

# Overview- Key Issues Continued closure of Gaza crossings

The continued closure of the principle Gaza crossing points at Karni and Rafah have had a significant impact on the daily lives of Gaza's 1.4 million population. The closure has been effective since June following the defeat of Fatah forces by Hamas, which resulted in a break down in Israeli-Palestinian coordination mechanisms at the crossings.

Rafah crossing which serves as the principle entry-exit point to the outside world, was last open on 9 June. The sudden closure of the crossing in early June left thousands of Palestinians stranded south of the border in Egypt unable to return to their homes and families in Gaza. Between 29 July and 12 August an alternative crossing point was offered to 6,374 Palestinian passengers that involved entering Israel from Egypt through the Nitzana/AI Auja crossing. Passengers then traveled by bus to Erez crossing and continued their journey into Gaza. A similar route for departures from Gaza was made available 26 and 30 August, although not for arrivals.

The Gaza economy continues to contract on a daily basis as a result of the inability of the private sector to obtain raw materials and to export through Karni. A report released by the Palestinian Trade Centre (PalTrade) on 14 August confirmed these trends:

• 85% of manufacturing businesses have been temporarily shut down with over 35,000 workers laid off. An additional 35,000 workers have been laid off from other sectors including construction, trade and service sectors.

• Direct and indirect potential losses are estimated at \$35 million including \$8 million for the furniture sector, \$15 million for garments and textiles and \$3 million for processed food. The agricultural sector has estimated export losses at \$16 million.

• Due to the lack of necessary raw materials, 95% of construction projects have been halted at a value of \$ 160 million including \$93 million of UNRWA projects.

(For more details related to the passage of goods through Gaza crossings, see Access section herein.)

#### **Gaza Power Station**

Nahal Oz fuel pipelines were closed by the IDF on 16 and 17 August due to a security alert and then reopened on 19 August. Fuel supplies were then subsequently suspended by the European Commission leaving most of Gaza's population with power cuts of up to 12 hours per day with domestic water supplies down to 2-3 hours per day. Although fuel supplies were resumed by the EC from 22 August, capacity at the power station still remains an issue of concern with only two out of the four turbines currently working. One of the turbines was shipped to Israel for service and maintenance on 7 August and still awaits return. A fourth turbine lies idle, again pending transfer to Israel, due to the need for immediate service and maintenance.

### **Municipal Workers' Strikes**

Gaza city municipality was on strike between 11 and 23 August with strikes of smaller duration in northem Gaza and Khan Younis. The strike by Gaza city's 1,870 municipal employees was due to the non payment of salaries that dates back to the beginning of this year. Eighty (80) percent of municipal revenue derives from service charges and currently the collection rate is only 15% as people are too poor to pay. During the period of the strike, garbage collection ceased with approximately 600 tons of rubbish accumulating each day on street corners throughout Gaza city.

An agreement was reached between the workers and the PA to pay January's salary. The emergence of communicablediseases was the main concern during the strike. Data collected from UNRWA health facilities in the Gaza Strip, however, showed that the incidence of diarrheal disease among children remained within normal seasonal variations. The municipal workers are asking for February's salary and have threatened a second strike if it is not paid during September. Should the situation remain unresolved and future strikes take place for extended periods, serious health issues may arise, including typhoid, hepatitis and skin diseases.

#### Strike of Health Union Workers in Gaza

The Palestinian local health unions (excluding the nurses' union) called for a suspension of work for two hours daily in the health sector in the Gaza Strip, during the period 14-16 August. According to the unions, the strike was called to protest Hamas's actions against health workers. Hamas in response assigned volunteers to cover some of the work in the health facilities. On 19 August, the unions intensified the strike by suspending all services, except for emergency services, after 11:00 am until 23 August. On 26 August the unions called for a further extension of the strike until 13 September with the same measures. There has been a strong response to the call to strike with 95% of employees from all the health sectors on strike including many nurses, although the nursing union did not participate in issuing the call. The striking unions also requested physicians and pharmacists to decrease the consultation fees in their private clinics, and the prices of drugs in pharmacies, so people can afford to acquire services and purchase drugs.

## The Closure Impacts Next Agricultural Season in the Gaza Strip

The autumn cycle forms about 80% of the Gazan crop production for export and local markets. The closure has resulted in a steadily increasing shortage of agricultural inputs, along with increasing prices and sub-optimal productivity of the sector. For example, the August prices of fertilizers, animal feed and poultry feed increased by around 20%, 43% and 26% respectively compared to pre-crisis levels. In most cases, if inputs are physically available, the decrease in farmers' incomes has made them economically inaccessible. The closure exacerbated the implementation of agricultural relief projects by national and international organizations, who are unable to enter the needed materials for their projects, such as fodders for livestock, fertilizers, seeds and seedlings, metal and plastic materials for greenhouses, inputs for water wells and livestock farms, cement, water well electro-generators, etc.

About 23,000 farmers and 43,000 farm workers (particularly cash crop growers, smallholders and animal farms) are directly affected by the tightened closure. As there are very limited alternative economic activities for farmers in the Gaza Strip, the majority of them seem to have decided to stay in business with the hope that the siege will be lifted. Factors pushing for its opening – the Israeli companies that have lost their Gaza consumers and the opportunity of sourcing cheap agricultural commodities for the 2007 - 2008 fallow year – compete with the current isolation policy. Nevertheless, some farmers try to mitigate the risk by shifting their production patterns. For example, about 400 dunums which used to be planted with cherry tomatoes (an export crop) are currently being planted with normal tomatoes, which have better local market potential. This trend of uncertain production with increasing costs will result in further deterioration of the whole sector (total value of about US\$207 million in 2005/6, of which US\$121 .3 million of plant production, US\$79.6 million of livestock and US\$6. 1 million of fish) should the current closure policy continue.

#### New School Year Places Additional Economic Burden on Families

UNRWA reports that with the start of the new school year, some families in Bethlehem city and Jerusalem's periphery reported being unable to afford basic school fees for their children (NIS 40). Purchase of stationary has been reduced to the limit and families only buy what teachers ask for without spending money on bags or any additional items. Some families are simply waiting for in kind donations from charities or foreign organisations. One refugee woman mentioned that her daughter and son refused to go to school on the first day as she could not pay for their English textbooks.

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