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OFFICE OF THE UNITED NATIONS SPECIAL CO-ORDINATOR

SOCIO-ECONOMIC REPORT – DECEMBER 2009

Since 1996 UNSCO has continually monitored and reported on socio-economic conditions in the occupied Palestinian territory and in the process established an extensive socio-economic database. UNSCO does not create raw data but rather uses available data which, in the occupied Palestinian territory is relatively abundant. However, the data that is available tends to remain dispersed and is not always automatically shared between institutions. The objective of the database is to bring together in one place a wide variety of data on socio-economic conditions and by doing so present a broader, more detailed perspective on socio-economic conditions. The purpose of this report is to: 1) broaden the access to this database through publication of the most recent data gathered; and 2) provide readers with up to date information on socio-economic conditions in the occupied Palestinian territory.

The report is divided into three sections:

Section 1 consists of a one-page fact sheet which provides a snapshot view of the socio-economic situation for the current and previous reporting period and it provides, for reference purposes, base line figures for the period just prior to the outbreak of the second *Intifada*.

Sections 2 and 3 report on the Macro-economic situation, the Private sector and the banking modules of the UNSCO database. They provide data on the last six reporting periods for each indicator as well as base line data, which is pre *Al-Aqsa intifada*. In addition, summary analysis on observed trends is given below each table.



SOCIO-ECONOMIC FACT SHEET – DECEMBER 2009

| A. GENERAL | | Previous period | Current period | B. FISCAL SITUATION | | Baseline | Previous period | Current period |
|---------------------------------------|----------|----------------------|----------------|--|----------|----------------------|-----------------|------------------|
| Indicator | | Q2-2009 | Q3-2009 | Indicator (US\$ millions) | | Q4-1999 | Q2-2009 | Q3-2009 (budget) |
| 1. GDP (\$US) | 1,249.7 | 1,244.8 ¹ | | 1. Revenue | 235 | 355.7 | 447.8 | |
| 2. GDP per capita (\$US) | 338.8 | 335.0 | | 2. Expenditure | 235 | 189.3 | 347.6 | |
| | | | | 3. Net lending | 0 | 109.3 | 89.1 | |
| | | | | 4. Balance | 0 | -270.6 | -500.2 | |
| | | | | 5. External Budget support (including TIM) | 0 | 148.3 | 663.4 | |
| Source: PCBS | | | | Source: World Bank- Ministry of Finance | | | | |
| C. MACRO-ECONOMIC | Baseline | Previous period | Current period | D. PRIVATE SECTOR | Baseline | Previous period | Current period | |
| Indicator ² | Aug-2004 | Nov-2009 | Dec-2009 | Indicator | | | | |
| 1. Consumer Price Index ³ | | | | 1. New Company Registrations | Q2-2000 | Q2-2009 | Q3-2009 | |
| Total | 127.01 | 127.75 | | Total | 568 | 521 | 434 | |
| West Bank | 124.98 | 125.54 | | West Bank | 288 | 434 | 381 | |
| Gaza Strip | 131.45 | 132.15 | | Gaza Strip | 280 | 87 | 53 | |
| 2. Truck movement ⁴ | | | | 2. Area Licensed for new Construction (dunums) | Q2-2000 | Q2-2009 | Q3-2009 | |
| <u>Imports</u> | Aug-2000 | Nov-2009 | Dec-2009 | Total | 739.7 | 521.4 | 509.4 | |
| Karni - conveyor belt/chute | 4,373 | 781 | 631 | West Bank | 665.3 | 521.4 | 509.4 | |
| Sufa | 4,384 | 0 | 0 | Gaza Strip | 74.4 | 0.0 | 0.0 | |
| Rafah | 953 | 0 | 0 | 3. Banking (US\$ thousands) | Q2-2000 | Q2-2009 ⁵ | Q3-2009 | |
| Kerem Shalom | 0 | 1,897.5 | 1,914 | Loans | 1,234 | 2,100 | 2,261 | |
| Nahal Oz | 904 | 49 | 52 | Deposits | 3,328 | 6,390 | 6,687 | |
| <u>Exports</u> | | | | Loans/Deposits Ratio | 37.1 % | 32.86% | 33.81% | |
| Karni | 2,460 | 0 | 0 | Source: PCBS (1), Ministry of National Economy, General Petroleum Corporation - | | | | |
| Kerem Shalom | 0 | 0 | 6 | Source: Ministry of National Economy (1), Engineering Offices and Consulting Firms (2), Palestine Monetary Authority (3) | | | | |
| E. LABOUR FLOWS | Baseline | Previous period | Current period | F. CLOSURE | Baseline | Previous period | Current period | |
| Indicator | Q2-2000 | Q2-2009 | Q3-2009 | Indicator | Aug-2000 | Nov-2009 | Dec-2009 | |
| 1. Labour Force size | | | | 1. Effective closure days ⁷ | | | | |
| Total | 706,174 | 949,800 | 955,400 | Karni (goods) | 0 % | 100% | 100% | |
| West Bank | 483,796 | 649,600 | 644,800 | Erez (workers) | 0 % | 100% | 100% | |
| Gaza Strip | 222,378 | 300,200 | 310,600 | Sufa (aggregates) | 0 % | 100% | 100% | |
| 2. Unemployment | 8.8 % | 22.2% | 25.8% | Rafah (passenger) | 0 % | 100% | 100% | |
| 3. Adjusted Unemployment ⁶ | 18.5 % | 28.0% | 31.4% | Rafah (commercial) | 0 % | 100% | 100% | |
| Source: PCBS | | | | Nahal Oz (fuel) | 0 % | 100 % | 100 % | |
| | | | | Kerem Shalom | 0 % | 16 % | 15 % | |
| | | | | Source: UNSCO | | | | |

¹ These numbers may be adjusted

² For a more detailed report on sections C (Macro-economy) and D (Private sector), see data below.

³ CPI Base year 2004 = 100

⁴ MoNE data does not include aggregates or aid flows in Aug 2000.

⁵ * Please note that data for Q3-2008 has been adjusted by the PMA for all bank credit categories.

⁶ Adjusted unemployment is calculated by adding discouraged workers (i.e. unemployed but no longer seeking work) to the ILO standard.

⁷ Effective closure days are calculated by adding all days when a crossing was fully or partially closed excluding weekend and holiday. Karni - conveyor belt/chute -The conveyor belt/chute for cereals and animal feed at Karni is the only operational one.



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MACRO-ECONOMIC UPDATE – DECEMBER 2009

- Exchange rate
- Consumer Index by region and expenditure group
- Truck Movement
- Palestinian Imports and Exports
- Volume of registered fuel sales

For further information please contact:

Gaza Strip: Raed Raqeb raqeb@un.org

| Indicator | Baseline Aug-00 | July -09 | Aug -09 | Sep -09 | Oct -09 | Nov -09 | Dec -09 |
|----------------------|-----------------|----------|---------|---------|---------|---------|---------|
| Exchange Rate | | | | | | | |
| Exchange Rate | 4.05 | 3.90 | 3.83 | 3.77 | 3.73 | 3.76 | 3.78 |
| Source: PCBS | | | | | | | |

The exchange rate between the US dollar and the NIS increased by approximately 0.53% in December 2009 compared to November 2009.

| Indicator | Baseline Aug-00 | July -09 | Aug -09 | Sep -09 | Oct -09 | Nov -09 | Dec -09 |
|--|-----------------|----------|---------|---------|---------|---------|---------|
| Volume of Registered Fuel sales in the Gaza Strip (x 1000 liters/ton) | | | | | | | |
| volume of registered fuel sales in the Gaza Strip | | | | | | | |
| Petrol 95 (Liter) | 878.3 | 90.5 | 150.0 | 70.0 | 36.5 | 89.9 | 36.5 |
| Petrol 96 (Liter) | 2,310.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Diesel (Liter) | 11,342.6 | 572.4 | 499.4 | 601.0 | 0 | 702.5 | 0.0 |
| Gas (Ton) | 1.9 | 4.7 | 3.4 | 2.6 | 1.5 | 1.2 | 2.7 |
| White diesel (Liter) | 243.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Source: General Petroleum Corporation and Ministry of Finance | | | | | | | |

The volume of registered fuel sales in the Gaza Strip continued to decline in December 2009. At the same time, there was a significant increased in the amount of imported cooking gas with 2, 7 tons allowed in (121.82% of the volume allowed in November 2009). 1,449 tons were pumped through the newly established fuel pipelines at Kerem Shalom. During the reporting period. 36,500 liters of petrol were imported for private sector.

| Indicator | Baseline Aug-04 | July -09 | Aug -09 | Sep -09 | Oct -09 | Nov -09 | Dec -09 |
|--|--------------------|----------|---------|---------|---------|---------|---------|
| Palestinian Consumer Price Index (by region and expenditure group) | | | | | | | |
| Major Groups of Expenditure (Occupied Palestinian Territory – excluding Jerusalem) | | | | | | | |
| Food and soft drinks | | 138.86 | 141.75 | 142.14 | 141.81 | 142.64 | 144.25 |
| Alcoholic Beverages and tobacco | | 140.80 | 140.97 | 140.88 | 140.90 | 140.80 | 140.78 |
| Textiles, clothing and footwear | | 104.66 | 106.05 | 106.21 | 106.85 | 107.27 | 107.99 |
| Housing | | 120.57 | 121.95 | 122.27 | 123.40 | 125.44 | 126.00 |
| Furniture, household goods | | 112.21 | 112.88 | 114.43 | 114.33 | 114.48 | 114.94 |
| Medical care | | 113.12 | 113.15 | 114.10 | 114.79 | 114.73 | 114.29 |
| Transportation | | 119.44 | 119.37 | 119.72 | 118.81 | 120.19 | 119.46 |
| Communications | | 109.89 | 109.98 | 110.28 | 106.92 | 106.89 | 106.85 |
| Recreational, cultural goods & services | | 101.15 | 101.35 | 101.51 | 101.79 | 101.78 | 102.18 |
| Education | | 102.12 | 102.12 | 109.24 | 109.24 | 109.24 | 110.32 |
| Restaurants and cafes | | 132.34 | 133.01 | 133.71 | 135.18 | 135.64 | 134.51 |
| Miscellaneous goods and services | | 114.04 | 113.63 | 114.08 | 115.10 | 116.74 | 117.89 |
| All items of consumer price index | | 124.22 | 125.60 | 126.28 | 126.22 | 127.01 | 127.75 |
| Major Groups of Expenditure (Jerusalem) | | | | | | | |
| Food and soft drinks | | 137.40 | 140.68 | 140.72 | 141.92 | 141.57 | 144.74 |
| Alcoholic Beverages and tobacco | | 128.81 | 128.81 | 128.73 | 128.90 | 128.71 | 128.66 |
| Textiles, clothing and footwear | | 107.45 | 108.46 | 109.36 | 111.38 | 111.81 | 113.21 |
| Housing | | 116.70 | 118.12 | 118.46 | 119.06 | 120.49 | 120.55 |
| Furniture, household goods | | 104.78 | 105.28 | 107.28 | 106.40 | 106.60 | 107.40 |
| Medical care | | 121.04 | 121.15 | 123.52 | 125.65 | 124.98 | 124.47 |
| Transportation | | 122.79 | 122.68 | 124.78 | 123.34 | 124.56 | 124.39 |
| Communications | | 107.06 | 107.06 | 107.06 | 103.58 | 103.38 | 103.62 |
| Recreational, cultural goods & services | | 104.90 | 106.51 | 106.25 | 107.25 | 106.95 | 107.40 |
| Education | | 107.07 | 107.07 | 111.72 | 111.72 | 111.72 | 112.05 |
| Restaurants and cafes | | 145.46 | 145.82 | 146.46 | 148.23 | 148.23 | 147.20 |
| Miscellaneous goods and services | | 107.64 | 107.59 | 107.85 | 108.36 | 109.70 | 110.65 |
| All items of consumer price index | | 122.33 | 123.75 | 124.53 | 124.96 | 125.24 | 126.47 |
| Major Groups of Expenditure (Rest of the West Bank) | | | | | | | |
| Food and soft drinks | | 134.66 | 137.43 | 137.93 | 139.02 | 140.94 | 142.12 |
| Alcoholic Beverages and tobacco | | 137.57 | 138.17 | 137.9 | 138.34 | 138.06 | 138.10 |
| Textiles, clothing and footwear | | 94.23 | 94.82 | 94.19 | 94.42 | 95.22 | 95.48 |
| Housing | | 127.98 | 129.10 | 129.14 | 129.72 | 131.71 | 132.77 |
| Furniture, household goods | | 99.59 | 100.19 | 99.90 | 101.33 | 101.45 | 100.72 |
| Medical care | | 107.97 | 108.51 | 109.31 | 109.59 | 109.49 | 110.09 |
| Transportation | | 117.92 | 117.83 | 117.77 | 116.99 | 118.73 | 117.77 |
| Communications | | 110.89 | 111.05 | 111.04 | 107.71 | 107.77 | 107.44 |
| Recreational, cultural goods & services | | 91.14 | 91.05 | 91.61 | 91.14 | 91.65 | 92.29 |
| Education | | 96.66 | 96.66 | 104.58 | 104.58 | 104.58 | 106.46 |
| Restaurants and cafes | | 126.01 | 126.78 | 127.32 | 128.29 | 128.73 | 128.05 |
| Miscellaneous goods and services | | 119.95 | 119.54 | 120.63 | 121.55 | 123.22 | 123.46 |
| All items of consumer price index | | 121.43 | 122.75 | 123.25 | 123.71 | 124.98 | 125.54 |
| Major Groups of Expenditure (Gaza Strip) | | | | | | | |
| Food and soft drinks | | 145.59 | 149.04 | 148.73 | 146.79 | 148.41 | 149.50 |
| Alcoholic Beverages and tobacco | | 154.09 | 154.09 | 154.09 | 153.51 | 153.51 | 153.51 |
| Textiles, clothing and footwear | | 112.70 | 114.30 | 115.43 | 113.81 | 113.69 | 115.07 |
| Housing | | 114.42 | 114.94 | 114.92 | 116.49 | 118.77 | 119.87 |
| Furniture, household goods | | 136.99 | 137.81 | 140.42 | 141.47 | 142.41 | 143.13 |
| Medical care | | 98.81 | 97.91 | 98.14 | 98.23 | 98.92 | 98.30 |
| Transportation | | 124.77 | 124.78 | 125.37 | 124.87 | 126.06 | 125.93 |
| Communications | | 107.41 | 107.60 | 108.63 | 105.58 | 105.58 | 105.58 |
| Recreational, cultural goods & services | | 99.36 | 99.24 | 99.40 | 99.35 | 99.30 | 99.68 |
| Education | | 100.37 | 100.37 | 107.59 | 107.59 | 107.59 | 107.59 |
| Restaurants and cafes | | 144.07 | 145.20 | 147.79 | 147.56 | 150.31 | 148.83 |
| Miscellaneous goods and services | | 117.91 | 116.94 | 116.53 | 117.67 | 119.51 | 120.82 |
| All items of consumer price index | | 129.00 | 130.48 | 131.04 | 130.26 | 131.45 | 132.15 |

Source: PCBS

The Palestinian CPI reached 127.75 in November 2009, an increase of 0.58% compared to November 2009. Increases were recorded in Food and soft drinks (1.13%), in Textiles, Clothing and Footwear (0.67 %) Housing (0.45 %) and in Miscellaneous goods and services (0.99 % each). The Medical care sector experienced a 0.38% price decline.

| Indicator | Baseline Aug-00 | July -09 | Aug -09 | Sep -09 | Oct -09 | Nov -09 | Dec -09 |
|---|--------------------|----------|---------|---------|---------|---------|---------|
| Truck Loads Movement | | | | | | | |
| Al Montar/ Karni commercial crossing | | | | | | | |
| Total Truck Loads Exports | 992 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Truck Loads Imports | 2,923 | 486 | 632 | 615 | 597 | 781 | 631 |
| Karem Abu Salem / Kerem Shalom commercial crossing | | | | | | | |
| Total Truck Loads Exports | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| Total Truck Loads Imports | 0 | 1,526 | 1,827.5 | 1,430 | 1,694 | 1,897.5 | 1,914 |
| Sufa commercial crossing | | | | | | | |
| Total Truck Loads Exports | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Truck Loads Imports | 4,384 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nahel Oz commercial crossing (fuel) | | | | | | | |
| Total Truck Loads Imports | 904 | 215 | 160 | 123 | 64 | 49 | 52 |
| Source: Baseline: Ministry of National Economy; General Petroleum Corporation and Ministry of Finance | | | | | | | |

Exports have stopped altogether except for limited agricultural exports in December 2009. Israel allowed Gaza to export flowers to Europe. In December 2009, 6 trucks of flowers (394,340 flowers) were exported. December 2009 data indicates a decline in the total number of imported truckloads to the Gaza Strip by approximately 5%, compared to November 2009 (2,597 vs. 2,727.5). Karni crossing has remained closed since 12 June 2007 for the movement of goods in and out of Gaza. The single conveyor belt/chute for cereals and animal feed at Karni was open for a total of 9 days. 631 truckloads of animal feed (55%), wheat (43%) and gravel (2%) for the Water Authority entered Gaza via the conveyor belt. Of the 1,914 truckloads entering Gaza during the month through Karem Shalom (Karm Abu Salem), 281 (or 14.68%) were designated for humanitarian aid agencies and the remaining 1,633 (or 85.32%) were for the private sector. Food items made up the majority of imported goods (1,191.5 truckloads, or 62%) while 722.5 truckloads, or 38%, were for non food items.



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PRIVATE SECTOR AND BANKING UPDATE – DECEMBER 2009

- Number of Company Registrations by region and legal status
- Area licensed for Construction
- Bank Credit
- Value of loans and deposits

For further information please contact:

Gaza Strip: *Raed Rafeb* rafeb@un.org

| Indicator | Baseline Q3-2000 | July -09 | Aug -09 | Sep -09 | Oct -09 | Nov -09 | Dec -09 |
|---|---------------------|------------|------------|-----------|------------|------------|------------|
| Number of new Company Registrations (by region and legal status) | | | | | | | |
| Gaza Strip | | | | | | | |
| Private | 162 | 6 | 4 | 5 | 6 | 6 | 7 |
| Private Limited | 46 | 13 | 17 | 8 | 17 | 15 | 11 |
| Public Limited | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 212 | 19 | 21 | 13 | 23 | 21 | 18 |
| West Bank | | | | | | | |
| Private | 66 | 72 | 73 | 33 | 82 | 49 | 83 |
| Private Limited | 163 | 66 | 91 | 42 | 92 | 56 | 76 |
| Public Limited | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Foreign | 0 | 0 | 0 | 2 | 1 | 4 | 1 |
| Total | 229 | 139 | 165 | 77 | 175 | 109 | 160 |
| Source: Ministry of Economy | | | | | | | |

The number of new company registrations is used as a proxy indicator for the vitality of the local economy as well as the ability of the local economy to create new employment. New company registrations in the West Bank increased by 46.79% compared to November 2009. When compared to pre-Intifada levels, new company registrations have dropped by approximately 30.13 %. As for Gaza, figures from the Ministry of Economy in Ramallah show that no new companies were registered, while data from the authorities in Gaza indicate 18 new registered companies for December 2009. If considering data from authorities in Gaza, the number of newly registered companies in Gaza declined by approximately 14.29% compared to November 2009.

| Indicator | Baseline Aug-00 | July -09 | Aug -09 | Sep -09 | Oct -09 | Nov -09 | Dec -09 |
|--|--------------------|---------------|---------------|--------------|---------------|---------------|---------------|
| Area licensed for new construction (Gaza Strip, dunums) | | | | | | | |
| Northern District | 27,902 | 1,820 | 2,240 | 1,080 | 1,850 | 3,720 | 3,540 |
| Gaza | 50,116 | 2,950 | 3,250 | 2,150 | 2,150 | 1,850 | 3,570 |
| Al Wastah | 15,984 | 830 | 1,120 | 950 | 1,100 | 1,060 | 1,240 |
| Khan Younis | 51,146 | 1,050 | 2,600 | 1,780 | 3,100 | 4,320 | 1,530 |
| Rafah | 39,429 | 4,410 | 2,950 | 1,140 | 3,400 | 2,250 | 2,520 |
| Gaza Strip Total | 184,577 | 11,060 | 12,160 | 7,100 | 11,600 | 13,200 | 12,400 |

Source: Engineering Offices and Consulting Firms

| Indicator | Baseline Aug-00 | July -09 | Aug -09 | Sep -09 | Oct -09 | Nov -09 | Dec -09 |
|---|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Area licensed for new construction (West Bank, dunums) | | | | | | | |
| Ramallah & Al- Bireh & Jerusalem | | 99,172 | 72,463 | 50,749 | 63,773 | 66,092 | 273,391 |
| Nablus | | 73,174 | 49,387 | 58,483 | 41,516 | 39,947 | 131,455 |
| Tulkarm | | 35,194 | 36,987 | 21,132 | 26,128 | 27,037 | 45,518 |
| Hebron | | 91,799 | 68,217 | 29,026 | 22,175 | 39,039 | 114,236 |
| Bethlehem | | 14,530 | 28,917 | 7,421 | 15,853 | 9,786 | 17,376 |
| Jenin | | 17,773 | 17,579 | 12,448 | 28,058 | 13,844 | 38,090 |
| Qalqilya | | 7,752 | 1,727 | 3,476 | 3,418 | 6,866 | 1,543 |
| Salfit | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 345,685 | 339,394 | 275,277 | 182,735 | 200,921 | 202,611 | 621,609 |

Source: Engineering Offices and Consulting Firms

Similar to new company registrations, the area licensed for new construction is also used as a proxy indicator for economic vitality. December 2009 data shows an increase in the area licensed for new construction of approximately 206.80% compared to the previous month in the West Bank. When compared to pre *intifada* levels, area licensed for new construction has now increased by 79.82 %. The reason for the large increase in construction as suggested by the data for December is that all non-completed construction are resubmitted for licenses by year end to ensure that new licenses will be issued for the next year.

| Indicator | Q4-08 | Q1-09 | Q2-09 | Q3-09 |
|--|--------------|--------------|--------------|--------------|
| Bank Credit | | | | |
| Bank Credit by economic activity (x million US\$) | | | | |
| | | | | |
| Agriculture | 48 | 40 | 41 | 37 |
| Manufacturing & Mining | 72 | 165 | 174 | 179 |
| Real estate and Lands | 234 | 190 | 219 | 238 |
| General Trade | 330 | 312 | 351 | 360 |
| Transportation | 14 | 18 | 16 | 23 |
| Tourism, Hotels & Restaurants | 26 | 29 | 31 | 35 |
| Public Services | 250 | 240 | 252 | 323 |
| Financial Services & Facilitations granted to financial institutions | 120 | 45 | 46 | 69 |
| Financing granted to the investment of the shares | 51 | 67 | 66 | 56 |
| Finance the purchase of cars | 40 | 43 | 48 | 56 |
| Total Public Sector | 534 | 582 | 749 | 722 |
| Financing for consuming purposes | 70 | 66 | 60 | 65 |
| Others in the private sector | 40 | 45 | 47 | 97 |
| GRAND TOTAL | 1,830 | 1,842 | 2,100 | 2,261 |
| Total Excluding theirs in the Public Services and Total Public Sector | 1,045 | 1,020 | 1,099 | 1,216 |
| Bank Credit by economic activity (as percentage of total) | | | | |
| | | | | |
| Agriculture | 2.6% | 2.2% | 2.0% | 1.6% |
| Industry & Mining | 3.9% | 9.0% | 8.3% | 7.9% |
| Real estate and Lands | 12.8% | 10.3% | 10.4% | 10.5% |
| General Trade | 18.0% | 16.9% | 16.7% | 15.9% |
| Transportation | 0.8% | 1.0% | 0.8% | 1.0% |
| Tourism, Hotels & Restaurants | 1.4% | 1.6% | 1.5% | 1.6% |
| Public Services | 13.7% | 13.0% | 12.0% | 14.3% |
| Financial Services & Facilitations granted to financial institutions | 6.5% | 2.4% | 2.2% | 3.1% |
| Financing granted to the investment of the shares | 2.8% | 3.7% | 3.2% | 2.5% |
| Finance the purchase of cars | 2.2% | 2.4% | 2.3% | 2.5% |
| Total Public Sector | 29.2% | 31.6% | 35.7% | 31.9% |
| Financing for consuming purposes | 3.8% | 3.6% | 2.8% | 2.9% |
| Others in the private sector | 2.2% | 2.5% | 2.3% | 4.3% |
| Total | 100% | 100% | 100% | 100% |
| Bank Credit by Economic Branch (excluding Total public sector and Public Services) (% of total) | | | | |
| | | | | |
| Agriculture | 4.6% | 3.9% | 3.8% | 3.1% |
| Manufacturing and Mining | 6.9% | 16.2% | 15.8% | 14.7% |
| Real estate and Lands | 22.4% | 18.6% | 20.0% | 19.6% |
| General Trade | 31.6% | 30.5% | 31.9% | 29.7% |
| Tourism, Hotels & Restaurants | 1.4% | 1.8% | 1.5% | 1.9% |
| Transportation | 2.5% | 2.8% | 2.8% | 2.9% |
| Financial Services & Facilitations granted to financial institutions | 11.4% | 4.4% | 4.2% | 5.7% |
| Financing granted to the investment of the shares | 4.9% | 6.6% | 6.0% | 4.6% |
| Finance the purchase of cars | 3.8% | 4.2% | 4.3% | 4.6% |
| Financing for consuming purposes | 6.7% | 6.4% | 5.4% | 5.3% |
| Others in the private sector | 3.8% | 4.4% | 4.3% | 8.0% |
| Total | 100% | 100% | 100% | 100% |
| Source: PMA | | | | |

Data on bank credit is another proxy indicator for economic progress and business confidence (increasing use of bank credit, particularly in the main productive sectors) or decline (decreasing use of bank credit). The Palestine Monetary Authority provides adjusted data once every three months. In relative terms, general trade and public services show a decrease in the use of credit. Bank credit to the public sector indicates a decrease of approximately 3.56% in Q3-2009 when compared with Q2-2009. (Please note the PMA has adjusted the indicators for bank credit by economic activities starting Q3-2008. Due to such significant changes in the methodology, current trends cannot be compared to those prior to 2008.)

| Indicator | Baseline Jun-00 | Q2-08 | Q3-08 | Q4-08 | Q1-09 | Q2-09 | Q3-09 |
|---|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Bank Credit | | | | | | | |
| Bank Credit by type (million US\$) | | | | | | | |
| | | | | | | | |
| Loans | 512 | 1,066 | 1,109 | 1,113 | 1,159 | 1,339 | 1,500 |
| Overdrafts | 653 | 669 | 688 | 707 | 673 | 751 | 753 |
| Leasing | 0 | 11 | 10 | 10 | 10 | 10 | 7 |
| BA & Discounted Bills | 69 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,234 | 1,747 | 1,807 | 1,830 | 1,842 | 2,100 | 2,261 |
| Bank Credit by type (as percentage of total) | | | | | | | |
| | | | | | | | |
| Loans | 41% | 61.1% | 61.4% | 60.8% | 62.9% | 63.8% | 66.4% |
| Overdrafts | 53% | 38.3% | 38.1% | 38.6% | 36.5% | 35.8% | 33.3% |
| Leasing | 0% | 0.6% | 0.6% | 0.6% | 0.6% | 0.5% | 0.3% |
| BA & Discounted Bills | 6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Source: PMA | | | | | | | |

Disaggregating bank credit by the type of credit, the data shows an increase in loans and overdrafts. Loans currently represent 66.4 % of all credit extended compared to only 41% in the *pre-Intifada* period.

| Indicator | Baseline Jun-00 | Q2-08 | Q3-08* | Q4-08 | Q1-09 | Q2-09 | Q3-09 |
|--|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Bank Credit | | | | | | | |
| Bank Credit by borrowing entity (million US\$) | | | | | | | |
| | | | | | | | |
| Businesses | 752 | 1,009 | 1,024 | 1,045 | 1,020 | 1,099 | 1,216 |
| Consumers | 429 | 511 | 545 | 534 | 582 | 749 | 722 |
| Public Services | 52 | 227 | 238 | 250 | 240 | 252 | 323 |
| Total | 1,234 | 1,747 | 1,807 | 1,830 | 1,842 | 2,100 | 2,261 |
| Bank Credit by borrowing entity (as percentage of total) | | | | | | | |
| | | | | | | | |
| Businesses | 61% | 57.7% | 56.7% | 57.1% | 55.4% | 52.3% | 53.8% |
| Consumers | 35% | 29.3% | 30.1% | 29.2% | 31.6% | 35.7% | 31.9% |
| Public Services | 4% | 13.0% | 13.2% | 13.7% | 13.0% | 12.0% | 14.3% |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| * Please note that data for Q3-2008 has been adjusted by the PMA | | | | | | | |
| Source: PMA | | | | | | | |

Disaggregating bank credit by borrowing entity shows that consumer lending has experienced a decrease of approximately 3.56% in Q3 -2009 compared to Q2-2009.

| Indicator | Baseline Aug-00 | Q2-08 | Q3-08 | Q4-08 | Q1-09 | Q2-09 | Q3-09 |
|---|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Bank Deposits (excluding deposits of the PMA and commercial banks) | | | | | | | |
| Distribution of Public sector deposits by depositor and type (million US\$) | | | | | | | |
| Public Institutions and Local Auth. | | | | | | | |
| Current Accounts | 23.9 | 70.2 | 60.9 | 54.6 | 57.9 | 65.1 | 81.6 |
| Time Deposits | 49.7 | 67.0 | 60.1 | 72.4 | 74.4 | 78.6 | 78.7 |
| Sub-total | 73.6 | 137.2 | 121.0 | 127.1 | 132.3 | 143.7 | 160.3 |
| Government | | | | | | | |
| Current Accounts | 39.8 | 172.7 | 220.8 | 276.6 | 243.2 | 199.5 | 275.4 |
| Time Deposits | 74.8 | 191.8 | 213.4 | 191.3 | 152.7 | 158.3 | 176.2 |
| Sub-total | 114.6 | 364.5 | 434.2 | 467.9 | 395.9 | 357.9 | 451.6 |
| Total Public sector deposits | 188.2 | 501.7 | 555.3 | 595.0 | 528.1 | 501.6 | 612.0 |
| Distribution of Private sector deposits by residency and type (million US\$) | | | | | | | |
| Residents | | | | | | | |
| Current Accounts | 865.3 | 1,682.9 | 1,756.8 | 1,686.7 | 1,704.2 | 1,794.5 | 2,014.3 |
| Savings Accounts | 454.3 | 1,350.9 | 1,439.8 | 1,364.7 | 1,366.9 | 1,474.4 | 1,535.4 |
| Time Deposits | 2,084.3 | 1,915.3 | 1,978.4 | 2,047.0 | 1,939.9 | 1,925.1 | 1,835.9 |
| Sub-total | 3,403.9 | 4,949.1 | 5,174.9 | 5,098.4 | 5,011.0 | 5,194.0 | 5,385.5 |
| Non-Residents | | | | | | | |
| Current Accounts | 9.5 | 39.0 | 39.8 | 41.1 | 100.7 | 139.9 | 162.8 |
| Savings Accounts | 3.6 | 18.7 | 21.5 | 24.8 | 31.1 | 40.5 | 51.1 |
| Time Deposits | 22.8 | 69.1 | 58.9 | 65.0 | 76.2 | 88.1 | 91.8 |
| Sub-total | 35.9 | 126.8 | 120.2 | 130.9 | 208.0 | 268.5 | 305.7 |
| Total Private sector deposits | 3,439.8 | 5,075.9 | 5,295.1 | 5,229.3 | 5,219.0 | 5,462.5 | 5,691.2 |
| Total Deposits (public and private) | 3,628.0 | 5,577.6 | 5,850.4 | 5,824.3 | 5,747.1 | 5,964.1 | 6,303.2 |
| Source: PMA | | | | | | | |

Bank deposits for the Q3- 2009 indicate an increase in public sector deposits of approximately 22.01% and an increase in private sector deposits of 4.19% compared with Q2- 2009.

| Indicator | Baseline Jun-00 | Q2-08 | Q3-08 | Q4-08 | Q1-09 | Q2-09 | Q3-09 |
|---|-----------------|--------|--------|--------|--------|--------|--------|
| Value of Loans and Deposits (million US\$) | | | | | | | |
| Total Loans | 1,234 | 1,747 | 1,807 | 1,830 | 1,842 | 2,100 | 2,261 |
| Total Deposits | 3,328 | 6,035 | 6,307 | 6,269 | 6,165 | 6,390 | 6,687 |
| Loans/Deposits (ratio) | 37.06% | 28.94% | 28.66% | 29.19% | 29.88% | 32.86% | 33.81% |
| Source: PMA | | | | | | | |

In a functioning economy, an increase in the loans versus deposits ratio is perceived as a positive sign, as monies are not saved but invested or consumed, each of which acts as a stimulant for the economy. Since September 2006, this ratio had steadily declined in the oPt signaling little optimism in the prospects for the Palestinian economy.Q3- 2009 figures however marked the second quarterly increase after two years of decline, with a 7.68% jump from Q2- 2009.

| Indicator | Baseline Aug-00 | July -09 | Aug -09 | Sep -09 | Oct -09 | Nov -09 | Dec -09 |
|---|--------------------|----------|---------|---------|---------|---------|---------|
| Palestinian Securities Exchange | | | | | | | |
| Volume of trade | | | | | | | |
| Number of shares traded (x million) | n.a. | 11.9 | 12.0 | 26.9 | 14.9 | 8.7 | 18.7 |
| Value of shares traded (x million US\$) | n.a. | 19.9 | 27.9 | 32.7 | 30.0 | 21.1 | 34.2 |
| Indices | | | | | | | |
| Al-Quds index | n.a. | 488.77 | 498.45 | 498.92 | 500.18 | 502.12 | 493.00 |
| Source: Palestinian Securities Exchange (PSE) | | | | | | | |

Similar to bank credit and deposits, data on the Palestinian stock exchange is used as a proxy indicator of Palestinian perceptions vis-à-vis the state of the national economy. Data for December 2009 shows an increase in terms of value of shares traded of approximately 114.96 % and in terms of number of stocks traded of approximately 62.42 %. The Al-Quds index declined by 1.82 %.