



# SOCIO-ECONOMIC REPORT

## July 2011

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The UNSCO Socio-Economic Report is also accessible on [www.unsco.org](http://www.unsco.org).

Since 1996 UNSCO has continually monitored and reported on socio-economic conditions in the occupied Palestinian territory (oPt) and, in the process, established an extensive socio-economic database. UNSCO does not produce primary data but rather makes use of available data, that in the oPt are relatively abundant. The information that is available, however, often remains dispersed and is not automatically shared between institutions. The objective of the database is to collate a wide range of social and economic indicators in one location, and, through the report, present a broad perspective of socio-economic conditions in the oPt.

The purpose of the present report is to: 1) broaden the access to the information contained in the database through publication of the most recent data gathered; and 2) provide readers with up-to-date information on short term changes in socio-economic conditions in the occupied Palestinian territory.

The report is divided into seven sections, as follows:

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

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

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

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

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

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

## I. SOCIO-ECONOMIC FACT SHEET - JULY 2011

Key macroeconomic indicators					
Production		Q2/2000	Q4/2010	Q1/2011	Change in Q1/2011 (%)
GDP (constant 2004 prices, US\$ million)		a/	1,477 <sup>b/</sup>	1,483 <sup>b/</sup>	0.4 <sup>b/</sup>
GDP rate of change (year-on-year, constant 2004 prices, %)		a/	8.5 <sup>b/</sup>	8.3 <sup>b/</sup>	---
GDP per capita (annualized, constant 2004 prices, US\$)		a/	1,502 <sup>b/</sup>	1,527 <sup>b/</sup>	1.7 <sup>b/</sup>
Prices		Aug 2000	June 2011	July 2011	Year-on-year (July 2011)
Change in prices (CPI, %)		Total <sup>c/</sup>	-0.9	0.1	3.0
		East Jerusalem	-1.1	0.1	4.1
		West Bank	-0.6	1.0	4.2
		Gaza Strip	-0.8	-0.3	0.3
Labor market		Q2/2000	Q1/2011	Q2/2011	Change in Q2/2011 (%)
Labor force (thousands)		Total	706.2	996.9	5.1
		West Bank	483.8	672.7	5.7
		Gaza Strip	222.4	324.2	3.9
Unemployment rate (%)		Total	8.8	21.7	18.7
		West Bank	6.5	17.4	15.4
		Gaza Strip	13.8	30.8	25.6
Adjusted unemployment rate (%)		Total	18.5	27.7	24.0
		West Bank	15.8	23.8	21.2
		Gaza Strip	24.2	35.9	30.0
Public sector					
		Q2/2000	Q4/2010	Q1/2011	Change in Q1/2011 (%)
Government total net revenue (cash basis, US\$ million)		a/	438.9	574.4	30.9
Government wage expenditure (cash basis, US\$ million)		a/	423.3	443.2	4.7
Government non-wage expenditure (cash basis, million)		a/	334.2	226.9	-32.1
Government net lending (cash basis, US\$ million)		a/	46.3	44.2	-4.5
Government balance (cash basis, US\$ million)		a/	-441.3	-183.1	-58.5
External budget support (US\$ million)		a/	443.4	166.3	-62.5
Banking sector					
		Q2/2000	Q4/2010	Q1/2011	Change in Q1/2011 (%)
Bank credit (US\$ million)		1,234	2,887	3,155	9.3
Bank deposits (US\$ million)		3,328	7,246	7,347	1.4
Loan-to-deposit ratio (%)		37.1	39.9	47.3	----
Private sector					
		Aug 2000	June 2011	July 2011	Change in July 2011 (%)
New company registrations		Total	231	178	-16.9
		West Bank	137	130	-15.4
		Gaza Strip	94	48	-20.8
Area licensed for new construction (thousand m <sup>2</sup> )		Total	530.3	523.2	43.9
		West Bank	345.7	294.8	2.0
		Gaza Strip	184.6	228.3	98.2
Gaza Strip					
Truck movement		Aug 2000	June 2011	July 2011	Change in July 2011 (%)
Gaza Strip imports (trucksloads) <sup>d/</sup>		Karni (conveyor belt/chute)	4,373	0	0
		Sufa	4,384	0	0
		Rafah	953	0	0
		Kerem Shalom	0	4,194	4,302
		Kerem Shalom (fuel)	0	123	141
		Nahal Oz	904	0	0
Gaza Strip exports (trucksloads) <sup>d/</sup>		Karni	2,460	0	0
		Kerem Shalom	0	0	0
Closure					
		Aug 2000	Complete closure-July 2011	Partial closure-July 2011	
Effective closure days (%)		Karni (conveyor belt)	0	100	0
		Kerem Shalom	n.a.	19	0
		Nahal Oz (fuel)	0	100	0
		Sufa (aggregates)	0	100	0
		Rafah (commercial)	0	100	0
		Rafah (passenger)	0	4	94

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

a/ Data not available.

b/ Preliminary data.

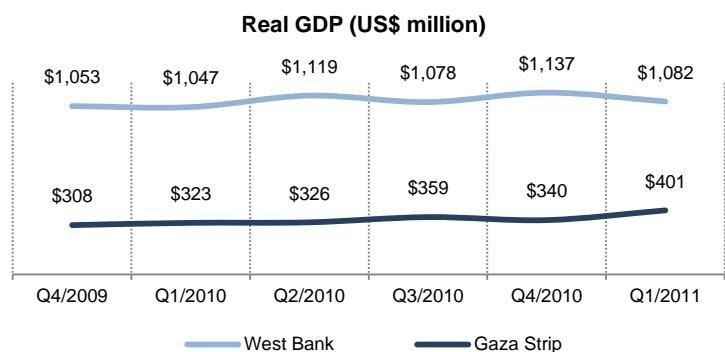
c/ Includes data for occupied East Jerusalem.

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

## II. MACRO-ECONOMIC SITUATION

### II.a Production

Real GDP grew by less than 1% in Q1/2011 compared to the previous quarter, but quarterly GDP in Q1/2011 was 8% higher than in the same quarter in 2010. In the West Bank real GDP decreased by 5% in Q1/2011, but it increased by 18% in the Gaza Strip. Real GDP reached US\$1,483 million in Q1/2011, most of which (US\$1,082 million) was generated in the West Bank.



Source: PCBS.  
Note: Base year is 2004.



Source: PCBS.

The Industrial Production Index (IPI), used to gauge short term changes in productive activity, increased by 7.0% in June 2011. An increase of 103.1% in productive activity was recorded in the mining and quarrying sector (whose relative share in the index is 4.6%), and an increase of 15.9% was observed in the water supply and electricity sector (14.8% relative share). The manufacturing industry (with 80.6% relative share) registered a 3.3% increase during the month.

### Domestic and outbound tourism

Data from PCBS's "Domestic and Outbound Tourism Survey 2010"

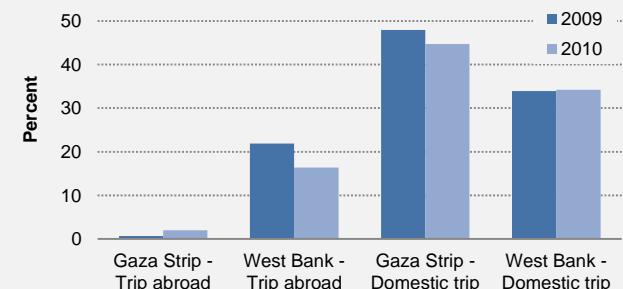
The proportion of households in the Gaza Strip undertaking at least one trip abroad increased marginally in 2010 but was still only 2%. The proportion travelling domestically, on the other hand, decreased to 45%. Different trends are observed in the West Bank, where the proportion travelling abroad fell to 16% in 2010, as the proportion travelling domestically was basically unchanged at 34%.

As reported by households, the most visited governorates in the West Bank were Tulkarm and Jericho and Al-Aghwar. In Gaza, the most visited governorates were Khan Younis and Gaza.

Jordan was the destination for 61% of the households travelling abroad; 16% travelled to Israel and 7% to Egypt. Sixty-three percent of those who travelled abroad did so to visit relatives and/or friends, whereas leisure was the reason for 27% of households, and work for 10% of them.

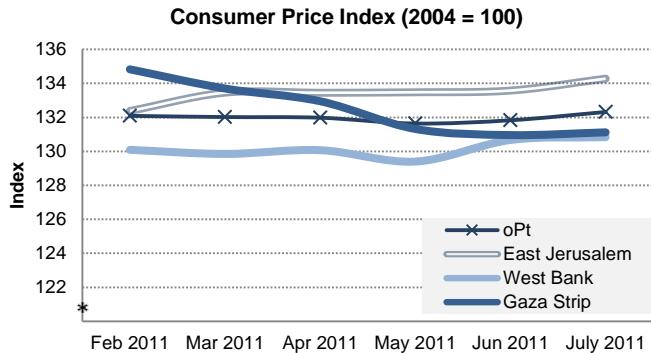
West Bank households spent on average almost \$70 on a domestic trip, but Gaza households spent on average only around \$30. Average expenditure on trips abroad was slightly over \$1,000.

#### Proportion of households that undertook at least one trip during the year



## I.b Prices

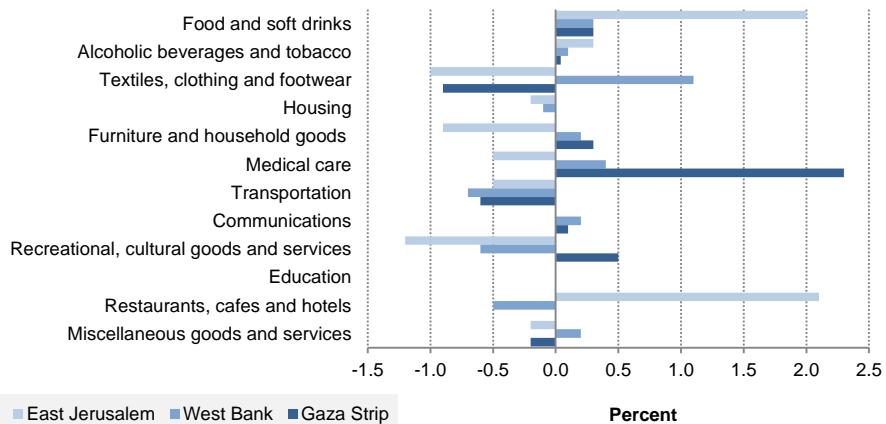
The Consumer Price Index (CPI), used to measure inflation, reflects an increase of only 0.4% in prices in July 2011 compared to the previous month, but an inflation rate of 3.0% in the year since July 2010. The highest price rises in July 2011 were in restaurants, cafes and hotels, medical care, and food and soft drinks, while the largest price decreases were in transportation and recreational, cultural goods and services.



Source: PCBS.

The CPI increased by 0.1% in July 2011 in the West Bank, led primarily by increases in the price of textiles, clothing and footwear, medical care, and food and soft drinks. The cost of transportation and of recreational, cultural goods and services presented the biggest price decrease in this region.

Change in Consumer Price Index by major expenditure groups  
July 2011



Source: PCBS.

In the Gaza Strip the CPI increased by 0.1% during the month of July. The most significant price increase in Gaza during the month was in medical care, followed by recreational, cultural goods and services. The price of textiles, clothing and footwear saw the biggest decline, followed by the cost of transportation.

## II.c Exchange rates

The NIS remained unchanged in value against the US dollar in July 2011, but it increased in value against the euro. Similarly, the JOD exchange rate to the US dollar remained unchanged, and it changed slightly against the euro.

Average monthly exchange rates

	Aug 2000	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	July 2011
NIS/USD	4.05	3.66	3.56	3.43	3.47	3.42	3.42
NIS/euro	3.66	4.99	4.98	4.97	4.98	4.92	4.88
JOD/US\$	0.71	0.71	0.71	0.71	0.71	0.71	0.71
JOD/euro	0.64	0.97	1.00	1.02	1.02	1.02	1.01

Source: PCBS.

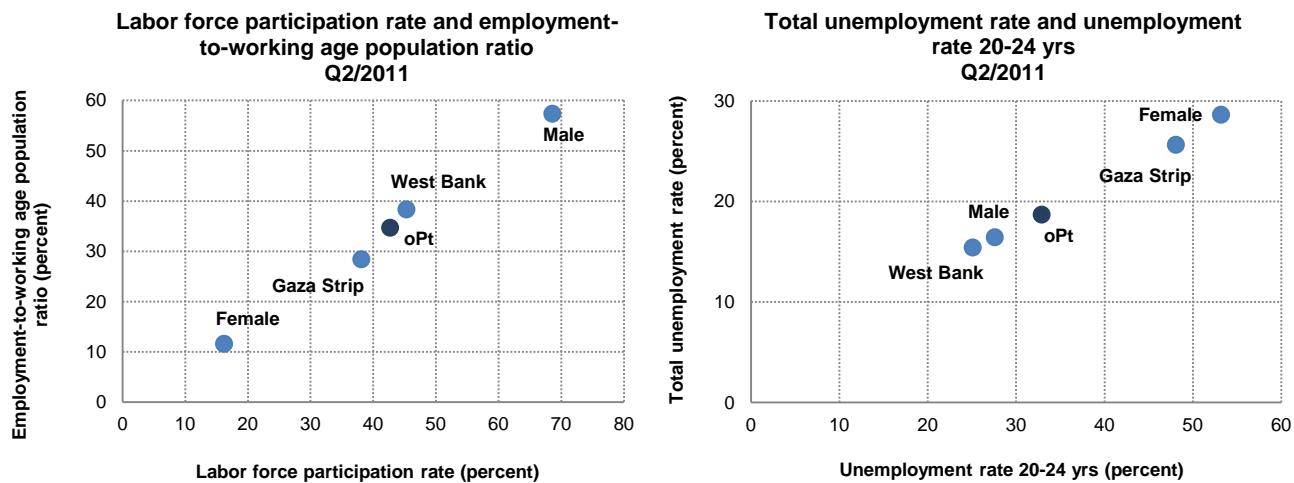
## II.d Labor market

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

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

Source: PCBS.

Both the employment-to-working age population ratio and the labor force participation rate continue to be higher in the West Bank than in Gaza, and they are more than four times higher for men than for women.



Even as the labor force expanded by more than 50,000 persons, unemployment decreased by three percentage points in Q2/2011, but it still affected 19% of the labor force, including 33% of those between 20 and 24 years of age. The fall in the jobless rate can be traced to a fall in unemployment in the West Bank from 17% to 15%, and a significant reduction in unemployment, from 31% to 26%, in Gaza. The existing gender differential in unemployment increased in Q2/2011. Whereas unemployment for men decreased by five percentage points to 16% during the quarter, it increased by two percentage points to 29% for women.

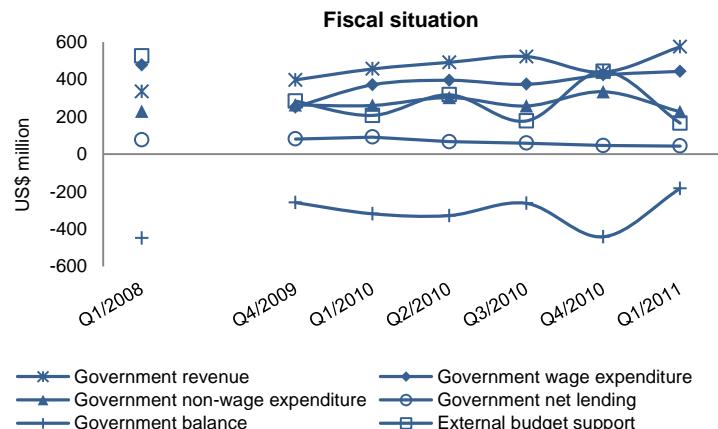
Average daily wages (excluding those employed in Israel and settlements) fell to NIS78 in Q2/2011. Average wages in the West Bank remained unchanged at NIS85 during the quarter, but those in Gaza fell by NIS3 to NIS62, thus widening the existing gap. Average wages in both the private and public sectors fell by NIS1 to NIS70 and NIS88, respectively.

	Average daily wages (NIS)					
	Sex		Geographical area of employment			Sector
	Female	Male	West Bank	Gaza Strip	Private sector	Public sector
Average daily wage	77	78	85	62	70	88

Source: PCBS.

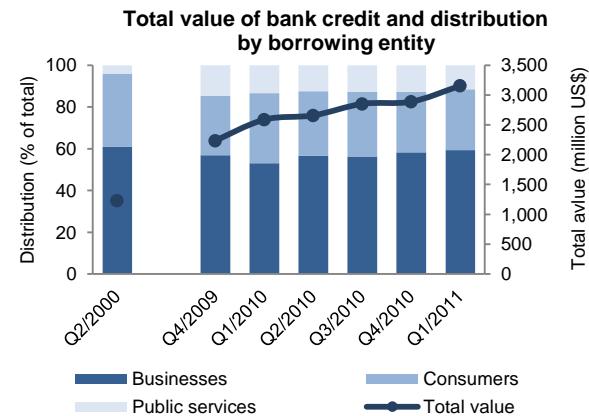
### III. PUBLIC SECTOR

Government revenue in Q1/2011 was 31% higher than in the previous quarter, and 26% higher than in Q1/2010. Government non-wage expenditure decreased by 32% and net lending by 5% in the first quarter of 2011, but wage expenditure increased by 5%. The government deficit shrank considerably to US\$183.1 million, but external budgetary support also fell, to US\$166.3. (See further details in Table A3. in Annex A.)



### IV. BANKING SECTOR

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



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

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

Source: P.M.A.

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

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

**Distribution of bank deposits (in million US\$)**

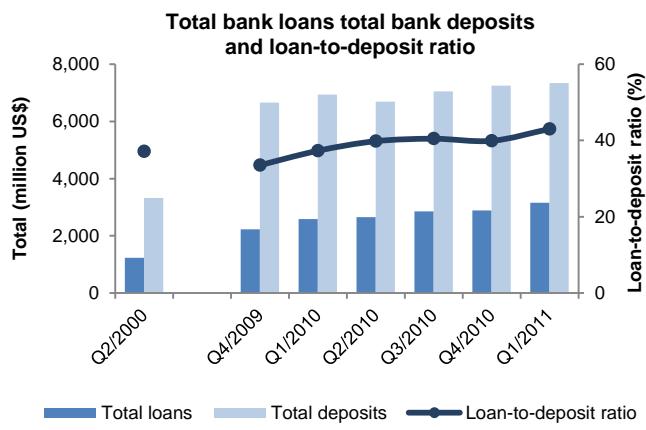
	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Public institutions and local authorities	56.5	152.9	155.1	149.5	155.2	159.2	160.7
Government	115.1	413.2	490.9	482.7	484.8	534.1	534.3
<b>Total public sector deposits</b>	<b>171.6</b>	<b>566.1</b>	<b>646.0</b>	<b>632.1</b>	<b>640.0</b>	<b>693.3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

Source: Palestine Monetary Authority.

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

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

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

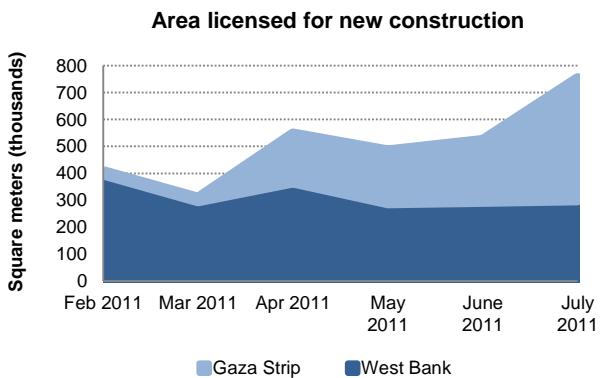


Source: Palestine Monetary Authority.

## V. PRIVATE SECTOR

July 2011 data show an increase of 2% in the area licensed for new construction in the West Bank compared to the previous month. This level is 13% lower than the pre-intifada (August 2000) level. In the Gaza Strip, on the other hand, there was an increase of 98% in the area licensed for new construction in June 2011. (See further details in Table A9. in Annex A.)

Source: Engineering Offices and Consulting Firms.



Source: Ministry of National Economy.

One hundred and ten new companies were registered in the West Bank in July, that is, 20 less than in June 2011. In Gaza, the data reveal 38 new companies registered in July 2011, ten less than in June 2011, and less than half the pre-intifada level of 94 new registrations in August 2000. (See further details in Table A8. in Annex A.)

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

Data for the month of July show a decrease of approximately 23% in the number of shares traded and 33% in the value of shares traded. Of the 39 companies traded in the month, 13 were gainers, 22 were decliners and 4 companies were stable. The Al-Quds index increased by 0.4% in July 2011.

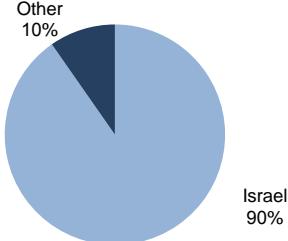
Securities trade							
	Aug 2000	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	July 2011
Number of shares traded (million)	7.00	15.1	16.6	22.6	34.6	14.5	11.2
Value of shares traded (million US\$)	13.0	27.8	30.6	42.3	61.2	32.8	22.1
Al-Quds index	265.23	482.16	497.67	496.25	498.80	492.71	494.77

Source: Palestine Securities Exchange.

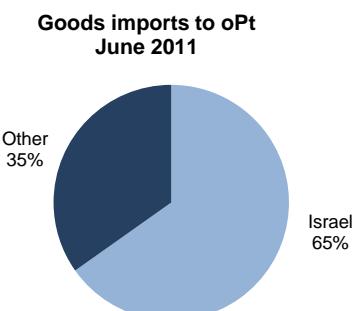
## VI. TRADE

Exports of goods increased by 8% in June 2011 and reached US\$72.9 million. Palestinian exports of goods to Israel increased by 5% during the month, whereas those to other countries increased by 39%. Still, Israel continues to be the main market for Palestinian goods, absorbing 90% of total exports from oPt in June 2011.

Goods exports from oPt  
June 2011



Source: PCBS.



Imports of goods decreased by 8% in June 2011, amounting to US\$366.5 million. Imports from Israel decreased by 10% during the month, whereas imports from other countries decreased by 3% compared to May 2011. Imports from Israel represented 65% of total imports.

A goods trade deficit of US\$293.6 million was recorded in June 2011, reflecting an 11% decrease from the previous month.

Source: PCBS.

## VII. GAZA STRIP

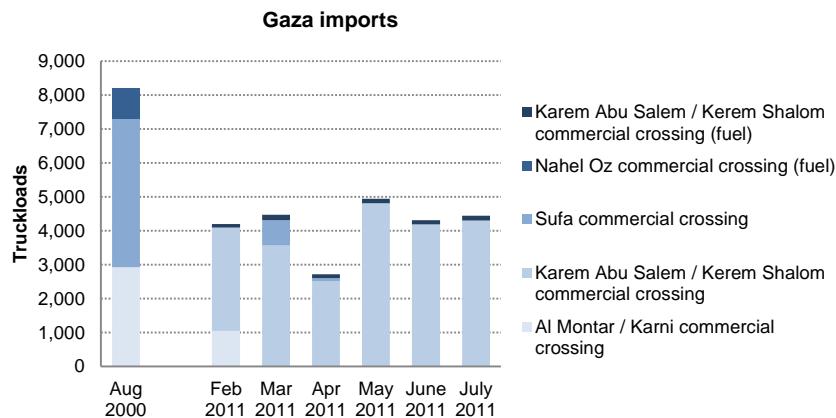
There was an increase in the amount of cooking gas imported in Gaza in July 2011, with 3,236 tons allowed in through Kerem Shalom (Karm Abu Salem). This represents a 15% increase compared to the volume imported in June 2011.

Volume of registered fuel sales in the Gaza Strip

	Aug 2000	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	July 2011
	Nahal Oz	Kerem Shalom					
Petrol (1000 liter)	3,188.9	85.0	73.0	65.0	73.0	0.0	0.0
Diesel (1000 liter)	11,343.0	260.8	262.0	297.5	340.0	0.0	0.0
White diesel (1000 liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (1000 ton)	1.9	2.3	3.6	2.3	2.7	2.8	3.2
Industrial diesel (1000 liter)	n.a	0.0	0.0	0.0	0.0	0.0	0.0

Source: General Petroleum Corporation, Ministry of National Economy.

*Note: On 1 January 2010, Israel declared Nahal Oz fuel pipelines closed, with fuel being transferred to Gaza only via Kerem Shalom.*



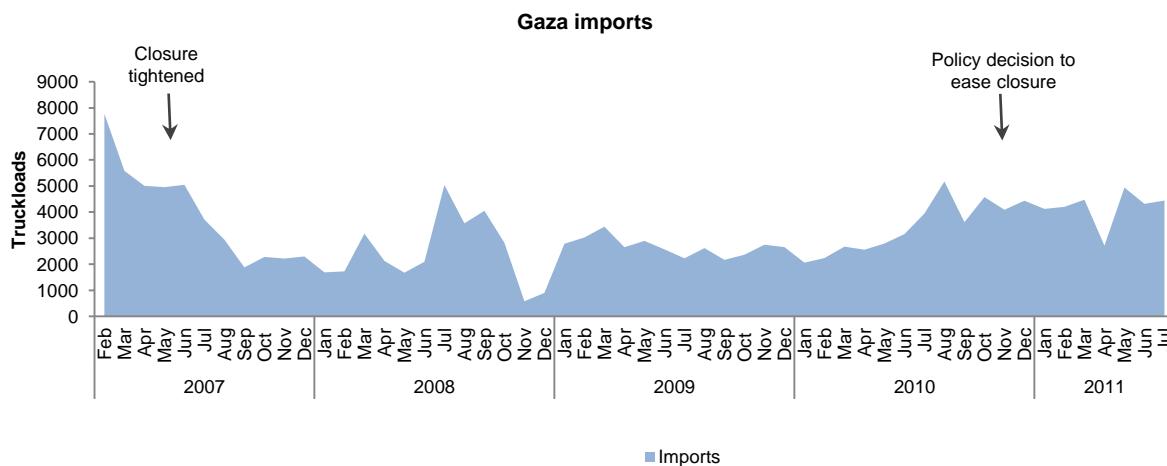
July 2011 data show a 3% increase in the total number of truckloads (including fuel) imported into the Gaza Strip compared to June 2011 (See further details in Table A10. in Annex A.)

Source: UNSCO.

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

Of the 4,302 truckloads entering Gaza through Karem Shalom during the month, 3,183 (74%) were for the private sector and the remaining 1,119 (26%) were designated for humanitarian aid agencies. Food items made up 33% of imported goods (1,406 truckloads), while the remaining 67% of imports (2,896 truckloads) were non-food items. Eight hundred truckloads entering Gaza brought materials for approved international humanitarian building projects, including 544 truckloads (37,824 tons) of gravel, 202 truckloads (8,017 tons) of cement and 54 truckloads (1,735 tons) of steel bars for UNRWA, UNDP, PWA, USAID, WFP, and ANERA building projects.

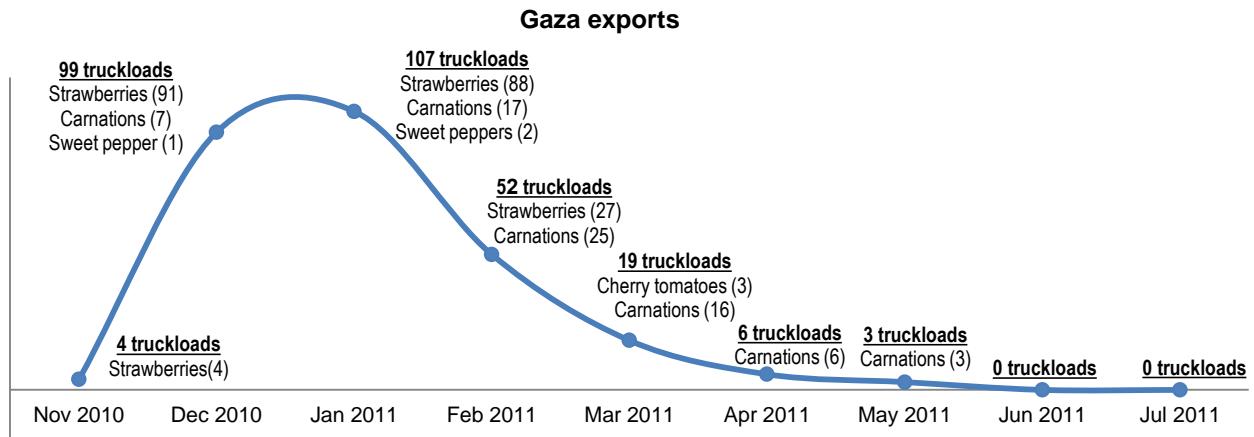
Following the June 2010 decision to ease the closure of Gaza, monthly import levels have averaged 4,235 truckloads.



Source: UNSCO.

*Note: The figures exclude gravel imported through Karni in February-May 2007. They also exclude imports through Rafah and Erez.*

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



Source: Palestinian Agricultural Relief Committees.

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

## ANNEX A: Statistical reference tables

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

	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	July 2011
<b>oPt (including occupied East Jerusalem)</b>						
Food and soft drinks	148.5	147.5	147.1	145.6	145.9	147.2
Alcoholic beverages and tobacco	159.8	161.0	160.9	161.0	161.1	161.3
Textiles, clothing and footwear	111.7	112.4	113.8	114.3	115.5	115.3
Housing	129.4	129.7	129.5	130.6	130.4	130.2
Furniture, household goods	116.7	116.7	116.4	115.4	114.7	114.9
Medical care	115.7	116.9	116.2	115.3	115.1	116.2
Transportation	125.5	125.7	126.1	127.1	127.0	126.3
Communications	106.7	107.1	107.2	107.1	107.4	107.5
Recreational, cultural goods & services	103.6	104.7	104.7	104.8	105.0	104.6
Education	111.0	111.0	111.0	111.0	112.8	112.8
Restaurants, cafes and hotels	141.6	141.6	143.4	144.0	145.0	147.8
Miscellaneous goods and services	122.1	122.6	123.2	123.8	123.2	123.4
<b>All items of consumer price index</b>	<b>132.1</b>	<b>132.0</b>	<b>132.0</b>	<b>131.6</b>	<b>131.8</b>	<b>132.3</b>
<b>East Jerusalem</b>						
Food and soft drinks	149.8	150.5	150.2	149.2	149.1	152.0
Alcoholic beverages and tobacco	157.1	158.7	158.2	158.5	158.6	159.1
Textiles, clothing and footwear	120.8	122.6	125.8	126.7	128.6	127.3
Housing	122.0	122.3	122.4	123.7	122.6	122.4
Furniture, household goods	113.0	115.4	114.1	113.4	113.4	112.4
Medical care	123.5	127.5	125.6	124.0	123.2	122.6
Transportation	135.8	136.7	136.9	139.2	139.3	138.7
Communications	103.0	103.4	103.0	103.3	103.5	103.5
Recreational, cultural goods & services	109.6	112.5	111.9	112.3	113.1	111.7
Education	112.9	112.9	112.9	112.9	117.1	117.1
Restaurants, cafes and hotels	153.0	152.7	153.9	151.8	152.8	156.1
Miscellaneous goods and services	116.1	117.0	117.0	116.9	116.0	115.8
<b>All items of consumer price index</b>	<b>132.4</b>	<b>133.5</b>	<b>133.5</b>	<b>133.5</b>	<b>133.6</b>	<b>134.3</b>
<b>West Bank</b>						
Food and soft drinks	145.9	144.4	144.1	142.3	144.8	145.2
Alcoholic beverages and tobacco	161.4	163.2	163.5	163.8	163.5	163.7
Textiles, clothing and footwear	97.7	98.6	99.3	99.9	102.1	103.2
Housing	138.0	138.3	138.4	138.8	139.5	139.3
Furniture, household goods	101.5	100.4	101.7	100.6	100.9	101.1
Medical care	113.0	114.5	114.5	113.6	113.7	114.2
Transportation	123.2	123.6	124.2	124.9	124.4	123.6
Communications	107.6	108.0	108.3	107.7	108.3	108.5
Recreational, cultural goods & services	93.5	92.6	92.9	92.8	92.3	91.8
Education	107.5	107.4	107.5	107.5	108.9	108.9
Restaurants, cafes and hotels	136.7	139.2	141.8	142.8	143.2	142.5
Miscellaneous goods and services	128.7	129.8	131.0	130.7	131.7	132.0
<b>All items of consumer price index</b>	<b>130.1</b>	<b>129.9</b>	<b>130.1</b>	<b>129.4</b>	<b>130.7</b>	<b>130.8</b>
<b>Gaza Strip</b>						
Food and soft drinks	153.7	151.5	149.5	145.6	144.9	145.3
Alcoholic beverages and tobacco	157.2	157.3	157.2	157.2	157.3	157.3
Textiles, clothing and footwear	116.3	114.7	115.2	114.3	113.8	112.8
Housing	125.6	126.7	126.1	126.5	126.6	126.7
Furniture, household goods	139.6	137.3	136.4	134.1	133.1	133.6
Medical care	99.0	98.5	98.5	98.0	98.4	100.6
Transportation	127.9	127.0	126.9	127.4	127.3	126.5
Communications	105.4	105.7	106.2	105.8	106.2	106.3
Recreational, cultural goods & services	100.2	100.2	101.1	101.1	100.7	101.3
Education	107.6	107.6	107.6	107.6	107.6	107.6
Restaurants, cafes and hotels	156.4	156.8	157.1	157.1	158.5	158.5
Miscellaneous goods and services	123.0	121.9	122.4	123.9	123.1	122.8
<b>All items of consumer price index</b>	<b>134.8</b>	<b>133.7</b>	<b>132.9</b>	<b>131.3</b>	<b>131.0</b>	<b>131.1</b>

Source: PCBS.

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

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

Source: PCBS, Labor Force Surveys.

**Table A3.**  
**Fiscal indicators (million US\$)**

	Q1/2008	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Government revenue	334.9	397.3	455.8	491.3	522.2	438.9	574.4
Government wage expenditure	476.5	251.8	371.2	395.4	373.8	423.3	443.2
Government non-wage expenditure	228.8	264.0	260.8	303.0	258.0	334.2	226.9
Government net lending	77.5	81.2	91.5	66.7	59.0	46.3	44.2
Government balance	-447.9	-258.3	-318.4	-327.8	-262.4	-441.3	-183.1
External budget support	525.6	284.2	207.6	317.6	177.9	443.4	166.3

Source: Ministry of Finance.

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

**Table A4.**  
**Bank credit by borrowing entity**

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

Source: PMA.

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

Table A5.  
Bank credit by economic activity

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

Source: PMA.

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

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

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

Source: PMA

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

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

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

Source: PMA.

**Table A8.**  
**Number of new company registrations by legal status**

	Aug 2000	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	July 2011
<b>West Bank</b>							
Private	42	60	52	53	47	56	50
Private limited	95	72	62	68	70	69	56
Public limited	0	0	0	0	0	0	0
Foreign	0	2	0	0	2	3	1
Non-profit	0	1	1	1	3	2	3
<b>Total</b>	<b>137</b>	<b>135</b>	<b>115</b>	<b>122</b>	<b>122</b>	<b>130</b>	<b>110</b>
<b>Gaza Strip</b>							
Private	81	16	15	10	18	18	19
Private limited	12	21	20	15	24	30	29
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
<b>Total</b>	<b>94</b>	<b>37</b>	<b>35</b>	<b>25</b>	<b>42</b>	<b>48</b>	<b>38</b>

Source: Ministry of National Economy.

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

	Aug 2000	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	Jul 2011
<b>West Bank</b>							
Ramallah, Al-Bireh and Jerusalem		101,998	110,184	129,114	81,687	86,740	113,642
Nablus		36,549	49,584	71,238	75,471	66,732	60,800
Tulkarm		23,947	25,658	21,576	20,385	39,905	22,435
Hebron		189,184	49,174	100,422	45,286	43,580	36,717
Bethlehem		8,165	30,002	16,858	33,898	31,406	36,667
Jenin		32,340	25,639	26,737	25,803	22,890	25,862
Qalqilya		4,239	6,624	838	7,028	3,590	4,431
Salfit		0	0	0	0	0	0
<b>Total</b>	<b>345,685</b>	<b>396,422</b>	<b>296,865</b>	<b>366,783</b>	<b>289,558</b>	<b>294,843</b>	<b>300,554</b>
<b>Gaza Strip</b>							
Northern District	27,902	2,630	2,440	42,530	48,215	55,600	80,025
Gaza	50,116	2,880	2,960	47,690	51,145	68,500	116,470
Al Wastah	15,984	1,750	1,960	28,210	29,400	32,355	74,760
Khan Younis	51,146	2,050	2,320	36,355	38,350	41,560	92,400
Rafah	39,429	1,645	1,855	25,670	27,655	30,305	88,895
<b>Gaza Strip Total</b>	<b>184,577</b>	<b>10,955</b>	<b>11,535</b>	<b>180,455</b>	<b>194,765</b>	<b>228,320</b>	<b>452,550</b>

Source: Engineering Offices and Consulting Firms.

**Table A10.**  
**Gaza truckload movement**

	Aug 2000	Feb 2011	Mar 2011	Apr 2011	May 2011	June 2011	July 2011
<b>Al Montar / Karni commercial crossing</b>							
Truckloads exports	992	0	0	0	0	0	0
Truckloads imports	2,923	1,050	0	0	0	0	0
<b>Karem Abu Salem / Kerem Shalom commercial crossing</b>							
Truckloads exports	0	52	19	6	3	0	0
Truckloads imports	0	3,045	3,566	2,519	4,810	4,194	4,302
<b>Sufa commercial crossing</b>							
Truckloads exports	0	0	0	0	0	0	0
Truckloads imports	4,384	0	743	86	0	0	0
<b>Nahel Oz commercial crossing (fuel)</b>							
Truckloads imports	904	0	0	0	0	0	0
<b>Karem Abu Salem / Kerem Shalom commercial crossing (fuel)</b>							
Truckloads imports	0	107	167	109	131	123	141

Source: Ministry of National Economy (Aug 2000); General Petroleum Corporation (other periods).

Note: Truckload imports exclude industrial diesel supplies to powerplant.

## ANNEX B: Terms and definitions

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### **Adjusted unemployment rate**

The adjusted unemployment rate presents the number of unemployed according to the relaxed definition as a percentage of the labor force. The relaxed definition of unemployment includes all persons aged 15 or over who are unemployed plus those who, during the reference period, are without work, are available for work but did not seek work (and therefore could not be classified as unemployed) because they felt that no work would be available to them.

The adjusted unemployment rate gives a broader measure of the unutilized supply of labor. The relaxation of the standard definition of unemployment makes sense in circumstances where the conventional means of seeking work are of limited relevance, where the labor market is largely unorganized, where labor absorption is inadequate or where the labor force is largely self-employed.

### **Al-Quds index**

This is the primary stock index of the Palestine Securities Exchange (PSE).

### **Area licensed for new construction**

This is the area licensed for construction in new and existing buildings.

### **Average daily net wage**

This average is calculated as the total net wages paid to all employees divided by total workdays. Wages received in different currencies are converted into New Israeli Shekels according to the exchange rate in the survey month.

### **Bank credit**

It measures the borrowing capacity provided to individuals, firms and organizations by the banking system in the form of loans or other types of credit. Credit is generally believed to contribute to economic growth.

### **Bank deposits**

Deposits are accounts maintained by a bank on behalf of customers. This indicator is often used to measure the safety of and people's trust in the banking system.

### **Consumer Price Index (CPI)**

The CPI is a statistical tool used to measure changes over time in the prices paid by households for a basket of goods and services that they customarily purchase for consumption. The CPI is used to measure inflation over time.

The main categories of goods and services included in the basket of goods are: fruits, vegetables and other food items, beverages, tobacco, textiles, clothing, footwear, furniture, household appliances, household utensils, fuel, power, transportation, communications, medical and pharmaceutical products, goods for personal care, services charges for public transport, communication, hospital care, and others, and school fees. Data on prices for consumers are collected through visits conducted by trained staff to selected markets including groceries, supermarkets, markets, restaurants, general services offices, hospitals, private schools, etc.

### **Effective/partial closure days**

Effective closure days are calculated by adding all days when a crossing is fully or partially closed, excluding weekends and holidays. Partial closure means that the crossing is closed for more than one hour but not for a full day, in which case it would be considered fully closed.

Weekends and holidays include all Saturdays, half the Fridays (since labor and commercial flows are about half their normal workday level on Fridays) and universally celebrated Jewish and Muslim holidays. Jewish and Muslim holidays which fall on Saturday or Friday are not counted as a holiday but as a Saturday (full day closure) or Friday (half day closure), respectively.

**Employed**

The “employed” comprise all persons are 15 years or over who were working at a paid job or business for at least one hour during the week prior to the survey, or who did not work but held a job or owned business from which they were temporarily absent (because of illness, vacation, temporarily stoppage, or any other reason) during the reference week.

**Exchange rate**

The price of one currency stated in terms of another currency is the exchange rate.

**Exports**

Exports are any good or commodity, shipped or otherwise transported out of the territory to another part of the world, typically for use in trade or sale. Export products or services are provided to foreign consumers by domestic producers.

**Gross Domestic Product (GDP)**

GDP is the total value of all goods and services produced within oPt in a given period of time.

When GDP is expressed in constant terms (real GDP), a deflator is used to adjust for changes in money-value.

Quarterly data are annualized by multiplying by 4.

**GDP per capita**

This is the result of the division of GDP by total population.

$$\text{GDP per capita} = \frac{\text{GDP}}{\text{population}}$$

**GDP rate of change**

The rate of change is the percentage change (increase or decrease) of GDP from the previous measurement cycle.

$$\text{GDP rate of change in period (t)} = \frac{\text{GDP in period (t)} - \text{GDP in period (t - 1)}}{\text{GDP in period (t - 1)}} \cdot 100\%$$

**Inflation rate**

The inflation rate is the percentage change in the price index over time.

$$\text{Inflation rate in period (t)} = \frac{\text{Price index in period (t)} - \text{Price index in period (t - 1)}}{\text{Price index in period (t - 1)}} \cdot 100\%$$

**Government total net revenue**

It measures the net inflows received by the government, including clearance revenue, tax refunds, and tax and non-tax revenue collected by the Ministry of Finance and other ministries for the consolidated Single Treasury Account (STA).

**Government wage expenditure**

This is the government's outlay on the wages and salaries of permanent civilian and security employees.

**Government non-wage expenditure**

This is the part of government expenditure absorbed by operational expenditures, transfers and minor development and capital expenditures.

**Government net lending**

This term includes transfers to local government to cover clearance revenue, deductions by the Government of Israel for water and electricity, and services by the Ministry of Health and the Ministry of Agriculture.

**Government balance**

The government balance is the difference between the government's total net revenue and its expenditures, including wage and non-wage expenditures, net lending and development expenditures.

### **External budget support**

It consists of transfers of resources by donor countries to the Palestinian National Authority to help finance its budget.

### **Imports**

Imports are the goods and services that are produced by the foreign sector and are purchased by the domestic economy.

### **Industrial Production Index (IPI)**

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

### **Labor force**

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

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

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

### **Loan-to-deposit ratio**

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

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

### **Number of new company registrations**

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

### **Number of shares traded**

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

### **Underemployment**

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

### **Unemployment rate**

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

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

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

### **Value of shares traded**

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