (million US\$)							
Residents							
Current Accounts	746.5	1,686.7	1,704.2	1,794.5	2,014.3	1,890.2	1,975.1
Savings Accounts	440.4	1,364.7	1,366.9	1,474.4	1,535.4	1,608.3	1,632.7
Time Deposits	1,895.70	2,047.0	1,939.9	1,925.1	1,835.9	1,891.3	1,879.3
Sub-total	3,082.6	5,098.4	5,011.0	5,194.0	5,385.5	5,389.7	5,487.1
Non-Residents							
Current Accounts	3.3	41.1	100.7	139.9	162.8	152.1	167.3
Savings Accounts	2.4	24.8	31.1	40.5	51.1	61.5	69.2
Time Deposits	8.9	65.0	76.2	88.1	91.8	104.6	108.2
Sub-total	14.6	130.9	208.0	268.5	305.7	318.2	344.6
Total Private sector deposits	3,097.2	5,229.3	5,219.0	5,462.5	5,691.2	5,708.0	5,831.8
Total Deposits (public and private)	3,268.8	5,824.3	5,747.1	5,964.1	6,303.2	6,274.1	6,477.8
Source: PMA							

Bank deposits for the Q1- 2010 indicate an increase in public sector deposits of approximately 14.11% and an increase in private sector deposits of 2.17% compared with Q4- 2009.

Indicator	Baseline Q2-00	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-2010
Value of Loans and Deposits (million US\$)							
Total Loans							
Total Loans	1,234	1,830	1,842	2,100	2,261	2,232	2,587
Total Deposits	3,328	6,269	6,165	6,390	6,687	6,655	6,935
Loans/Deposits (ratio)	37.06%	29.19%	29.88%	32.86%	33.81%	33.54%	37.30%
Source: PMA							

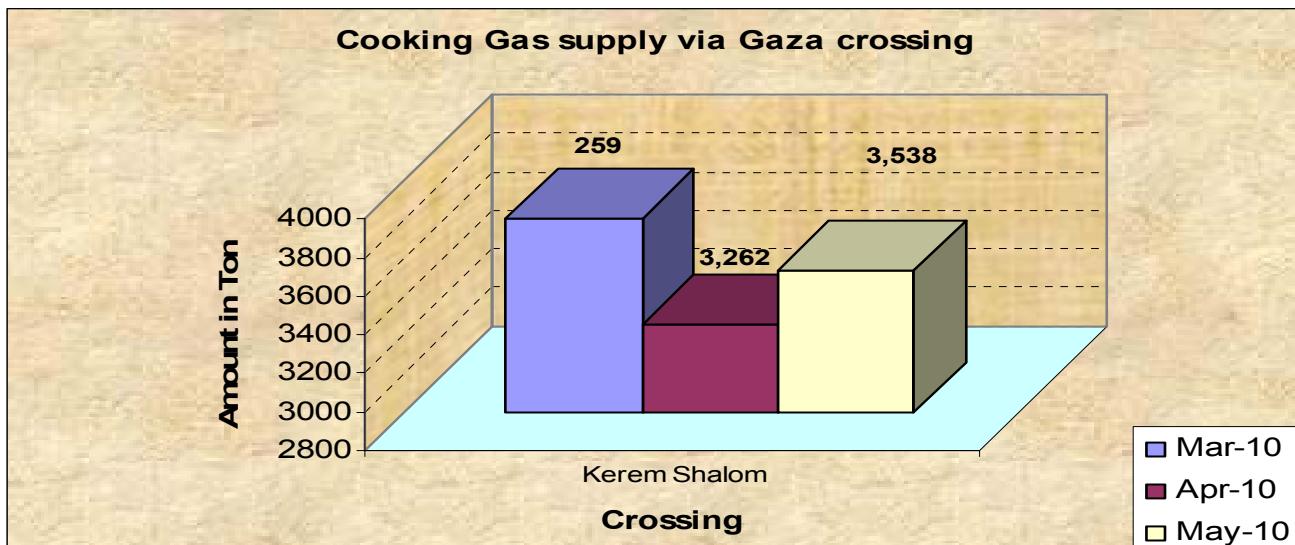
In a functioning economy, an increase in the loans versus deposits ratio is perceived as a positive sign, as monies are not saved but invested or consumed, each of which acts as a stimulant for the economy. Since September 2006, this ratio had steadily declined in the oPt signaling little optimism in the prospects for the Palestinian economy. However, Q1-2010 indicates an increase in total loans of approximately 15.88 %, and increase in total deposits of 4.20 % compared with Q4- 2009.

IV. GAZA ECONOMIC ACCESS – MAY 2010

Indicator	Baseline Aug-00	Dec -09	Jan -2010	Feb - 2010	Mar - 2010	Apr -2010	May -2010
Volume of registered fuel sales in the Gaza Strip (x 1000 liters/ton)							
volume of registered fuel sales in the Gaza Strip (Nahal Oz Crossing)							
Petrol (Liter)	3,188.9	36.5	40.0	0.0	0.0	0.0	0.0
Diesel (Liter)	11,343	0.0	0.0	0.0	0.0	0.0	0.0
White diesel (Liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
cooking gas (Ton)	1.9	1.2	0.3	0.0	0.0	0.0	0.0
Industrial Diesel (Liter)	n.a	3,667	752	0.0	0.0	0.0	0.0
volume of registered fuel sales in the Gaza Strip (Kerem Shalom)							
Petrol (Liter)	0.0	0.0	0.0	112.6	0.0	64.7	45.3
Diesel (Liter)	0.0	0.0	0.0	377.3	0.0	393.3	0.0
White diesel (Liter)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
cooking gas (Ton)	0.0	1.5	2	2.9	3.8	3.3	3.5
Industrial Diesel (Liter)	0.0	5,099	6,713	6,291.5	5,446.5	5,276.1	4527.1
Source: General Petroleum Corporation							

There was a significant increase in the amount of imported cooking gas, with 3,538 tonnes allowed in through Kerem Shalom, which represents an 8.46% increase compared to the volume allowed in April 2011. During the reporting period, 45250 liters of petrol were imported for UNRWA.

On 01 Jan 2010, Israel declared Nahal Oz fuel pipelines closed, with fuel being transferred to Gaza only via Kerem Shalom.



Indicator	Baseline Aug-00	Dec -09	Jan - 2010	Feb - 2010	Mar - 2010	Apr -2010	May -2010
Truck Loads Movement							
Al Montar/ Karni commercial crossing							
Total Truck Loads Exports	992	0	0	0	0	0	0
Total Truck Loads Imports	2,923	631	551	549	785	693	736
Karem Abu Salem / Kerem Shalom commercial crossing							
Total Truck Loads Exports	0	6	44	28	34	5	0
Total Truck Loads Imports	0	1,914	1,413	1,555	1,728.5	1,717.5	1,914.5
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	52	12	0	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing (fuel)							
Total Truck Loads Imports	0	60	85	132	161	148	144
Truckloads Imports Exclude Industrial Diesel supplies to power plant							
Source: Baseline: Ministry of National Economy; General Petroleum Corporation							

May 2010 data indicates an increase in the total number of imported truckloads to the Gaza Strip by approximately 9%, compared to April 2010 (2,794.5 vs. 2,558.5). Karni crossing has remained closed since 12 June 2007 for the movement of goods in and out of Gaza. The single conveyor belt/chute for cereals and animal feed at Karni was open for a total of 8 days. 736 truckloads of animal feed (49.46%), and wheat (46.33%), and gravel (4.21%) for UNRWA and Al-Quds hospital entered Gaza via the conveyor belt. Of the 1,914.5 truckloads entering Gaza during the month through Karem Shalom (Karm Abu Salem), 414.5 (or 21.65%) were designated for humanitarian aid agencies and the remaining 1,500 (or 78.53%) were for the private sector. Food items made up the majority of imported goods (1,101.5 truckloads, or 58%) while 813 truckloads, or 42%, were for non food items.

