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### Cooking gas shortage in Gaza

The Crossing Authority at the Ministry of Defense and The Coordinator of Government Activities in the Territories (COGAT) invested over 80 million NIS in developing and upgrading the infrastructure at Kerem Shalom Crossing, in order of expanding the capacity of transferring goods into Gaza, and exporting goods from the Gaza Strip to overseas markets.

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According to the data of the Land Crossings Authority at the Ministry of Defence, the infrastructure of Kerem Shalom meets the requirements and provides the necessary needs to transfer all goods into Gaza, including cooking gas, but the crossing infrastructure are not being exploited to its fullest when the volume of orders by gas suppliers from the Gaza Strip does not match the needs of the public. Here it should be noted that as part of the expansion of civil policy, in quarter A of 2013 Israel approved the transfer of tens of thousands of gas cylinders for domestic use.

From the data at the District Coordination Office in Gaza, we understand that there is a constant shortage of 1,300 tons of cooking gas (monthly average), about 60 tons of gas per day (daily average). Last year, gas smuggling from Egypt were reduced from 700 to 200 tons per month due to an internal crisis in the energy sector in Egypt. This reduction limits the amount of cooking gas in the market (and the ability to cope with its constant lack) and harms the population of the Gaza Strip.

In recent years there has been a change in the structure of the market in the Gaza Strip, as consumers prepare for the gas shortage in winter and this by holding a number of cooking gas cylinders at each home.

There is no public entity in the Gaza Strip that supervises the cooking gas field and there is no public storage facility that allows accumulating surplus for "a rainy day". During the summer months, the demand for cooking gas in the Gaza Strip declines as well as utilization of the infrastructure in Kerem Shalom crossing. In addition, the credit policy of the Palestinian Authority's Energy Authority limits the local merchants in Gaza from holding sufficient supply. Extending credit lines will allow accumulating larger stock toward the winter.

Gaza have the option of diversifying its gas import sources and allow various Israeli companies to supply gas to the Gaza Strip, but the Palestinian Authority restricts import to one company and actually prevents from local merchants to import gas from competing companies and by this use the capacity at Kerem Shalom to its full extent.

During 2012 the Palestinian Authority reached a decision regarding reduction of cooking gas prices due to public pressure exerted around the protest of cost of living in the West Bank, decision that merchants from Gaza claim caused significant losses to those holding stocks at the stations. Therefore, there is concern among local merchants that the PA will reduce again the fixed gas prices set by law (and the lack of a mechanism for compensation), a move that reduce the economic interest of the merchants to hold stocks in the Gaza strip.

Constant shortage of cooking gas in the Gaza Strip during the winter occupy the Palestinian public and is described by officials in Gaza and in the local and international media as part of the "siege" of Israel and the Gaza Strip. Current situation in the gas sector in the Gaza Strip and the reasons for the chronic shortage of cooking gas in the Gaza Strip are not at all related to Israeli policy towards the Gaza Strip, but to the interests and considerations that are the concern of the Palestinian entities in their various levels.

**The Coordinator of Government Activities in the Territories Unit (COGAT) is responsible for implementing the government's policy in Judea and Samaria and vis-à-vis the Gaza Strip. In addition, COGAT constitutes the civilian authority for residential zoning and infrastructure and is responsible for addressing the needs of Israeli settlements in the West Bank.**

<http://www.cogat.idf.il/894-en/Matpash.aspx?Sad>