



Economic Recovery in the Gaza Strip:
Promoting Choice, Resilience and Dignity (Phase II)
PalTrade Monthly Update of GAZA CROSSINGS
January 2016

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1. SUMMARY OF TRADE ACTIVITY IN January 2015

The tables below summarize key data obtained by PalTrade regarding the movement of goods between the West Bank and Gaza Strip during January 2016:

Table 1: Operational Status/Day

| Crossing | Karem Abu Salem (KS) cargo | Rafah pedestrian | Previous Month (KS) | COMMENTS |
|----------|-------------------------------|---------------------|------------------------|----------|
| Working | 21 | | 23 | |
| Weekend | 10 | | 8 | |
| Closed | 0 | | 0 | |

Table 2: Amount of Goods Entering the Gaza Strip by Crossing

| Goods Entering Gaza by Crossing | Truckloads |
|--|---------------|
| <i>Karem Abu Salem</i> | |
| General goods (<i>excluding construction materials for intl org & fuel. It includes construction material for GRM</i>) | 9,761 |
| Basic construction materials for projects implemented by international organizations (not only ABC) | 903 |
| Fuel (All types of fuel) | 833 |
| Total truckloads entering Gaza through Karem Abu Salem | 11,497 |
| <i>Rafah</i> | |
| | |
| Total truckloads entering Gaza through Rafah | 0 |
| Total truckloads entering the Gaza Strip | 11,497 |

Table 3: Fuel and Gas imports through Karem Abu Salem

| Fuel and Gas imports through Karam Abu Salem | Truckloads |
|--|------------|
| Fuel (liters) entered Gaza | 423 |
| Industrial fuel (liters) for the power plan | 253 |
| Cooking gas entered Gaza | 157 |

Table 4: Amount of Goods Entering the Gaza Strip by Category

| Goods Entering Gaza by Category | Truckloads |
|--|------------|
| Total truckloads of humanitarian goods | 1,278 |
| Total truckloads of commercial goods | 9,386 |
| Total truckloads of food items | 1,493 |
| Total truckloads of non-food items | 9,171 |
| Total truckloads of Fuel | 833 |

Table 5: Exit of Goods through Karem Abu Salem

| Exit of Goods through Karem Abu Salem | Truckloads |
|---------------------------------------|------------|
| Exports to international markets | 22 |
| Exports to Israel | 62 |
| Transfer of Goods to West Bank | 204 |

2. INTRODUCTION

3. INTRODUCTION

There are a total of three operational terminals connecting the Gaza Strip to adjacent territories. Beit Hanoun / Erez, and Rafah are passenger crossing connecting Gaza Strip to Israel and Egypt respectively. Karem Abu Salem / Kerem Shalom (KS) is the only operational trade terminal serving the Gaza Strip.

Historically, there were six trade terminals along the Gaza Strip (GS) border that included: Al Montar / Karni, Sufa, Karem Abu Salem / Kerem Shalom (KS), Nahal Oz, Beit Hanoun / Erez, and Rafah. Four of these crossings have been closed to commercial movement; only KS and Beit Hanoun / Erez remain open for cargo and passengers movement to the Gaza Strip through Israel respectively.¹ Rafah is the only Palestinian- Egyptian that mainly acts as a passenger terminal with occasional cargo shipment of construction materials on exceptional basis requiring prior coordination.

The movement of goods into GS² increased by more than %80 in 2015 compared to the preceding year of 2014. This is a significant development by any measurement given the fact that imported commodities dropped by more than 35% in earlier years³ when compared to rates in 2006.⁴

In 2015 an estimated 94,640 trucks entered the GS representing a 83% increase comparing to the same period in 2014 (In 2014, an estimated 51,679 trucks entered the GS). The noted increase is due to higher imports of construction materials needed for reconstruction following recent war in summer of 2014. The general decrease in the movement of goods in recent years is mainly due to Israeli administrative and regulatory restrictions, generally deteriorating economic conditions, as well as the internal political divisions between the GS that have made procedures more complex and costly.⁵

The movement of goods out of the Gaza has seen a very sharp decline over the last decade. In 2014 some 136 truckloads exited Gaza to the outside markets. This volume of exports represents a mere 3% of total exports in 2006 and less than 1% of total exports in the year 2000. In 2015

¹ Closure of crossings: Sufa Crossing has been closed since April 20, 2011; Karni crossing has been closed since June 11, 2007; Karni grain conveyor has been closed since March 2011; Karni cement lane has been closed since 29 October 2008; Nahal Oz has been closed since early 2010; and Erez has been closed since 2005.

² The Palestinian territories are the WB and the GS. The GS constitutes more than 45% of the population.

³ Total imports ranged between 26,838 TL in 2008 up to 65,122 TL in 2013).

⁴ According to the Ministry of National Economy, the estimated number of truckloads imported into the GS in 2006 totaled approximately 81,825 trucks.

⁵ Two different economic references are used in the West Bank and Gaza Strip.

1353 truckloads of exports exited Gaza, representing a 494% increase comparing to the same period in 2014, this is largely due to exceptional resumption of selected vegetable exports to Israel to deal with the shortage due to the current Shmita year as well as to significant export activity to the West Bank, regional markets such as Jordan and the gulf states.

The purpose of this monthly report is to provide information to all relevant stakeholders in the private and public sectors that would enable them to carry out advocacy activities, develop strategies to overcome obstacles to trade, and identify opportunities in different sectors. Ultimately, the report aims to strengthen business relations between the GS and the outside world, increase internal trade flows, and decrease trade costs.

4. IMPORTS & INCOMING TRUCKLOADS

In January 2016, KS crossing was operational for 21 days out of the 21 days that is scheduled for operations.⁶ A total of **11,497** truckloads entered the GS during January 2016 through KS including 833 truckloads of fuel. Figure 1 below shows total imports to Gaza during January - 2016.

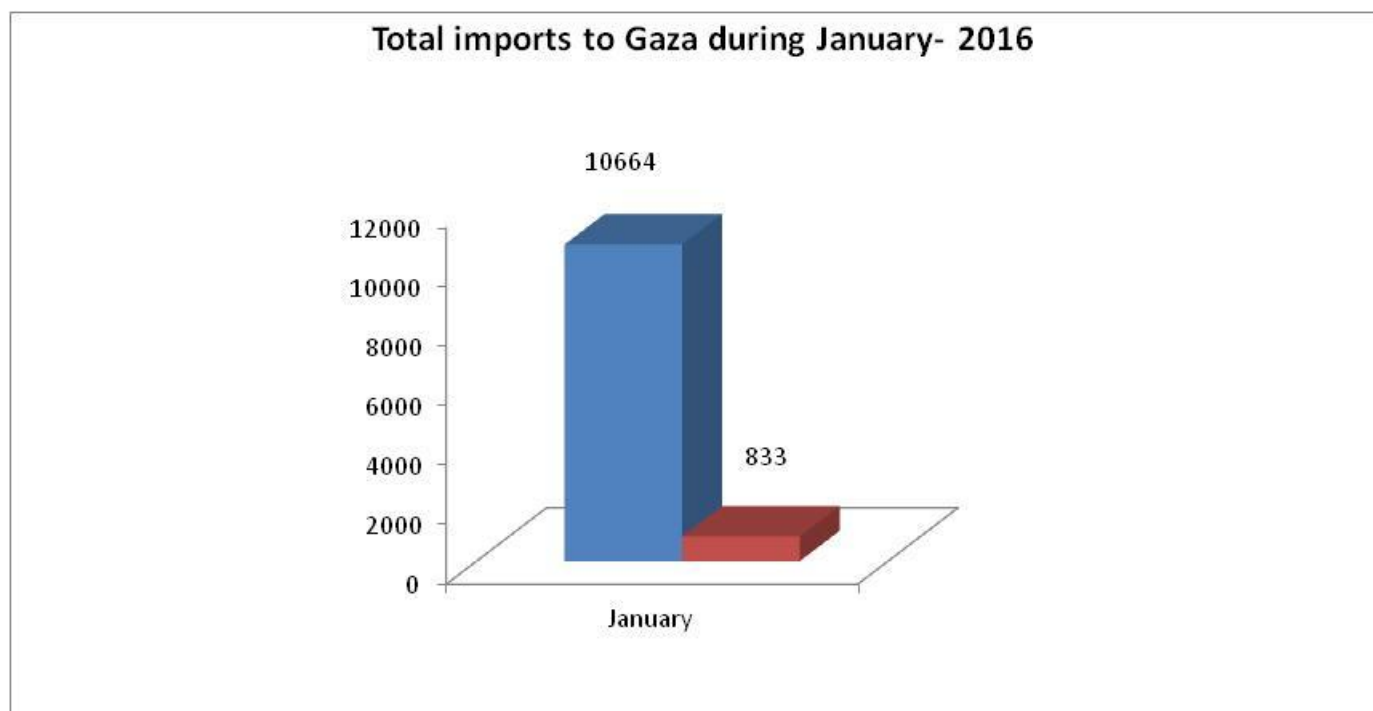
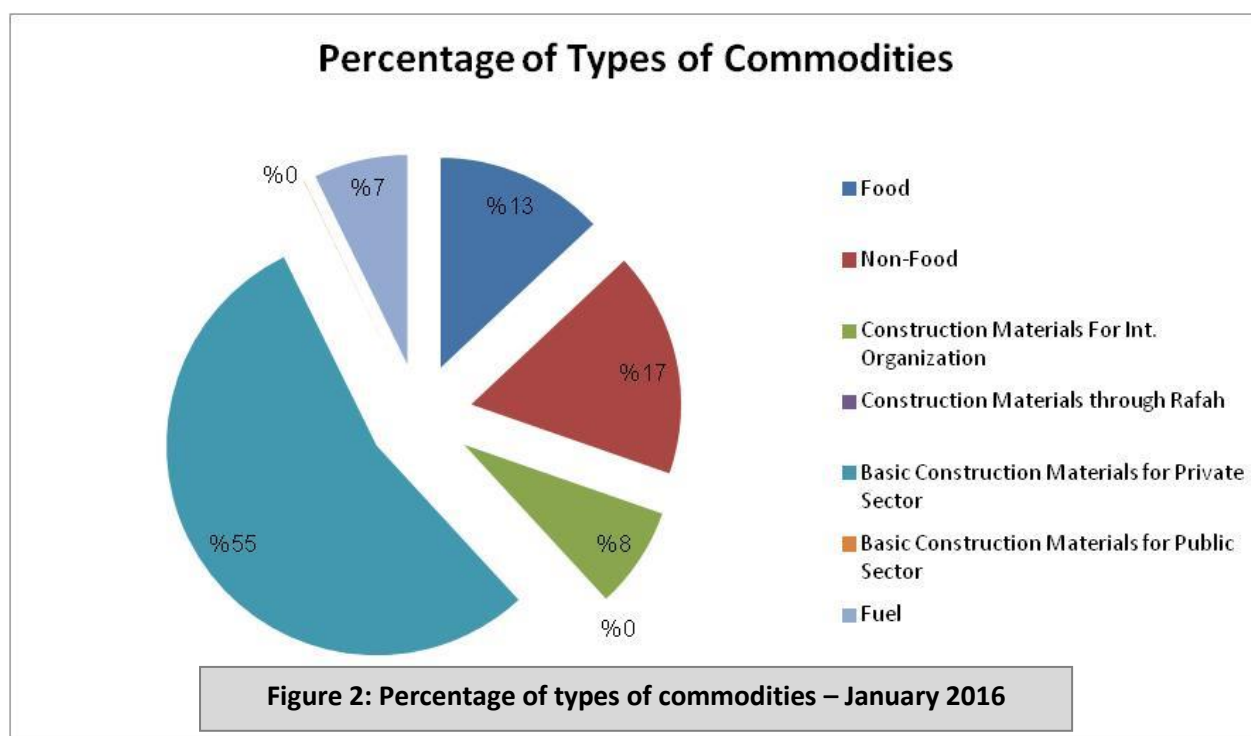


Figure 1: Total Imports to Gaza January –2016

Out of the 11,497 truckloads that entered the GS in January, 903 truckloads entered through KS and consisted of basic construction materials for projects implemented by international organizations, of which 710 truckloads consisted of basic construction materials designated for

⁶ Crossings are scheduled to close on Fridays, Saturdays and holidays.

the Qatari projects.⁷ Please see Annex 1 for more details on the number of truckloads for types of basic construction materials that entered the Gaza Strip. Figure 2 below shows the percentage of types of commodities by category.⁸ The total number of truckloads that entered the GS during January is approximately 7% less than the monthly average of truckloads that entered the GS before the imposition of the blockade in 2007 (approximately 12,350 truckloads) and %32 higher than the monthly average of truckloads that entered the GS in 2015 (8692 truckloads).



The volume of goods that entered the GS through KS is 23% more than the monthly average of 7900 truckloads that entered the GS in 2015. Also, the volume of basic construction materials designated for the Qatari projects (710) is approximately 45% less than the monthly average of 1300 truckloads that entered in 2015 and 42% less than the monthly average of 1214 truckloads during June – December 2015.

The 9,386 truckloads of goods that entered the GS through KS and were destined for the private sector represent approximately 88 % of the total truckloads of goods that entered GS through KS. This volume of goods is 15% less than the number of truckloads of goods that entered to private sector through KS in the month of December 2015, and is 66 % more than the average number of truckload of goods that entered the GS for the Private sector in 2015 (5656 truckloads). Figure 3 below shows the percentage of goods distended to private sector vis a vis other international and public sector.

⁷ In 2015 15896 truckloads of construction materials entered the Gaza strip for the use of Qatari projects (1566 truckloads through KS in addition to 130 truckloads through Rafah), while 3657 truckloads of construction materials entered the Gaza Strip through Rafah for Qatari projects in 2014.

⁸ The types of commodities were agreed upon by the Ministry of National Economy, OCHA, UNSCO, and Paltrade.

% Truckloads Per Destination November

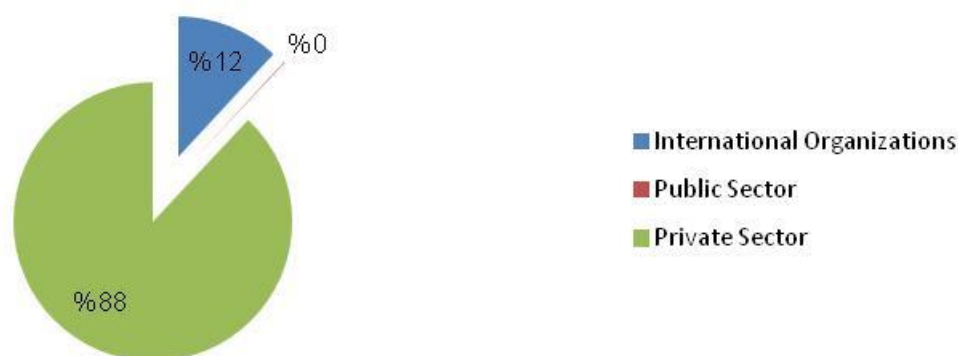


Figure 3: Percentage of Truckloads as per destination for the month of January

Of the total number of goods that entered the GS, 1,278 truckloads (12%) of humanitarian aid – including food, medical supplies, and construction materials for the Qatari projects and international organizations – crossed into Gaza through the KS. Consumer items continue to make up a significant portion of imported goods; for example, food products represent approximately 15% of total imports. Figure 4 below shows the breakdown of commercial goods vis-à-vis humanitarian aid during January 2016. The increasing percentage of commercial goods is mainly due to the rise in number and volume of quantities of construction materials entering the Gaza Strip for reconstruction purposes. This is coupled with a decrease in the amount of construction materials that enter Gaza for the Qatari Projects. (Please see annexes for details)

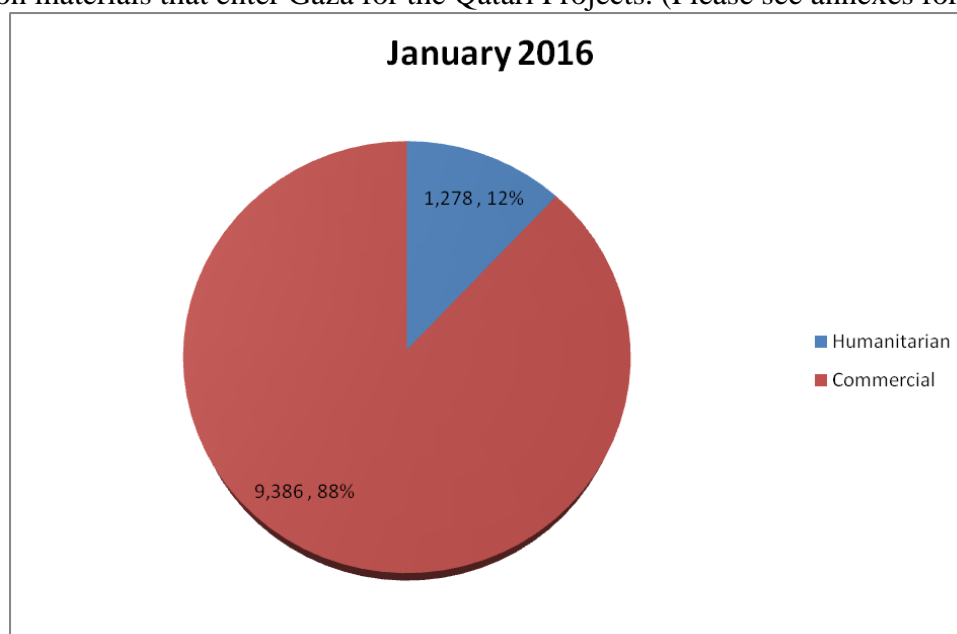


Figure 4: Percentage of humanitarian and commercial truckloads entering Gaza January

The Government of Israel continues to impose administrative and regulatory restrictions on goods destined for the GS. For instance, there are restrictions on the entry of basic construction materials for the private sector and there is a ban on the entry of imported items listed as dual-use which have undermined the delivery of construction materials, humanitarian goods, and

medical equipment, etc. also, the entry of goods in shipping containers has been prohibited since 2007.

However during this month, GoI allowed the entry of 6274 truckloads of basic construction materials including 2242 truckloads of cement, 3701 truckloads of aggregates, 331 truckloads of steel bars under the Gaza Reconstruction Mechanism⁹ compared to 7062 entered during the previous month. Also, 193 truckloads of basic construction materials designated for the international organization's projects were allowed to enter; and 710 truckloads of basic construction materials entered for the Qatari construction projects. According to the Palestinian Federation of Industries, it is estimated that Gaza currently requires up to 8,000 tons of cement per day (200 Truckload).

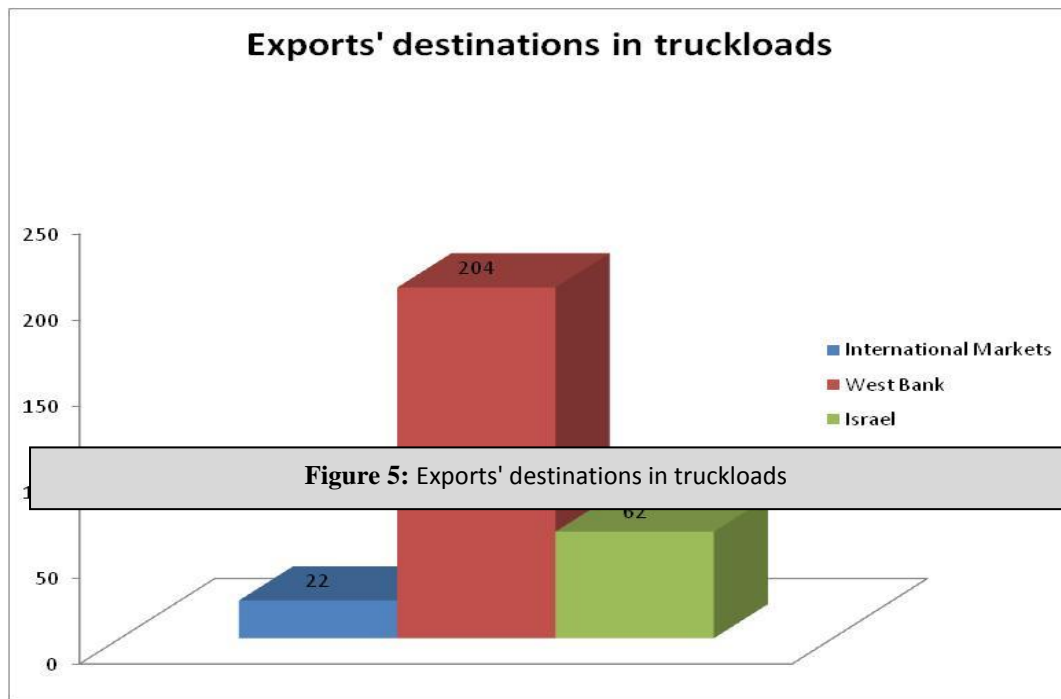
5. EXPORTS & OUTGOING TRUCKLOADS FROM GAZA

Despite relaxing of measure on Exports from Gaza, the volume of exports remains relatively low in comparison to pre blockade figures. Within the last quarter of the year 2015 Israel has allowed marketing of ironworks, furniture and textile from Gaza in Israel For the first time since 2007. The Government of Israel has allowed the shipment of a limited number of products (agricultural products, furniture and textile) to exit Gaza for the West Bank markets since November 2014, after seven years of ban of exports to WB. In March of 2015, Israel began allowing entrance of tomatoes and eggplants from Gaza to Israeli markets due to the Shmita year. Shipments of agriculture produce out of Gaza to Israeli markets remain restricted to exports of vegetables (tomatoes, and eggplants).

During January, 288 truckloads of goods exited Gaza, of which 204 truckloads were destined to the West Bank: 197 truckloads of agricultural produce, 1 truckload of furniture; 4 truckloads of fish, 2 truckloads of clothes. In addition to that 22 truckloads of vegetable produce were allowed to exit for international markets. A total of 62 truckloads were allowed to Exit to Israel during this month of which 42 truckloads were of agriculture produce (29 truckloads of Tomatoes and 13 of Eggplants) and 20 truckloads of scrap metal. Comparatively, During December 2015, 214 truckloads of goods exited Gaza, of which 121 truckloads were destined to the West Bank: 111 truckloads of agricultural produce, 1 truckload of furniture; 3 truckloads of fish, 3 truckloads of clothes and 3 truckloads of Stationary. In addition to that 38 truckloads of vegetable produce were allowed to exit for international markets. A total of 55 truckloads were allowed to Exit to Israel during the month of January of which 23 truckloads were of agriculture produce (9 truckloads of Tomatoes and 14 of Eggplants) and 38 truckloads of scrap metal.

In the year 2015 a total of 1353 truckloads were allowed to exit Gaza for international markets, Israel and West Bank. In 2007, some 5,007 truckloads of a wider range of goods exited to West Bank, Israel and external world. Figure 5 below shows number of truckloads of exports by destination for the months of January 2016.

⁹ <http://www.unsco.org/Gaza%20Reconstruction%20Mechanism%20Fact%20Sheet%209%20October%202014.pdf>



6. FUEL

Israel has allowed the entry of 1 million liter of Qatari fuel destined for the Gaza Power Plant (GPP) during this Month, comparatively 1 million liter of the Qatari fuel were allowed to enter during month of December. In the month of August, Israel has allowed resumption of imports of Qatari fuel for the first time in 2015. Since June 2013, less than 18.3 million liters of Qatari fuel have entered the GS, which is less than 61% of the total 30 million liters of fuel donated by the Government of Qatar.

In January 2016, 8.2 million liters of diesel fuel from Israel (destined for GPP) entered through KS, which enabled the plant to continue running at a limited capacity. The plant has been partially operational since June 2006 when it received a direct hit during military operations in Gaza Strip. Due to the absence of cheap Egyptian fuel at local markets, purchase of Israeli-supplied fuel has significantly increased. Overall, around 15.6 million liters of fuel entered the GS from Israel, including 4 million liters of petrol and 11.6 million liters of diesel fuel.

The Gaza Strip imported 3,464 tons of cooking gas from Israel this month, compared to 4,989 tons imported during the previous month. The Gas Station Owners Association (GSOA) indicates that this amount represents about 46% of the estimated needed amount of Gaza at around 7,500 tons. Please see Figure 6 below for the amount of fuel that has entered Gaza Strip during January 2016.

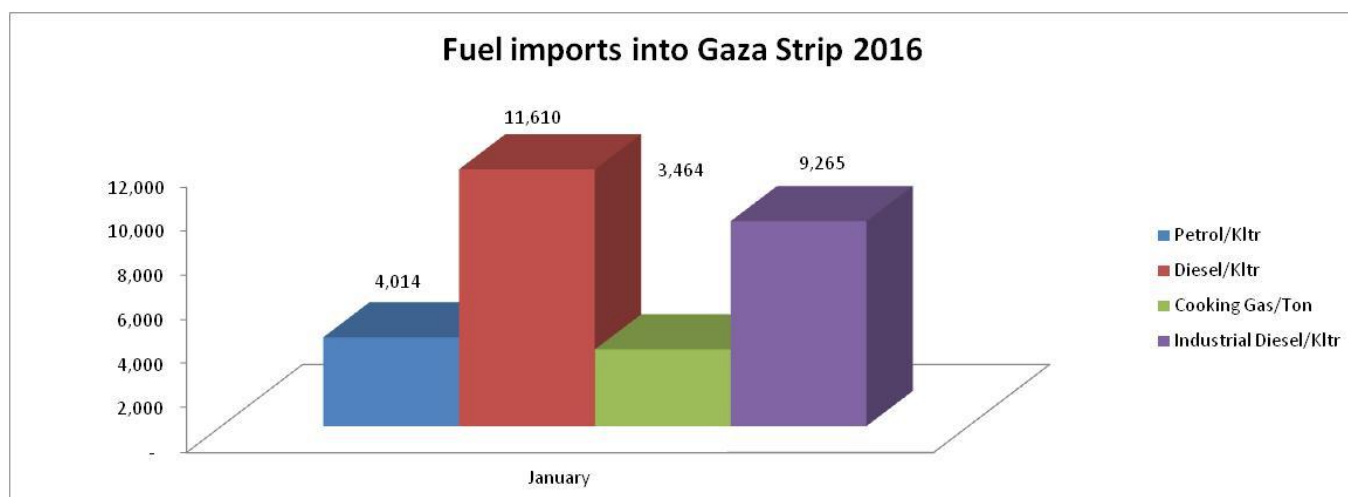


Figure 6: Fuel into Gaza Strip January – 2016

7. Annexes

Annex: I

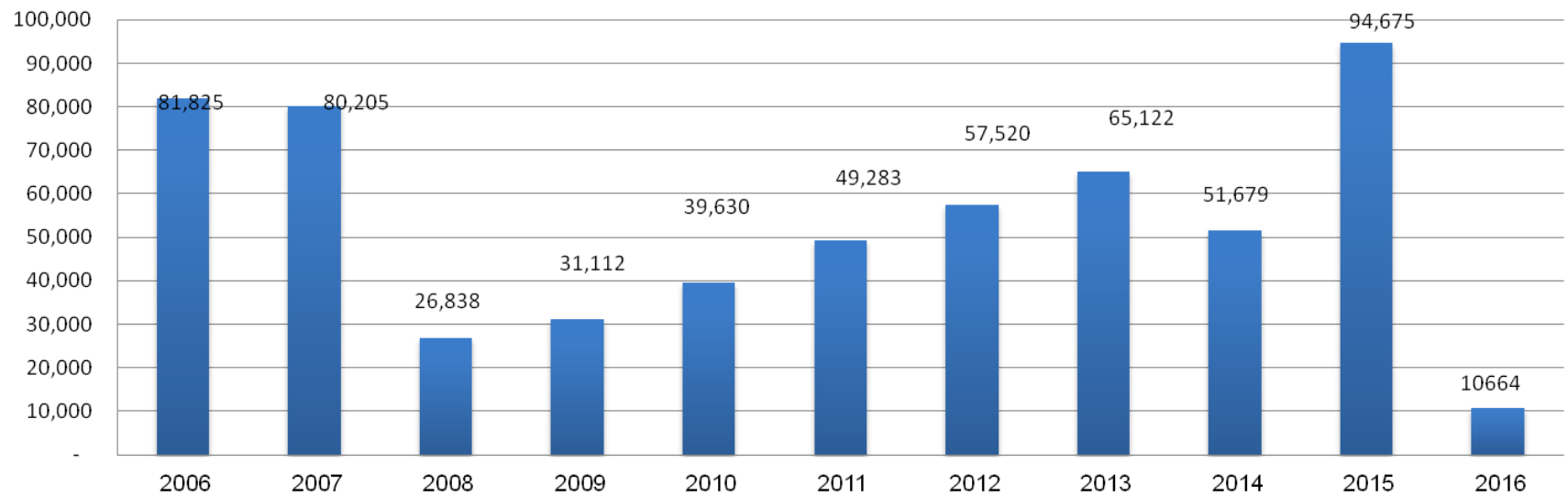
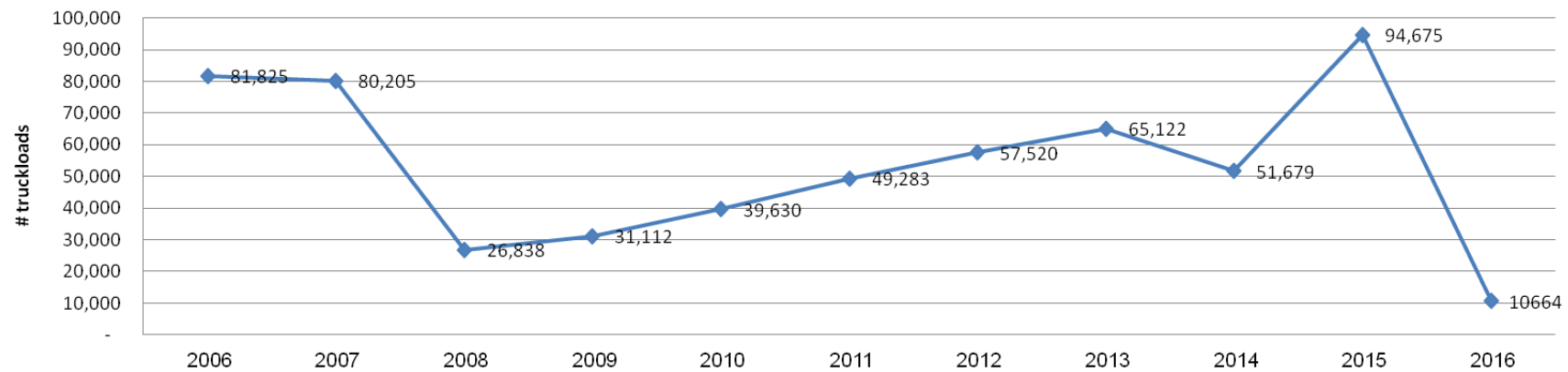
| # | Type | Consignee | Truckloads |
|--------------|----------------------|-----------------------------|------------|
| 1 | Cement | UNRWA | 89 |
| 2 | White Cement | UNRWA | 4 |
| 3 | Cement Silo | UNRWA | 59 |
| 4 | Steel Bars | UNRWA | 9 |
| 5 | Aggregate for marble | UNRWA | 10 |
| 6 | Aggregates | UNDP | 17 |
| 7 | Basalt | UNDP | 1 |
| 8 | Tar | UNDP | 1 |
| 9 | Cement | Qatari projects | 710 |
| 10 | Steel Bars | private sector | 1863 |
| 11 | Aggregates | private sector | 331 |
| 12 | Aggregates | private sector | 3701 |
| 13 | Base Coarse | private sector | 379 |
| 14 | Cement | private sector | 26 |
| 15 | Steel Bars | private sector | 2 |
| 16 | Aggregates | Palestinian Water Authority | 3 |
| Total trucks | | | 7,205 |

Annex: II

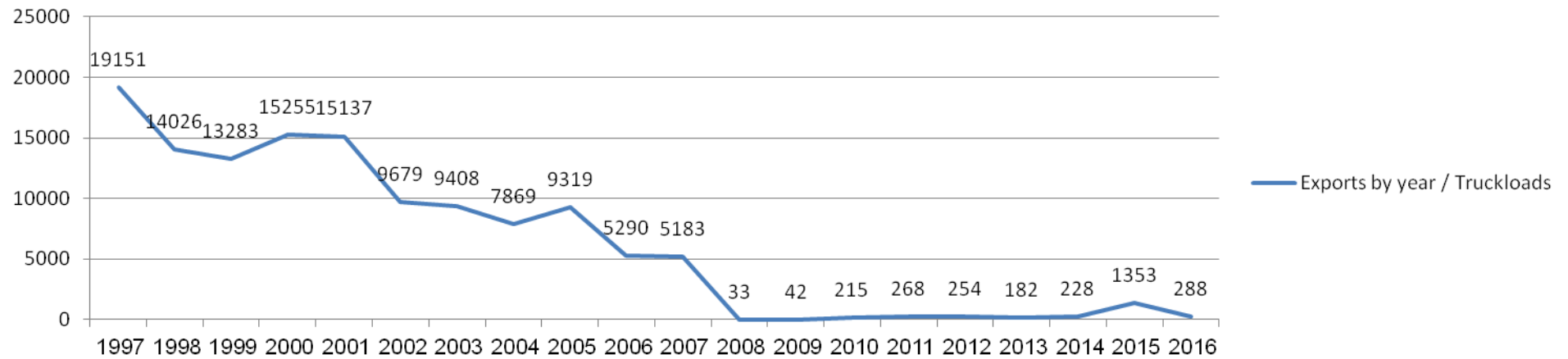
| Historical Crossings Data | |
|------------------------------|------|
| Average monthly imports 2006 | 6820 |
| Average monthly exports 2006 | 440 |

| Volume of Trade by Truckloads | | | |
|-------------------------------|---------|---------|----------------|
| Year | Imports | Exports | Transfer to WB |
| 2016 | 10664 | 84 | 204 |
| 2015 | 94913 | 622 | 731 |
| 2014 | 51679 | 136 | 92 |
| 2013 | 65122 | 182 | |
| 2012 | 57520 | 254 | |
| 2011 | 49283 | 268 | |
| 2010 | 39630 | 215 | |
| 2009 | 31111.5 | 42 | |
| 2008 | 26838.2 | 33 | |
| 2007 | 80205.4 | 5183 | |
| 2006 | 81825 | 5290 | |
| 2005 | | 9319 | |
| 2004 | | 7869 | |
| 2003 | | 9408 | |
| 2002 | | 9679 | |
| 2001 | | 15137 | |
| 2000 | | 15255 | |

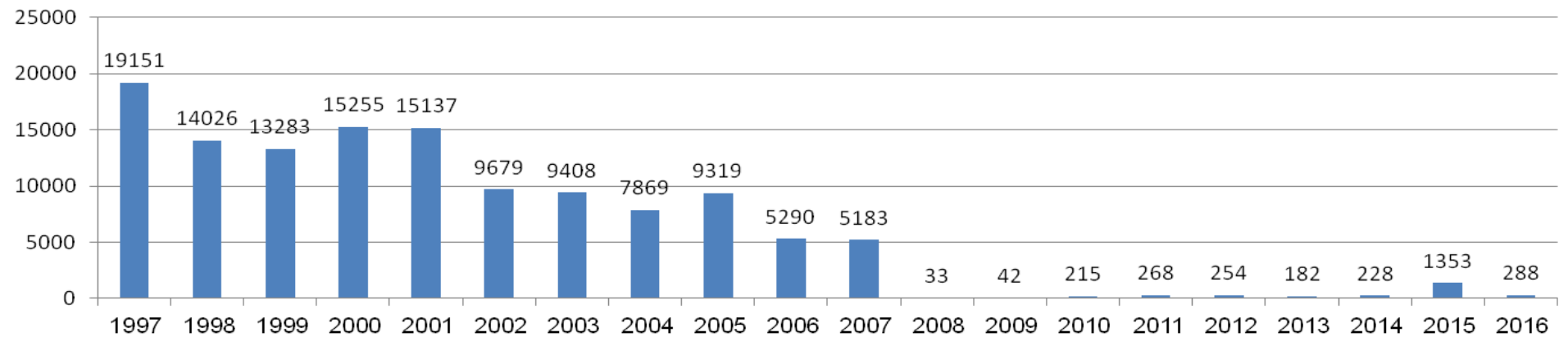
Imports by Truckloads / Year

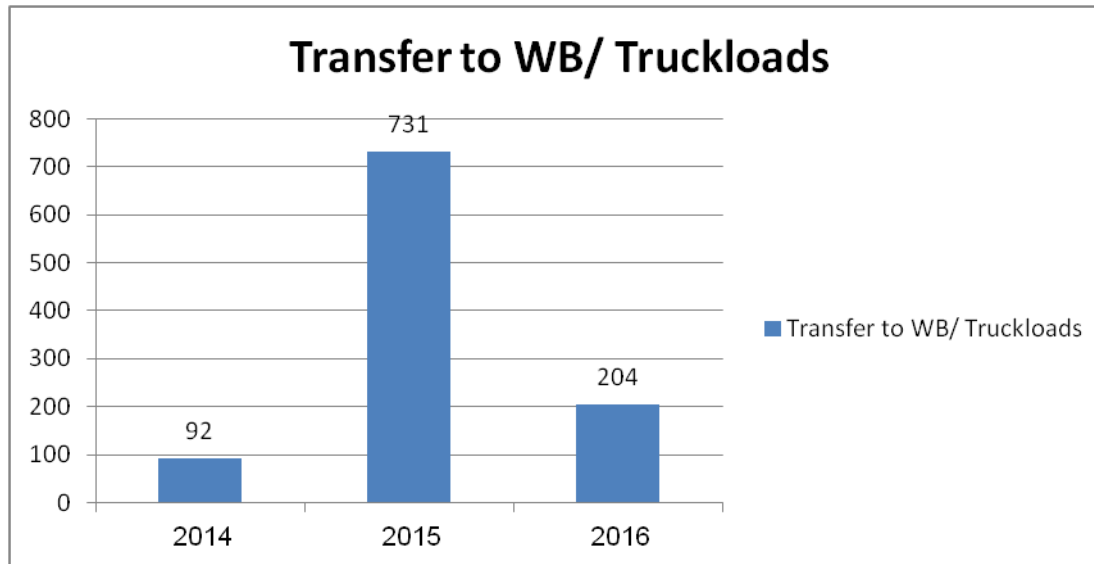


Exports by year / Truckloads



Exports by year / Truckloads





Truckloads for Construction Materials for Qatari Projects

