



SOCIO-ECONOMIC REPORT

JANUARY 2012

Contents

I. Socio-economic fact sheet	p1
II. Macroeconomic situation	p2
II.a Production	p2
II.b Prices	p2
II.c Exchange rates	p3
II.d Labor market	P3
III. Public sector	p5
IV. Banking sector	p5
<i>Box: Computer availability in Gaza</i>	P6
V. Private sector	p6
VI. Trade	p7
VII. Gaza Strip	p8
Annex A: Statistical reference tables	p10
Annex B: Terms and definitions	p15

For further information or to be added to the mailing list please contact:

UNSCO Jerusalem:

Astrid Marschatz marschatz@un.org

UNSCO Gaza:

Raed Raqeb raqeb@un.org

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 - JANUARY 2012

Key macroeconomic indicators					
Production		Q2/2000	Q2/2011	Q3/2011	Change in Q3/2011 (%)
GDP (constant 2004 prices, US\$ million)		a/	1,598 ^{b/}	1,606 ^{b/}	0.5 ^{b/}
GDP rate of change (year-on-year, constant 2004 prices, %)		a/	10.6 ^{b/}	11.8 ^{b/}	----
GDP per capita (annualized, constant 2004 prices, US\$)		a/	1,634 ^{b/}	1,630 ^{b/}	-0.2 ^{b/}
Prices		Aug 2000	Dec 2011	Jan 2012	Year-on-year (Jan 2012)
Change in prices (CPI, %)	Total ^{c/}	-0.9	0.4	0.5	3.1
	East Jerusalem	-1.1	0.1	1.0	3.6
	West Bank	-0.6	0.8	0.2	3.6
	Gaza Strip	-0.8	0.3	0.2	0.0
Labor market		Q2/2000	Q3/2011	Q4/2011	Change in Q4/2011 (%)
Labor force (thousands)	Total	706.2	1,080.9	1,111.2	2.8
	West Bank	483.8	732.1	754.9	3.1
	Gaza Strip	222.4	348.7	356.3	2.2
Unemployment rate (%)	Total	8.8	22.4	21.0	----
	West Bank	6.5	19.7	16.6	----
	Gaza Strip	13.8	28.0	30.3	----
Adjusted unemployment rate (%)	Total	18.5	26.8	24.8	----
	West Bank	15.8	23.9	20.5	----
	Gaza Strip	24.2	32.8	33.8	----
Public sector					
		Jan 2011	Dec 2011	Jan 2012	Change in Jan 2012 (%)
Government total net revenue (cash basis, NIS million)		605.9	934.8	618.8	-33.8
Government wage expenditure (cash basis, NIS million)		499.6	492.9	498.9	1.2
Government non-wage expenditure (cash basis, NIS million)		223.0	406.5	394.5	-3.0
Government net lending (cash basis, NIS million)		42.4	61.3	55.9	-8.8
Government balance (cash basis, NIS million)		-171.3	-87.7	-365.4	316.6
External budget support (NIS million)		113.3	297.2	8.3	-97.2
Banking sector					
		Q2/2000	Q2/2011	Q3/2011	Change in Q3/2011 (%)
Bank credit (US\$ million)		1,234	3,500	3,285	-6.1
Bank deposits (US\$ million)		3,328	6,950	6,821	-1.9
Loan-to-deposit ratio (%)		37.1	50.4	48.2	----
Private sector					
		Aug 2000	Dec 2011	Jan 2012	Change in Jan 2012 (%)
New company registrations	Total	231	179	137	-23.5
	West Bank	137	137	108	-21.2
	Gaza Strip	94	42	29	-31.0
Area licensed for new construction (thousand m ²)	Total	530.3	11,671.4	a/	a/
	West Bank	345.7	1,019.8	238.1	-76.7
	Gaza Strip	184.6	651.6	a/	a/
Gaza Strip					
Truck movement		Aug 2000	Dec 2011	Jan 2012	Change in Jan 2012 (%)
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	4,546	4,967	9.3
	Kerem Shalom (fuel)	0	155	134	-13.5
	Nahal Oz	904	0	0	0.0
Gaza Strip exports (trucksloads) ^{d/}	Karni	2,460	0	0	0.0
	Kerem Shalom	0	110	70	-36.4
Closure		Aug 2000	Complete closure-Jan 2012	Partial closure-Jan 2012	
Effective closure days (%)	Karni (conveyor belt)	0	100	0	
	Kerem Shalom	n.a.	15	0	
	Nahal Oz (fuel)	0	100	0	
	Sufa (aggregates)	0	100	0	
	Rafah (commercial)	0	100	0	
	Rafah (passenger)	0	26	74	

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.

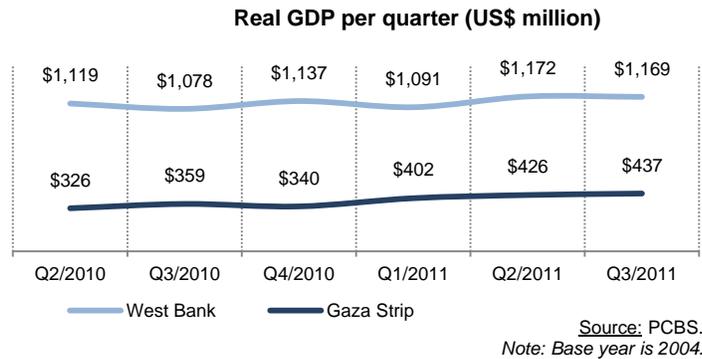
c/ Includes data for occupied East Jerusalem.

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

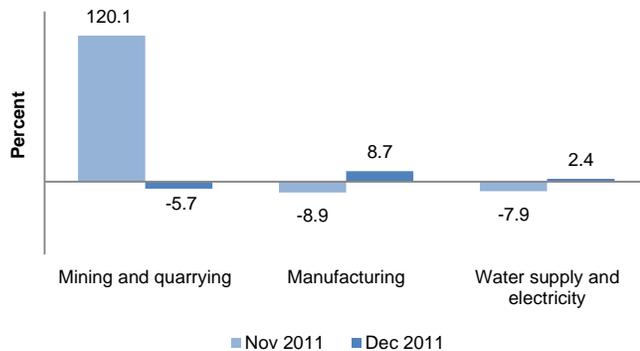
II. MACRO-ECONOMIC SITUATION

II.a Production

Real GDP grew by less than 1% in Q3/2011 compared to the previous quarter, but it was 12% higher than in Q3/2010. Real GDP reached US\$1,606 million in Q3/2011, of which US\$1,169 million was generated in the West Bank and US\$437 million in the Gaza Strip. During the quarter, real GDP decreased slightly in the West Bank but it increased by almost 3% in the Gaza Strip.



Monthly change in production in industrial activities (IPI)

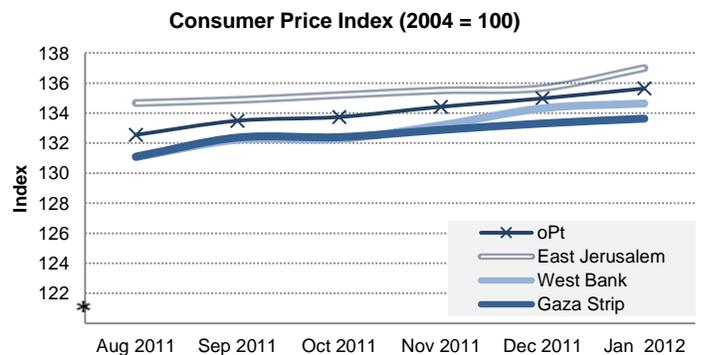


The Industrial Production Index (IPI), used to gauge short-term changes in productive activity, increased by 6.8% in December 2011 compared to the previous month. Productive activity in the manufacturing sector (whose share in the IPI is 80.5%) increased by 8.7% in December 2011, and it increased by 2.4% in the water supply and electricity sector (with a share of 14.9%). Productive activity in the mining and quarrying sector (with a share of 4.6%), however, decreased by 5.7%, following a large increase in November.

Source: PCBS.

II.b Prices

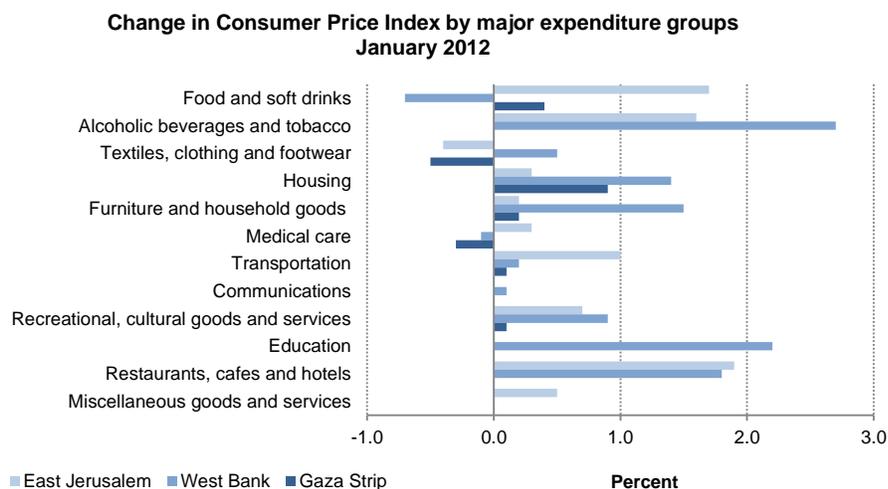
The Consumer Price Index (CPI), used to measure inflation, increased by 0.5% in January 2012 compared to the previous month, and by 3.1% in the year since January 2011. The highest price rises in January 2012 were in alcoholic beverages and tobacco, restaurants, cafes and hotels, housing, and recreational, cultural goods and services. Textiles, clothing and footwear became on average cheaper.



The CPI increased by 0.2% in the West Bank in January 2012, led primarily by increases in the price of alcoholic beverages and tobacco, education, restaurants, cafes and hotels, furniture and household goods, and housing. The cost of food and soft drinks and of medical care decreased on average during the month.

In East Jerusalem the CPI increased by 1.0%, pushed primarily by a rise in prices at restaurants, cafes and hotels, followed by food and soft drinks, and alcoholic beverages and tobacco. Prices for textiles, clothing and footwear decreased on average.

The CPI increased by 0.2% in the Gaza Strip in January 2012. The greatest price increases were in housing and food and soft drinks. The prices of textiles, clothing and footwear saw the biggest decline during the month, followed by the cost of medical care.



Source: PCBS.
Note: Base year is 2004.

II.c Exchange rates

The NIS fell against the US dollar in January 2012 but rose against the Euro. The JOD also rose against the Euro while its exchange rate to the US dollar remained fixed at 0.71.

Average monthly exchange rates

	Aug 2000	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012
NIS/US\$	4.05	3.55	3.68	3.68	3.73	3.78	3.81
NIS/euro	3.66	5.10	5.09	5.03	5.05	4.96	4.92
JOD/US\$	0.71	0.71	0.71	0.71	0.71	0.71	0.71
JOD/euro	0.64	1.02	0.97	0.96	0.97	0.94	0.91

Source: PCBS, Bank of Israel, Central Bank of Jordan.

II.d Labor market

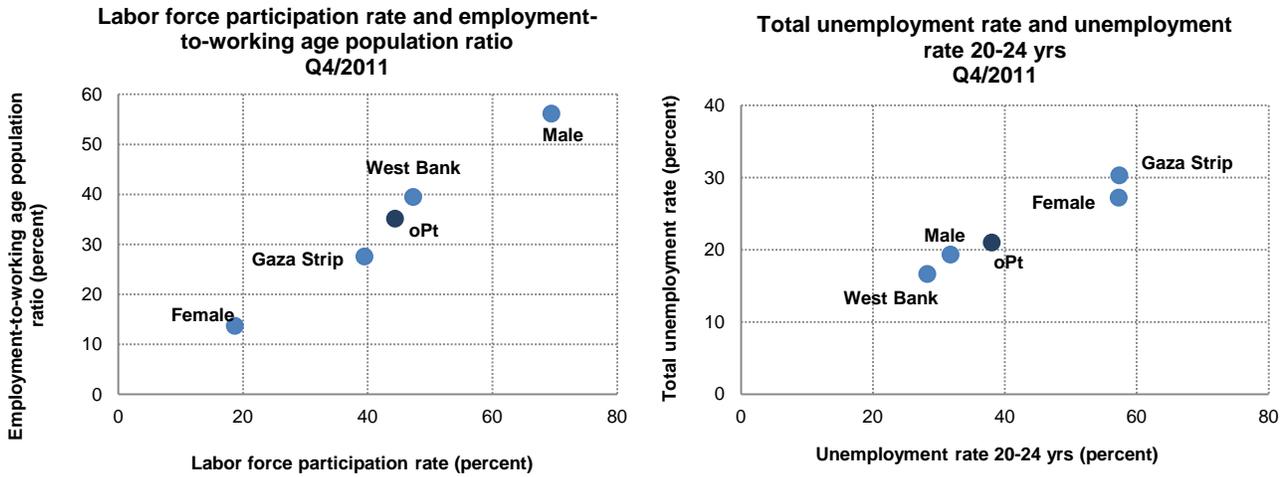
In Q4/2011, 44% of persons aged 15 years and above (approximately 1,111 thousand persons) participated in the labor force, about 755 thousand people in the West Bank and 356 thousand in the Gaza Strip. The labor force participation rate in the West Bank in Q4/2011 increased by one percentage point to 47%, but it remained slightly below 40% in the Gaza Strip.

**Labor force participation rate (%)
(Labor force in thousands)**

	Q2/2000	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011	Q4/2011
West Bank	45.3 (483.8)	43.0 (658.0)	44.5 (686.5)	43.2 (672.7)	45.3 (711.1)	46.2 (732.1)	47.3 (754.9)
Gaza Strip	40.1 (222.4)	36.0 (308.9)	36.3 (314.7)	37.0 (324.2)	38.1 (336.8)	39.0 (348.7)	39.5 (356.3)
oPt	43.5 (706.2)	40.5 (966.9)	41.5 (1001.2)	41.0 (996.9)	42.7 (1047.9)	43.6 (1080.8)	44.4 (1111.2)

Source: PCBS.

The number of people employed relative to the working age population and the labor force participation rate continue to be higher in the West Bank than in Gaza, and both are considerably higher for males than for females. Male labor force participation was almost unchanged at 70% in Q4/2011 compared to the previous quarter, but it increased by two percentage points for women to reach 19%.



Source: PCBS.

As the labor force expanded by approximately 30 thousand persons and the number of people employed increased by over 39 thousand persons, the unemployment rate decreased by one percentage point to 21% in Q4/2011. The unemployment rate in the West Bank was 17% in Q4/2011 after a decrease of three percentage points, and in Gaza it was 30% due to a 2 percentage point increase. For people between 20 and 24 years of age, unemployment fell by one percentage point to 38%. This was the result of a decrease in unemployment for this age group in the West Bank from 33% to 28% and an increase in the Gaza Strip from 50% to 57%. Unemployment for men decreased by slightly over one percentage point to 19%, whereas in the case of women the unemployment rate decreased by approximately three percentage points to 27%, diminishing the existing gap between the sexes.

Average daily wages (excluding for those working in Israel and Israeli settlements) increased by almost NIS2 to NIS78 in Q4/2011. Average wages in the West Bank increased by NIS2 to NIS86 during the quarter and those in Gaza increased by NIS2 to NIS61. Average wages in the private and public sectors were almost unchanged at NIS68 and NIS90, respectively.

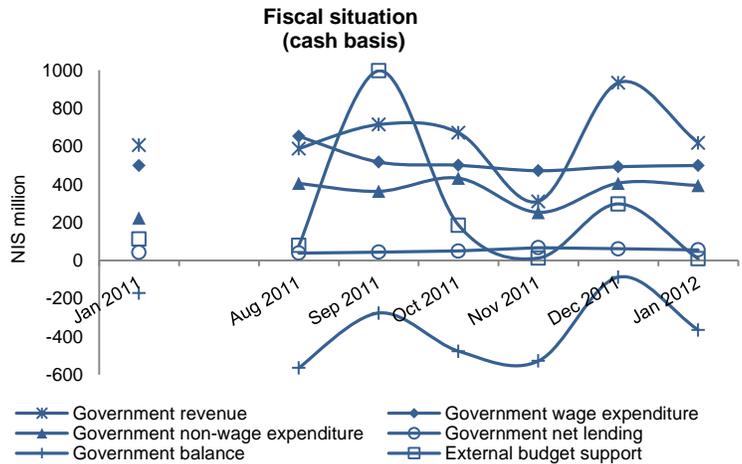
Average daily wages (NIS)

	Sex		Geographical area of employment		Sector	
	Female	Male	West Bank	Gaza Strip	Private sector	Public sector
Average daily wage	81	77	86	61	68	90

Source: PCBS.

III. PUBLIC SECTOR

Government revenue (cash basis) saw a 44% decrease in January 2012 compared to the previous month, reaching only NIS618.8 million. Clearance revenue decreased by 45% in January, while non-tax revenue increased by 3% and tax revenue by 26%. Compared to December 2011, government wage expenditure was 1% and non-wage expenditure 3% lower and net lending was reduced by 9%. The government deficit decreased to NIS365.4 million, and external budgetary support plummeted to only NIS8.3 million.



Source: Ministry of Finance.

Note: These data update the information from previous months in 2011 and should be assumed to be the most accurate available on 15 February 2012.

IV. BANKING SECTOR

Information on bank credit, particularly credit to productive sectors, gives an indication of economic progress and business confidence. Data for Q3/2011 show a reversal in the previous upward trend of credit, with total credit decreasing by 6% to USD3,285 million.

Most of bank credit is in the form of loans, and their size relative to total bank credit grew by about five percentage points to reach 73% in Q3/2011. 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 in Annex A).

Distribution of bank credit by type (%)
(Bank credit by type in million US\$)

	Q1/2008	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2010	Q3/2011
Loans	59.9 (1,061)	72.5 (1,926)	70.1 (1,999)	68.8 (1,986)	69.9 (2,204)	67.3 (2,354)	72.7 (2,387)
Overdrafts	39.5 (701)	27.2 (724)	29.6 (845)	30.9 (893)	29.9 (943)	32.5 (1,138)	27.1 (890)
Leasing	0.6 (11)	0.3 (8)	0.3 (8)	0.3 (8)	0.2 (7)	0.2 (8)	0.3 (8)
Total	100.0 (1,773)	100.0 (2,658)	100.0 (2,852)	100.0 (2,887)	100.0 (3,155)	100.0 (3,500)	100.0 (3,285)

Source: PMA.

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

Q3/2011 saw a decrease of 2% in total bank deposits. Public sector deposits constitute less than 10% of total deposits and fell by 6% during the quarter. Private sector deposits decreased by almost 2%, with deposits from residents decreasing by about 2% but those of non-residents increasing by almost 7% in Q3/2011.

Distribution of bank deposits (in million US\$)

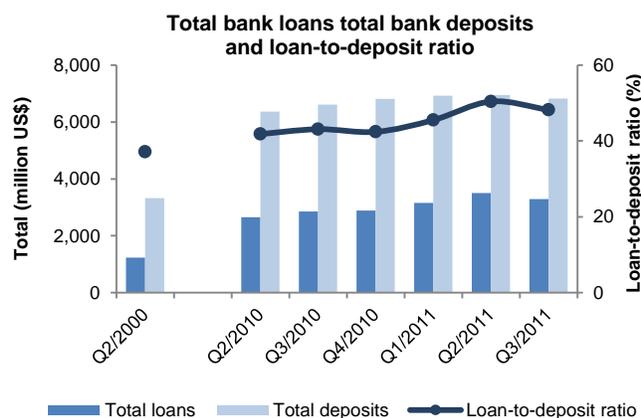
	Q2/2000	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
Public institutions and local authorities	56.5	149.5	155.2	159.2	160.7	156.5	152.7
Government	115.1	482.7	484.8	534.1	534.3	399.8	370.1
Total public sector deposits	171.6	632.1	640.0	693.3	695.0	556.3	522.9
Residents	3,082.6	5,296.9	5,728.2	5,947.6	6,053.0	6,204.3	6,095.6
Non-residents	14.6	437.7	243.3	171.9	180.6	189.7	202.1
Total private sector deposits	3,097.2	5,734.6	5,971.5	6,119.5	6,233.7	6,394.0	6,297.7
Total deposits (public and private sectors)	3,268.8	6,366.7	6,611.5	6,812.9	6,928.7	6,950.4	6,820.5

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 the government (see further details in Table A5. 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 decreased from 50% to 48% in Q3/2011 (see further details in Table A6. in Annex A).



Source: Palestine Monetary Authority.

Computer availability in Gaza

Recently released data from the 2007 population census in Gaza show that almost 34% of households have a computer. This is a marked increase from 1997, when less than 3% of households had a computer. Availability of a computer increased considerably in all areas, and is currently higher in camps, followed by urban areas.

Proportion of households with computer

	1997	2007
Camps	2.5	35.2
Urban areas	2.9	33.8
Rural areas	0.9	23.1

Source: PCBS.

V. PRIVATE SECTOR

In January 2012, the area licensed for new construction in the West Bank decreased by 77% compared to the previous month, and was 31% lower than in August 2000, before the breakout of the intifada (see further details in Table A8. in Annex A). (Data for Gaza have not been released)

Area licensed for new construction (thousand square meters)

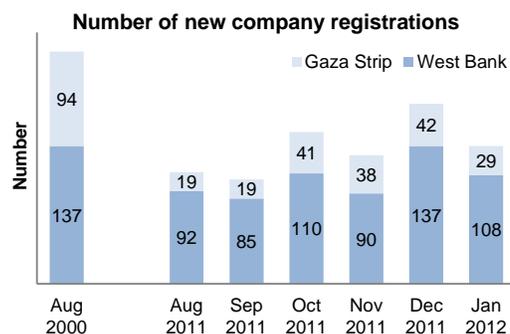
	Aug 2000	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012
West Bank	345,685	260,838	254,309	348,909	199,528	1,019,779	238,105
Gaza Strip	184,577	434,320	489,985	397,249	547,640	651,620	^{a/}

Source: Engineering Offices and Consulting Firms.

^{a/} Data not available.

In January 2012, 29 fewer new companies were registered in the West Bank than in December 2011, for a total of 108.

In the Gaza Strip, 29 new companies were registered in January 2012, 13 less than in December 2011, and less than one third of the pre-intifada level (see further details in Table A7. in Annex A).



Source: Ministry of National Economy.

Forty-six companies from five main economic sectors (banking and financial services, insurance, investments, industry, and services) are currently listed in the Palestinian Stock Exchange. At the end of January 2012, market capitalization was about US\$2.7 billion.

Data for January 2012 show increases of approximately 9% in the number of shares traded and a decrease of 33% in the value of shares traded. Of the 36 companies traded in the month, 12 were gainers, 15 were decliners and 9 companies were stable. The Al-Quds index declined by almost 0.2% in January 2012.

Securities trade

	Aug 2000	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012
Number of shares traded (million)	7.00	5.9	7.7	16.7	5.6	16.6	18.1
Value of shares traded (million US\$)	13.0	10.5	15.7	34.6	12.7	47.0	31.5
Al-Quds index	265.23	491.03	488.20	474.71	471.77	476.93	476.18

Source: Palestine Securities Exchange.

Seventeen percent of owners/managers of active industrial enterprises in the West Bank report a general improvement in their enterprise's performance in Q4/2011, but only 10% of them perceived improvements in obtaining needed raw materials and inputs and only 11% in transporting finished goods to market. A greater proportion, 29%, expect the enterprise's performance to improve in Q1/2012, although only 15% expect an improvement during the quarter in obtaining needed raw materials and inputs and 17% expect an improvement in transporting finished goods to market.

Proportion of owners/managers of the active industrial enterprises in the West Bank who experienced/expect improvements

	Improvement experienced in Q4/2011	Improvement expected in Q1/2012
Enterprise's performance in general	17	29
Obtaining needed raw materials and inputs	10	15
Transporting finished goods to market	11	17

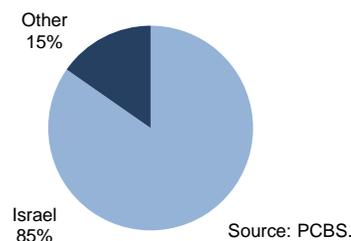
Source: PCBS.

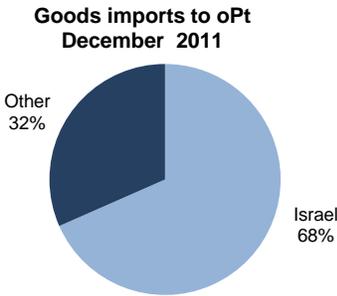
Note: Data for the Gaza Strip for Q4/2011 are not available.

VI. TRADE

Registered exports of goods increased by 12% in December 2011, amounting to around US\$66.9 million. Palestinian exports of goods to Israel increased by 13% during the month, while exports to other countries increased by 6%. Israel continues to be the main market for Palestinian goods, absorbing 85% of total goods exports from oPt in December 2011.

Goods exports from oPt December 2011





Source: PCBS.

Imports of goods decreased by 4% in December 2011 and amounted to US\$318.1 million. Imports from Israel increased by 2% during the month, whereas imports from other countries decreased by 14% compared to November 2011. Imports from Israel represented 68% of total Palestinian imports.

A goods trade deficit of US\$251.2 million was recorded in December 2011, reflecting a 7% decrease from the previous month.

VII. GAZA STRIP

There was a 16% increase in the amount of cooking gas imported in Gaza in February 2012, with 3,255 tons allowed in through the Kerem Shalom (Karem Abu Salem) crossing. In February 2012, 35,000 liters of petrol and 304,015 liters of diesel were imported for UNRWA, while 20,000 liters of petrol and 22,000 liters diesel were imported for the private sector.

Volume of registered fuel sales in the Gaza Strip

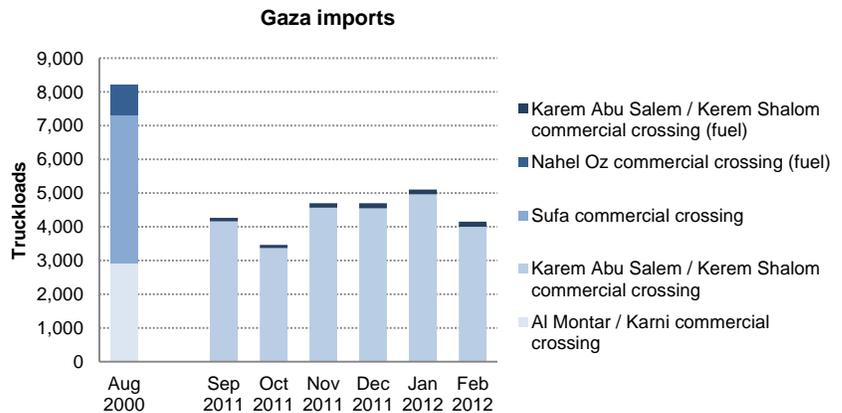
	Aug 2000	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Nahal Oz	Kerem Shalom					
Petrol (1000 liter)	3,188.9	0.0	34.0	35.0	38.0	70.0	55.0
Diesel (1000 liter)	11,343.0	0.0	146.0	111.0	139.0	375.5	326.0
White diesel (1000 liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (1000 ton)	1.9	2.6	2.1	2.9	3.5	2.8	3.3
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.

In February 2012, the number of truckloads (including fuel) imported into the Gaza Strip decreased by 19% compared to January 2012 (see further details in Table A9. 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.



The proportion of truckloads with food items among imports decreased by six percentage points and made up 26% of imported goods (1,043 truckloads) in February 2012, while the remaining 74% of imports (2,960 truckloads) were non-food items. A total of 944 truckloads entering Gaza brought materials for approved international humanitarian building projects, including 752 truckloads (51,121 tons) of gravel, 162 truckloads (6,441 tons) of cement and 30 truckloads (1,017 tons) of steel bars for UNRWA and UNDP building projects, the Palestinian Water Authority, USAID and the French Cultural Center.

Following the June 2010 decision to ease the closure of Gaza, monthly import levels have averaged 4,242 truckloads.



Source: UNSCO.

Note: The figures exclude gravel imported through Karni in February-May 2007, as well as imports through Rafah and Erez.

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.

Gaza exports

	Total number of trucks	Goods	Destinations
November 2011	4	Straw berries (4 trucks/ 5.5 tons)	Europe
December 2011	110	Straw berries (265.7 tons)	} 104 trucks Europe
		Carnations (177,040 stems)	
		Cherry tomatoes (3.95 tons)	
January 2012	70	Sweet peppers (6 trucks/28.5 tons)	} Europe
		Straw berries (53 trucks/ 172.1 tons)	
		Carnations (9 trucks/ 1,205,550 stems)	
		Cherry tomatoes (4 trucks/ 29.3 tons)	
February 2012	29	Sweet peppers (3 trucks/ 12 tons)	} Europe
		Straw berries (1 trucks/ 3 tons)	
		Carnations (16 trucks/ 2,384,300 stems)	
		Cherry tomatoes (5 trucks/ 35.2 tons)	
		Sweet peppers (2 trucks/ 3.4 tons)	
		Tomatoes (5 trucks/ 55 tons)	Saudi Arabia

Source: Palestinian Agricultural Relief Committees.

In January 2012 Gaza exported agricultural produce to Europe. A total of 70 truckloads¹ were exported through the Kerem Shalom commercial crossing. In total, 53 trucks of strawberries (172.1 tons), nine truckloads of carnations (1,205,550 stems), four truckloads of cherry tomatoes (29.30 tons), and three truckloads of sweet peppers (12 tons) were exported. One truckload of furniture (18 pallets) was shipped from Gaza to a commercial exhibit in Jordan.

In February 2012 a total 29 truckloads were exported through the Kerem Shalom commercial crossing. One truck of strawberries (3 tons), 16 truckloads of carnations (2,384,300 stems), 5 truckloads of cherry tomatoes (35.2 tons), and 2 truckloads of sweet peppers (3.4 tons) were exported to Europe, and 5 truckloads of tomatoes (55 tons) were exported from the Gaza Strip (through Jordan) to Saudi Arabia.

¹ Sixty-three truckloads were exported in January 2012 according to the measure of Israeli truckload.

ANNEX A: Statistical reference tables

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

	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012
oPt (including occupied East Jerusalem)						
Food and soft drinks	147.7	149.0	149.3	151.0	151.5	152.2
Alcoholic beverages and tobacco	161.4	161.9	162.0	161.9	163.2	165.8
Textiles, clothing and footwear	114.8	114.4	114.8	114.9	116.2	116.0
Housing	130.2	132.0	133.1	133.5	133.6	134.7
Furniture, household goods	114.8	113.9	114.4	114.6	114.4	115.0
Medical care	116.5	116.2	116.6	117.0	117.8	117.8
Transportation	126.5	127.4	127.4	126.7	126.8	127.4
Communications	107.5	107.5	107.6	107.6	107.9	107.9
Recreational, cultural goods & services	104.1	103.9	104.1	104.0	104.0	104.8
Education	112.8	114.4	114.4	114.4	116.9	116.9
Restaurants, cafes and hotels	146.2	147.2	147.0	147.1	147.7	149.7
Miscellaneous goods and services	125.4	128.4	127.3	127.8	128.7	129.1
All items of consumer price index	132.6	133.5	133.7	134.4	135.0	135.6
East Jerusalem						
Food and soft drinks	152.8	152.5	153.1	154.7	154.2	156.8
Alcoholic beverages and tobacco	159.4	160.8	160.1	160.8	162.3	164.8
Textiles, clothing and footwear	126.1	126.5	127.3	128.1	129.7	129.2
Housing	123.0	123.1	123.9	123.9	124.6	125.0
Furniture, household goods	114.4	112.9	114.1	114.0	113.4	113.7
Medical care	122.8	122.2	122.0	122.3	121.9	122.3
Transportation	139.0	140.2	139.9	138.3	138.7	140.1
Communications	103.4	103.1	103.2	103.3	103.4	103.4
Recreational, cultural goods & services	110.6	111.2	111.4	111.0	111.3	112.1
Education	117.1	117.1	117.1	117.1	117.1	117.1
Restaurants, cafes and hotels	153.6	154.7	153.1	151.5	150.3	153.2
Miscellaneous goods and services	116.4	118.4	117.9	118.0	118.7	119.4
All items of consumer price index	134.7	134.9	135.2	135.5	135.7	137.0
West Bank						
Food and soft drinks	145.2	146.5	146.0	148.0	149.6	148.6
Alcoholic beverages and tobacco	163.9	164.1	164.7	164.2	166.3	170.7
Textiles, clothing and footwear	103.6	104.0	104.7	104.4	106.0	106.5
Housing	139.2	141.6	142.5	143.0	143.2	145.3
Furniture, household goods	100.6	100.2	101.0	101.1	101.8	103.3
Medical care	114.7	115.1	115.9	116.7	119.2	119.1
Transportation	123.8	124.7	124.9	124.7	124.6	124.9
Communications	108.6	108.6	108.7	108.9	109.0	109.0
Recreational, cultural goods & services	92.0	92.0	92.2	93.0	92.9	93.7
Education	108.9	112.6	112.6	112.6	115.1	115.1
Restaurants, cafes and hotels	142.8	141.6	144.3	145.8	146.8	149.5
Miscellaneous goods and services	135.8	140.2	138.0	138.5	139.0	139.1
All items of consumer price index	131.1	132.2	132.3	133.2	134.3	134.6
Gaza Strip						
Food and soft drinks	145.6	148.4	148.4	149.6	150.6	151.2
Alcoholic beverages and tobacco	157.3	157.3	157.3	157.3	157.3	157.3
Textiles, clothing and footwear	111.7	110.2	109.9	109.4	108.2	107.7
Housing	126.2	126.6	128.1	128.8	127.8	129.0
Furniture, household goods	131.3	131.4	131.2	131.0	131.7	131.9
Medical care	100.7	100.3	100.8	100.6	101.5	101.3
Transportation	126.5	126.6	126.6	126.5	126.5	126.7
Communications	106.3	106.6	106.5	106.3	107.0	107.0
Recreational, cultural goods & services	101.3	99.8	99.7	99.6	98.9	99.0
Education	107.6	108.3	108.3	108.3	111.1	111.1
Restaurants, cafes and hotels	158.5	160.5	160.4	160.4	155.5	155.5
Miscellaneous goods and services	125.3	129.3	128.2	128.6	131.0	131.0
All items of consumer price index	131.1	132.4	132.4	132.9	133.3	133.6

Source: PCBS.

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

	Q2/2000	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
oPt							
Unemployment	8.8	22.9	26.6	23.4	21.7	18.7	22.4
Adjusted unemployment	18.5	28.6	33.3	29.9	27.7	24.0	26.8
West Bank							
Unemployment	6.5	15.5	20.1	16.9	17.4	15.4	19.7
Adjusted unemployment	15.8	21.1	26.6	23.5	23.8	21.2	23.9
Gaza Strip							
Unemployment	13.8	39.3	40.5	37.4	30.8	25.6	28.0
Adjusted unemployment	24.2	44.3	47.0	43.5	35.9	30.0	32.8

Source: PCBS, Labor Force Surveys.

Table A3.
Fiscal indicators (million NIS)

	Jan 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012
Government revenue	605.9	714.7	671.3	310.7	934.8	618.8
Government w age expenditure	499.6	517.1	500.4	471.8	492.9	498.9
Government non-w age expenditure	223.0	363.3	432.5	252.5	406.5	394.5
Government net lending	42.4	43.7	49.7	67.3	61.3	55.9
Government balance	-171.3	-276.5	-477.2	-528.6	-87.7	-365.4
External budget support	113.3	997.3	185.1	12.6	297.2	8.3

Source: Ministry of Finance.

Note: This table updates the information of tables from previous months and should be assumed to be the most accurate available on 15 February 2012.

Table A4.
Bank credit by economic activity

	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
Total (in million US\$)						
Total public sector	825	885	837	917	1,118	856
Total private sector	1,834	1,966	2,050	2,238	2,382	2,428
<i>Agriculture and food processing</i>	53	57	66	50	33	32
<i>Manufacturing and mining</i>	213	235	240	288	291	293
<i>Real estate, construction and land</i>	320	319	335	451	396	423
<i>Local and foreign trade</i>	425	470	487	428	501	498
<i>Transportation</i>	22	23	27	22	25	26
<i>Tourism, hotels, restaurants and others</i>	50	53	67	53	50	51
<i>Financial services</i>	66	66	55	92	65	68
<i>Public services</i>	332	363	369	367	316	310
<i>Investment in securities and financial tools</i>	54	53	52	55	70	68
<i>Cars and vehicles</i>	81	92	102	93	109	114
<i>Consumption</i>	99	107	118	172	319	366
<i>Other private sector</i>	119	128	132	169	207	180
Total	2,658	2,852	2,887	3,155	3,500	3,285
Total excluding total public sector and public services	1,501	1,604	1,681	1,871	2,066	2,118
Relative distribution (% of total)						
Total public sector	31.0	31.0	29.0	29.1	31.9	26.1
Total private sector	69.0	69.0	6.3	70.9	68.1	73.9
<i>Agriculture and food processing</i>	2.0	2.0	15.5	1.6	0.9	1.0
<i>Manufacturing and mining</i>	8.0	8.2	0.5	9.1	8.3	8.9
<i>Real estate, construction and land</i>	12.0	11.2	1.8	14.3	11.3	12.9
<i>Local and foreign trade</i>	16.0	16.5	2.5	13.6	14.3	15.2
<i>Transportation</i>	0.8	0.8	3.7	0.7	0.7	0.8
<i>Tourism, hotels, restaurants and others</i>	1.9	1.9	0.2	1.7	1.4	1.6
<i>Financial services</i>	2.5	2.3	0.5	2.9	1.9	2.1
<i>Public services</i>	12.5	12.7	0.4	11.6	9.0	9.4
<i>Investment in securities and financial tools</i>	2.0	1.9	2.8	1.7	2.0	2.1
<i>Cars and vehicles</i>	3.0	3.2	0.4	3.0	3.1	3.5
<i>Consumption</i>	3.7	3.8	0.8	5.5	9.1	11.1
<i>Other private sector</i>	4.5	4.5	4.6	5.3	5.9	5.5
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	3.5	3.5	3.9	2.6	1.6	1.5
Manufacturing and mining	14.2	14.6	14.2	15.4	14.1	13.8
Real estate, construction and land	21.3	19.9	19.9	24.1	19.2	20.0
Local and foreign trade	28.3	29.3	29.0	22.8	24.2	23.5
Transportation	1.4	1.4	1.6	1.2	1.2	1.2
Tourism, hotels, restaurants and others	3.3	3.3	4.0	2.8	2.4	2.4
Financial services	4.4	4.1	3.3	4.9	3.2	3.2
Investment in securities and financial tools	3.6	3.3	3.1	2.9	3.4	3.2
Cars and vehicles	5.4	5.7	6.1	5.0	5.3	5.4
Consumption	6.6	6.7	7.0	9.2	15.4	17.3
Other private sector	7.9	8.0	7.9	9.0	10.0	8.5
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 A5.
Bank deposits by sector and type (million US\$)

	Q2/2000	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
Public sector deposits							
Public institutions and local authorities							
Current accounts	17.3	74.7	79.4	82.6	89.3	82.2	81.9
Time deposits	39.2	74.8	75.8	76.6	71.3	74.3	70.9
<i>Sub-total public institutions and local authorities</i>	<i>56.5</i>	<i>149.5</i>	<i>155.2</i>	<i>159.2</i>	<i>160.7</i>	<i>156.5</i>	<i>152.7</i>
Government							
Current accounts	37.6	300.5	296.5	340.9	287.9	217.3	216.2
Time deposits	77.5	182.1	188.3	193.2	246.4	182.5	153.9
<i>Sub-total government</i>	<i>115.1</i>	<i>482.7</i>	<i>484.8</i>	<i>534.1</i>	<i>534.3</i>	<i>399.8</i>	<i>370.1</i>
Total public sector deposits	171.6	632.1	640.0	693.3	695.0	556.3	522.9
Private sector deposits							
Residents							
Current accounts	746.5	1,936.1	2,171.3	2,198.6	2,321.0	2,392.9	2,369.6
Savings accounts	440.4	1,639.6	1,743.2	1,802.1	1,848.7	1,925.9	1,900.0
Time deposits	1,895.7	1,721.2	1,813.8	1,947.0	1,883.2	1,885.5	1,826.0
<i>Sub-total residents</i>	<i>3,082.6</i>	<i>5,296.9</i>	<i>5,728.2</i>	<i>5,947.6</i>	<i>6,053.0</i>	<i>62,043.0</i>	<i>6,095.6</i>
Non-residents							
Current accounts	3.3	222.9	119.1	59.2	64.0	63.4	69.1
Savings accounts	2.4	86.8	44.0	42.1	44.4	49.1	49.2
Time deposits	8.9	128.0	80.1	70.6	72.2	77.3	83.8
<i>Sub-total non-residents</i>	<i>14.6</i>	<i>437.7</i>	<i>243.3</i>	<i>171.9</i>	<i>180.6</i>	<i>189.7</i>	<i>202.1</i>
Total private sector deposits	3,097.2	5,734.6	5,971.5	6,119.5	6,233.7	6,394.0	6,297.7
Total deposits (public and private sectors)	3,268.8	6,366.7	6,611.5	6,812.9	6,928.7	6,950.4	6,820.5

Source: PMA

Note: Data do not include deposits of the PMA and commercial banks.

Table A6.
Total loans, total deposits and loan-to-deposit ratio

	Q2/2000	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
Total loans (US\$ million)	1,234	2,658	2,852	2,887	3,155	3,500	3,285
Total deposits (US\$ million)	3,328	6,367	6,611	6,813	6,929	6,950	6,821
Loan-to-deposit ratio (%)	37.1	41.8	43.1	42.4	45.5	50.4	48.2

Source: PMA.

Table A7.
Number of new company registrations by legal status

	Aug 2000	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012
West Bank							
Private	42	32	38	51	36	55	40
Private limited	95	55	44	59	51	77	64
Public limited	0	0	0	0	0	0	1
Foreign	0	3	0	0	1	4	1
Non-profit	0	2	3	0	2	1	2
Total	137	92	85	110	90	137	108
Gaza Strip							
Private	81	7	9	21	20	26	19
Private limited	12	12	10	20	18	16	10
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	94	19	19	41	38	42	29

Source: Ministry of National Economy.

Table A8.
Area licensed for new construction (square meters)

	Aug 2000	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012
West Bank							
Ramallah, Al-Bireh and Jerusalem		105,781	81,498	144,212	65,233	260,506	71,377
Nablus		57,963	61,778	89,493	57,149	194,016	55,014
Tulkarm		18,773	19,891	22,058	17,584	59,685	7,308
Hebron		34,954	32,299	34,185	24,233	416,585	28,251
Bethlehem		16,837	35,679	27,075	15,588	56,070	19,322
Jenin		24,026	22,178	22,672	15,092	28,585	48,891
Qalqilya		2,504	986	9,214	4,649	4,332	7,942
Salfit		0	0	0	0	0	0
Total	345,685	260,838	254,309	348,909	199,528	1,019,779	238,105
Gaza Strip							
Northern District	27,902	75,450	95,540	107,176	105,600	124,500	
Gaza	50,116	112,215	120,580	82,847	142,540	182,650	a/
Al Wastah	15,984	70,050	75,855	141,964	89,650	102,450	
Khan Younis	51,146	90,855	102,560	42,842	107,800	118,550	
Rafah	39,429	85,750	95,450	22,420	102,050	123,470	
Gaza Strip Total	184,577	434,320	489,985	397,249	547,640	651,620	

Source: Engineering Offices and Consulting Firms.

Table A9.
Gaza truckload movement

	Aug 2000	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012
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	0	0	0	4	110	70
Truckloads imports	0	4,343	4,157	3,370	4,569	4,546	4,967
Sufa commercial crossing							
Truckloads exports	0	0	0	0	0	0	0
Truckloads imports	4,384	0	0	0	0	0	0
NaheI Oz commercial crossing (fuel)							
Truckloads imports	904	0	0	0	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing (fuel)							
Truckloads imports	0	145	112	96	129	155	134

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.

AI-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 a Pt 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.

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

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.

ANNEX C: Abbreviations and acronyms

CPI	Consumer Price Index
GDP	Gross Domestic Product
IPI	Industrial Production Index
JOD	Jordanian Dinar
MoF	Palestinian Ministry of Finance
MoNE	Palestinian Ministry of National Economy
NIS	New Israeli Shekel
oPt	occupied Palestinian territory
PCBS	Palestinian Central Bureau of Statistics
PMA	Palestine Monetary Authority
UN	United Nations
UNDP	United Nations Development Programme
UNRWA	United Nations Relief and Works Agency for Palestine Refugees
UNSCO	Office of the United Nations Special Coordinator for the Middle East Peace Process
USAID	United States Agency for International Development
USD	United States Dollar