



SOCIO-ECONOMIC REPORT

AUGUST 2011

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The UNSCO Socio-Economic Report is also accessible on 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 - AUGUST 2011

Key macroeconomic indicators					
Production		Q2/2000	Q1/2011	Q2/2011	Change in Q2/2011 (%)
GDP (constant 2004 prices, US\$ million)		a/	1,493 ^{b/}	1,598 ^{b/}	7.1 ^{b/}
GDP rate of change (year-on-year, constant 2004 prices, %)		a/	8.3 ^{b/}	10.6 ^{b/}	---
GDP per capita (annualized, constant 2004 prices, US\$)		a/	1,538 ^{b/}	1,634 ^{b/}	6.2 ^{b/}
Prices		Aug 2000	July 2011	Aug 2011	Year-on-year (Aug 2011)
Change in prices (CPI, %)	Total ^{c/}	-0.9	0.4	0.2	2.8
	East Jerusalem	-1.1	0.5	0.3	4.2
	West Bank	-0.6	0.1	0.2	3.6
	Gaza Strip	-0.8	0.1	0.0	0.2
Labor market		Q2/2000	Q1/2011	Q2/2011	Change in Q2/2011 (%)
Labor force (thousands)	Total	706.2	996.9	1,047.9	5.1
	West Bank	483.8	672.7	711.1	5.7
	Gaza Strip	222.4	324.2	336.8	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	Q1/2011	Q2/2011	Change in Q2/2011 (%)
Government total net revenue (cash basis, US\$ million)		a/	582.5	536.3	-7.9
Government wage expenditure (cash basis, US\$ million)		a/	433.4	453.8	4.7
Government non-wage expenditure (cash basis, million)		a/	200.1	248.5	24.2
Government net lending (cash basis, US\$ million)		a/	44.2	43.1	-2.5
Government balance (cash basis, US\$ million)		a/	-134.2	-301.2	124.4
External budget support (US\$ million)		a/	162.7	126.8	-22.1
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	July 2011	Aug 2011	Change in Aug 2011 (%)
New company registrations	Total	231	148	111	-25.0
	West Bank	137	110	92	-16.4
	Gaza Strip	94	38	19	-50.0
Area licensed for new construction (thousand m ²)	Total	530.3	753.1	695.2	-7.7
	West Bank	345.7	300.6	260.8	-13.2
	Gaza Strip	184.6	452.6	434.3	-4.0
Gaza Strip					
Truck movement		Aug 2000	July 2011	Aug 2011	Change in Aug 2011 (%)
Gaza Strip imports (trucksloads) ^{d/}	Karni (conveyor belt/chute)	4,373	0	0	0.0
	Sufa	4,384	0	0	0.0
	Rafah	953	0	0	0.0
	Kerem Shalom	0	4,302	4,343	1.0
	Kerem Shalom (fuel)	0	141	145	2.8
	Nahal Oz	904	0	0	0.0
Gaza Strip exports (trucksloads) ^{d/}	Karni	2,460	0	0	0.0
	Kerem Shalom	0	0	0	0.0
Closure					
		Aug 2000	Complete closure-Aug 2011	Partial closure-Aug 2011	
Effective closure days (%)	Karni (conveyor belt)	0	100	0	
	Kerem Shalom	n.a.	19	8	
	Nahal Oz (fuel)	0	100	0	
	Sufa (aggregates)	0	100	0	
	Rafah (commercial)	0	100	0	
	Rafah (passenger)	0	4	96	

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.

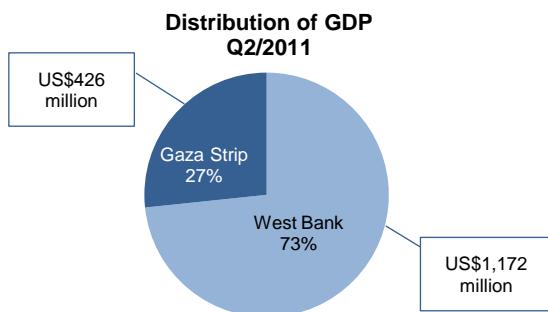
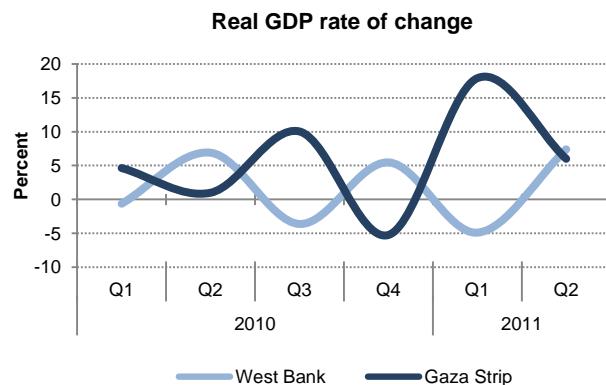
c/ Includes data for occupied East Jerusalem.

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

II. MACRO-ECONOMIC SITUATION

II.a Production

Real GDP grew by 7% in Q2/2011 compared to the previous quarter, and it was 11% higher than in Q2/2010. During the quarter real GDP increased by 7% in the West Bank and by 6% in the Gaza Strip. In Q2/2011 real GDP reached US\$1,598 million, of which US\$1,172 million was generated in the West Bank and US\$426 million in the Gaza Strip.

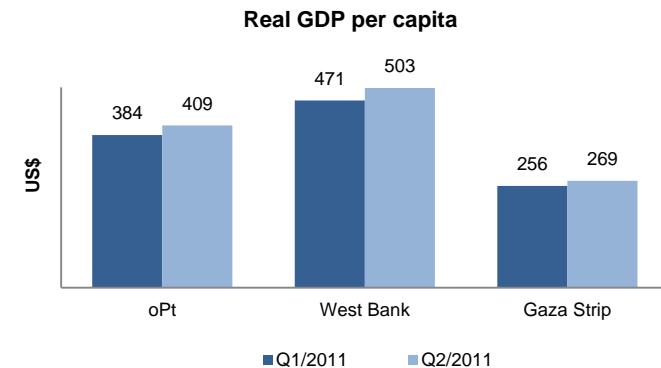


Source: PCBS.
Note: Base year is 2004.

Despite the high growth observed after 2008, the Gaza economy is relatively small and contributes only 27% of total real GDP.

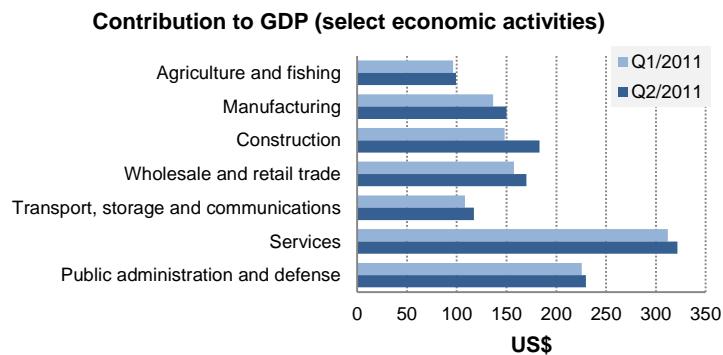
Source: PCBS.
Note: Base year is 2004.

Real GDP per capita grew by 6% between Q1/2011 and Q2/2011. In the West Bank real GDP per capita increased from US\$471 to US\$503 in the second quarter of 2011, and in Gaza it increased from US\$256 to US\$269 during the same period.

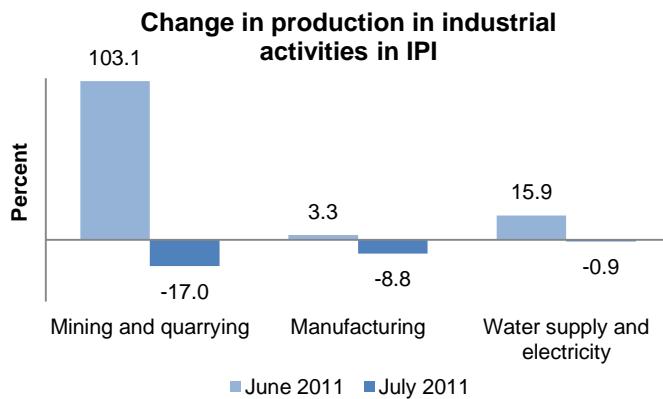


Source: PCBS.
Note: Base year is 2004.

The service sector is the biggest in the economy and expanded by 3% in real terms in Q2/2011, contributing 21% to total GDP. This sector is followed in relative importance by public administration and defense, which grew by 2% in the second quarter of 2011. The construction sector experienced high growth during the quarter, expanding by 24%, whereas manufacturing grew by 10%, and wholesale and retail trade and transport, storage and communications both grew by 8%. Growth in agriculture and fishing was 3%.



Source: PCBS.

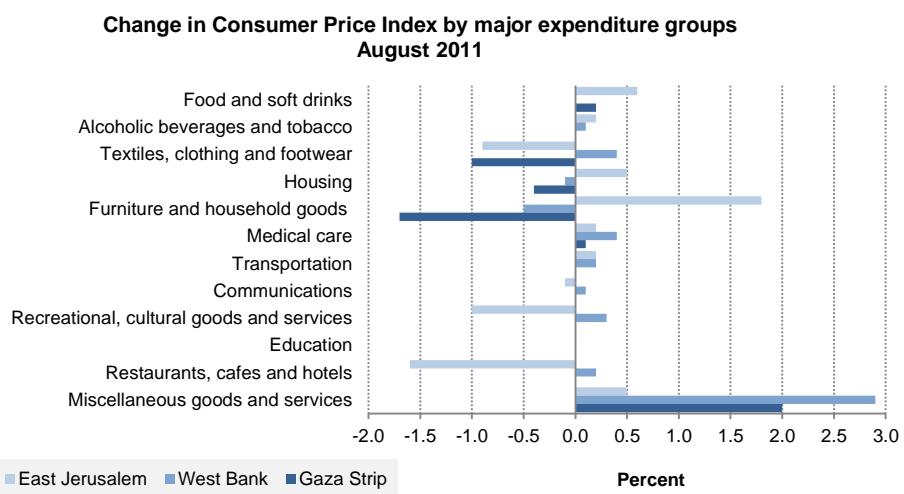
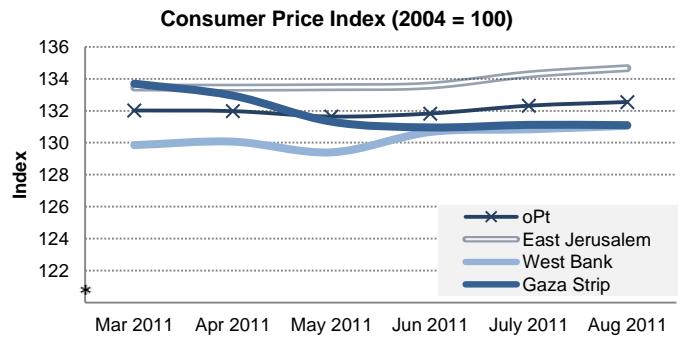


The Industrial Production Index (IPI), used to gauge short term changes in productive activity, decreased by 8.0% in July 2011, as productive activity in all three sectors that form part of the IPI decreased. Productive activity in the mining and quarrying sector (whose relative share in the index is 4.6%) decrease of 17.0% in July 2011, whereas it fell by 8.8% in the manufacturing sector (with 80.6% relative share) and by 0.9% in the water supply and electricity sector (14.8% relative share).

II.b Prices

The Consumer Price Index (CPI), used to measure inflation, reflects an increase of only 0.2% in prices in August 2011 compared to the previous month, and an inflation rate of 2.8% in the year since August 2010. The highest price rises in August 2011 were in miscellaneous goods and services, and in food and soft drinks, while the largest price decreases were in restaurants, cafes and in hotels, and recreational, cultural goods and services.

The CPI increased by 0.2% in the West Bank in August 2011, led primarily by increases in the price of miscellaneous goods and services, in textiles, clothing and footwear, and in medical care. The cost of furniture and household goods presented the greatest price decrease in this region, followed by housing.



In East Jerusalem the CPI rose by 0.3%, pushed primarily by a significant rise in the cost of furniture and household goods, followed by food and soft drinks. The price of restaurants, cafes and hotels saw the biggest decline, followed by the cost of recreational, cultural goods and services.

In the Gaza Strip the CPI was basically unchanged during the month of August 2011. Miscellaneous goods and services exhibited the greatest price increase during the month, whereas the most significant decreases in prices in Gaza during the month were in furniture and household goods, and in textiles, clothing and footwear.

II.c Exchange rates

Both the NIS and the JOD fell against the euro in August 2011. The NIS also fell against the US dollar, while the JOD's exchange rate to the US dollar is constant at 0.71.

Average monthly exchange rates

	Aug 2000	Mar 2011	Apr 2011	May 2011	June 2011	July 2011	Aug 2011
NIS/USD	4.05	3.56	3.43	3.47	3.42	3.42	3.55
NIS/euro	3.66	4.98	4.97	4.98	4.92	4.88	5.10
JOD/US\$	0.71	0.71	0.71	0.71	0.71	0.71	0.71
JOD/euro	0.64	1.00	1.02	1.02	1.02	1.01	1.02

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 (%)
(*Labor force in thousands*)

	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.

In Q2/2011 a total of 66% of workers were wage employees and only 6% were employers. The self-employed and unpaid family member categories absorbed 19% and 8% of workers, respectively.

Employment by status in employment (%)

	Q2/2000	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011
Employer	4	6	7	6	6	7	6
Self-employed	19	20	19	19	18	19	19
Wage employee	68	67	67	69	69	69	66
Unpaid family member	9	7	8	6	8	6	8
Total	100						

Source: PCBS, Labor Force Surveys.

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

Average daily wages (excluding those employed in Israel and settlements) fell to NIS77.8 in Q2/2011. Average wages in the West Bank fell slightly by NIS0.2 during the quarter, but in Gaza they fell by NIS2.8, thus widening the gap between both regions. Similarly, average wages in the private sector fell by NIS0.4 to NIS70.2, while those in the public sector fell by NIS0.6 to NIS88.0.

	Average daily wages (NIS)						
	Q2/2000	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011
West Bank	69.4	85.7	84.1	86.6	86.8	85.0	84.8
Females	a/	80.0	76.4	80.9	83.0	79.6	79.8
Males	73.1	87.1	86.4	87.6	87.9	86.5	86.1
Gaza Strip	54.3	56.9	58.1	58.0	59.5	64.6	61.8
Females	a/	60.8	60.5	70.3	67.2	74.6	68.4
Males	54.9	56.1	57.6	56.4	58.0	62.6	60.4
oPt ^{b/}	79.0	77.3	76.9	78.7	78.9	78.9	77.8
Females	a/	75.2	72.9	78.5	79.7	78.3	76.9
Males	82.3	77.8	77.9	78.8	78.7	79.1	78.1

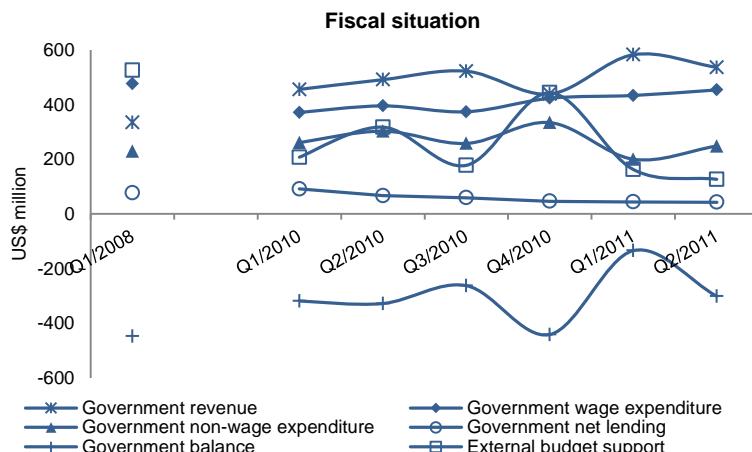
Source: PCBS, Labor Force Surveys.

a/ Data not available.

b/ Includes those employed in Israel and settlements.

III. PUBLIC SECTOR

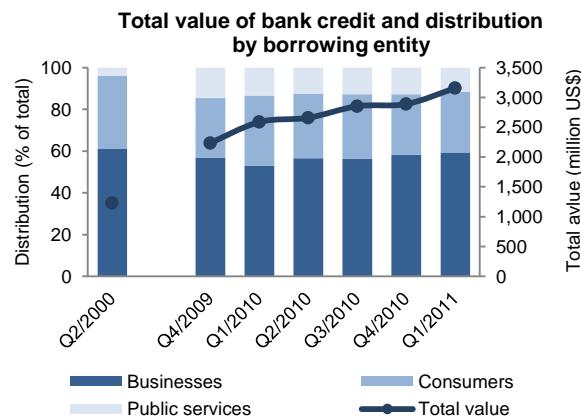
Government revenue in Q2/2011 was 8% lower than in the previous quarter, but 9% higher than in Q2/2010. Government non-wage expenditure increased by 24%, wage expenditure increased by 5%, and net lending decreased by 2% in the second quarter of 2011. The government deficit more than doubled to US\$301.2 million, whereas external budgetary support fell to US\$126.8.



Source: Ministry of Finance.

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%.



Source: Palestine Monetary Authority.

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)
Total	100.0						
	(1,234)	(2,232)	(2,587)	(2,658)	(2,852)	(2,887)	(3,155)

Source: PMA.

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.

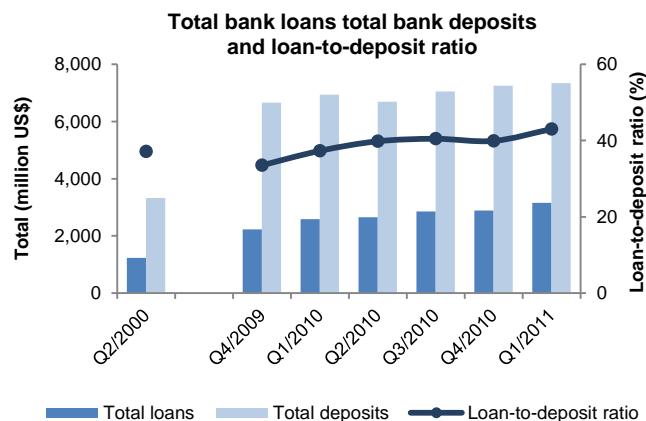
Distribution of bank deposits (in million US\$)							
	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Public institutions and local authorities	56.5	152.9	155.1	149.5	155.2	159.2	160.7
Government	115.1	413.2	490.9	482.7	484.8	534.1	534.3
Total public sector deposits	171.6	566.1	646.0	632.1	640.0	693.3	695.0
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
Total private sector deposits	3,097.2	5,708.0	5,831.8	5,734.6	5,971.5	6,119.5	6,233.7
Total deposits (public and private sectors)	3,268.8	6,274.1	6,477.8	6,366.7	6,611.5	6,812.9	6,928.7

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.)

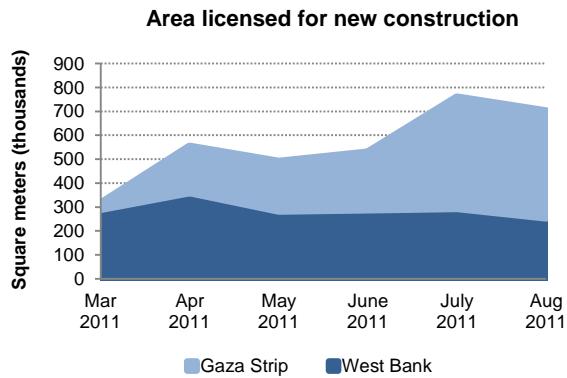
The amount of loans relative to deposits gives an idea of the liquidity of the banking system. In a functioning economy, a relative increase in loans versus deposits (within limits) can be perceived as a positive sign, as monies are not saved but invested or consumed, which in turn stimulates the economy. 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

August 2011 data show a decrease of 13% in the area licensed for new construction in the West Bank compared to the previous month. This level is 25% lower than the pre-intifada (August 2000) level. In the Gaza Strip there was a decrease of 4% in the area licensed for new construction in July 2011, but the level is still more than twice the pre-Intifada level. (See further details in Table A9. in Annex A.)



Source: Engineering Offices and Consulting Firms.

There were 18 less new company registrations in the West Bank in August 2011 than in the previous month, for a total of 92. For Gaza, the data reveal 19 new registered companies in August 2011, half the number observed in July 2011, and well below the pre-intifada level of 94. (See further details in Table A8. in Annex A).

Source: Ministry of National Economy.

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 August 2011 market capitalization was about US\$2.8 billion.

Data for the month of August 2011 show a decrease of approximately 48% in the number of shares traded and 53% in the value of shares traded. Of the 35 companies traded in the month, 11 were gainers, 19 were decliners and 5 companies were stable. The Al-Quds index declined by 0.8% in August 2011.

Securities trade

	Aug 2000	Mar 2011	Apr 2011	May 2011	June 2011	July 2011	Aug 2011
Number of shares traded (million)	7.00	16.6	22.6	34.6	14.5	11.2	5.9
Value of shares traded (million US\$)	13.0	30.6	42.3	61.2	32.8	22.1	10.5
Al-Quds index	265.23	497.67	496.25	498.80	492.71	494.77	491.03

Source: Palestine Securities Exchange.

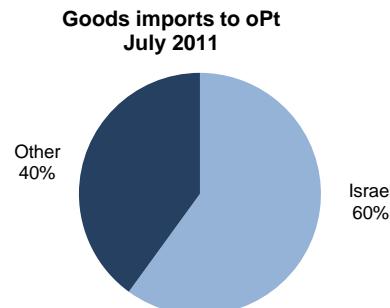
Enterprises in oPt in 2010

Data from PCBS's Economic Survey Series 2010, Preliminary Results

It is estimated that 103,766 enterprises were active in 2010 in the following sectors: industry, construction, internal trade, services, transport and storage, and information and communications. Half of these enterprises were in the internal trade sector, although this sector employed only 41% of the total employed in enterprises in these sectors, and accounted for only 31% of the value of total output. A fourth of the enterprises were in the services sector, and they employed 31% of the total but accounted for only 18% of the value of output.

VI. TRADE

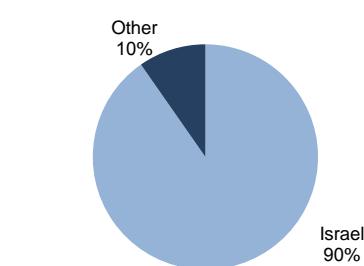
Exports of goods decreased by 26% in July 2011 and amounted to US\$53.9 million. Palestinian exports of goods to both Israel and to other countries decreased by 26% during the month. Israel continues to be the main market for Palestinian goods, absorbing 90% of total exports from oPt in July 2011.



Source: PCBS.

Imports of goods decreased by 6% in July 2011 and amounted to US\$344.7 million. Imports from Israel decreased by 13% during the month, whereas imports from other countries decreased by 8% compared to June 2011. Imports from Israel represented 60% of total Palestinian imports.

Goods exports from oPt July 2011



Source: PCBS.

A goods trade deficit of US\$290.8 million was recorded in July 2011, reflecting a 1% decrease from the previous month.

VII. GAZA STRIP

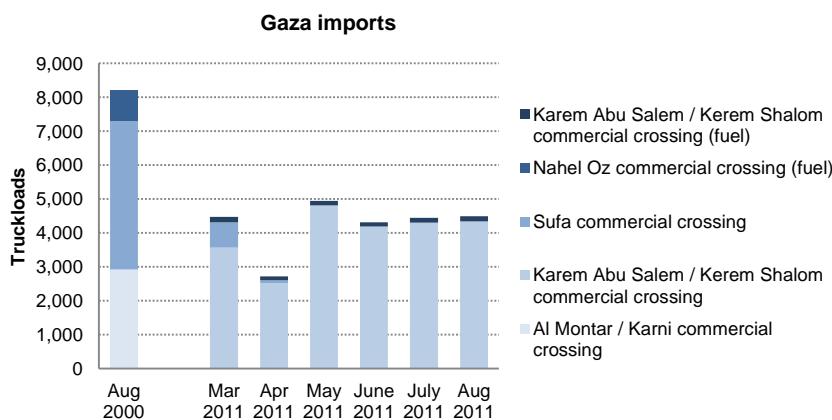
There was a 2% decrease in the amount of cooking gas imported in Gaza in August 2011, with 3,165 tons allowed in through Kerem Shalom (Karm Abu Salem). In August 2011, 67,000 liters of petrol and 212,008 liters of diesel were imported for UNRWA.

Volume of registered fuel sales in the Gaza Strip

	Aug 2000	Mar 2011	Apr 2011	May 2011	June 2011	July 2011	Aug 2011
	Nahal Oz	Kerem Shalom					
Petrol (1000 liter)	3,188.9	73.0	65.0	73.0	0.0	0.0	67.0
Diesel (1000 liter)	11,343.0	262.0	297.5	340.0	0.0	0.0	212.0
White diesel (1000 liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (1000 ton)	1.9	3.6	2.3	2.7	2.8	3.2	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.



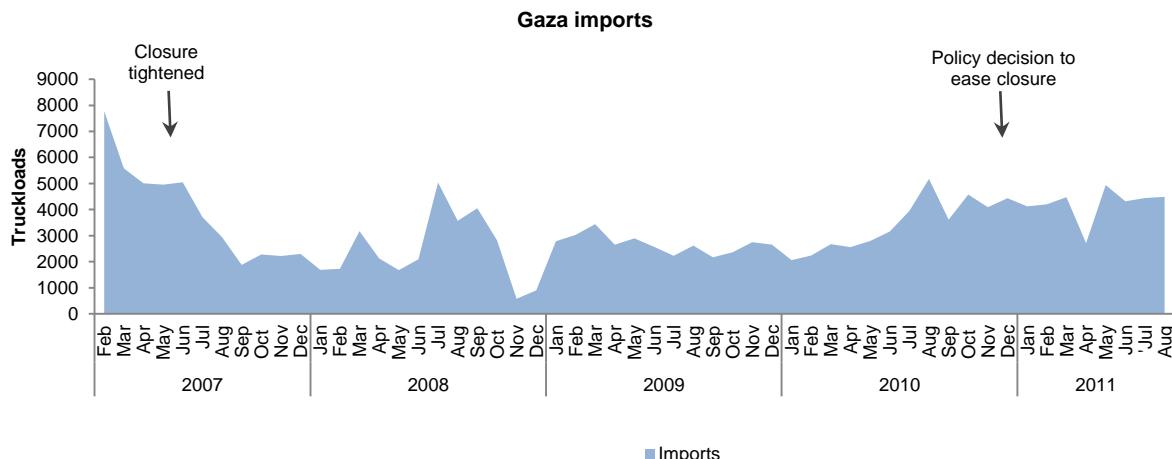
August 2011 data show a 1% increase in the total number of truckloads (including fuel) imported into the Gaza Strip compared to July 2011 (See further details in Table A10. in Annex A.)

Source: UNSCO.

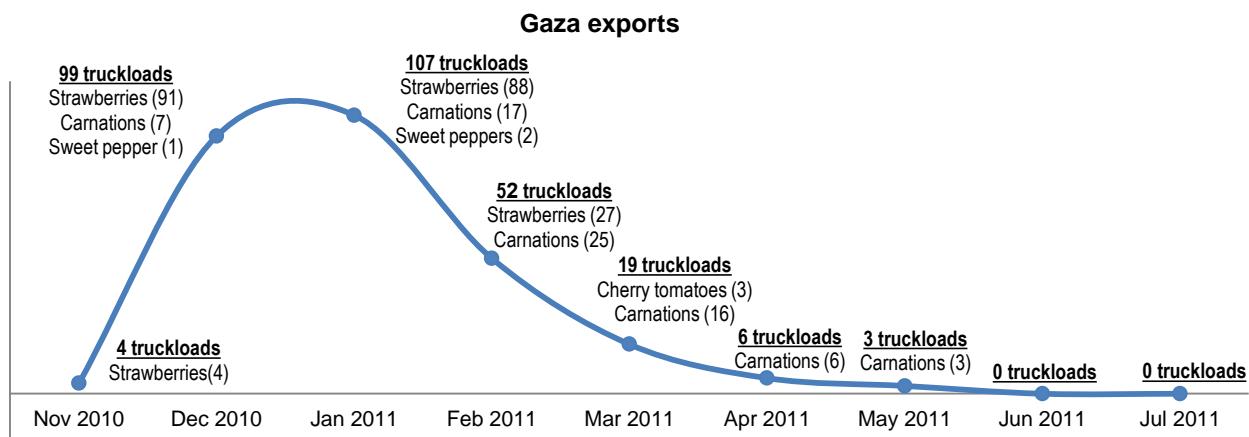
Note: Karni crossing has remained closed since 12 June 2007 for the movement of goods in and out of Gaza, and on 1 March 2011 Israel closed the conveyor belt at Karni, too.

Of the 4,343 truckloads entering Gaza through Karem Shalom during the month, 3,275 (75%) were for the private sector and the remaining 1,068 (25%) were designated for humanitarian aid agencies. Food items made up 35% of imported goods (1,516 truckloads), while the remaining 65% of imports (2,827 truckloads) were non-food items. Eight hundred fifty-six truckloads entering Gaza brought materials for approved international humanitarian building projects, including 696 truckloads (48,639 tons) of gravel, 124 truckloads (4,993 tons) of cement and 36 truckloads (1,191 tons) of steel bars for UNRWA and UNDP building projects.

Following the June 2010 decision to ease the closure of Gaza, monthly import levels have averaged 4,253 truckloads.



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.

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, and there have been no exports in June or July 2011.

ANNEX A: Statistical reference tables

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

	Mar 2011	Apr 2011	May 2011	June 2011	July 2011	Aug 2011
oPt (including occupied East Jerusalem)						
Food and soft drinks	147.5	147.1	145.6	145.9	147.2	147.7
Alcoholic beverages and tobacco	161.0	160.9	161.0	161.1	161.3	161.4
Textiles, clothing and footw ear	112.4	113.8	114.3	115.5	115.3	114.8
Housing	129.7	129.5	130.6	130.4	130.2	130.2
Furniture, household goods	116.7	116.4	115.4	114.7	114.9	114.8
Medical care	116.9	116.2	115.3	115.1	116.2	116.5
Transportation	125.7	126.1	127.1	127.0	126.3	126.5
Communications	107.1	107.2	107.1	107.4	107.5	107.5
Recreational, cultural goods & services	104.7	104.7	104.8	105.0	104.6	104.1
Education	111.0	111.0	111.0	112.8	112.8	112.8
Restaurants, cafes and hotels	141.6	143.4	144.0	145.0	147.8	146.2
Miscellaneous goods and services	122.6	123.2	123.8	123.2	123.4	125.4
All items of consumer price index	132.0	132.0	131.6	131.8	132.3	132.6
East Jerusalem						
Food and soft drinks	150.5	150.2	149.2	149.1	152.0	152.8
Alcoholic beverages and tobacco	158.7	158.2	158.5	158.6	159.1	159.4
Textiles, clothing and footw ear	122.6	125.8	126.7	128.6	127.3	126.1
Housing	122.3	122.4	123.7	122.6	122.4	123.0
Furniture, household goods	115.4	114.1	113.4	113.4	112.4	114.4
Medical care	127.5	125.6	124.0	123.2	122.6	122.8
Transportation	136.7	136.9	139.2	139.3	138.7	139.0
Communications	103.4	103.0	103.3	103.5	103.5	103.4
Recreational, cultural goods & services	112.5	111.9	112.3	113.1	111.7	110.6
Education	112.9	112.9	112.9	117.1	117.1	117.1
Restaurants, cafes and hotels	152.7	153.9	151.8	152.8	156.1	153.6
Miscellaneous goods and services	117.0	117.0	116.9	116.0	115.8	116.4
All items of consumer price index	133.5	133.5	133.5	133.6	134.3	134.7
West Bank						
Food and soft drinks	144.4	144.1	142.3	144.8	145.2	145.2
Alcoholic beverages and tobacco	163.2	163.5	163.8	163.5	163.7	163.9
Textiles, clothing and footw ear	98.6	99.3	99.9	102.1	103.2	103.6
Housing	138.3	138.4	138.8	139.5	139.3	139.2
Furniture, household goods	100.4	101.7	100.6	100.9	101.1	100.6
Medical care	114.5	114.5	113.6	113.7	114.2	114.7
Transportation	123.6	124.2	124.9	124.4	123.6	123.8
Communications	108.0	108.3	107.7	108.3	108.5	108.6
Recreational, cultural goods & services	92.6	92.9	92.8	92.3	91.8	92.0
Education	107.4	107.5	107.5	108.9	108.9	108.9
Restaurants, cafes and hotels	139.2	141.8	142.8	143.2	142.5	142.8
Miscellaneous goods and services	129.8	131.0	130.7	131.7	132.0	135.8
All items of consumer price index	129.9	130.1	129.4	130.7	130.8	131.1
Gaza Strip						
Food and soft drinks	151.5	149.5	145.6	144.9	145.3	145.6
Alcoholic beverages and tobacco	157.3	157.2	157.2	157.3	157.3	157.3
Textiles, clothing and footw ear	114.7	115.2	114.3	113.8	112.8	111.7
Housing	126.7	126.1	126.5	126.6	126.7	126.2
Furniture, household goods	137.3	136.4	134.1	133.1	133.6	131.3
Medical care	98.5	98.5	98.0	98.4	100.6	100.7
Transportation	127.0	126.9	127.4	127.3	126.5	126.5
Communications	105.7	106.2	105.8	106.2	106.3	106.3
Recreational, cultural goods & services	100.2	101.1	101.1	100.7	101.3	101.3
Education	107.6	107.6	107.6	107.6	107.6	107.6
Restaurants, cafes and hotels	156.8	157.1	157.1	158.5	158.5	158.5
Miscellaneous goods and services	121.9	122.4	123.9	123.1	122.8	125.3
All items of consumer price index	133.7	132.9	131.3	131.0	131.1	131.1

Source: PCBS.

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

	Q2/2000	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011
oPt							
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
West Bank							
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
Gaza Strip							
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	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011
Government revenue	334.9	455.8	491.3	522.2	438.9	582.5	536.3
Government wage expenditure	476.5	371.2	395.4	373.8	423.3	433.4	453.8
Government non-wage expenditure	228.8	260.8	303.0	258.0	334.2	200.1	248.5
Government net lending	77.5	91.5	66.7	59.0	46.3	44.2	43.1
Government balance	-447.9	-318.4	-327.8	-262.4	-441.3	-134.2	-301.2
External budget support	525.6	207.6	317.6	177.9	443.4	162.7	126.8

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
Total value (million US\$)							
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
Total	1,234	2,234	2,587	2,658	2,852	2,888	3,155
Relative distribution (% of total)							
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
Total	100.0						

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
Total (in million US\$)						
Total public sector	637	870	825	885	837	917
Total private sector	1,597	1,718	1,834	1,966	2,051	2,238
<i>Agriculture and food processing</i>	39	47	53	57	66	50
<i>Manufacturing and mining</i>	185	194	213	235	240	288
<i>Real estate, construction and land</i>	266	292	320	319	335	451
<i>Local and foreign trade</i>	341	379	425	470	487	428
<i>Transportation</i>	25	24	22	23	27	22
<i>Tourism, hotels, restaurants and others</i>	39	44	50	53	67	53
<i>Financial services</i>	73	70	66	66	55	92
<i>Public services</i>	328	347	332	363	369	367
<i>Investment in securities and financial tools</i>	56	54	54	53	52	55
<i>Cars and vehicles</i>	57	68	81	92	102	93
<i>Consumption</i>	77	88	99	107	118	172
<i>Other private sector</i>	111	111	119	128	132	169
Total	2,234	2,587	2,658	2,852	2,888	3,155
Total excluding total public sector and public services	1,269	1,370	1,501	1,604	1,681	1,871
Relative distribution (% of total)						
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
<i>Agriculture and food processing</i>	1.7	1.8	2.0	2.0	15.5	1.6
<i>Manufacturing and mining</i>	8.3	7.5	8.0	8.2	0.5	9.1
<i>Real estate, construction and land</i>	11.9	11.3	12.0	11.2	1.8	14.3
<i>Local and foreign trade</i>	15.3	14.6	16.0	16.5	2.5	13.6
<i>Transportation</i>	1.1	0.9	0.8	0.8	3.7	0.7
<i>Tourism, hotels, restaurants and others</i>	1.8	1.7	1.9	1.9	0.2	1.7
<i>Financial services</i>	3.3	2.7	2.5	2.3	0.5	2.9
<i>Public services</i>	14.7	13.4	12.5	12.7	0.4	11.6
<i>Investment in securities and financial tools</i>	2.5	2.1	2.0	1.9	2.8	1.7
<i>Cars and vehicles</i>	2.6	2.6	3.0	3.2	0.4	3.0
<i>Consumption</i>	3.4	3.4	3.7	3.8	0.8	5.5
<i>Other private sector</i>	5.0	4.3	4.5	4.5	4.6	5.3
Total	100.0	100.0	100.0	100.0	100.0	100.0
Relative distribution excluding total public sector and public services (% of total)						
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
Total	100.0	100.0	100.0	100.0	100.0	100.0

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

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	Mar 2011	Apr 2011	May 2011	June 2011	July 2011	Aug 2011
West Bank							
Private	42	52	53	47	56	50	32
Private limited	95	62	68	70	69	56	55
Public limited	0	0	0	0	0	0	0
Foreign	0	0	0	2	3	1	3
Non-profit	0	1	1	3	2	3	2
Total	137	115	122	122	130	110	92
Gaza Strip							
Private	81	15	10	18	18	19	7
Private limited	12	20	15	24	30	29	12
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	94	35	25	42	48	38	19

Source: Ministry of National Economy.

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

	Aug 2000	Mar 2011	Apr 2011	May 2011	June 2011	Jul 2011	Aug 2011
West Bank							
Ramallah, Al-Bireh and Jerusalem		110,184	129,114	81,687	86,740	113,642	105,781
Nablus		49,584	71,238	75,471	66,732	60,800	57,963
Tulkarm		25,658	21,576	20,385	39,905	22,435	18,773
Hebron		49,174	100,422	45,286	43,580	36,717	34,954
Bethlehem		30,002	16,858	33,898	31,406	36,667	16,837
Jenin		25,639	26,737	25,803	22,890	25,862	24,026
Qalqilya		6,624	838	7,028	3,590	4,431	2,504
Salfit		0	0	0	0	0	0
Total	345,685	296,865	366,783	289,558	294,843	300,554	260,838
Gaza Strip							
Northern District	27,902	2,440	42,530	48,215	55,600	80,025	75,450
Gaza	50,116	2,960	47,690	51,145	68,500	116,470	112,215
Al Wastah	15,984	1,960	28,210	29,400	32,355	74,760	70,050
Khan Younis	51,146	2,320	36,355	38,350	41,560	92,400	90,855
Rafah	39,429	1,855	25,670	27,655	30,305	88,895	85,750
Gaza Strip Total	184,577	11,535	180,455	194,765	228,320	452,550	434,320

Source: Engineering Offices and Consulting Firms.

Table A10.
Gaza truckload movement

	Aug 2000	Mar 2011	Apr 2011	May 2011	June 2011	July 2011	Aug 2011
Al Montar / Karni commercial crossing							
Truckloads exports	992	0	0	0	0	0	0
Truckloads imports	2,923	0	0	0	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing							
Truckloads exports	0	19	6	3	0	0	0
Truckloads imports	0	3,566	2,519	4,810	4,194	4,302	4,343
Sufa commercial crossing							
Truckloads exports	0	0	0	0	0	0	0
Truckloads imports	4,384	743	86	0	0	0	0
Nahel Oz commercial crossing (fuel)							
Truckloads imports	904	0	0	0	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing (fuel)							
Truckloads imports	0	167	109	131	123	141	145

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

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.

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

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.