Annual Report
2007

PALTRADE
PALESTINE TRADE CENTER

Gaza Terminals Movement Monitoring 2007 Annual Report

Published by PalTrade on: Feb. 12, 2008

"Cargo Movement and Access Monitoring and Reporting" Project

October 1st, 2007 – October 31st, 2008

Contract No. 7144585

Financed by:

Norwegian Consultant Trust Fund

Under the supervision of:

The World Bank

(MNSED) Finance and Private Sector Unit

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PROJECT OVERVIEW

As the National Trade Development Organization, PalTrade is the private sector institution with a direct mandate in trade development. PalTrade is a founder and member of the Private Sector Coordinating Council (PSCC), a consortium of all major private sector institutions, and an important partner of industry and service associations. As such, PalTrade has been a member of the Gaza withdrawal technical committees and negotiations team; especially providing the private sector perspectives of the Access and Movement Agreement (AMA) for the cargo movement at the terminals. PalTrade is also a private sector representative in the Terminals' Steering Committee which was formed by the president to act as the coordination body for the reform and development of the border crossings.

As part of the World Bank project "Facilitating Trade Flows between WBGS and Israel" and the previous "Private Sector Participation in Gaza Withdrawal Coordination Process" project, PalTrade has maintained a physical presence at AlMontar/ Karni since August 24th, 2005. As such, PalTrade is the only independent source of trade terminals information which is used by the Quartet, the World Bank, the US Security Coordinator, UN OCHA and others to report on terminal operations. The scope of operations including the monitoring, collection and analysis of statistics for Gaza trade terminals operations.

Financing for the border monitoring activities in the first year was through a World Bank grant to the PA in association with emergency support during the Gazan disengagement. In the second year, financing was through a Post Conflict Fund grant which was closed in September 2007.

Financing for the **"Cargo Movement and Access Monitoring and Reporting" Project** from October 2007—October 2008**,** is provided by the Norwegian Consultant Trust Fund under the supervision of the World Bank (MNSED Finance and Private Sector Unit).

GAZA COMMERCIAL TERMINALS OVERVIEW

There are six trade terminals at the Gaza strip borderlines, these terminals are utilized for the crossing in and out of imported commodities and exported goods. Four of the terminals are controlled by the Israeli government, while Rafah terminal is partially controlled by the Palestinian Authority and under the European supervision. The newly considered Karem Abu Salem /Kerem Shalom crossing is a temporary trade terminal "as classified in the AMA", the terminal is ought to be utilized for the crossing in of imports coming from Egypt.

AlMontar/ Karni Terminal:

AlMontar/ Karni terminal is considered the major commercial terminal of Gaza Strip, where it connects the Gaza Strip with the West Bank, Israel and the rest of the world, the terminal is located at the east of Gaza City and deemed the lifeline for the inhabitants of the Gaza Strip, but is marred by inefficiency and insecurity. Based on the November 2005 AMA, the number of export trucks per day to be processed through Karni should be 150, and should reach 400 by end-2006; however the average daily exports reached only 70 trucks before June 12th 2007.

Sufa Terminal:

Sufa terminal is located in the south of the Gaza Strip (east of Rafah City) used for the imports of construction materials only and in case of the closure of AlMontar/ Karni terminal, Sufa is used for the imports of some goods.

Karem Abu Salem/Kerem Shalom Crossing:

Karem Abu Salem/Kerem Shalom crossing is located in the south east of Gaza strip, it's 3.6 Km away from Rafah Terminal. Karem Abu Salem/Kerem Shalom is a temporary trade terminal "as classified in the AMA", the terminal is ought to be utilized for the crossing of imports coming from or through Egypt.

Nahal Oz Entry Point:

Nahal Oz Entry Point is located east of Gaza Strip and is considered a transit terminal restricted for the imports of Liquid Fuels and Gas, only from Israel. The point consists of storage petrol tanks and Gas tanks linked directly with pipelines, with the Israeli side.

Beit Hanoun/ Erez Terminal:

Beit Hanoun/ Erez terminal is located in the north of Gaza Strip, is the border crossing between Gaza Strip and Israel West Bank. It primarily serves civilians (diplomats, businessmen, international organizations staff, laborers, medical cases) with permits in and out of Gaza Strip. The terminal is also used for the imports of cars.

Rafah Border Terminal:

Rafah Border terminal is located in the south of Gaza Strip (south of Rafah City), is the border crossing between Gaza Strip and Egypt. It serves travelers in and out of Gaza Strip, and was also used as a cargo crossing point for imports from Egypt (until 2005), mainly aggregates and food items. Jurisdiction over the border crossing was transferred to the Palestinian Authority in November 2005, after Israel's disengagement from the Gaza Strip.

S OUTLINE

SECTION I: GAZA TERMINALS - 2007

Performance Note

AlMontar/Karni terminal is the main crossing for the import and export of commercial goods for the Gaza Strip. Most of the terminal's operations were halted on the 12th of June, 2007, and since then, only one single-lane conveyor belt continued to operate at an average of two days per week for the imports of wheat, grain and animal feeds.

Since 12th of June, 2007, Sufa and Kerem Shalom crossings have become the alternative entry points for commercial and humanitarian aids. Various commodities and materials were banned through either Sufa or Karem Abu Salem/Kerem Shalom except for few truckloads of aggregates and cement that had entered for specific humanitarian projects.

On the 28th of October, 2007, Israel announced the closure of Sufa crossing, and thereby the number of crossing truckloads dramatically declined. On the 28th of August, 2007, Karem Abu Salem/Kerem Shalom– the only terminal used for export since the closure- witnessed the first attempt of export since the closure, where few truckloads of cash crops have been exported. On the 28th of November, 2007, Israel allowed once again the export of the cash crops, but few weeks later, the exports stopped due to the inadequacy of Karem Abu Salem/Kerem Shalom crossing infrastructure, which were causing damage to the crops.

The overall performance of the Gaza Strip crossing terminals was lower than the average levels in the first half of 2007; a dramatic collapse took place in the second half of the year, causing unprecedented unemployment levels in the private sector, shut down of thousands of establishments and dramatic export and market losses.

SECTION 2: GAZA TERMINALS PERFORMANCE

A
ALMONTAR /KARNI TERMINAL

A. ALMONTAR/KARNI TERMINAL:

A.1-Trade Activity & Operation (Days & Hours).

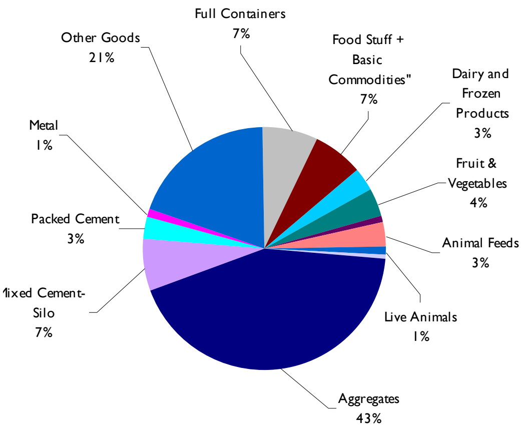
In the year 2007, the terminal fully operated (for imports & exports) for 133 days out of 313 available working days. A total of 60,270 truckloads have been imported to Gaza Strip, and a total of 5,746 truckloads have been exported from Gaza through AlMontar/Karni terminal, noting that all the exports have taken place prior to June 12th, 2007.

The table below summarizes the performance of AlMontar/Karni terminal in terms of operation days, imports, and exports, taking into account that the year 2007 is divided according to the performance into two periods, before June 12th, and after June 12th (the date of the closure).

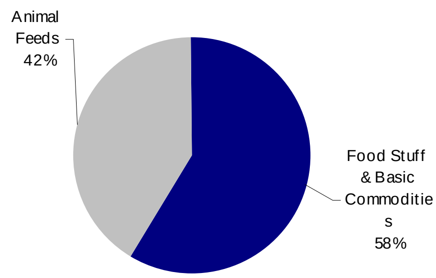
AlMontar/Karni	Before June 12th2007	After June12th 2007	Total
Available Operating Days (Day)	139	174	313
Total Operating Days (Percentage)	87%	27.5%	54.5%
Total Closure Days (Percentage)	13%	72.5%	55.5%
Total Imports (Truckloads)	53,141	2,944	56,085
Total Exports (Truckloads)	5,746	0	5,746
Imports Average Truck loads On Days Of Actual Operation (Truckloads)	439	61	328
Exports Average Truck loads On Days Of Actual Operation (Truckloads)	47	0	34

Imports:

A total of 60,270 truckloads were imported through AlMontar/Karni terminal, about 88% of imports have crossed into Gaza Strip prior to June 12th, where at that time (43%) of the imports were aggregates, (21%) other goods (mostly raw materials), about (7%) mixed cement, (7%) foodstuff including basic commodities, and (7%) full containers. With regard to the second period of the year, after June 12th, (58%) of the imports were food stuff including basic commodities (mainly wheat), and animals feed (42%), which were processed through the conveyer belt used usually for aggregates (area 34).



Figure(2): Imported goods through AlMontar/Karni terminal before June 12th, 2007



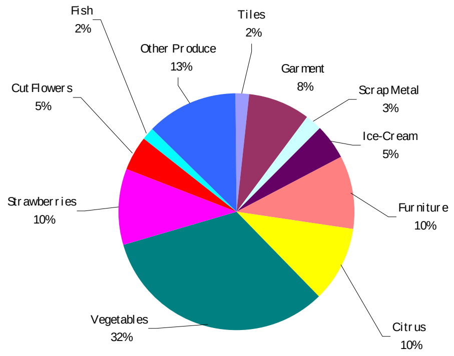
Figure(3): Imported goods through AlMontar/Karni terminal after June 12th, 2007

A

ALMONTAR /KARNI TERMINAL

Exports:

A total of 5,746 truckloads have been exported from Gaza Strip through AlMontar/Karni, (57%) of the exports were agricultural crops, (10%) furniture, and (8%) garment. Noting that all the exports have taken place prior to June 12th, while no exports have been observed at AlMontar/ Karni after that date.



Figure(4): Exported goods through AlMontar/Karni terminal before June 12th, 2007

A.2– Terminal Trends

Import levels at AlMontar/Karni terminal were relatively constant in the period between (2000-2004) with an average of about 79,000 truckloads, in 2005 it increased by about 30% of the imports average, and in 2006 and 2007 dramatically dropped by about 42% of 2005 import average. The **export** levels were fluctuating around an average of about 10,000 truckloads in the period between 2000-2005, drastically declined in 2006 by 50% of the exports average of the past years, and in 2007 by about 45%. The slight increase of exports and imports in 2007 was attributed to the extension of the official operating hours, between April and June 11th, which contributed to the improvement of the terminal performance in the first five months of the year.

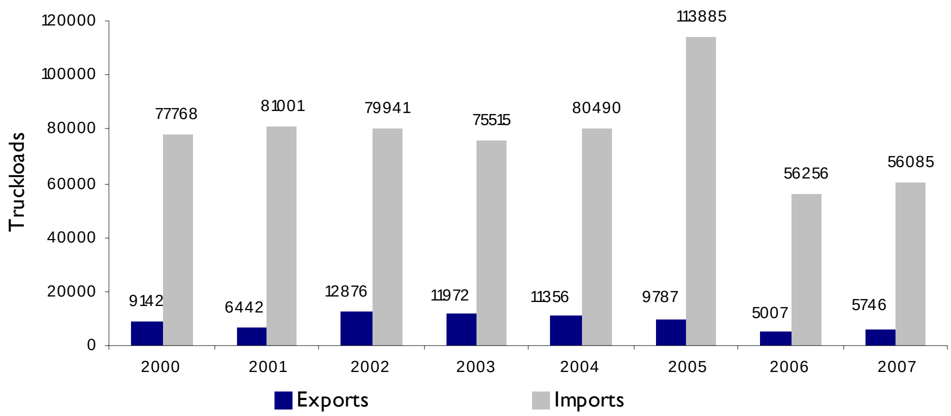


Figure (5): Truckloads movement (imports and exports) for AlMontar Terminal in the period Year2001-2007.

A ALMONTAR /KARNI TERMINAL

Statistical trends of the months from January 2007 to December 2007 show that the *export* levels were relatively constant from January - April, dropped in May and drastically dropped in June due to the closure imposed on June 12th in which export operations totally halted until the end of the year. With regard to *import* levels, it's a fluctuating trend, but it has witnessed a drastic decline from June to December, noting that the imports after June 12th were only 13% of the imports of the period before June 12th. In terms of operational days, it was relatively constant in the period between January and April 2007, sharply decreased in the month of May, and significantly dropped from June to December.

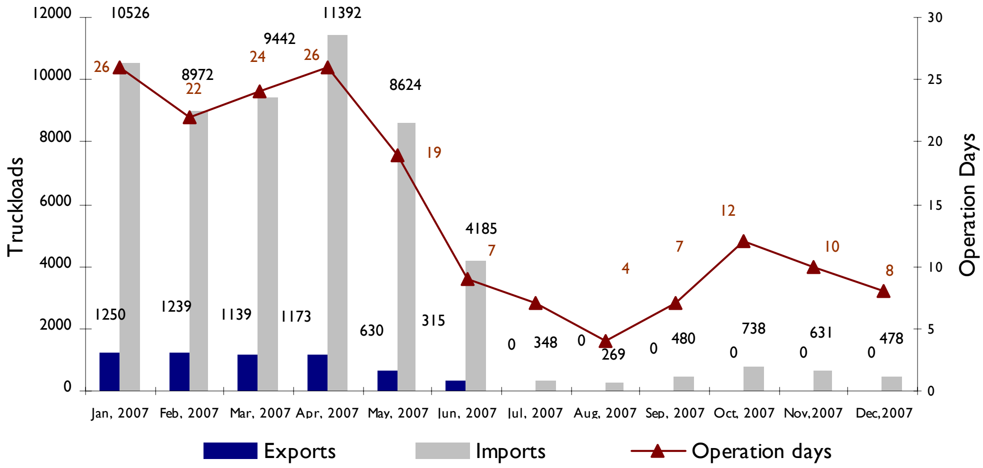


Figure (6): Trade activity and operation days at AlMontar/Karni terminal (2007)

B
SUFA TERMINAL

B. Sufa Terminal

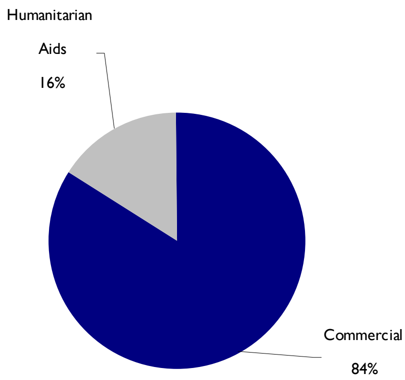
B.1- Trade Activity & Operation (Days & Hours).

Sufa terminal used to operate sporadically for the imports of construction materials, mainly aggregates, but since the closure, the terminal has been used as an alternative for AlMontar/ Karni terminal to allow the movement of imported goods that are classified as humanitarian to avoid a humanitarian crisis in the Gaza Strip.

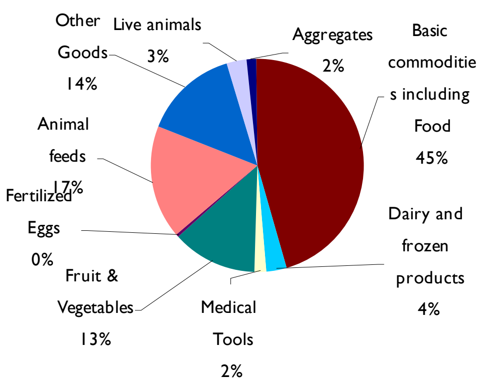
SUFA	Before June 12th 2007	After Jun12th 2007	Total 2007
Available Operating Days (Day)	139	174	313
Total Operating Days (Percentage)	59%	58.5%	58.7%
Total Closure Days (Percentage)	41%	41.5%	41.3%
Imports Average Truck loads On Days Of Actual Operation (Truckloads)	130	64	93
Total Imports (Truckloads)	10,639	6,498	17,137
Type of Imports	Construction materials (mainly aggregates)	Basic foods, dairy & frozen products ,live animals, humanitarian aids etc.	
Total Exports (Truckload)	0	0	0

Imports:

Before June 12th, a total of 10,639 truckloads of aggregates were imported through Sufa terminal. With regard to the second period of the year, most of the imported goods were food stuff including basic commodities (45%), animals feed (17%), and fruit and vegetables (13%). Noting that the raw materials (construction materials, plastic, wood, garment, etc.) were not allowed to cross into the Gaza Strip after June 12th.



Figure(7): Commercial goods Vs Humanitarian aids at Sufa, terminal, after June 12th 2007



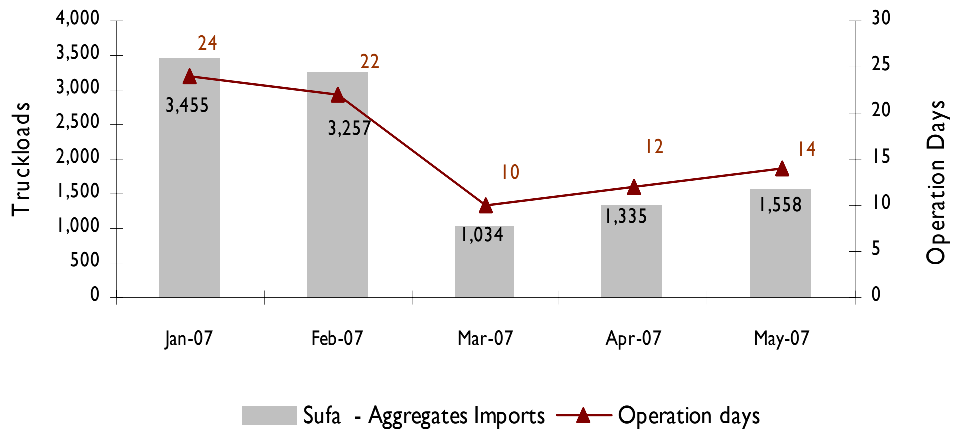
Figure(8): Imported goods through Sufa terminal after June 12th 2007

B

SUFA TERMINAL

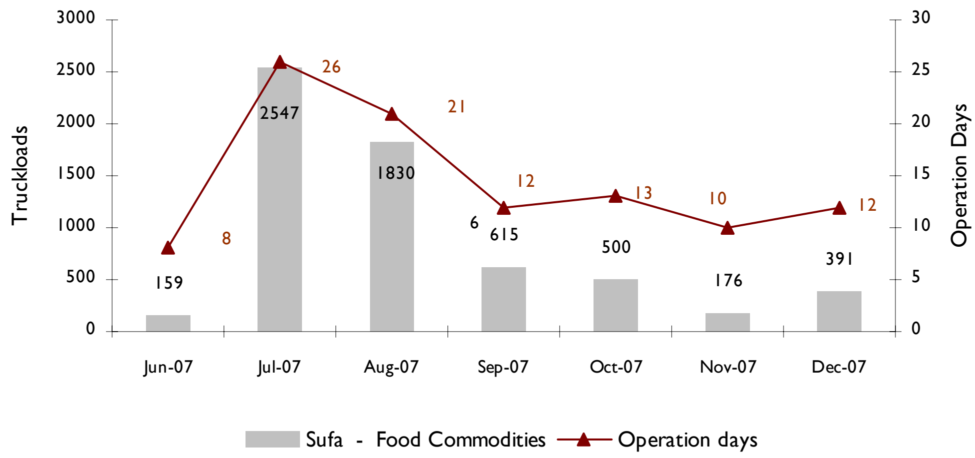
B.3– Terminal Trends

During the study period before June 12th, the import trend of aggregates was decreasing, where the imports were 3,445 truckloads in January, dropped to 1,034 truckloads in March, and relatively increased to 1,558 in May.



Figure(9) : Trade activity and operation days at Sufa terminal (January – May 2007)

After June12th, the import levels recorded the highest volume in July, and drastically decreased from August onwards. With regard to operating days trend, it's a slightly decreasing trend, however the average operating days was 14 days/month.



Figure(10) : Trade activity and operation days at Sufa terminal (June– December 2007)

C

KAREM ABU SALEM/ KEREM SHALOM CROSSING

C. Karem Abu Salem/Kerem Shalom Crossing

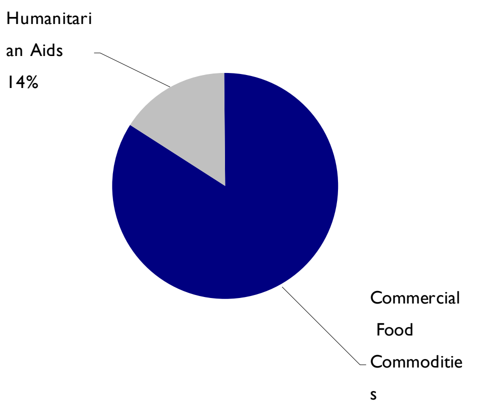
C.1-Trade Activity & Operation (Days & Hours).

Karem Abu Salem / Kerem Shalom crossing has been used as an alternative for AlMontar/Karni terminal since the closure to allow the movement of commercial goods in addition to the humanitarian aids to flow into Gaza Strip to avert a humanitarian crisis in the Strip. Karem Abu Salem / Kerem Shalom crossing used to operate sporadically for humanitarian aids which includes basic commodities and medical tools.

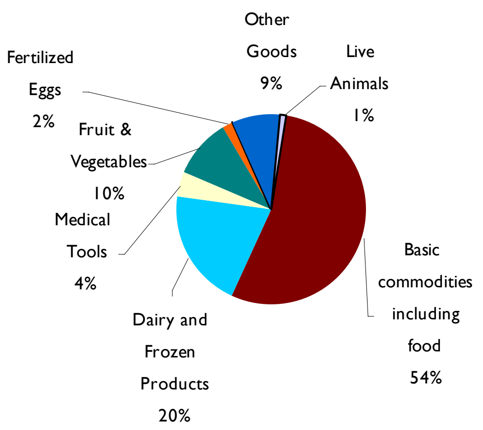
KAREM ABU SALEM/ KEREM SHALOM	Before June 12th , 2007	After June12th, 2007	Total 2007
Available operating days (Day)	139	174	313
Total Operating Days (Percentage)	46.7%	58.7%	53.4%
Total Closure Days (Percentage)	53.3%	41.3%	46.6%
Total Imports (Truckloads)	469	3,773	4242
Type of Imports	Humanitarian aids	Basic foods, dairy & frozen products ,live animals, humanitarian aids.	
Total Exports (Truckloads)	0	99	99
Type of Exports		Potatoes, Strawberries, & Cut Flowers	

Imports:

Before June12th, a total of 469 truckloads were imported through Karem Abu Salem / Kerem Shalom crossing, almost all of the imports in this period were humanitarian aids which consist of basic commodities and medical tools. After June 12th, a total of 3,773 truckloads were imported, most of the imported goods were basic commodities and food stuff (54%), dairy and frozen products (20%), and fruits and vegetables (10%). 14% of the imported goods during the second period of the year were humanitarian aids delivered for some international relief organizations.



Figure(11): Commercial goods Vs Humanitarian aids at Karem Abu Salem/Kerem Shalom after June 12th , 2007



Figure(12): Imported goods through Karem Abu Salem/Kerem Shalom after June 12th, 2007

C

KAREM ABU SALEM/ KEREM SHALOM CROSSING

Exports:

A total of 99 truckloads of agricultural crops, (8 truckloads of potatoes, 43 truckloads of strawberries and 48 truckloads of carnation flowers), have been exported in August, November, and December 2007 through Karem Abu Salem / Kerem Shalom crossing. Noting that Karem Abu Salem/Kerem Shalom crossing is not properly equipped for exports.

Commodity / Month	Strawberries		Carnation Flowers		Potatoes	
	Truckloads	Tons	Truckloads	Quantity (Flowers)	Truckloads	Tons
August 2007	0	0	0	0	8	130
November 2007	9	23	4	400,000	0	0
December 2007	34	86	44	5,239,583	0	0
Total	43	109	48	5,639,583	8	130

C.2– Terminal Trends

After June 12th 2007, the **import** trend was increasing, 132 truckloads in June to1065 truckloads in December. With regards to the **exports**, only 8 truckloads of potatoes have been exported in August, 13 truckloads of cash crops (strawberries and cut flowers) have been exported in November 2007, and 78 truckloads in December 2007. With regard to operating days trend, it's a fluctuating one.

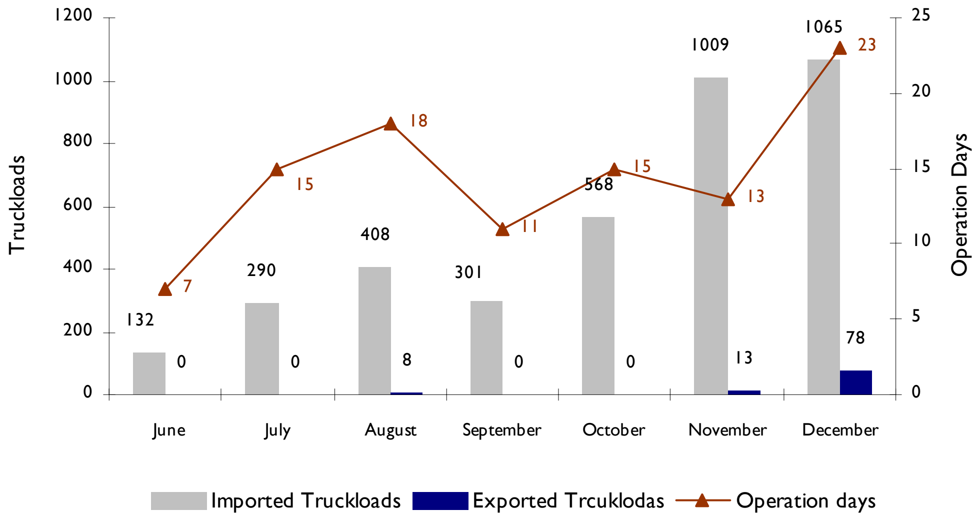


Figure (13): Trade activity and operation days trend at Karem Abu Salem/Kerem Shalom crossing after June 12th 2007.

Note: The increase of imports and operating days in November and December at Karem Abu Salem/Kerem Shalom is attributed to limiting the operation at Sufa terminal .

D

NAHAL OZ ENTRY POINT

D-Nahal Oz Entry Point

D.1- Trade Activity

Import:

In 2007, a total of 211.2 million liter of fuel and 54.1 million kg of cooking gas were imported to Gaza Strip through Nahal Oz entry point: about 47.6% of the imported fuel was industrial gasoline needed for the power generation station, 44% diesel, 6.5% benzene(95), 1.5% benzene(96), and 0.4% white gasoline. Noting that after the destruction of the industrial gasoline pipes during an IF operation in October, benzene 96 pipes has been used for the` entry of the industrial gasoline, which is crucial for the power generation station, therefore the import of benzene 96 has been halted in November and December.

Imported Fuel In 2007

Type Of Fuel	Quantities (Liter)
Benzene 95	13,565,140
Benzene 96	3,371,000
Gasoline	92,935,040
White Gasoline	841,200
Industrial Gasoline	100,506,310
Total Fuel	211,218,690

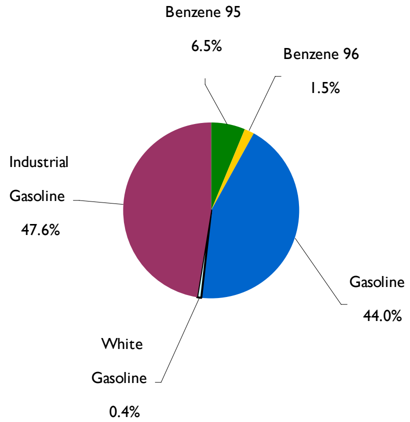


Figure (14) : Fuel imports through Nahal Oz entry point during year 2007

D.2– Terminal Trends

During the year 2007, the import levels of the fuel were fluctuating around its average (approximately 18 million liter) from the beginning of the year until October, however the fuel imports dropped by about 25% of its average in November and about 14% in December.

With regard to the gas, the import level was fluctuating, but it has dropped in December 2007, by 33% of the previous month (November), causing a shortage in the gas supply in Gaza Strip.

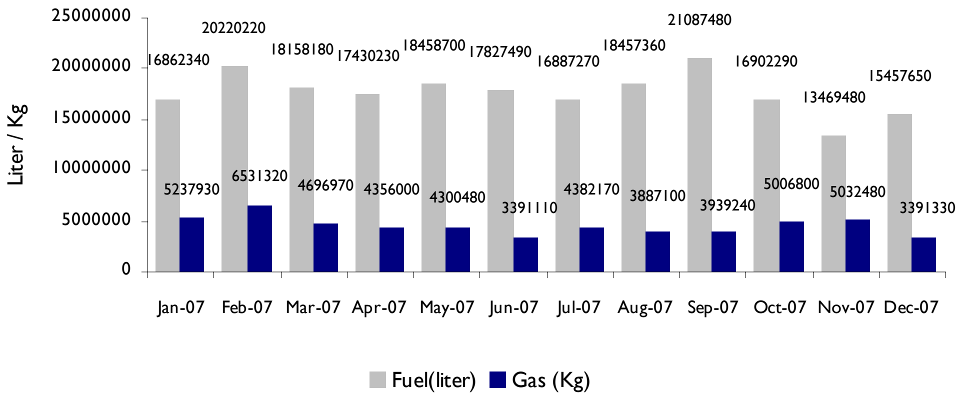


Figure (15) : Fuel imports through Nahal Oz entry point (2007)

D

NAHAL OZ ENTRY POINT

D.3– Consumption Levels and Reserve

The imported fuel during year 2007 was generally sufficient from the beginning of the year until October to meet Gaza Strip's demand. However, due to the Israeli government decision implying some restrictions on the fuel supply to Gaza Strip, where the quantities of the imported fuel have been reduced at the end of October to the end of November, which caused a fuel shortage at that period.

With regard to the gas supply, the quantities imported during the year were relatively sufficient until November. The imported gas quantities dropped in December by about 25% of its average during the year, causing a gas shortage in the Strip.

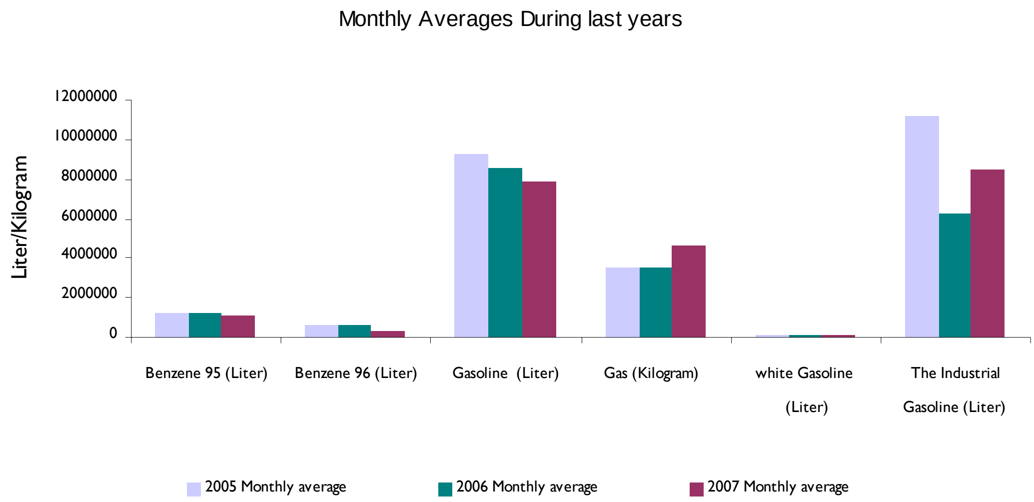


Figure (16): Monthly Averages of Imported Fuel through Nahal Oz during the period of 2005-2007

SECTION 2: SECTORS PERFORMANCE

A FURNITURE SECTOR

A.1- Export Performance:

The total annual furniture sector export capacity is 2,560 truckloads. From the years 2000 until 2004 the total exports dropped from 50% to 20% of the total sector export capacity. In the year 2005, exports have increased to around 47% of the sector export capacity. The years 2006 and 2007 witnessed a drop in the level of exports (in comparison with the year 2005), which reached around 23% of the total sector export capacity.

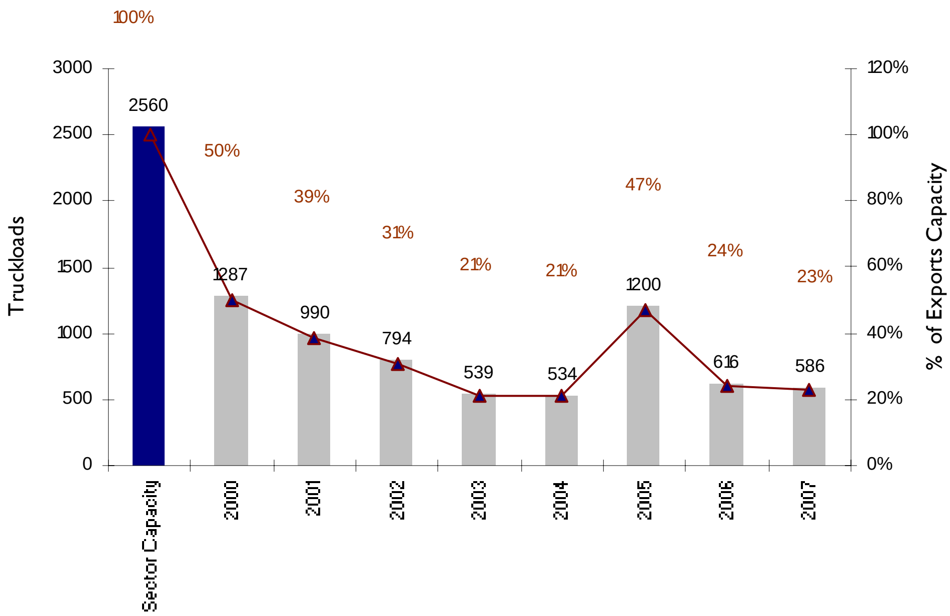


Figure (17) : Furniture exports trends in comparison with the sector export capacity (2000 - 2007)

Based on the Wood Industries Union (WIU), which is the sector representative association responsible for the export queuing procedure, the total furniture ready for export in July was 400 truckloads, which couldn't be exported due to the closure imposed on Gaza Strip. In sum, the furniture sector potential exports was estimated at about 1500 truckloads in the second half of 2007.

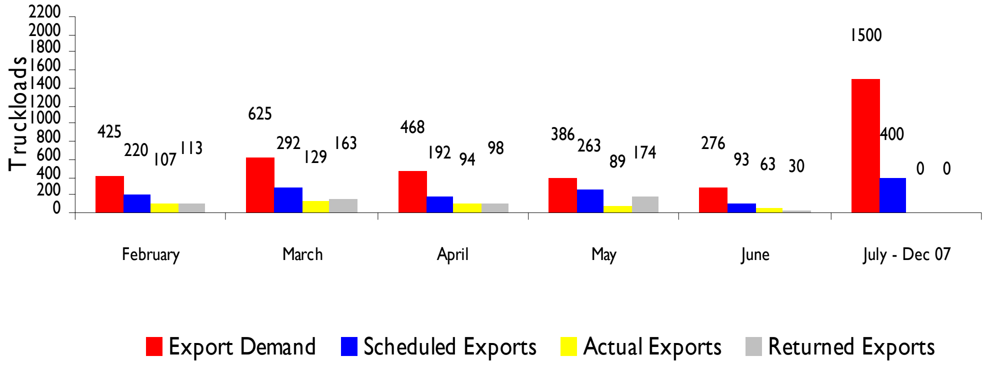


Figure (18) : Actual furniture exports compared with the sector demand and the scheduled exports (Feb - Dec2007)

A

FURNITURE SECTOR

A.2– Terminal Closure Impact:

Impact:

According to the Wood Industries Union, and as a result of the closure imposed on Gaza Strip since the 12th of June, 2007, the furniture sector suffered considerable losses of about $17 million as direct export sales losses, and about 95% of establishments were temporarily closed due to the continued absence of raw materials.

	Furniture Sector					
	Jun-07	Jul-07	Sep-07	Oct-07	Nov-07	Dec-07
Number of working establishments	600	120	50	40	30	25
Number of working employees	6,500	550	220	120	90	75
Re-located establishment	0	0	0	3	3	3
Export sales losses (US million dollar)	NA	8	10	12	14	17
Export (truckloads)	168	0	0	0	0	0

Coping Mechanisms:

1. About 25% of the biggest manufacturers are seriously thinking of relocating their businesses in some other regions such as (West Bank, Jordan, and Egypt).
2. Scaling down the production and cutting cost by temporarily laying off employees.
3. Temporarily halting the production and waiting for the situation to improve.

B

GARMENT SECTOR

B.1- Export Performance:

The total annual garment sector export capacity is 3500 truckloads, which was observed in the year 2000, the crossing volumes during the years 2001 – 2004 were around the average of 65% of the total sector export capacity, the year 2005 has witnessed deterioration to 43%, while the trend of 2006 and 2007 has reached unprecedented dramatic level (i.e. only 14% of the total sector export capacity), where only 478 truckloads exported prior to June12th, and no exports have been observed since that date.

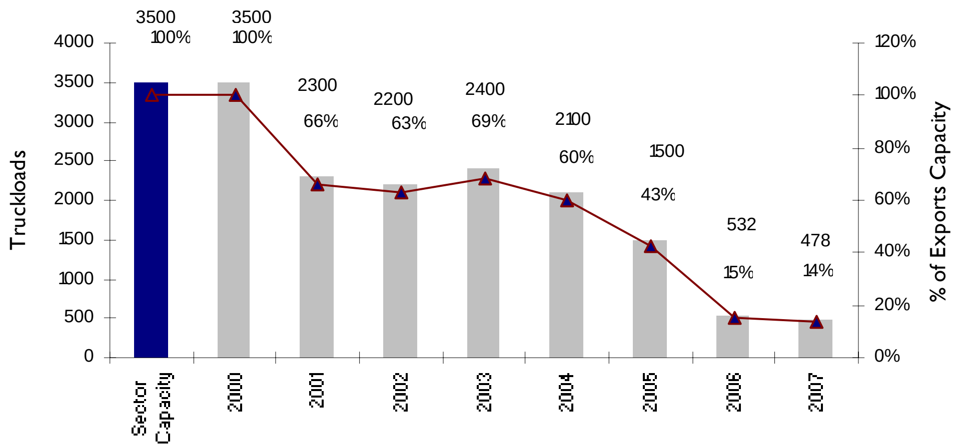


Figure (19) : Garment exports trends in comparison with the sector export capacity (2000 - 2007)

Based on the information gathered by the Sewing Factory Owners Union (SFOU), which is the sector representative association, the monthly export demand is 350 truckloads. In sum, the garment sector potential exports was estimated at about 1300 truckloads in the second half of 2007.

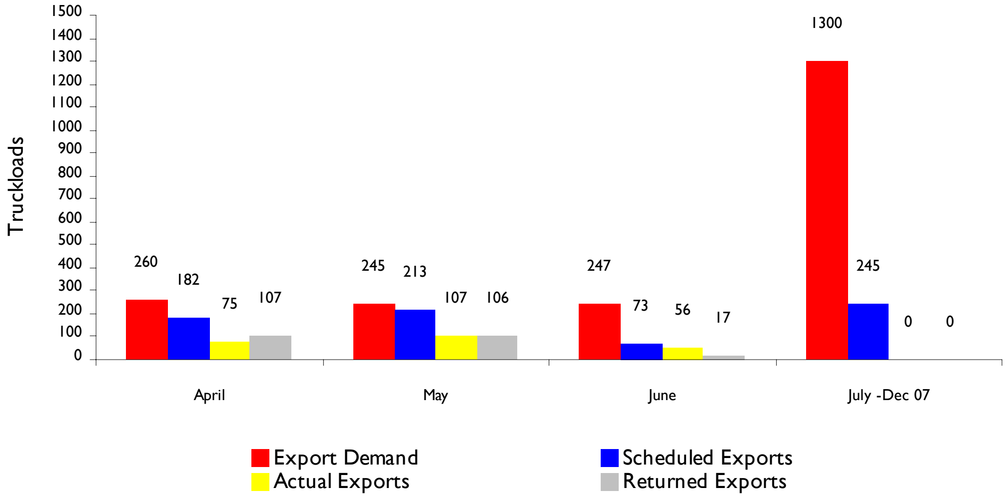


Figure (20) : Actual garment exports compared with the sector demand and the scheduled exports (April- Dec2007)

B

GARMENT SECTOR

B.2– Terminal Closure Impact:

Impact:

According to the SFOU, and as a result of the closure imposed on Gaza Strip, almost all of the garment workshops were temporarily shut down, and about 2,000 workers were laid off. The garment sector losses are estimated at $24 million as a direct potential export sales losses, in addition to the other indirect losses.

	Garment					
	Jun-05	Jul-07	Sep-07	Oct-07	Nov-07	Dec-07
Number of working establishments	600	48	10	5	8	1
Number of working employees	25,000	800	50	30	50	10
Re-located establishments	0	0	0	5	5	5
Export sales losses(US million dollar)	NA	12	15	20	22	24
Export (truckloads)	172	0	0	0	0	0

Coping Mechanisms:

1. Scaling down production and cutting cost by temporarily laying off employees.
2. Five businessmen re-located their businesses to another region such as (West Bank, Egypt, and Jordan).

C

CASH CROPS SECTOR

C.1- Export Performance:

Strawberries

The export season for strawberries starts from November 15 until February 15 (66 working days), the export capacity for strawberries is 2,300 tons in the season (600 truckloads) [the export capacity per day is 9 truckloads (3.85 tons per truck)]. The export trend of strawberries was increasing through the years 2000 – 2004; this increase was related to the expanded quota offered for Palestinian strawberries in the European markets, nevertheless, export volumes have declined in the year 2005 due to the imposed closure during the export season, but the year 2006 has witnessed an unprecedented increase in the export volumes, where most of the 2006 harvest was exported to Europe. The increase in the 2006 export volume is attributed to the prioritization given at AlMontar/ Karni terminal to agricultural produces.

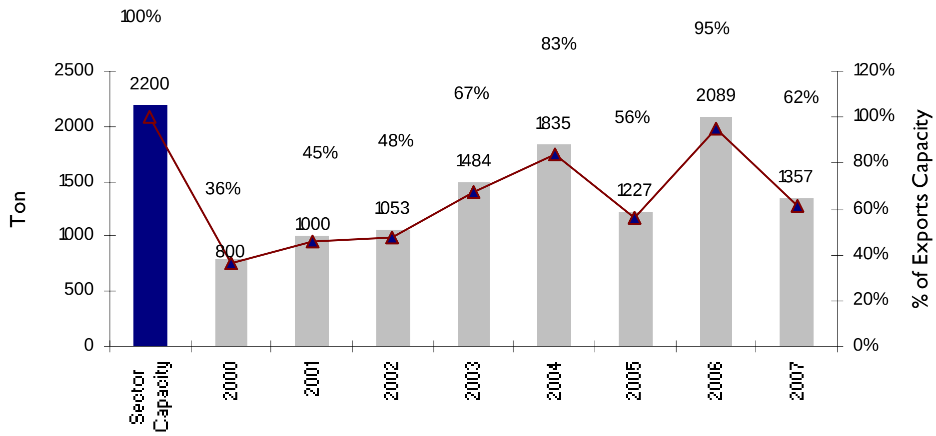


Figure (21) : Strawberries exports trends in comparison with the sector export capacity (2000 - 2007)

As for 2007, exports at the first quarter (exports of 2006-2007 season) were at average levels, where 1,248 tons have been exported during January and February, unfortunately, the exports volume at the last quarter of the year (2007-2008 season) were very disappointing, only 109 tons of strawberries have been exported in November and December .

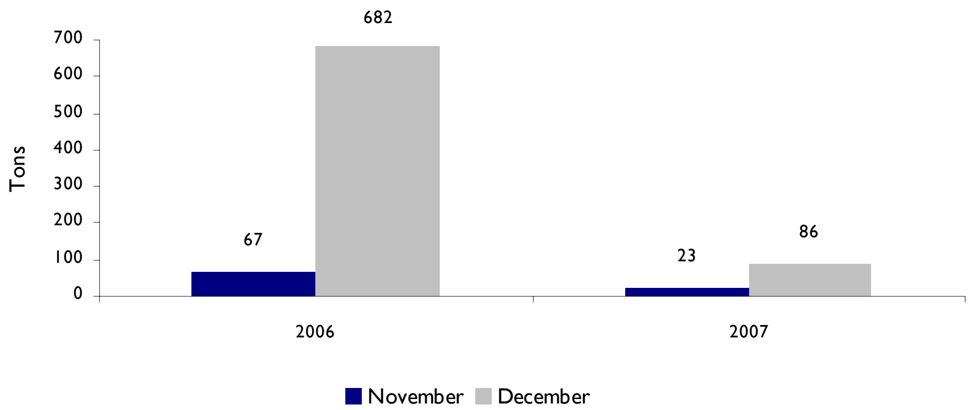


Figure (22) : A comparison between Strawberries exports in November –December of 2006 & 2007.

C

CASH CROPS SECTOR

C.1- Export Performance:

Cut Flowers

The cut flowers export season starts from November 15 until May 15 (132 working days), the cut flowers export capacity is 55 million flowers in the season (239 truckloads) [the export capacity per day is 1.8 truckloads (230,000 flowers)]. In the years 2000 and 2001, carnation exports were of the total capacity; however from the year 2002 to the year 2004 the cut flowers export volumes dropped from 96% to 80% of the total export capacity, export volumes in the years 2005 – 2006 were around 55% of the total export capacity, and that is attributed to the continuous closure of AlMontar/Karni terminal during 2005 and the beginnings of 2006 season (peak export period). As for 2007, the cut flowers exports were slightly below the average levels, where 24 million flowers have been exported.

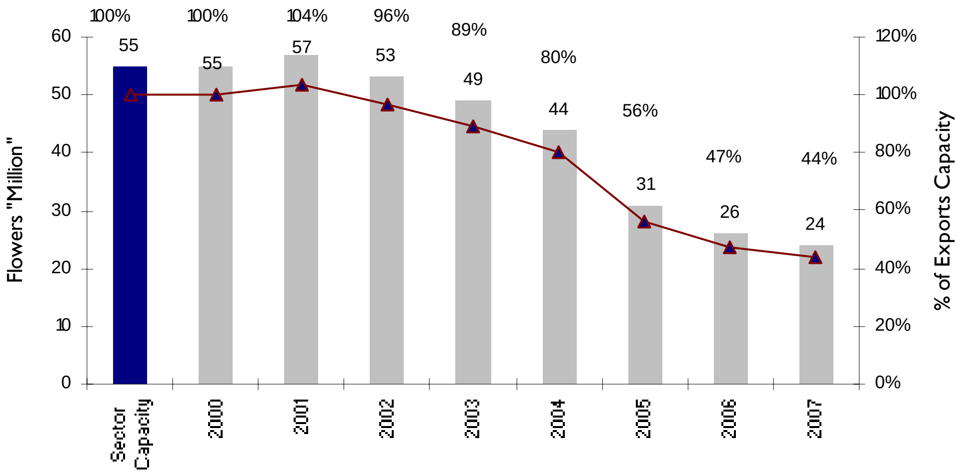


Figure (23) : Cut flowers exports trends in comparison with the sector export capacity (2000 - 2007)

E x p

CASH CROPS SECTOR

C.1- Export Performance:

Cherry Tomatoes

The cherry tomatoes planting started in the year 2002 in the Gaza Strip fields, and that was mainly related to the increasing demand for cherry tomatoes in the world markets. The Palestinian exports of cherry tomatoes started in the year 2002, were export volume of that season reached 231 tons, hence, the export capacity was increased afterwards to reach 904 tons in the year 2005, which is positively beyond the annual expected export capacity of 714 ton (223 truckloads) [the expected export capacity per day is 2.9 truckloads (3.2 tons per truck)]. The export season for cherry tomatoes regularly starts in November 15 until March 31, however, the harvest of 2006 season was extended to January 2007 due to some technical agricultural reasons, and therefore the overall performance of the year 2006 was below the average. As for 2007, exports at the first quarter (2006-2007 season) were at average levels, while due to the closure, nothing has been exported in last quarter of the year 2007. Noting that the expected export volume this season (2007-2008) is 500 tons.

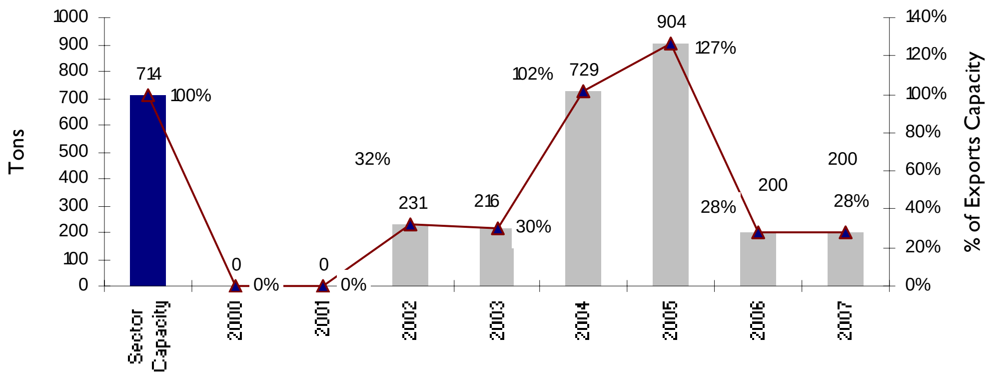


Figure (24) : Cherry tomatoes exports trends in comparison with the sector export capacity (2000 - 2007)

D

CONSTRUCTION SECTOR

D– Construction Sector

All the construction activities and projects in Gaza Strip are completely dependent on the entry of the construction materials from Israel. As a result of the closure, all the construction and development projects, including those for UNDP and UNRWA which are estimated at over US$116 million have been halted due to the absence of construction materials such as cement, steel and aggregates. Moreover, the construction-related industries such as tiles, blocks, ready-mix concrete production have been halted as well.

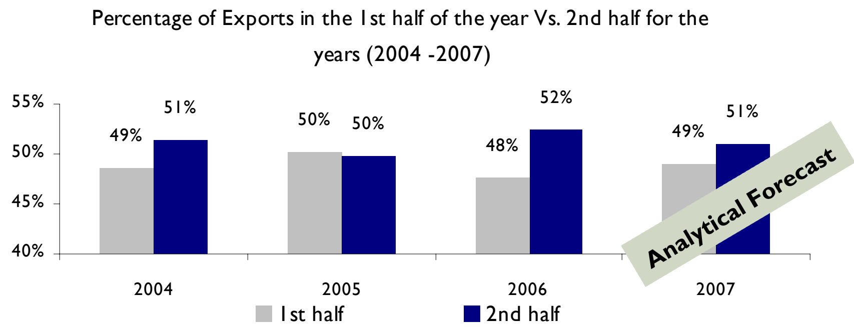
The halted projects due to the closure are estimated at approximately US$223million, and the laid off employees are about 42,000.

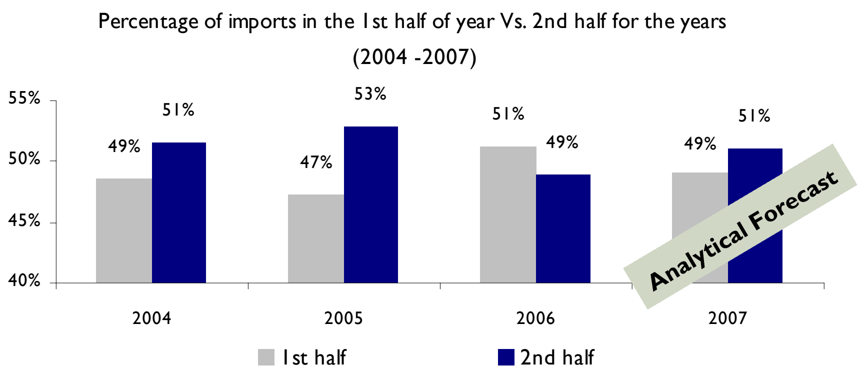
	Jan-07	Jul-07	Sep-07	Oct-07	Nov-07	Dec-07
Number of working establishments	120	50	7	5	5	0
Number of employed workers	42000	7000	70	50	50	0

CLOSING NOTE

IF...

A basic analysis for the cargo movement through AlMotar/ Karni terminal -in comparison to the last four years– would reveal an increasing trend for the movement levels at the first semester of 2007, projecting a high forecast for the movement in the second semester, which would indicate that: **if** the closure of June the 12th was not imposed, the terminal would have witnessed positive levels for cargo movement, which is above the trend line of the last four years in terms of exports, and similar to the observed import levels in the year 2005. The following analytical forecast was based on the averages of semi-annual trends for the last four years, for both the import and export levels, and as demonstrated in the following figures.





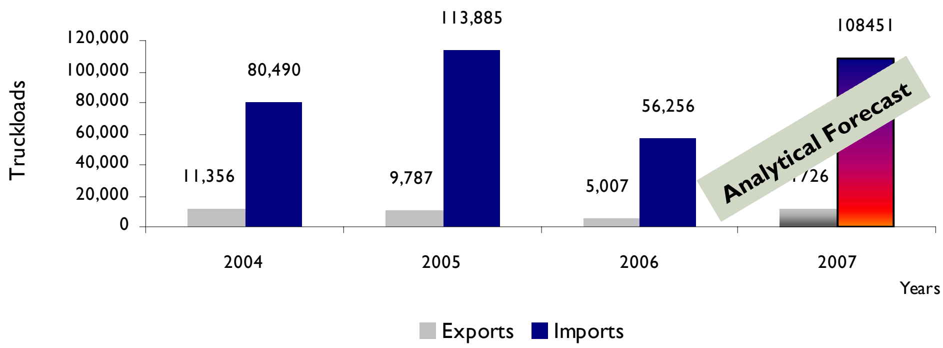


Figure (25): Truckloads movement (imports and exports) for AlMontar Terminal in the period Year2001-2007 (analytical forecast for 2007).

ANNEX I

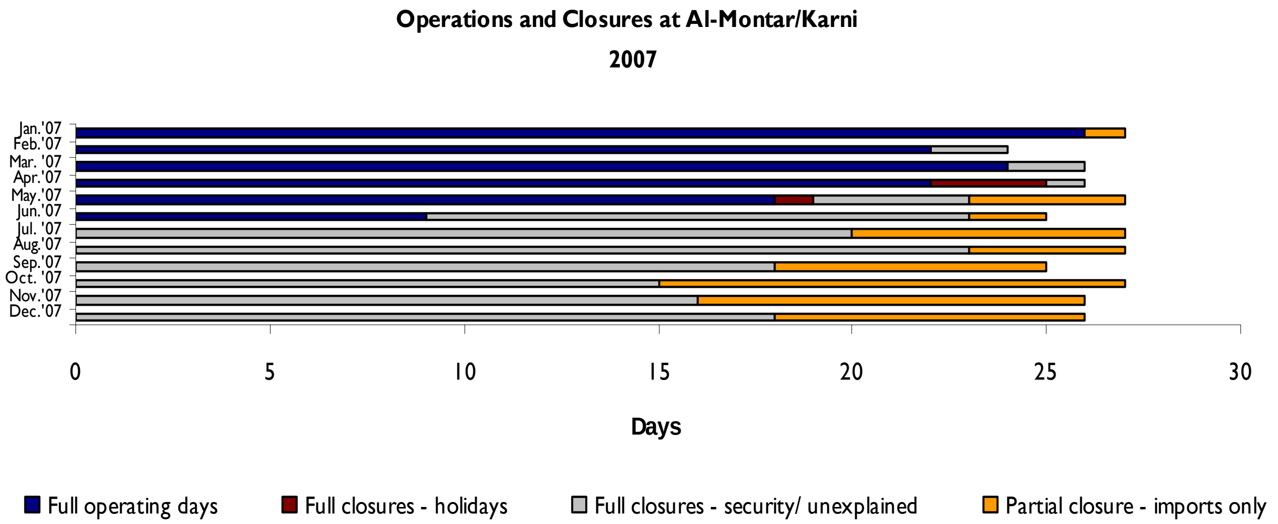
AlMontar /Karni Cargo Movement Statistics (2007)

Month	Exported Truckloads	Imported Truckloads	Empty Crates (Truckloads)	Empty Containers
Jan.'07	1250	10526	133	1040
Feb.'07	1239	8972	185	1555
Mar. '07	1139	9442	112	1330
Apr. '07	1173	11392	161	1176
May .07	630	8624	77	929
Jun.'07	315	4185	17	453
Jul. '07	0	348	0	0
Aug. '07	0	269	`0	0
Sep. '07	0	480	0	0
Oct. '07	0	738	0	0
Nov. '07	0	631	0	0
Dec.07	0	478	0	0

ANNEX 2

Operations and Closures at AlMontar / Karni (2007)

Month	Available operating days	Full operating days	Full closures - holidays	Full closures - security/ unex-plained	Partial closure - imports only	Partial closure - Exports only
Jan.'07	27	26	0	0	1	0
Feb.'07	24	22	0	2	0	0
Mar. '07	26	24	0	2	0	0
Apr.'07	26	22	3	1	0	0
May.'07	27	18	1	4	4	0
Jun.'07	25	9	0	14	2	0
Jul. '07	27	0	0	20	7	0
Aug.'07	27	0	0	23	4	0
Sep.'07	25	0	0	18	7	0
Oct. '07	27	0	0	15	12	0
Nov.'07	26	0	0	16	10	0
Dec.'07	26	0	0	18	8	0

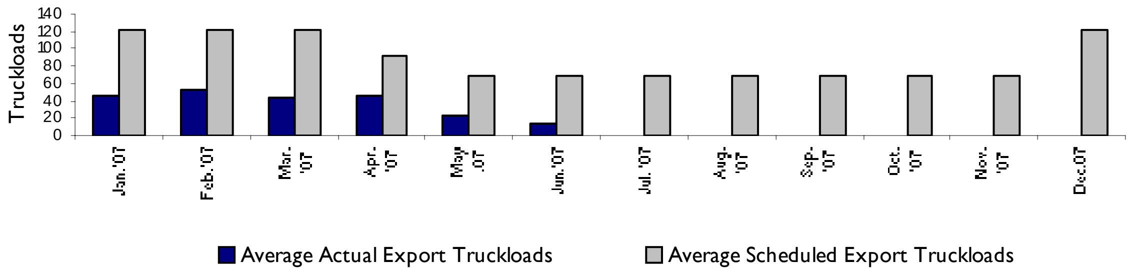


ANNEX 3

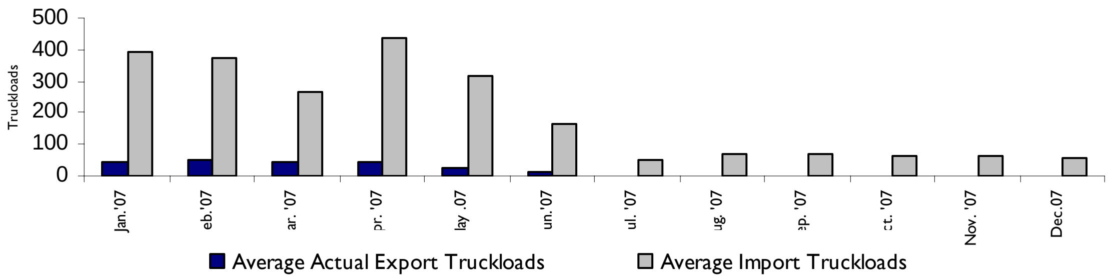
Average Daily Number of Scheduled & Actual Export Truckloads at AlMontar/ Karni (2007)

Month	Average Actual Export Truck-loads	Average Scheduled Export Truckloads	Average Import Truckloads
Jan.'07	46	121	390
Feb.'07	52	121	374
Mar. '07	44	121	263
Apr. '07	45	92	438
May .07	23	68	319
Jun.'07	13	68	167
Jul. '07	0	68	50
Aug. '07	0	68	67
Sep. '07	0	68	69
Oct. '07	0	68	62
Nov. '07	0	68	63
Dec.'07	0	121	60

Average Scheduled Vs. Actual Exports (Truckloads)



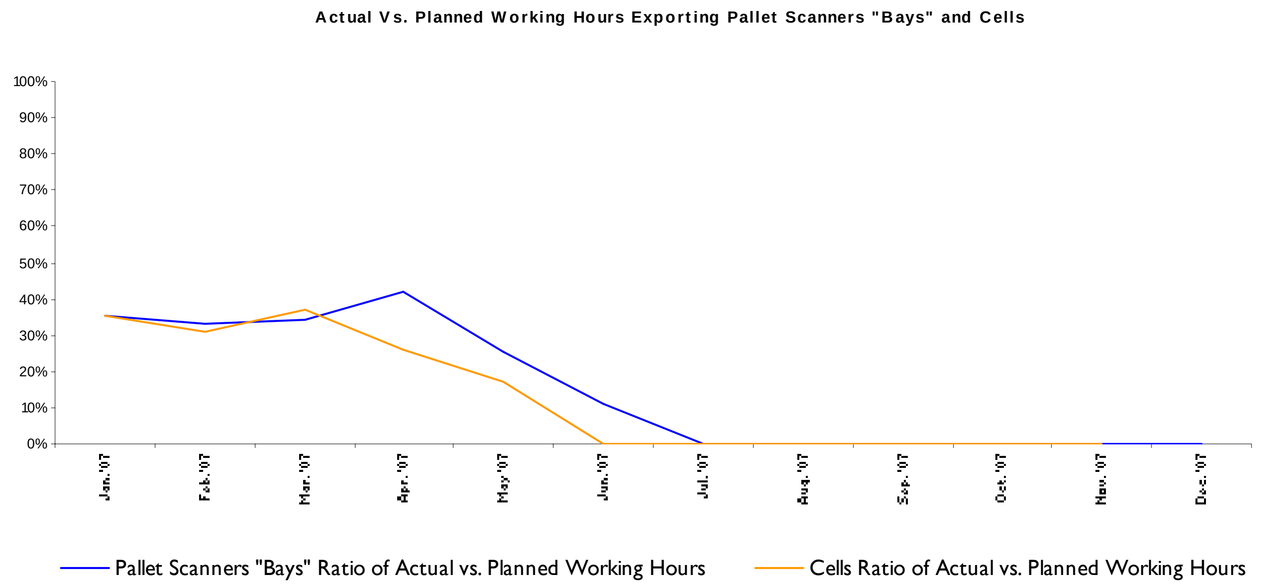
Average Actual Imports vs. Exports (Truckloads)



ANNEX 4

Actual Vs Planned Working Hours Exporting Pallet Scanners "Bays" and "Cells": AlMontar/Karni (2007)

Month	Actual Daily Working Hours (cargo)	Planned Daily Working Hours (cargo)	Pallet Scanners "Bays" Ratio of Actual vs. Planned Working Hours	Actual Daily Working Hours (cargo)	Planned Daily Working Hours (cargo)	Cells Ratio of Actual vs. Planned Working Hours
Jan.'07	32	91	35%	16	65	25%
Feb.'07	30	91	33%	23	65	35%
Mar. '07	31	91	34%	20	65	31%
Apr. '07	38	91	42%	24	65	37%
May .07	23	91	25%	17	65	26%
Jun.'07	10	91	11%	11	65	17%
Jul. '07	0	91	0%	0	65	0%
Aug. '07	0	91	0%	0	65	0%
Sep. '07	0	91	0%	0	65	0%
Oct. '07	0	91	0%	0	65	0%
Nov. '07	0	91	0%	0	65	0%
Dec.'07	0	91	0%	0	65	0%



ANNEX 5

Imports & Exports Through Sufa and Karem Abu Salem/ Kerem Shalom (2007)

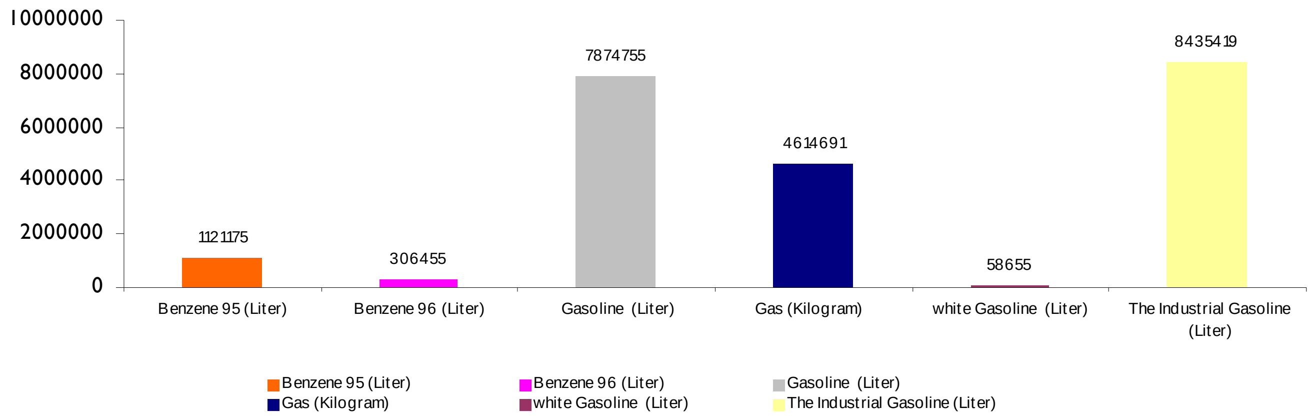
Month	Sufa			Karem Abu Salem/Kerem Shalom		
	Imports "Truckloads"			Imports"Truckloads"		Exports
	Aggregates	Commercial-Food *	Humanitarian Aids	Commercial	Humanitarian Aids	
Jan.'07	3455	0	0	0	87	0
Feb.'07	3257	0	0	0	87	0
Mar. '07	1034	0	0	0	97	0
Apr. '07	1335	0	0	0	68	0
May .07	1588	0	0	0	70	0
Jun.'07	0	131	28	91	100	0
Jul. '07	0	2547	449	180	110	0
Aug. '07	0	1689	108	348	60	8
Sep. '07	0	555	91	336	20	0
Oct. '07	0	383	117	499	43	0
Nov. '07	0	176	0	776	233	13
Dec.07	131	321	70	893	172	78
Total	10,800	5,802	863	3,123	1,147	99

* Note: The commercial goods are classified as humanitarian goods which consist of basic foods (e.g. wheat flour, rice, pulses, cooking oil), animals feed and medical equipments. The humanitarian aids delivered by UNWRA, the World Food Program (WFP), Red Cross, WHO, and others.

ANNEX 6 Fuel Imports Through Nahal Oz (2007)

Nahal Oz / Monthly Total Imports 2007	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
Benzene 95 (Liter)	1125080	1198530	1265180	1119360	1346960	963000	937110	1162780	945850	1118070	1151010	1232210
Benzene 96 (Liter)	397170	505690	403490	368010	381710	263510	158500	309430	319440	264050	0	0
Gasoline (Liter)	6628400	9159000	8535250	7955030	8083130	8672600	7079250	9171150	9225480	7021340	5091670	6312740
White Gasoline (Liter)	341400	0	0	0	168800	43000	92000	0	0	0	0	196000
The Industrial Gasoline (Liter)	8370290	9357000	7954260	7987830	8478100	7885380	8620410	7814000	10596710	8498830	7226800	7716700
Total Fuel	16862340	20220220	18158180	17430230	18458700	17827490	16887270	18457360	21087480	16902290	13469480	15457650
Gas (Kilogram)	5237930	6531320	4696970	4356000	4300480	3391110	4382170	3887100	3939240	5006800	5032480	3391330

Monthly Averages in 2007



Source:The Palestinian General Petroleum Company (PGPC), and Petroleum & Gas Station Owners Association-Gaza.

References & Sources:

- Ministry Of National Economy
- Ministry of Agriculture
- Ministry of Civil Affairs
- Ministry of Finance - Custom & Tax Department
- The Palestinian General Petroleum Company (PGPC)
- Petroleum & Gas Station Owners Association-Gaza
- United Nations Office for the Coordination of Humanitarian Affairs (OCHA)
- Agricultural Marketing Cooperatives/Associations
- Wood Industries Union (WIU)
- The Sewing Factory Owners Union (SFOU)
- The Borders and Passages General Department
- Informal sources