

BACKGROUND

Longstanding restrictions on the movement of people and goods to and from Gaza have undermined the living conditions of 1.8 million Palestinians in that area. Many of the current restrictions, originally imposed by Israel in the early 1990s, were intensified after June 2007, following the Hamas takeover of Gaza and the imposition of a blockade. Though there has been a welcome increase in the movement of people and goods from Gaza, these restrictions continue to reduce access to livelihoods, essential services and housing, disrupt family life, and undermine people's hopes for a secure and prosperous future. The situation has been compounded by the restrictions imposed since June 2013 by the Egyptian authorities at Rafah Crossing, which had become the main crossing point used by Palestinian passengers in the Gaza Strip, given the above restrictions on the Israeli-controlled crossings.



MOVEMENT AND ACCESS OF PEOPLE*

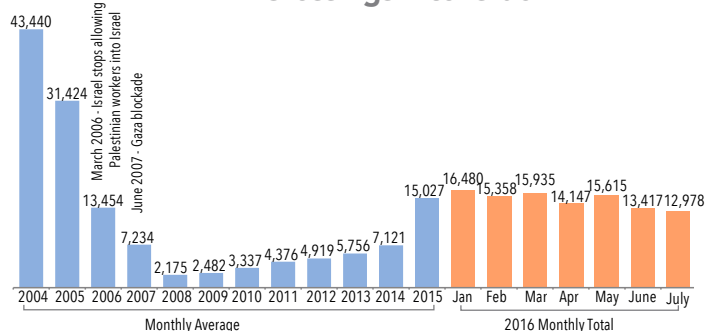
EREZ CROSSING

- Opened on all of the 26 scheduled days.
- The overall number of crossings was 15% below the monthly average since the beginning of 2016 and the lowest for that period.
- The largest decline, 27% compared to average during the first half of 2016, was recorded among traders.
- The crossing is accessible only to Israeli-issued permit holders, primarily medical and other humanitarian cases, merchants, and aid workers.

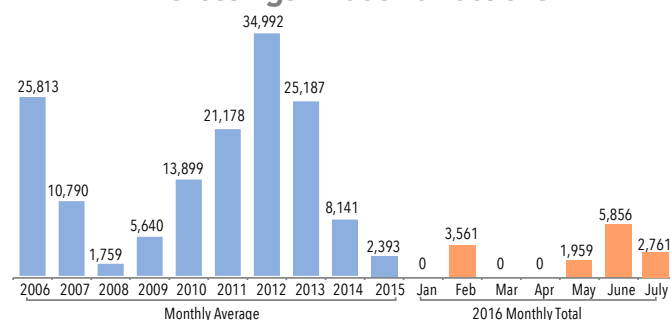
RAFAH CROSSING

- Exceptionally opened on three days.
- Since October 2014, the crossing has been closed on all but 53 days.
- At least 27,000 people registered to leave Gaza via Rafah, including approximately 5,200 medical cases and 3,300 students, according to the local authorities.
- Prior to the closure of the crossing in 2014, a monthly average of 4,000 people crossed Rafah for health-related reasons.

EREZ: Crossings into Israel



RAFAH: Crossings in both directions

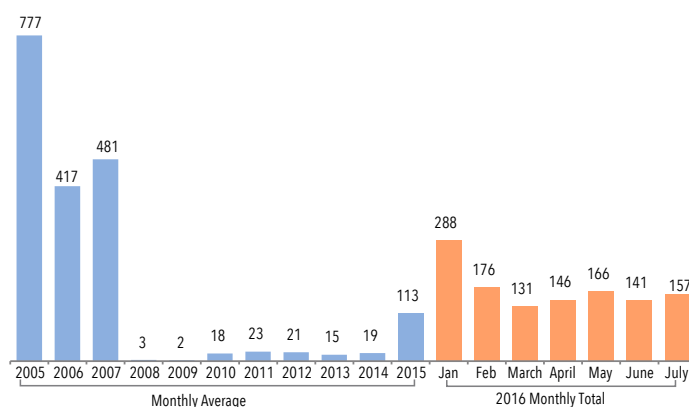


MOVEMENT OF GOODS FROM AND INTO GAZA

EXIT OF GOODS

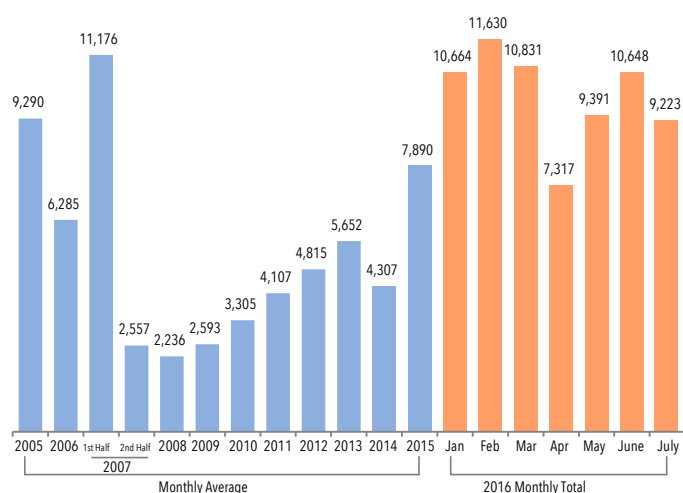
- The Kerem Shalom crossing operated for exiting goods on 18 out of 26 scheduled days, for daytime hours only.
- 157 truckloads of goods exited Gaza, a 10% decrease compared to the average during the first half of 2016. Trucks exited to the following destinations:
 - 108 truckloads of agricultural products, furniture and clothing to the West Bank;
 - 47 truckloads of agricultural products, furniture and scrap metal/aluminum to Israel;
 - 2 truckloads of agricultural products to international markets.

Truckloads exiting Gaza



* The figures reflect the number of times people crossed, but not the actual number of people crossing.

Truckloads entering Gaza

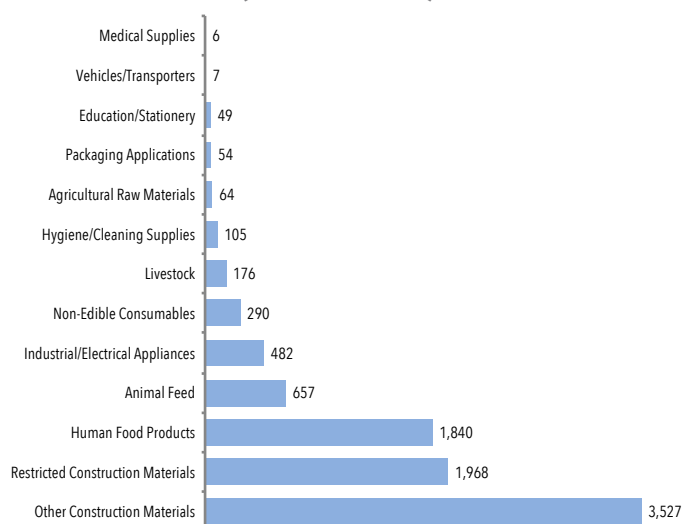


ENTRY OF GOODS

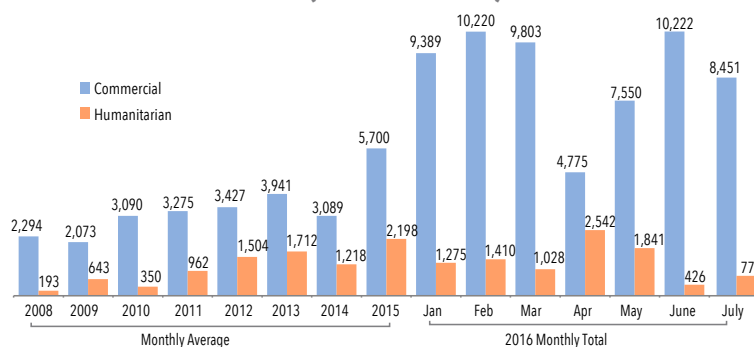
- Kerem Shalom operated the 19 out of 26* scheduled days. It closed for two days, due to Eid al-Fitr holiday.
- The volume of imports this month decreased by 10%, compared to the monthly average during the first half of 2016.
- Rafah commercial crossing opened on three days, allowing 167 truckloads of construction materials to enter Gaza.
- 8% of the truckloads that entered in July were designated for humanitarian aid agencies.
- 5,495 of the truckloads carried construction materials, constituting the largest category of imports (60%). These included 1,708 truckloads of materials defined by Israel as 'dual use' items, which entered via the Gaza Reconstruction Mechanism (GRM).
- Karni, Sufa and Nahal Oz crossings with Israel remained closed.

* Kerem Shalom crossing is open Sunday - Friday.

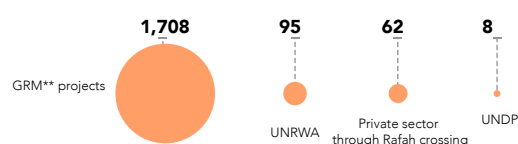
Goods imported in June 2016 (in truckloads)



Humanitarian vs. commercial imports (in truckloads)



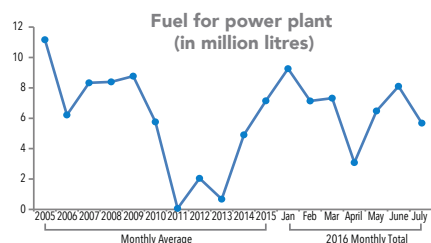
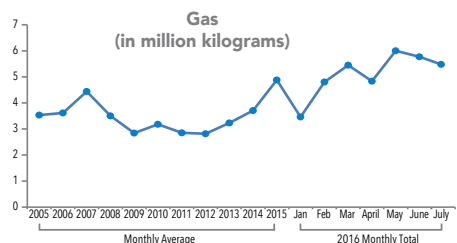
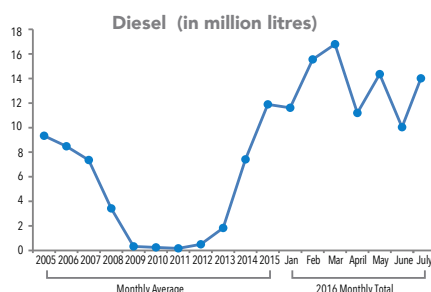
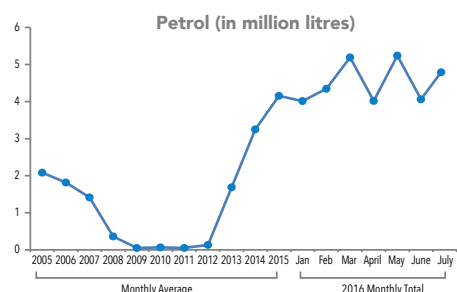
Entry of restricted basic construction materials in June per sector (in truckloads)*



* Primarily includes cement and steel bars; aggregates were removed from the "dual use" list in 2015.
 ** The GRM is a temporary agreement between the Government of Palestine and the Government of Israel, brokered by the United Nations in September 2014, to allow the entry of items defined by Israel as having a "dual" civilian/military use. These include building materials for repairs and reconstruction of private housing and infrastructure damaged or destroyed during hostilities, as well as new projects not related to hostilities.



FUEL IMPORTS INTO GAZA



FUEL IMPORTS

Kerem Shalom remained the only crossing available for the import of fuel, allowing the entry of:

- 19 million litres of petrol and diesel;
- 5.8 million litres of industrial fuel for the Gaza Power Plant; and
- 5,514 tons of cooking gas, which represents around 73% of the estimated needs (7,500 tons), according to the Gas Station Owners' Association (June 2016 estimate).