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## **Only political solution can resurrect devastated Palestinian economy - UN**

*5 March* – Immediate implementation of a political solution leading to two states is the only way to resurrect the devastated Palestinian economy and protect Israel from "murderous attacks," a senior United Nations envoy for the Middle East, Terje Roed-Larsen, said today.

"The Palestinian economy is devastated," Mr. Roed-Larsen, Special Coordinator for the Middle East Peace Process, said in Jerusalem at the presentation of UN and World Bank reports on the impact of the conflict on the Palestinian economy. "The public sector - on life support. The private sector - rapidly deteriorating. The population's sources of livelihood - disappearing."

The UN report notes that one telling statistic captured the overall picture of the Palestinian economy: in just 27 months since the outbreak of violence, Israeli restrictions on movement in the West Bank and Gaza reduced gross national income by approximately \$5.4 billion - one year's worth of income. The World Bank reports that 60 per cent of Palestinians now live under the poverty line of \$2 a day and the number of poor has tripled from 637,000 in September 2000 to nearly 2 million today.

Noting that enabling Palestinians to work normally, not billions of dollars in aid, is the solution, but that Israel refuses to lift restrictions on movement until attacks against it stop, Mr. Roed-Larsen said: "Israel has suffered immensely from terror attacks. No population should suffer such murderous attacks, or even the fear of such attacks. Ever."

The only alternative is a political solution "that can cut through this vicious cycle and restore hope to both sides," he said. The instrument to do this, he added, is the [road map](#), a plan drawn up by the diplomatic Quartet of the United Nations, European Union, Russian Federation and United States to achieve a two-state solution with the establishment of a Palestinian state in three years.

"And we need to start implementing the Road Map immediately - for this economic and humanitarian crisis can't go on," Mr. Roed-Larsen said.