



SOCIO-ECONOMIC REPORT

OCTOBER 2011

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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 six 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 private and goods trade sectors, respectively. Section VI. 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 - OCTOBER 2011

Key macroeconomic indicators					
Production		Q2/2000	Q1/2011	Q2/2011	Change in Q2/2011 (%)
GDP (constant 2004 prices, US\$ million)		a/	1,493 ^{b/}	1,598 ^{b/}	7.1 ^{b/}
GDP rate of change (year-on-year, constant 2004 prices, %)		a/	8.3 ^{b/}	10.6 ^{b/}	----
GDP per capita (annualized, constant 2004 prices, US\$)		a/	1,538 ^{b/}	1,634 ^{b/}	6.2 ^{b/}
Prices		Aug 2000	Sep 2011	Oct 2011	Year-on-year (Oct 2011)
Change in prices (CPI, %)	Total ^{c/}	-0.9	0.7	0.2	1.8
	East Jerusalem	-1.1	0.2	0.2	2.7
	West Bank	-0.6	0.9	0.0	2.4
	Gaza Strip	-0.8	1.0	0.0	-0.5
Labor market		Q2/2000	Q2/2011	Q3/2011	Change in Q3/2011 (%)
Labor force (thousands)	Total	706.2	1,047.9	1,080.9	3.1
	West Bank	483.8	711.1	732.1	3.0
	Gaza Strip	222.4	336.8	348.7	3.5
Unemployment rate (%)	Total	8.8	18.7	22.4	----
	West Bank	6.5	15.4	19.7	----
	Gaza Strip	13.8	25.6	28.0	----
Adjusted unemployment rate (%)	Total	18.5	24.0	26.8	----
	West Bank	15.8	21.2	23.9	----
	Gaza Strip	24.2	30.0	32.8	----
Public sector					
		Jan 2011	Sep 2011	Oct 2011	Change in Oct 2011 (%)
Government total net revenue (cash basis, NIS million)		605.9	714.7	629.4	-11.9
Government w age expenditure (cash basis, NIS million)		487.5	504.5	490.8	-2.7
Government non-w age expenditure (cash basis, NIS million)		218.2	373.5	597.4	59.9
Government net lending (cash basis, NIS million)		55.6	56.3	62.4	10.8
Government balance (cash basis, NIS million)		-156.2	-285.9	-682.9	138.9
External budget support (NIS million)		113.3	997.3	185.1	-81.4
Private sector					
		Aug 2000	Sep 2011	Oct 2011	Change in Oct 2011 (%)
New company registrations	Total	231	104	151	45.2
	West Bank	137	85	110	29.4
	Gaza Strip	94	19	41	115.8
Area licensed for new construction (thousand m ²)	Total	530.3	744.3	746.2	0.3
	West Bank	345.7	254.3	348.9	37.2
	Gaza Strip	184.6	490.0	397.2	-18.9
Gaza Strip					
Truck movement		Aug 2000	Sep 2011	Oct 2011	Change in Oct 2011 (%)
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	4,157	3,370	-18.9
	Kerem Shalom (fuel)	0	112	96	-14.3
	Nahal Oz	904	0	0	0.0
Gaza Strip exports (trucksloads) ^{d/}	Karni	2,460	0	0	0.0
	Kerem Shalom	0	0	0	0.0
Closure		Aug 2000	Complete closure-Oct 2011	Partial closure-Oct 2011	
Effective closure days (%)	Karni (conveyor belt)	0	100	0	
	Kerem Shalom	n.a.	35	0	
	Nahal Oz (fuel)	0	100	0	
	Sufa (aggregates)	0	100	0	
	Rafah (commercial)	0	100	0	
	Rafah (passenger)	0	0	100	

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.

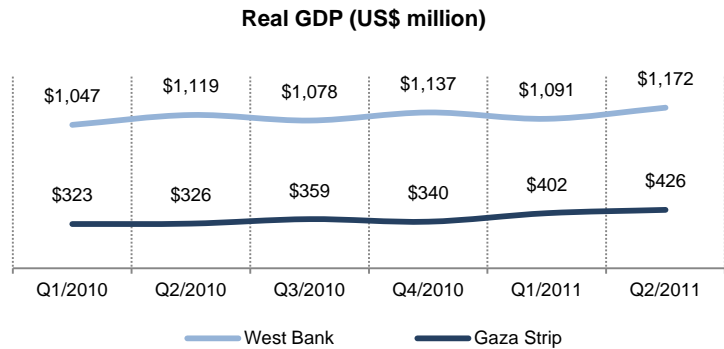
c/ Includes data for occupied East Jerusalem.

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

II. MACRO-ECONOMIC SITUATION

II.a Production

Real GDP grew by 7% in Q2/2011 compared to the previous quarter, and it was 11% higher than in Q2/2010. During the quarter, real GDP increased by 7% in the West Bank and by 6% in the Gaza Strip. Total real GDP reached US\$1,598 million in Q2/2011, of which US\$1,172 million was generated in the West Bank and US\$426 million in the Gaza Strip.



Source: PCBS.
Note: Base year is 2004.

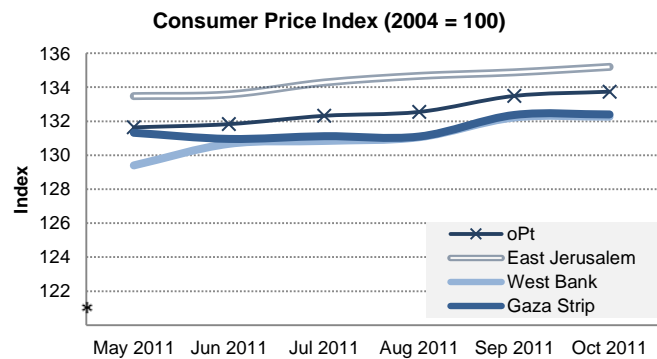


Source: PCBS.

The Industrial Production Index (IPI), used to gauge short term changes in productive activity, increased by 2.8% in September 2011. Productive activity in the mining and quarrying sector (with 4.6% relative share) increased by 37.9%, and it increased by 7.7% in the water supply and electricity sector (with 14.9% relative share). Productive activity in the manufacturing sector (whose relative share in the IPI is 80.5%), on the other hand, decreased by 0.1% in September 2011.

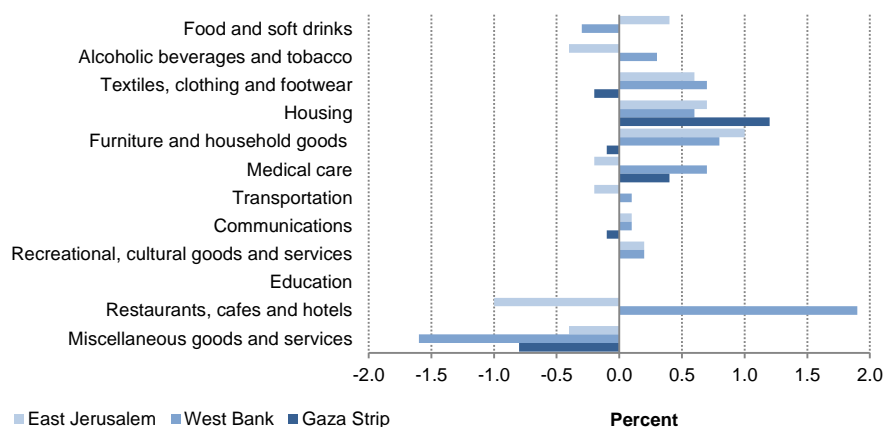
II.b Prices

The Consumer Price Index (CPI), used to measure inflation, reflects an increase of 0.2% in prices in October 2011 compared to the previous month, and an inflation rate of 1.8% in the year since October 2010. The highest price rises in October 2011 were in housing, furniture and household goods, and textile, clothing and footwear, whereas overall price decreases were registered primarily in miscellaneous goods and services, and restaurants, cafes and hotels.



Source: PCBS.

**Change in Consumer Price Index by major expenditure groups
October 2011**



The CPI was almost unchanged in the West Bank in October 2011. The cost of restaurants, cafes and hotels, furniture and household goods, textiles, clothing and footwear, medical care, and housing rose the most during the month. The cost of miscellaneous goods and services presented the greatest price decrease in this region, followed by food and soft drinks.

Source: PCBS.

In East Jerusalem the CPI rose by 0.2%, pushed primarily by a rise in the cost of furniture and household goods, followed by housing and textiles, clothing and footwear. The price of restaurants, cafes and hotels saw the biggest decline, followed by the cost of alcoholic beverages and tobacco, and miscellaneous goods and services.

The Gaza Strip experienced almost no change in average prices in October 2011. Price increases were registered in housing and medical care. The price of miscellaneous goods and services saw the biggest decline during the month, followed by the cost of textiles, clothing and footwear.

II.c Exchange rates

The NIS remained unchanged in value against the US dollar in October 2011, but it rose in value against the euro. Similarly, the JOD exchange rate to the US dollar remained unchanged, but it rose slightly against the euro.

Average monthly exchange rates

	Aug 2000	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011
NIS/USD	4.05	3.47	3.42	3.42	3.55	3.68	3.68
NIS/euro	3.66	4.98	4.92	4.88	5.10	5.09	5.03
JOD/US\$	0.71	0.71	0.71	0.71	0.71	0.71	0.71
JOD/euro	0.64	1.02	1.02	1.01	1.02	0.97	0.96

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

II.d Labor market

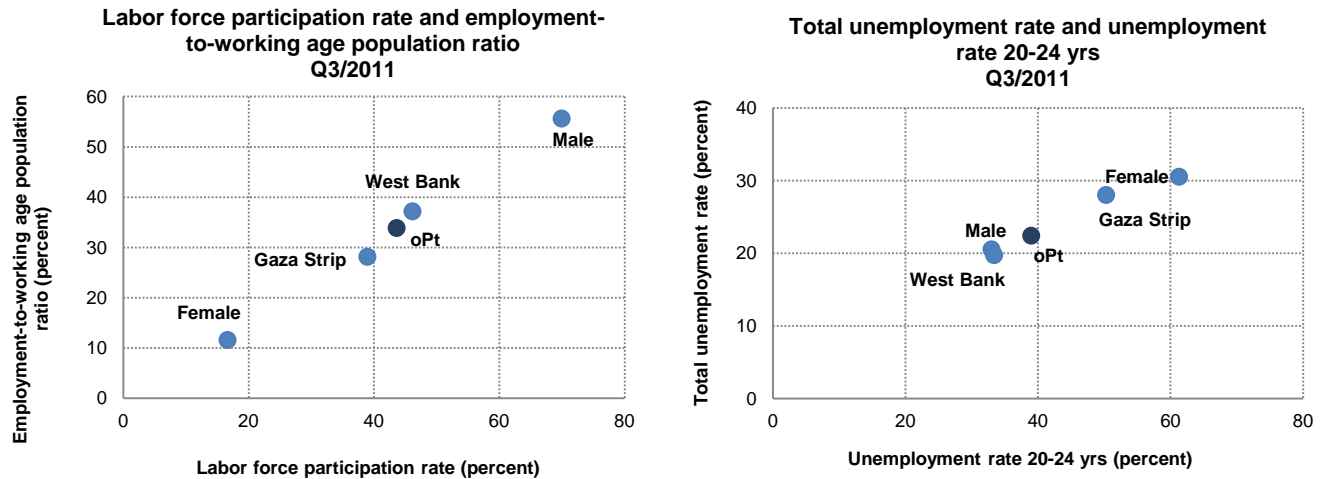
In Q3/2011, 44% of persons aged 15 years and above (about 1,081 thousand persons) participated in the labor force. About 732 thousand of these economically active persons were in the West Bank and 349 thousand were in the Gaza Strip. The labor force participation rate in the West Bank reached 46%, but it was only 39% in the Gaza Strip. The labor force participation rate has increased in the last two quarters for both men and women, reaching 70% and 17%, respectively.

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

	Q2/2000	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
West Bank	45.3 (483.8)	43.9 (666.3)	43.0 (658.0)	44.5 (686.5)	43.2 (672.7)	45.3 (711.1)	46.2 (732.1)
Gaza Strip	40.1 (222.4)	37.0 (314.1)	36.0 (308.9)	36.3 (314.7)	37.0 (324.2)	38.1 (336.8)	39.0 (348.7)
oPt	43.5 (706.2)	41.5 (980.4)	40.5 (966.9)	41.5 (1001.2)	41.0 (996.9)	42.7 (1,047.9)	43.6 (1080.8)

Source: PCBS.

Both the employment-to-working age population ratio and the labor force participation rate continue to be higher in the West Bank than in Gaza, and they are more than four times higher for men than for women.



Source: PCBS.

As the labor force expanded by more than 30,000 persons but the number of people employed actually decreased by more than 13,000, unemployment increased by three percentage points in Q3/2011 to reach 22%, including 39% of those between 20 and 24 years of age. The rise in the total jobless rate can be traced to increases in unemployment in the West Bank from 15% to 20%, and in the Gaza Strip from 26% to 28%.

The existing gender differential in unemployment decreased in Q3/2011. Whereas unemployment for men increased by five percentage points to 21% during the quarter, it increased by two percentage points to 31% for women.

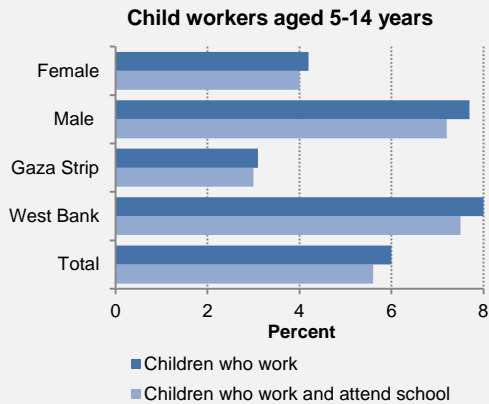
Average daily wages (excluding those employed in Israel and settlements) fell to NIS76 in Q3/2011. Average wages in the West Bank fell by NIS1 to NIS84 during the quarter, but those in Gaza fell by more than NIS2 to NIS59, thus widening the existing gap. The gap between wages in the private and public sectors also expanded during the quarter, as average wages in the private sectors fell by NIS2 to NIS68 and increased by NIS2 in the public sector to NIS90.

Average daily wages (NIS)

	Sex		Geographical area of employment		Sector	
	Female	Male	West Bank	Gaza Strip	Private sector	Public sector
Average daily wage	78	76	84	59	68	90

Source: PCBS.

Children and work



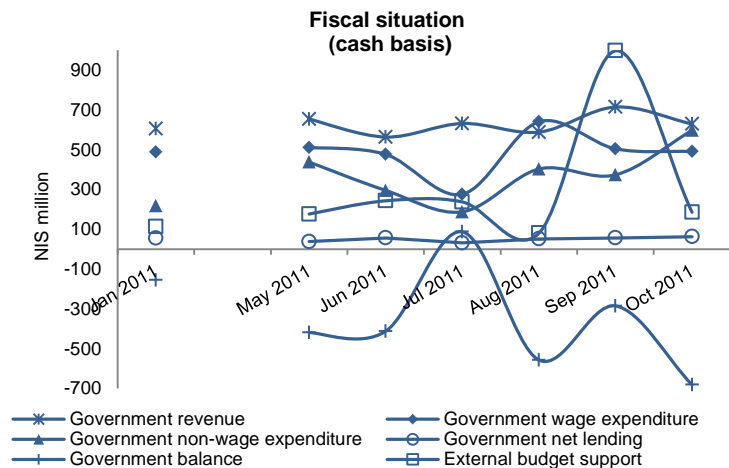
PCBS estimates that there were around 65,000 children aged between 5 and 14 years of age who were working in 2010, either remunerated or not. This represents 6% of all children in that age group. The percentage is considerably higher in the West Bank than in the Gaza Strip: 8% vs. 3%. Similarly, whereas slightly more than 4% of girls worked in 2010, almost 8% of boys did.

The percentage of children who work and attend school is slightly lower across all groups than the percentage of children who work (including those that attend school and those who do not).

Source: PCBS.

III. PUBLIC SECTOR

Government revenue (cash basis) was 12% lower in October 2011 than in the previous month, reaching only NIS629.4 million. More than two thirds of government revenue is clearance revenue, which decreased by 4% in October. Tax revenue increased by 6%, on the other hand, but nontax revenue fell by more than half. Compared to September, government non-wage expenditure in October 2011 was 60% higher and net lending was 11% higher, but wage expenditure was 3% lower. As a consequence of the higher expenditure and lower net revenue, the government deficit more than doubled to NIS682.9 million, at the time when external budgetary support was reduced to NIS185.1. (See further details in Table A3. in Annex A.)

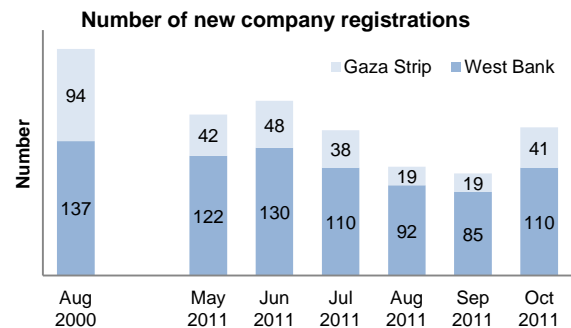


Source: Ministry of Finance.

IV. PRIVATE SECTOR

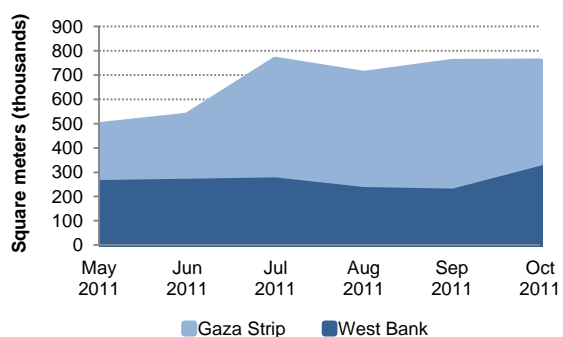
There were 25 new company registrations more in the West Bank in October 2011 than in the previous month, for a total of 110.

In Gaza, data show 41 new companies registered in October 2011, 22 more than in September 2011, but well below the pre-intifada level of 94. (See further details in Table A8. in Annex A.)



Source: Ministry of National Economy.

Area licensed for new construction



October 2011 data show an increase of 37% in the area licensed for new construction in the West Bank compared to the previous month.

In the Gaza Strip, in contrast, there was a decrease of 19% in the area licensed for new construction in October 2011. (See further details in Table A9. in Annex A.)

Source: Engineering Offices and Consulting Firms.

Forty-five companies from five economic sectors (banking and financial services, insurance, investments, industry, and services) are currently listed in the Palestinian Stock Exchange. At the end of October 2011 market capitalization was about US\$2.7 billion.

Data for the month of October 2011 show increases of approximately 118% in the number of shares traded and 120% in the value of shares traded. Of the 39 companies traded in the month, 13 were gainers, 23 were decliners and 3 companies were stable. The Al-Quds index declined by 2.8% in October 2011.

Securities trade

	Aug 2000	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011
Number of shares traded (million)	7.00	34.6	14.5	11.2	5.9	7.7	16.7
Value of shares traded (million US\$)	13.0	61.2	32.8	22.1	10.5	15.7	34.6
Al-Quds index	265.23	498.80	492.71	494.77	491.03	488.20	474.71

Source: Palestine Securities Exchange.

Twenty-eight percent of owners/managers of active industrial enterprises in the West Bank report an improvement in their enterprise's performance in general in Q3/2011, but only half that number perceived improvements in either obtaining needed raw materials and inputs or transporting finished goods to market. Expectations for improvements to come in Q4/2011 closely follow actual improvements experienced in Q3. In Gaza, on the other hand, about one in five owners/managers of active industrial enterprises experienced improvements in the enterprise's performance in general, in obtaining needed raw materials and inputs, and in transporting finished goods to market. In terms of improvements expected to come in Q4/2011, the proportion increases to one in four in all categories.

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

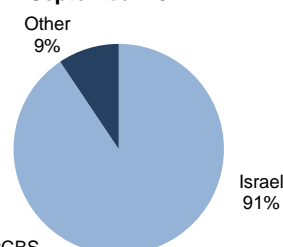
	Improvement experienced in Q3/2011		Improvement expected in Q4/2011	
	West Bank	Gaza Strip	West Bank	Gaza Strip
Enterprise's performance in general	28	21	27	25
Obtaining needed raw materials and inputs	14	20	13	25
Transporting finished goods to market	14	21	17	25

Source: PCBS.

V. TRADE

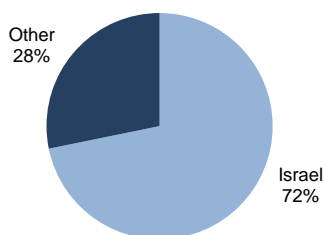
Registered exports of goods decreased by 9% in September 2011 and amounted to around US\$57.8 million. Palestinian exports of goods to Israel decreased by 8% during the month, and exports to other countries decreased by 20%. Israel continued to be the main market for Palestinian goods, absorbing 91% of total goods exports from oPt in September 2011.

Goods exports from oPt September 2011



Source: PCBS.

**Goods imports to oPt
September 2011**



Source: PCBS.

Registered imports of goods increased by 2% in September 2011 as compared to the previous month, amounting to US\$350.7 million. Whereas goods imports from Israel increased by 15% during the month, goods imports from other countries decreased by 21% compared to August 2011. Goods imports from Israel represented 72% of total Palestinian goods imports in September.

A goods trade deficit of US\$292.9 million was recorded in September 2011, reflecting a 4% increase from the previous month.

VI. GAZA STRIP

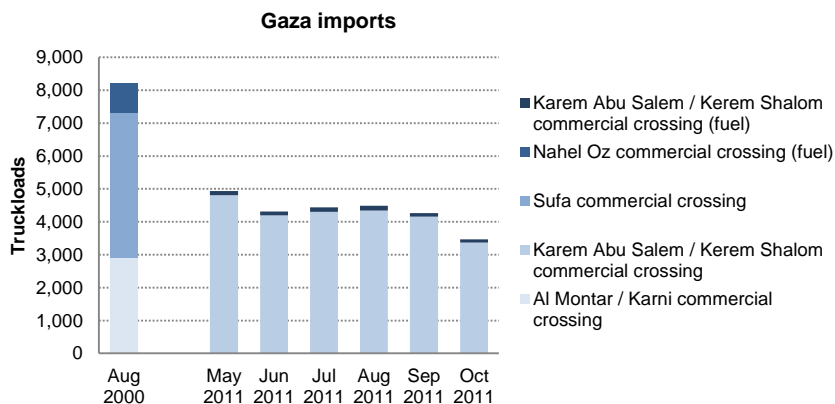
There was a 20% decrease in the amount of cooking gas imported in Gaza in October 2011, with 2,082 tons allowed in through Kerem Shalom (Karm Abu Salem). In October 2011, 34,000 liters of petrol and 146,010 liters of diesel were imported for UNRWA.

Volume of registered fuel sales in the Gaza Strip

	Aug 2000	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011
	Nahal Oz		Kerem Shalom				
Petrol (1000 liter)	3,188.9	73.0	0.0	0.0	67.0	0.0	34.0
Diesel (1000 liter)	11,343.0	340.0	0.0	0.0	212.0	0.0	146.0
White diesel (1000 liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (1000 ton)	1.9	2.7	2.8	3.2	3.2	2.6	2.1
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.

October 2011 data show a 19% decrease in the total number of truckloads (including fuel) imported into the Gaza Strip compared to September 2011.

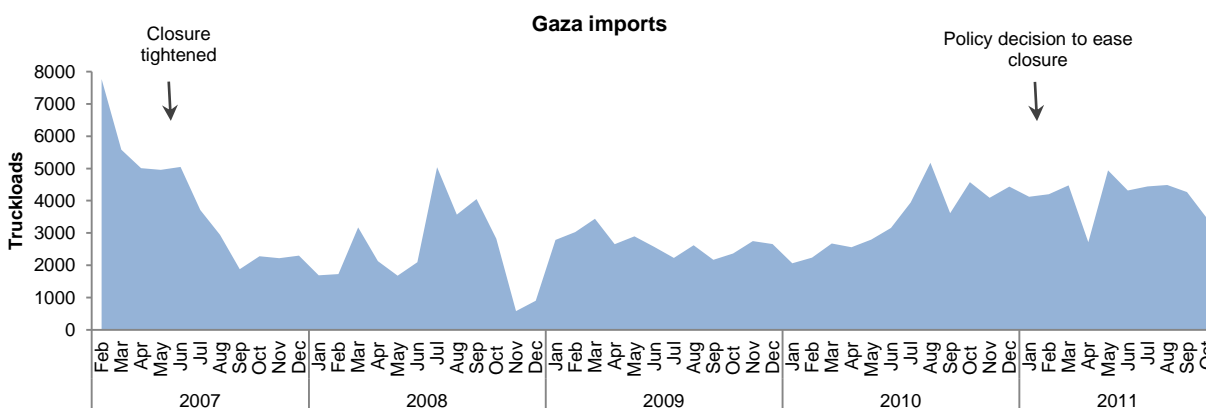


Source: UNSCO.

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.

Of the 3,370 (non-fuel) truckloads entering Gaza through the Karem Shalom commercial crossing during the month, 2,511 (75%) were for the private sector and the remaining 859 (25%) were designated for humanitarian aid agencies. Food items made up 42% of imported goods (1,409.5 truckloads), while the remaining 58% of imports (1,960.5 truckloads) were non-food items. A total of 625.5 truckloads entering Gaza brought materials for approved international humanitarian building projects, including 427 truckloads (29,890 tons) of gravel, 148.5 truckloads (6,218 tons) of cement and 50 truckloads (1,559 tons) of steel bars for UNRWA and UNDP building projects and the Coastal Municipalities Water Utility, Palestinian Water Authority, Mercy Corps, and ANERA.

Following the June 2010 decision to ease the closure of Gaza, monthly import levels have averaged 4,205 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 2010	4	Straw berries (trucks/ 5.7 tons)	Europe
December 2010	99	Carnations (trucks/43,000 stems) Straw berries (91 trucks/171.1 tons) Carnations (7 trucks/996,000 stems) Vegetables (1 truck)	Europe
January 2011	107	Straw berries (88 trucks/167.6 tons) Carnations (17 trucks/2,762,000 stems) Sw eet peppers (2 trucks/5 tons)	Europe
February 2011	52	Straw berries (27 trucks/53.2 tons) Carnations (25 trucks/4,054,000 stems)	Europe
March 2011	19	Cherry tomatoes (3 trucks/6.7 tons) Carnations (16 trucks/ 2,152,000 stems)	Europe
April 2011	6	Carnations (6 trucks/ 475,000 stems)	Europe
May 2011	3	Carnations (3 trucks/ 186,520 stems)	Europe
June 2011	0	---	---
July 2011	0	---	---
Aug 2011	0	---	---
Sep 2011	0	---	---
Oct 2011	0	---	---

Source: Palestinian Agricultural Relief Committees.

During the last cash crop export season, which lasted from 28 November 2010 to 15 May 2011, a total of 290 truckloads were exported via Kerem Shalom: 210 truckloads (397.6 tons) of strawberries, 74 truckloads (10,668,520 stems) of carnations, 3 truckloads (6 tons) of sweet peppers, and 3 truckloads of cherry tomatoes (6.7 tons). There were no agricultural or non-agricultural exports in October 2011.

ANNEX A: Statistical reference tables

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

	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011
oPt (including occupied East Jerusalem)						
Food and soft drinks	145.6	145.9	147.2	147.7	149.0	149.3
Alcoholic beverages and tobacco	161.0	161.1	161.3	161.4	161.9	162.0
Textiles, clothing and footwear	114.3	115.5	115.3	114.8	114.4	114.8
Housing	130.6	130.4	130.2	130.2	132.0	133.1
Furniture, household goods	115.4	114.7	114.9	114.8	113.9	114.4
Medical care	115.3	115.1	116.2	116.5	116.2	116.6
Transportation	127.1	127.0	126.3	126.5	127.4	127.4
Communications	107.1	107.4	107.5	107.5	107.5	107.6
Recreational, cultural goods & services	104.8	105.0	104.6	104.1	103.9	104.1
Education	111.0	112.8	112.8	112.8	114.4	114.4
Restaurants, cafes and hotels	144.0	145.0	147.8	146.2	147.2	147.0
Miscellaneous goods and services	123.8	123.2	123.4	125.4	128.4	127.3
All items of consumer price index	131.6	131.8	132.3	132.6	133.5	133.7
East Jerusalem						
Food and soft drinks	149.2	149.1	152.0	152.8	152.5	153.1
Alcoholic beverages and tobacco	158.5	158.6	159.1	159.4	160.8	160.1
Textiles, clothing and footwear	126.7	128.6	127.3	126.1	126.5	127.3
Housing	123.7	122.6	122.4	123.0	123.1	123.9
Furniture, household goods	113.4	113.4	112.4	114.4	112.9	114.1
Medical care	124.0	123.2	122.6	122.8	122.2	122.0
Transportation	139.2	139.3	138.7	139.0	140.2	139.9
Communications	103.3	103.5	103.5	103.4	103.1	103.2
Recreational, cultural goods & services	112.3	113.1	111.7	110.6	111.2	111.4
Education	112.9	117.1	117.1	117.1	117.1	117.1
Restaurants, cafes and hotels	151.8	152.8	156.1	153.6	154.7	153.1
Miscellaneous goods and services	116.9	116.0	115.8	116.4	118.4	117.9
All items of consumer price index	133.5	133.6	134.3	134.7	134.9	135.2
West Bank						
Food and soft drinks	142.3	144.8	145.2	145.2	146.5	146.0
Alcoholic beverages and tobacco	163.8	163.5	163.7	163.9	164.1	164.7
Textiles, clothing and footwear	99.9	102.1	103.2	103.6	104.0	104.7
Housing	138.8	139.5	139.3	139.2	141.6	142.5
Furniture, household goods	100.6	100.9	101.1	100.6	100.2	101.0
Medical care	113.6	113.7	114.2	114.7	115.1	115.9
Transportation	124.9	124.4	123.6	123.8	124.7	124.9
Communications	107.7	108.3	108.5	108.6	108.6	108.7
Recreational, cultural goods & services	92.8	92.3	91.8	92.0	92.0	92.2
Education	107.5	108.9	108.9	108.9	112.6	112.6
Restaurants, cafes and hotels	142.8	143.2	142.5	142.8	141.6	144.3
Miscellaneous goods and services	130.7	131.7	132.0	135.8	140.2	138.0
All items of consumer price index	129.4	130.7	130.8	131.1	132.2	132.3
Gaza Strip						
Food and soft drinks	145.6	144.9	145.3	145.6	148.4	148.4
Alcoholic beverages and tobacco	157.2	157.3	157.3	157.3	157.3	157.3
Textiles, clothing and footwear	114.3	113.8	112.8	111.7	110.2	109.9
Housing	126.5	126.6	126.7	126.2	126.6	128.1
Furniture, household goods	134.1	133.1	133.6	131.3	131.4	131.2
Medical care	98.0	98.4	100.6	100.7	100.3	100.8
Transportation	127.4	127.3	126.5	126.5	126.6	126.6
Communications	105.8	106.2	106.3	106.3	106.6	106.5
Recreational, cultural goods & services	101.1	100.7	101.3	101.3	99.8	99.7
Education	107.6	107.6	107.6	107.6	108.3	108.3
Restaurants, cafes and hotels	157.1	158.5	158.5	158.5	160.5	160.4
Miscellaneous goods and services	123.9	123.1	122.8	125.3	129.3	128.2
All items of consumer price index	131.3	131.0	131.1	131.1	132.4	132.4

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	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011
Government revenue	605.9	654.3	563.5	631.9	588.4	714.7	629.4
Government w age expenditure	487.5	511.1	476.5	276.0	640.5	504.5	490.8
Government non-w age expenditure	218.2	438.0	295.1	187.6	402.9	373.5	597.4
Government net lending	55.6	37.3	55.8	31.3	51.4	56.3	62.4
Government balance	-156.2	-419.8	-412.9	86.7	-557.8	-285.9	-682.9
External budget support	113.3	176.3	242.9	237.2	80.0	997.3	185.1

Source: Ministry of Finance.

Table A4.
Bank credit by borrowing entity

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Total value (million US\$)							
Businesses	752	1,269	1,370	1,501	1,604	1,681	1,871
Consumers	429	637	870	825	885	837	917
Public services	52	328	347	332	363	369	367
Total	1,234	2,234	2,587	2,658	2,852	2,888	3,155
Relative distribution (% of total)							
Businesses	61.0	56.8	53.0	56.5	56.2	58.2	59.3
Consumers	35.0	28.5	33.6	31.0	31.0	29.0	29.1
Public services	4.0	14.7	13.4	12.5	12.7	12.8	11.6
Total	100.0	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 credit by economic activity

	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Total (in million US\$)						
Total public sector	637	870	825	885	837	917
Total private sector	1,597	1,718	1,834	1,966	2,051	2,238
<i>Agriculture and food processing</i>	39	47	53	57	66	50
<i>Manufacturing and mining</i>	185	194	213	235	240	288
<i>Real estate, construction and land</i>	266	292	320	319	335	451
<i>Local and foreign trade</i>	341	379	425	470	487	428
<i>Transportation</i>	25	24	22	23	27	22
<i>Tourism, hotels, restaurants and others</i>	39	44	50	53	67	53
<i>Financial services</i>	73	70	66	66	55	92
<i>Public services</i>	328	347	332	363	369	367
<i>Investment in securities and financial tools</i>	56	54	54	53	52	55
<i>Cars and vehicles</i>	57	68	81	92	102	93
<i>Consumption</i>	77	88	99	107	118	172
<i>Other private sector</i>	111	111	119	128	132	169
Total	2,234	2,587	2,658	2,852	2,888	3,155
Total excluding total public sector and public services	1,269	1,370	1,501	1,604	1,681	1,871
Relative distribution (% of total)						
Total public sector	28.5	33.6	31.0	31.0	29.0	29.1
Total private sector	71.5	66.4	69.0	69.0	6.3	70.9
<i>Agriculture and food processing</i>	1.7	1.8	2.0	2.0	15.5	1.6
<i>Manufacturing and mining</i>	8.3	7.5	8.0	8.2	0.5	9.1
<i>Real estate, construction and land</i>	11.9	11.3	12.0	11.2	1.8	14.3
<i>Local and foreign trade</i>	15.3	14.6	16.0	16.5	2.5	13.6
<i>Transportation</i>	1.1	0.9	0.8	0.8	3.7	0.7
<i>Tourism, hotels, restaurants and others</i>	1.8	1.7	1.9	1.9	0.2	1.7
<i>Financial services</i>	3.3	2.7	2.5	2.3	0.5	2.9
<i>Public services</i>	14.7	13.4	12.5	12.7	0.4	11.6
<i>Investment in securities and financial tools</i>	2.5	2.1	2.0	1.9	2.8	1.7
<i>Cars and vehicles</i>	2.6	2.6	3.0	3.2	0.4	3.0
<i>Consumption</i>	3.4	3.4	3.7	3.8	0.8	5.5
<i>Other private sector</i>	5.0	4.3	4.5	4.5	4.6	5.3
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	3.0	3.4	3.5	3.5	3.9	2.6
Manufacturing and mining	14.6	14.2	14.2	14.6	14.2	15.4
Real estate, construction and land	21.0	21.3	21.3	19.9	19.9	24.1
Local and foreign trade	26.9	27.6	28.3	29.3	29.0	22.8
Transportation	2.0	1.8	1.4	1.4	1.6	1.2
Tourism, hotels, restaurants and others	3.1	3.2	3.3	3.3	4.0	2.8
Financial services	5.8	5.1	4.4	4.1	3.3	4.9
Investment in securities and financial tools	4.4	4.0	3.6	3.3	3.1	2.9
Cars and vehicles	4.5	4.9	5.4	5.7	6.1	5.0
Consumption	6.0	6.4	6.6	6.7	7.0	9.2
Other private sector	8.7	8.1	7.9	8.0	7.9	9.0
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 A6.
Bank deposits by sector and type (million US\$)

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Public sector deposits							
Public institutions and local authorities							
Current accounts	17.3	78.2	78.9	74.7	79.4	82.6	89.3
Time deposits	39.2	74.7	76.2	74.8	75.8	76.6	71.3
<i>Sub-total public institutions and local authorities</i>	<i>56.5</i>	<i>152.9</i>	<i>155.1</i>	<i>149.5</i>	<i>155.2</i>	<i>159.2</i>	<i>160.7</i>
Government							
Current accounts	37.6	232.6	310.9	300.5	296.5	340.9	287.9
Time deposits	77.5	180.6	180.0	182.1	188.3	193.2	246.4
<i>Sub-total government</i>	<i>115.1</i>	<i>413.2</i>	<i>490.9</i>	<i>482.7</i>	<i>484.8</i>	<i>534.1</i>	<i>534.3</i>
Total public sector deposits	171.6	566.1	646.0	632.1	640.0	693.3	695.0
Private sector deposits							
Residents							
Current accounts	746.5	1,890.2	1,975.1	1,936.1	2,171.3	2,198.6	2,321.0
Savings accounts	440.4	1,608.3	1,632.7	1,639.6	1,743.2	1,802.1	1,848.7
Time deposits	1,895.7	1,891.3	1,879.3	1,721.2	1,813.8	1,947.0	1,883.2
<i>Sub-total residents</i>	<i>3,082.6</i>	<i>5,389.7</i>	<i>5,487.1</i>	<i>5,296.9</i>	<i>5,728.2</i>	<i>5,947.6</i>	<i>6,053.0</i>
Non-residents							
Current accounts	3.3	152.1	167.3	222.9	119.1	59.2	64.0
Savings accounts	2.4	61.5	69.2	86.8	44.0	42.1	44.4
Time deposits	8.9	104.6	108.2	128.0	80.1	70.6	72.2
<i>Sub-total non-residents</i>	<i>14.6</i>	<i>318.2</i>	<i>344.6</i>	<i>437.7</i>	<i>243.3</i>	<i>171.9</i>	<i>180.6</i>
Total private sector deposits	3,097.2	5,708.0	5,831.8	5,734.6	5,971.5	6,119.5	6,233.7
Total deposits (public and private sectors)	3,268.8	6,274.1	6,477.8	6,366.7	6,611.5	6,812.9	6,928.7

Source: PMA

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

Table A7.
Total loans, total deposits and loan-to-deposit ratio

	Q2/2000	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011
Total loans (US\$ million)	1,234	2,232	2,587	2,658	2,852	2,887	3,155
Total deposits (US\$ million)	3,328	6,655	6,935	6,685	7,050	7,246	7,347
Loan-to-deposit ratio (%)	37.1	33.5	37.3	39.8	40.5	39.9	47.3

Source: PMA.

Table A8.
Number of new company registrations by legal status

	Aug 2000	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011
West Bank							
Private	42	47	56	50	32	38	51
Private limited	95	70	69	56	55	44	59
Public limited	0	0	0	0	0	0	0
Foreign	0	2	3	1	3	0	0
Non-profit	0	3	2	3	2	3	0
Total	137	122	130	110	92	85	110
Gaza Strip							
Private	81	18	18	19	7	9	21
Private limited	12	24	30	29	12	10	20
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	94	42	48	38	19	19	41

Source: Ministry of National Economy.

Table A9.
Area licensed for new construction (square meters)

	Aug 2000	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011
West Bank							
Ramallah, Al-Bireh and Jerusalem		81,687	86,740	113,642	105,781	81,498	144,212
Nablus		75,471	66,732	60,800	57,963	61,778	89,493
Tulkarm		20,385	39,905	22,435	18,773	19,891	22,058
Hebron		45,286	43,580	36,717	34,954	32,299	34,185
Bethlehem		33,898	31,406	36,667	16,837	35,679	27,075
Jenin		25,803	22,890	25,862	24,026	22,178	22,672
Qalqilya		7,028	3,590	4,431	2,504	986	9,214
Salfit		0	0	0	0	0	0
Total	345,685	289,558	294,843	300,554	260,838	254,309	348,909
Gaza Strip							
Northern District	27,902	48,215	55,600	80,025	75,450	95,540	107,176
Gaza	50,116	51,145	68,500	116,470	112,215	120,580	82,847
Al Wastah	15,984	29,400	32,355	74,760	70,050	75,855	141,964
Khan Younis	51,146	38,350	41,560	92,400	90,855	102,560	42,842
Rafah	39,429	27,655	30,305	88,895	85,750	95,450	22,420
Gaza Strip Total	184,577	194,765	228,320	452,550	434,320	489,985	397,249

Source: Engineering Offices and Consulting Firms.

Table A10.
Gaza truckload movement

	Aug 2000	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011
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	3	0	0	0	0	0
Truckloads imports	0	4,810	4,194	4,302	4,343	4,157	3,370
Sufa commercial crossing							
Truckloads exports	0	0	0	0	0	0	0
Truckloads imports	4,384	0	0	0	0	0	0
Nahel Oz commercial crossing (fuel)							
Truckloads imports	904	0	0	0	0	0	0
Karem Abu Salem / Kerem Shalom commercial crossing (fuel)							
Truckloads imports	0	131	123	141	145	112	96

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 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.