



SOCIO-ECONOMIC REPORT

NOVEMBER 2011

**November 2011 supplement: Final
consumption in GDP**

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

UNSCO Jerusalem:

Astrid Marschatz marschatz@un.org

UNSCO Gaza Strip:

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 - November 2011

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	Oct 2011	Nov 2011	Year-on-year (Nov 2011)
Change in prices (CPI, %)	Total ^{c/}	-0.9	0.2	0.5	2.2
	East Jerusalem	-1.1	0.2	0.2	2.7
	West Bank	-0.6	0.0	0.7	2.9
	Gaza Strip	-0.8	0.0	0.4	-0.2
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	Oct 2011	Nov 2011	Change in Nov 2011 (%)
Government total net revenue (cash basis, NIS million)		605.9	671.3	259.2	-61.4
Government wage expenditure (cash basis, NIS million)		487.0	487.8	459.2	-5.9
Government non-wage expenditure (cash basis, NIS million)		183.4	432.5	252.5	-41.6
Government net lending (cash basis, NIS million)		55.0	62.4	79.9	28.0
Government balance (cash basis, NIS million)		-131.8	-477.2	-580.1	21.6
External budget support (NIS million)		113.3	185.1	12.6	-93.2
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	Oct 2011	Nov 2011	Change in Nov 2011 (%)
New company registrations	Total	231	151	128	-15.2
	West Bank	137	110	90	-18.2
	Gaza Strip	94	41	38	-7.3
Area licensed for new construction (thousand m ²)	Total	530.3	746.2	a/	
	West Bank	345.7	348.9	a/	
	Gaza Strip	184.6	397.2	a/	
Gaza Strip					
Truck movement		Aug 2000	Oct 2011	Nov 2011	Change in Nov 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	3,370	4,569	35.6
	Kerem Shalom (fuel)	0	96	129	34.4
	Nahal Oz	904	0	0	0.0
Gaza Strip exports (trucksloads) ^{d/}	Karni	2,460	0	0	0.0
	Kerem Shalom	0	0	4	0.0
Closure					
		Aug 2000	Complete closure-Nov 2011		Partial closure-Nov 2011
Effective closure days (%)	Karni (conveyor belt)	0	100		0
	Kerem Shalom	n.a.	24		0
	Nahal Oz (fuel)	0	100		0
	Sufa (aggregates)	0	100		0
	Rafah (commercial)	0	100		0
	Rafah (passenger)	0	15		85

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.

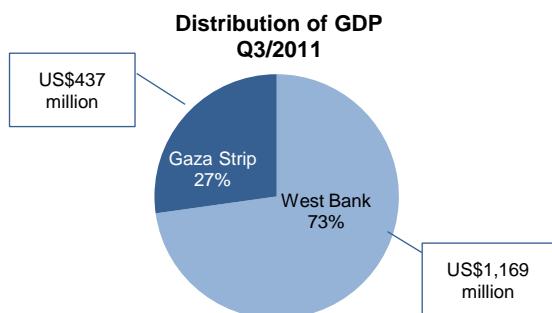
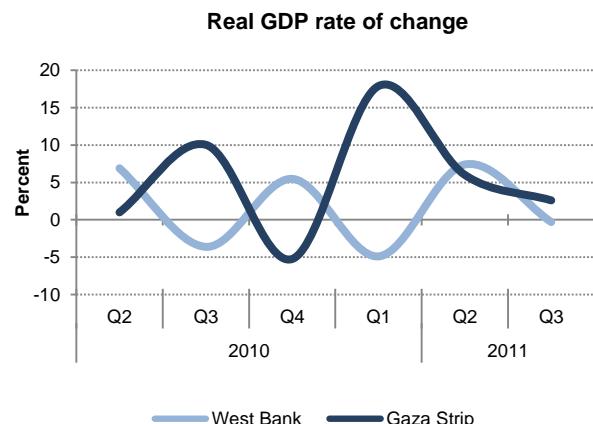
c/ Includes data for occupied East Jerusalem.

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

II. MACRO-ECONOMIC SITUATION

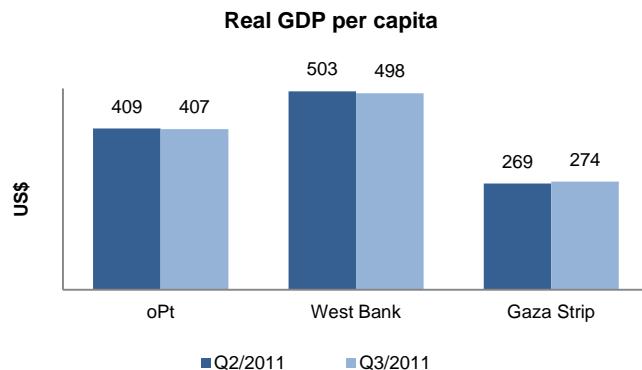
II.a Production

Real GDP grew by 0.5% in Q3/2011 compared to the previous quarter, and it was 12% higher than in Q3/2010. During the quarter, real GDP decreased by 0.3% in the West Bank but it increased by 2.6% in the Gaza Strip. 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.



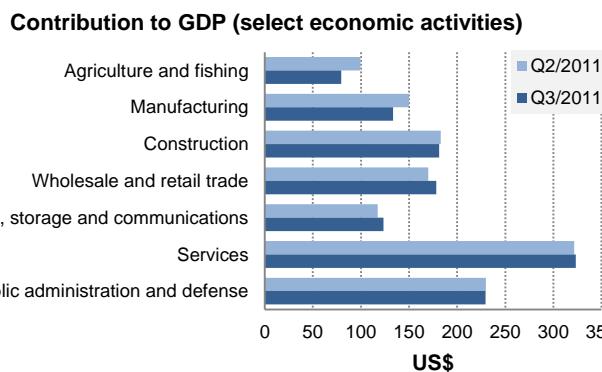
Source: PCBS.
Note: Base year is 2004.

Real GDP per capita decreased by 0.3% between Q2/2011 and Q3/2011. In the West Bank real GDP per capita decreased from US\$503 to US\$498 in the third quarter of 2011, but in Gaza it increased from US\$269 to US\$274 during the same period.



Source: PCBS.
Note: Base year is 2004.

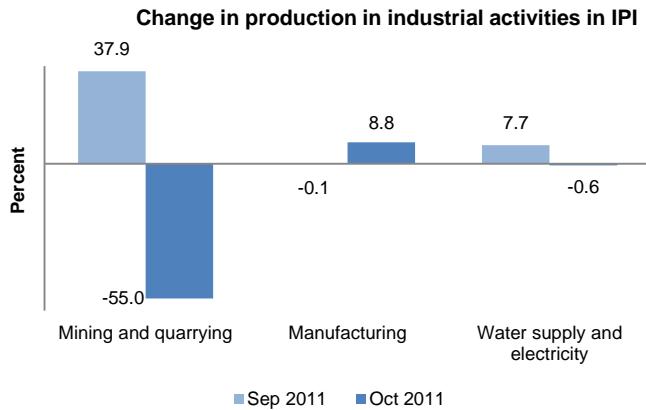
The Gaza economy is still relatively small and contributes only 27% of total real GDP.



Source: PCBS.
Note: Base year is 2004.

The service sector is the biggest in the economy and expanded by 1% in real terms in Q3/2011, contributing 21% to total GDP. The wholesale and retail trade sector and the transport, storage and communications sector both grew by 5%. The agriculture and fishing sector and the manufacturing sector decreased by 20% and 11%, respectively.

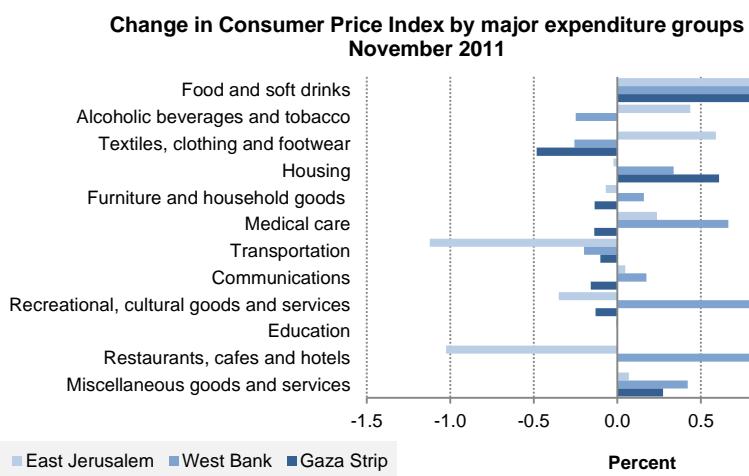
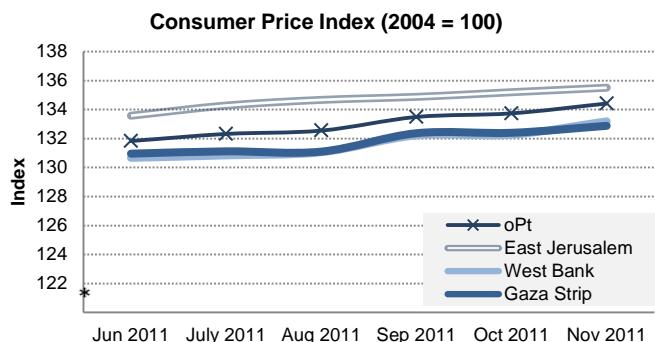
Source: PCBS.



The Industrial Production Index (IPI), used to gauge short term changes in productive activity, increased by 3.8% in October 2011. Productive activity in the manufacturing sector (whose relative share in the IPI is 80.5%) increased by 8.8% in October 2011. Productive activity in the mining and quarrying sector (with 4.6% relative share), on the other hand, decreased by 55.0%, and it decreased by 0.6% in the water supply and electricity sector (with 14.9% relative share).

II.b Prices

The Consumer Price Index (CPI), used to measure inflation, reflects an increase of 0.5% in prices in November 2011 compared to the previous month, and an inflation rate of 2.2% in the year since November 2010. The highest price rises in November 2011 were in food and soft drinks, miscellaneous goods and services, and medical care, and a price decrease was registered in transportation.



The CPI increased by 0.7% in the West Bank in November 2011, led primarily by increases in the price of food and soft drinks, restaurants, cafes and hotels, recreational, cultural goods and services, and medical care. The cost of textiles, clothing and footwear presented the greatest price decrease in this region, followed by alcoholic beverages and tobacco.

In East Jerusalem the CPI rose by 0.2%, pushed primarily by a rise in the cost of food and soft drinks, followed by textiles, clothing and footwear and medical care. The price of transportation and restaurants, cafes and hotels saw the biggest decline, followed by the cost of recreational, cultural goods and services.

The CPI increased by 0.4% in the Gaza Strip in November 2011. Price increases were registered in food and soft drinks, housing and miscellaneous goods and services. The price of textiles, clothing and footwear saw the biggest decline during the month, followed by the cost of communications.

II.c Exchange rates

The NIS fell against both the USD and the euro in November 2011, while the JOD fell slightly against the euro. The JOD's exchange rate to the US dollar continues to be fixed at 0.71.

Average monthly exchange rates

	Aug 2000	June 2011	July 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011
NIS/USD	4.05	3.42	3.42	3.55	3.68	3.68	3.73
NIS/euro	3.66	4.92	4.88	5.10	5.09	5.03	5.05
JOD/US\$	0.71	0.71	0.71	0.71	0.71	0.71	0.71
JOD/euro	0.64	1.02	1.01	1.02	0.97	0.96	0.97

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

Source: PCBS.

In Q3/2011 a total of 66% of workers were wage employees and only 7% were employers. The self-employed absorbed 18% of all workers, whereas the proportion of workers who were unpaid family member increased to 9%.

Employment by status in employment (%)

	Q2/2000	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
Employer	4	7	6	6	7	6	7
Self-employed	19	19	19	18	19	19	18
Wage employee	68	67	69	69	69	66	66
Unpaid family member	9	8	6	8	6	8	9
Total	100						

Source: PCBS, Labor Force Surveys.

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

Average daily wages (excluding those employed in Israel and settlements) fell to NIS76 in Q3/2011. Average wages in the West Bank were almost unchanged, 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 sector fell by NIS2 to NIS68 and they increased by NIS2 in the public sector to NIS90.

	Average daily wages (NIS)						
	Q2/2000	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
West Bank	69.4	84.1	86.6	86.8	85.0	84.8	84.3
Females	a/	76.4	80.9	83.0	79.6	79.8	79.3
Males	73.1	86.4	87.6	87.9	86.5	86.1	85.3
Gaza Strip	54.3	58.1	58.0	59.5	64.6	61.8	59.3
Females	a/	60.5	70.3	67.2	74.6	68.4	72.0
Males	54.9	57.6	56.4	58.0	62.6	60.4	57.5
oPt ^{b/}	79.0	76.9	78.7	78.9	78.9	77.8	76.4
Females	a/	72.9	78.5	79.7	78.3	76.9	77.5
Males	82.3	77.9	78.8	78.7	79.1	18.1	76.2

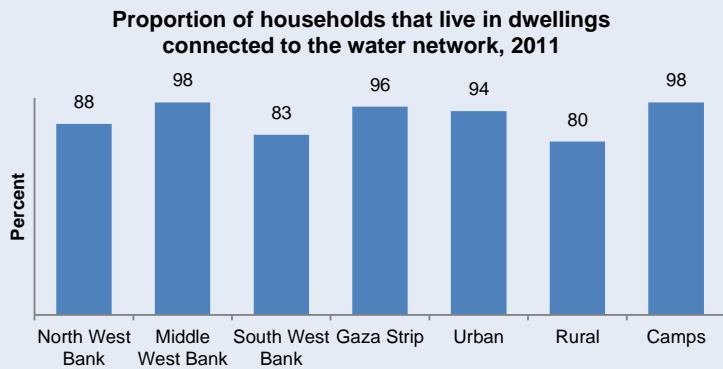
Source: PCBS, Labor Force Surveys.

a/ Data not available.

b/ Includes those employed in Israel and settlements.

Households' access to the water network

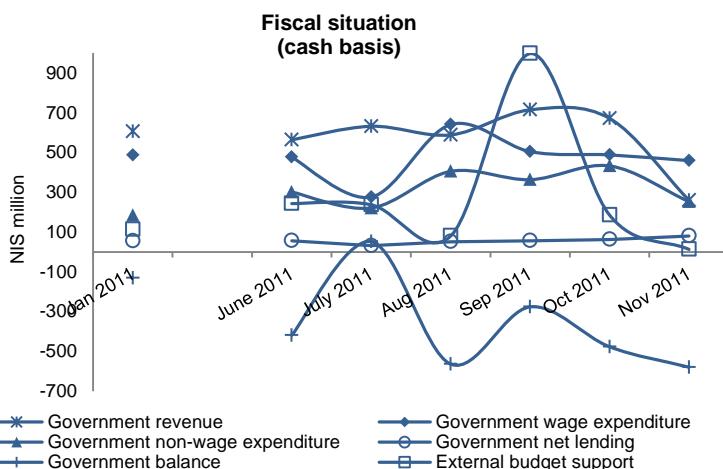
In 2011, 92% of all households in the oPt lived in dwellings connected to the water network – a seven percentage point increase from 1999. Connection to the water network is more prevalent in the Gaza Strip, where 96% of all households enjoy such a connection, than in the West Bank, where 89% of households do, although the rate of connection is not uniform across the West Bank. Similarly, connection to the water network is more common in refugee camps and urban areas than in rural areas.



Source: PCBS.

III. PUBLIC SECTOR

Government revenue (cash basis) was 61% lower in November 2011 than in the previous month, reaching only NIS259.2 million. Clearance revenue decreased by 77% in November, while tax revenue decreased by 35% and nontax revenue fell by 19%. Compared to October, government wage expenditure in November 2011 was 6% lower and non-wage expenditure was 42% lower, but net lending was 28% higher. The government deficit decreased to NIS580.1 million, and external budgetary support was reduced to NIS12.6.



Source: Ministry of Finance.

IV. BANKING SECTOR

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

Most of bank credit is in the form of loans, and their size relative to total bank credit grew by five percentage point 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. and A5. 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

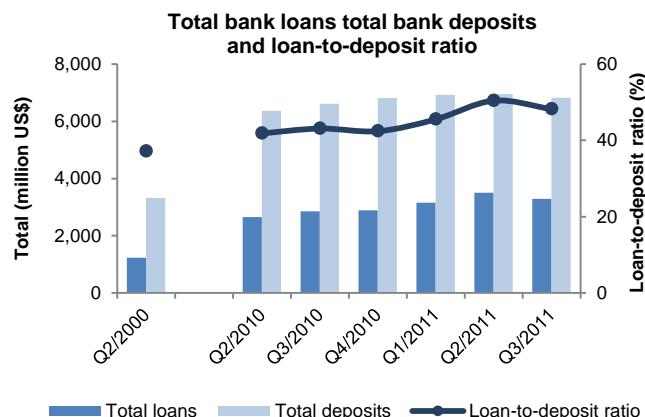
Source: Palestine Monetary Authority.

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 government. (See further details in Table A6. in Annex A.)

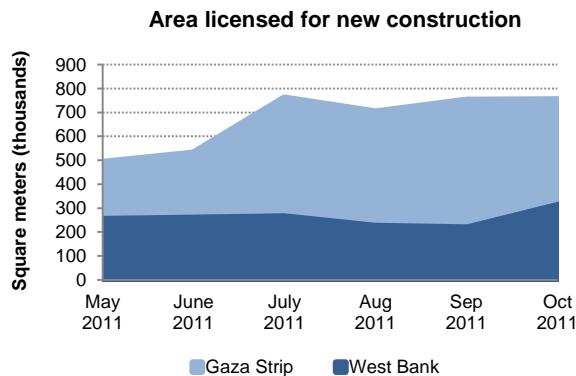
The amount of loans relative to deposits gives an idea of the liquidity of the banking system. In a functioning economy, a relative increase in loans versus deposits (within limits) can be perceived as a positive sign, as monies are not saved but invested or consumed, which in turn stimulates the economy. In oPt, the loan-to-deposit ratio decreased from 50% to 48% in Q3/2011. (See further details in Table A7. in Annex A.)

Source: Palestine Monetary Authority.

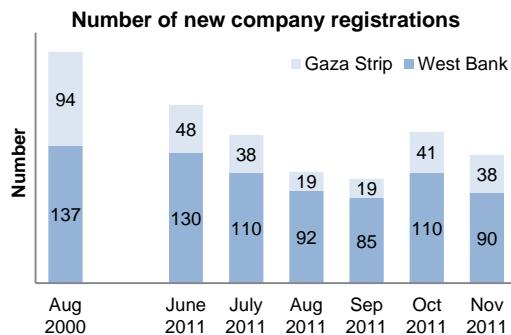


V. PRIVATE SECTOR

November 2011 data show a decrease of 43% in the area licensed for new construction in the West Bank compared to the previous month. (See further details in Table A9. in Annex A.) (Data for Gaza have not been released.)



Source: Engineering Offices and Consulting Firms.



Source: Ministry of National Economy.

Forty-six 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 November 2011 market capitalization was about US\$2.7 billion.

Data for the month of November 2011 show a decrease of approximately 66% in the number of shares traded and 63% in the value of shares traded. Of the 30 companies traded in the month, 5 were gainers, 16 were decliners and 9 companies were stable. The Al-Quds index declined by 0.62% in November 2011.

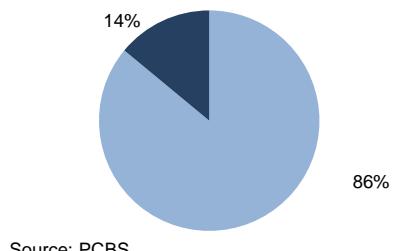
Securities trade							
	Aug 2000	June 2011	July 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011
Number of shares traded (million)	7.00	14.5	11.2	5.9	7.7	16.7	5.6
Value of shares traded (million US\$)	13.0	32.8	22.1	10.5	15.7	34.6	12.7
Al-Quds index	265.23	492.71	494.77	491.03	488.20	474.71	471.77

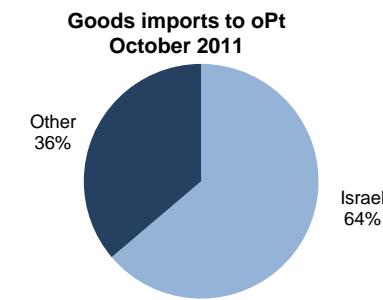
Source: Palestine Securities Exchange.

VI. TRADE

Registered exports of goods increased by 9% in October 2011 and amounted to around US\$63.0 million. Palestinian exports of goods to Israel increased by 4% during the month, and exports to other countries increased by 63%. Still, Israel continues to be the main market for Palestinian goods, absorbing 86% of total goods exports from oPt in October 2011.

Goods exports from oPt October 2011





Source: PCBS.

Imports of goods decreased by 7% in October 2011 and amounted to US\$327.5 million. Imports from Israel decreased by 17% during the month, whereas imports from other countries increased by 20% compared to September 2011. Imports from Israel represented 64% of total Palestinian imports.

A goods trade deficit of US\$264.5 million was recorded in October 2011, reflecting a 10% decrease from the previous month.

VII. GAZA STRIP

There was a 39% increase in the amount of cooking gas imported in Gaza in November 2011, with 2,886 tons allowed in through Kerem Shalom (Karem Abu Salem). In November 2011, 35,000 liters of petrol and 111,005 liters of diesel were imported for UNRWA.

Volume of registered fuel sales in the Gaza Strip

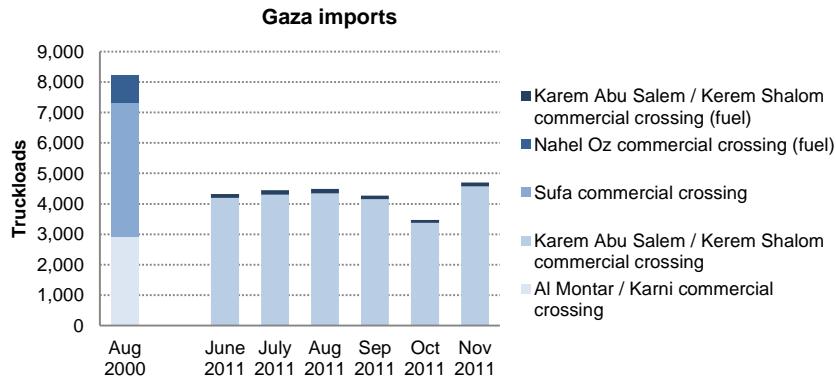
	Aug 2000	June 2011	July 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011
	Nahal Oz	Kerem Shalom					
Petrol (1000 liter)	3,188.9	0.0	0.0	67.0	0.0	34.0	35.0
Diesel (1000 liter)	11,343.0	0.0	0.0	212.0	0.0	146.0	111.0
White diesel (1000 liter)	243.1	0.0	0.0	0.0	0.0	0.0	0.0
Cooking gas (1000 ton)	1.9	2.8	3.2	3.2	2.6	2.1	2.9
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.

November 2011 data show a 36% increase in the total number of truckloads (including fuel) imported into the Gaza Strip compared to October 2011. (See further details in Table A10. in Annex A.)

Source: UNSCO.

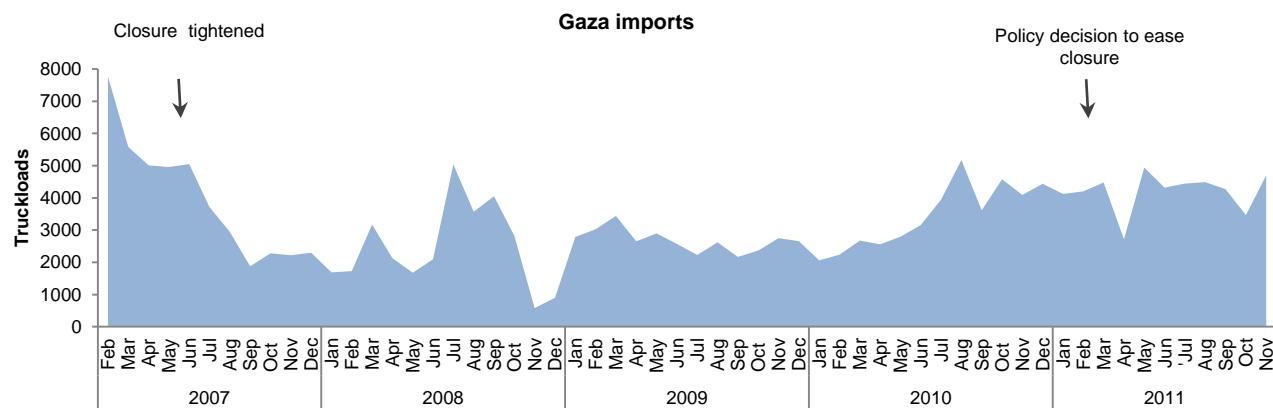
Note: Karni crossing has remained closed since 12 June 2007 for the movement of goods in and out of Gaza, and on 1 March 2011 Israel closed the conveyor belt at Karni, too.



Of the 4,569 (non-fuel) truckloads¹ entering Gaza through the Kerem Shalom commercial crossing during the month, 3,567 (78%) were for the private sector and the remaining 1,002 (22%) were designated for humanitarian aid agencies. Food items made up 34% of imported goods (1,547 truckloads), while the remaining 66% of imports (3,022 truckloads) were non-food items. A total of 739 truckloads entering Gaza brought materials for approved international humanitarian building projects, including 520 truckloads (36,540 tons) of gravel, 188 truckloads (7,409 tons) of cement and 31 truckloads (1,103 tons) of steel bars for UNRWA and UNDP building projects and the Palestinian Water Authority. Another 177 truckloads brought authorized construction material, including 104 truckloads (7,420 tons) of gravel, 58 truckloads (2,300 tons) of cement and 15 truckloads (571 tons) of steel bars for the private sector.

¹ The measure of truckload used for imports and exports is the Palestinian truckload, not the Israeli truckload. Trucks and trailers are counted equally. The truckload of gravel is about 70 tons. These data are from Ministry of National Economy in Gaza.

Following the June 2010 decision to ease the closure of Gaza, monthly import levels have averaged 4,174 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) Carnations (trucks/43,000 stems)	Europe
December 2010	99	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) Sweet 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	---	---
Nov 2011	4	Straw berries (trucks/ 5.5 tons)	Europe

In November 2011 exports were limited to 4 truckloads (5.5 tons) of strawberries destined to Europe.

ANNEX A: Statistical reference tables

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

	June 2011	July 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011
oPt (including occupied East Jerusalem)						
Food and soft drinks	145.9	147.2	147.7	149.0	149.3	151.0
Alcoholic beverages and tobacco	161.1	161.3	161.4	161.9	162.0	161.9
Textiles, clothing and footwear	115.5	115.3	114.8	114.4	114.8	114.9
Housing	130.4	130.2	130.2	132.0	133.1	133.5
Furniture, household goods	114.7	114.9	114.8	113.9	114.4	114.6
Medical care	115.1	116.2	116.5	116.2	116.6	117.0
Transportation	127.0	126.3	126.5	127.4	127.4	126.7
Communications	107.4	107.5	107.5	107.5	107.6	107.6
Recreational, cultural goods & services	105.0	104.6	104.1	103.9	104.1	104.0
Education	112.8	112.8	112.8	114.4	114.4	114.4
Restaurants, cafes and hotels	145.0	147.8	146.2	147.2	147.0	147.1
Miscellaneous goods and services	123.2	123.4	125.4	128.4	127.3	127.8
All items of consumer price index	131.8	132.3	132.6	133.5	133.7	134.4
East Jerusalem						
Food and soft drinks	149.1	152.0	152.8	152.5	153.1	154.7
Alcoholic beverages and tobacco	158.6	159.1	159.4	160.8	160.1	160.8
Textiles, clothing and footwear	128.6	127.3	126.1	126.5	127.3	128.1
Housing	122.6	122.4	123.0	123.1	123.9	123.9
Furniture, household goods	113.4	112.4	114.4	112.9	114.1	114.0
Medical care	123.2	122.6	122.8	122.2	122.0	122.3
Transportation	139.3	138.7	139.0	140.2	139.9	138.3
Communications	103.5	103.5	103.4	103.1	103.2	103.3
Recreational, cultural goods & services	113.1	111.7	110.6	111.2	111.4	111.0
Education	117.1	117.1	117.1	117.1	117.1	117.1
Restaurants, cafes and hotels	152.8	156.1	153.6	154.7	153.1	151.5
Miscellaneous goods and services	116.0	115.8	116.4	118.4	117.9	118.0
All items of consumer price index	133.6	134.3	134.7	134.9	135.2	135.5
West Bank						
Food and soft drinks	144.8	145.2	145.2	146.5	146.0	148.0
Alcoholic beverages and tobacco	163.5	163.7	163.9	164.1	164.7	164.2
Textiles, clothing and footwear	102.1	103.2	103.6	104.0	104.7	104.4
Housing	139.5	139.3	139.2	141.6	142.5	143.0
Furniture, household goods	100.9	101.1	100.6	100.2	101.0	101.1
Medical care	113.7	114.2	114.7	115.1	115.9	116.7
Transportation	124.4	123.6	123.8	124.7	124.9	124.7
Communications	108.3	108.5	108.6	108.6	108.7	108.9
Recreational, cultural goods & services	92.3	91.8	92.0	92.0	92.2	93.0
Education	108.9	108.9	108.9	112.6	112.6	112.6
Restaurants, cafes and hotels	143.2	142.5	142.8	141.6	144.3	145.8
Miscellaneous goods and services	131.7	132.0	135.8	140.2	138.0	138.5
All items of consumer price index	130.7	130.8	131.1	132.2	132.3	133.2
Gaza Strip						
Food and soft drinks	144.9	145.3	145.6	148.4	148.4	149.6
Alcoholic beverages and tobacco	157.3	157.3	157.3	157.3	157.3	157.3
Textiles, clothing and footwear	113.8	112.8	111.7	110.2	109.9	109.4
Housing	126.6	126.7	126.2	126.6	128.1	128.8
Furniture, household goods	133.1	133.6	131.3	131.4	131.2	131.0
Medical care	98.4	100.6	100.7	100.3	100.8	100.6
Transportation	127.3	126.5	126.5	126.6	126.6	126.5
Communications	106.2	106.3	106.3	106.6	106.5	106.3
Recreational, cultural goods & services	100.7	101.3	101.3	99.8	99.7	99.6
Education	107.6	107.6	107.6	108.3	108.3	108.3
Restaurants, cafes and hotels	158.5	158.5	158.5	160.5	160.4	160.4
Miscellaneous goods and services	123.1	122.8	125.3	129.3	128.2	128.6
All items of consumer price index	131.0	131.1	131.1	132.4	132.4	132.9

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	June 2011	July 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011
Government revenue	605.9	563.5	631.9	588.4	714.7	671.3	259.2
Government wage expenditure	487.0	476.5	276.0	640.5	504.5	487.8	459.2
Government non-wage expenditure	183.4	301.5	220.9	405.2	363.3	432.5	252.5
Government net lending	55.0	55.8	31.3	51.4	56.3	62.4	79.9
Government balance	-131.8	-419.3	51.5	-564.2	-276.5	-477.2	-580.1
External budget support	113.3	242.9	237.2	80.0	997.3	185.1	12.6

Source: Ministry of Finance.

This table updates the information of tables from previous months in 2011 and should be assumed to be the most accurate. "Update 15 Dec 2011

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	2,887	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						

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	2,050	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	2,887	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	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>	56.5	149.5	155.2	159.2	160.7	156.5	152.7
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>	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
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>	3,082.6	5,296.9	5,728.2	5,947.6	6,053.0	62,043.0	6,095.6
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>	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: 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	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 A8.
Number of new company registrations by legal status

	Aug 2000	June 2011	July 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011
West Bank							
Private	42	56	50	32	38	51	36
Private limited	95	69	56	55	44	59	51
Public limited	0	0	0	0	0	0	0
Foreign	0	3	1	3	0	0	1
Non-profit	0	2	3	2	3	0	2
Total	137	130	110	92	85	110	90
Gaza Strip							
Private	81	18	19	7	9	21	20
Private limited	12	30	29	12	10	20	18
Public limited	0	0	0	0	0	0	0
Foreign	1	0	0	0	0	0	0
Total	94	48	38	19	19	41	38

Source: Ministry of National Economy.

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

	Aug 2000	June 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011
West Bank							
Ramallah, Al-Bireh and Jerusalem		86,740	113,642	105,781	81,498	144,212	65,233
Nablus		66,732	60,800	57,963	61,778	89,493	57,149
Tulkarm		39,905	22,435	18,773	19,891	22,058	17,584
Hebron		43,580	36,717	34,954	32,299	34,185	24,233
Bethlehem		31,406	36,667	16,837	35,679	27,075	15,588
Jenin		22,890	25,862	24,026	22,178	22,672	15,092
Qalqilya		3,590	4,431	2,504	986	9,214	4,649
Salfit		0	0	0	0	0	0
Total	345,685	294,843	300,554	260,838	254,309	348,909	199,528
Gaza Strip							
Northern District	27,902	55,600	80,025	75,450	95,540	107,176	a/
Gaza	50,116	68,500	116,470	112,215	120,580	82,847	
Al Wastah	15,984	32,355	74,760	70,050	75,855	141,964	
Khan Younis	51,146	41,560	92,400	90,855	102,560	42,842	
Rafah	39,429	30,305	88,895	85,750	95,450	22,420	
Gaza Strip Total	184,577	228,320	452,550	434,320	489,985	397,249	

Source: Engineering Offices and Consulting Firms.

Table A10.
Gaza truckload movement

	Aug 2000	June 2011	July 2011	Aug 2011	Sep 2011	Oct 2011	Nov 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	0	0	0	0	0	4
Truckloads imports	0	4,194	4,302	4,343	4,157	3,370	4,569
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	123	141	145	112	96	129

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.

Al-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 oPt 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.

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

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.