

SEMI-ANNUAL

Oct. 2007-Mar.2008



**Gaza Terminals
Movement Monitoring
October 2007-March 2008**

Published by PalTrade on: Apr. 7, 2008

**"Cargo Movement and Access Monitoring
and Reporting" Project**

October 1st, 2007 – October 30th, 2008

Contract No. 7144585



Financed by:
Norwegian Consultant Trust Fund



Under the supervision of:
The World Bank
(MNSD) Finance and Private Sector Unit

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SECTION I: GAZA TERMINALS PERFORMANCE

A. PERFORMANCE SUMMARY

As a result of the closure imposed on the Gaza Strip starting June 12, 2007: **AlMontar / Karni Terminal** was officially closed for both imports and exports. However the terminal re-opened on June 28, 2007 for limited imports of goods such as wheat and animals feed. Since then, **Sufa and Karem Abu Salem / Kerem Shalom Terminals** are used as alternative terminals for the limited imports of goods classified as humanitarian needs, which consist of basic food (e.g. wheat flour, rice, pulses, cooking oil), animal feed and medical equipment, in addition to humanitarian aids delivered by UNWRA, the World Food Program (WFP), Red Cross, WHO, and others. These commodities are distributed to pre-identified beneficiaries of these organizations. **Beit Hanoun/ Erez Terminals** is rarely used for entry of medical supplies (humanitarian aids). **Rafah** commercial operations were completely halted.

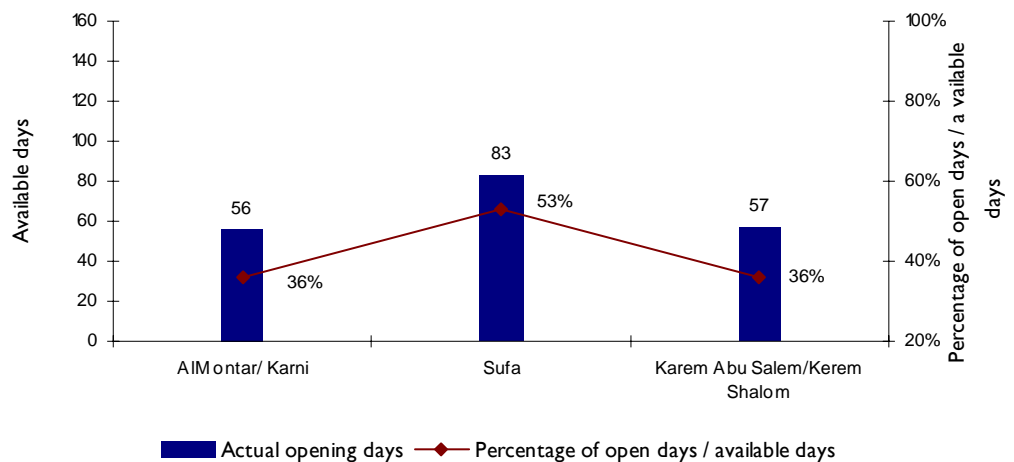
During the study period from October 2007-March 2008. **AlMontar / Karni Terminal** was opened sporadically for only 56 days to allow the crossing of 3,767 truckloads of grains into the Gaza Strip. **Sufa** was operated for 83 days to allow crossing of 3,192 truckloads of imports into the Gaza Strip. **Karem Abu Salem/Kerem Shalom crossing** was operated for 88 days to allow crossing of 3,882 truckloads into the Strip. **Nahal Oz Entry Point** was opened for imports of liquid fuels, however this period, insufficient fuel was flown into the Gaza Strip causing shortage in fuel supplies, where fuel supplies rate dropped by about 14%-38% of its monthly average, (approximately 18 million liter in the period from January to September 2007).

B. TERMINALS OPERATION (DAYS & HOURS)

AlMontar/Karni was opened for only 56 days with an average operation hours of 7 hours per day, Sufa terminal was opened for 83 days with an average operation hours of 5.5 hours per day, and Karem Abu Salem/Kerem was opened for only 56 days with an average operation hours of 5 hours per day.

Terminal	AlMontar/ Karni	Sufa	Karem Abu Salem/ Kerem Shalom
Available opening days	157 days	157 days	157 days
Actual opening days	56 days	83 days	88 days
Percentage of open days / available days	36%	53 %	36 %
Available opening hours/ per day	12 hours	9 hours	9 hours
Average actual opening hours/ per opened days	7 hours	5.5 hours	5 hours

The following chart shows the total operating days for each of AlMontar/Karni, Sufa, Karem Abu Salem/Kerem Shalom terminals and utilization percentage of the available days.



Figure(1): Operating Days for all Terminals from October 2007-March 2008.

C. EXPORT PERFORMANCE *

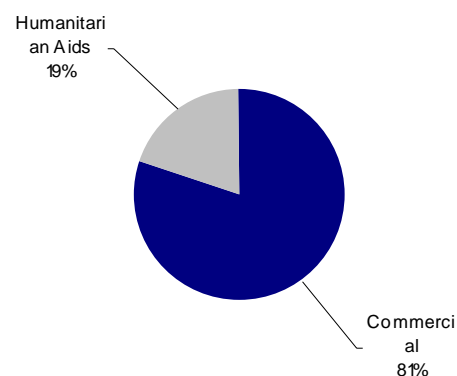
A total of 124 truckloads of agricultural crops, (43 truckloads of strawberries and 81 truckloads of carnation flowers), have been exported in November, December 2007, and January 2008 through Karem Abu Salem / Kerem Shalom crossing. The exports were halted in the mid of January due to the inadequacy of Karem Abu Salem/Kerem Shalom crossing infrastructure, which caused impairment of the produce quality.

Month	Commodity	Strawberries		Carnation Flowers	
		Truckloads	Tons	Truckloads	Quantity (Flowers)
November 2007		9	23	4	400,000
December 2007		34	86	44	5,239,583
January 2008		0	0	33	4,062,177
Total		43	109	81	9,301,760

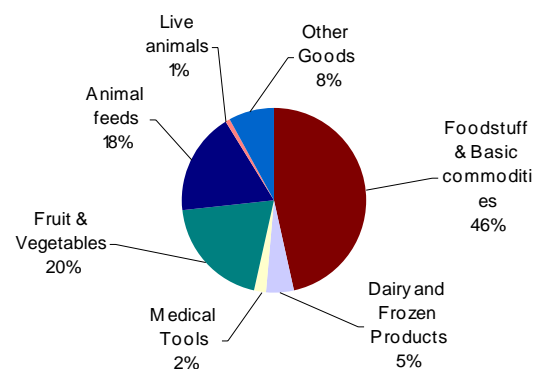
D. IMPORT PERFORMANCE *

A total of 10,841 truckloads was entered into the Gaza Strip, most of the imported goods were foodstuff including basic commodities (46%), fruits and vegetables (20%), animals feed (18%), and dairy and frozen products (5%). Of the imported goods, 19% were humanitarian aids and 81% were commercial goods that are classified as humanitarian needs for the people in Gaza Strip.

	AlMontar/ Karni	Sufa	Karem Abu Salem/Kerem Shalom	Total
Total imports (truckloads)	3 767	3 192	3 882	10 841
Percentage of total imports	35%	29%	36%	100%



Figure(2): Commercial goods Vs Humanitarian aids at all terminals (October 2007 –March2008).



Figure(3): Imported goods through all terminals in (October 2007 –March2008).

* Export term is used for shipments that cross out of the Gaza Strip through any of the official trade terminal, regardless of destination. Import term is used for shipments that cross into the Gaza Strip through any of the official trade terminal, regardless of origin.

E. TERMINALS PERFORMANCE TRENDS

E.1- AIMontar/Karni Terminal

Statistical trend for the months from October 2007 to March 2008 shows that no **export** have taken place at all. The **import** levels dropped from November 2007 until January 2008, and increased in February and March 2008. In terms of **operation days**, the trend was fluctuating between 7 and 12 operating days.

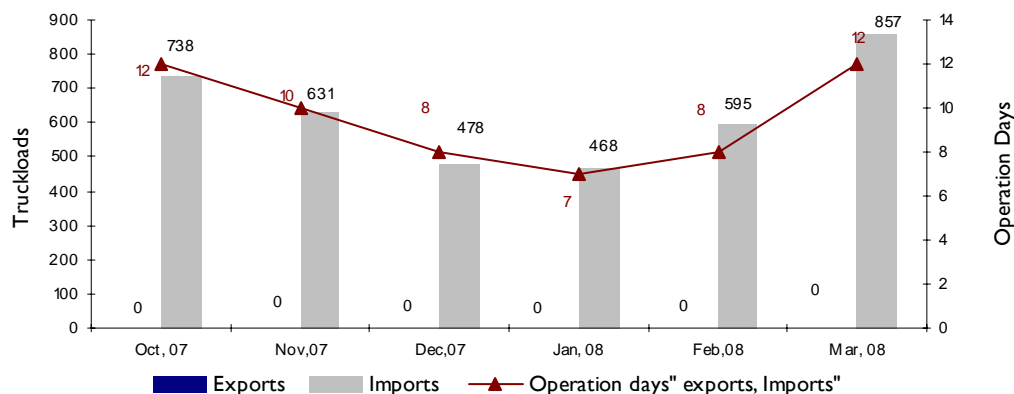


Figure (4): Trade activity and operation days at AIMontar/Karni terminal (October 2007 - Mar 2008)

E.2- Sufa Terminal

Between October 2007 and March 2008, the **import** levels were fluctuating from October 2007 to January 2008, increased in February. With regard to **operation days**, the trend was slightly fluctuating from October 2007 to January 2008 and increased in February and March 2008.

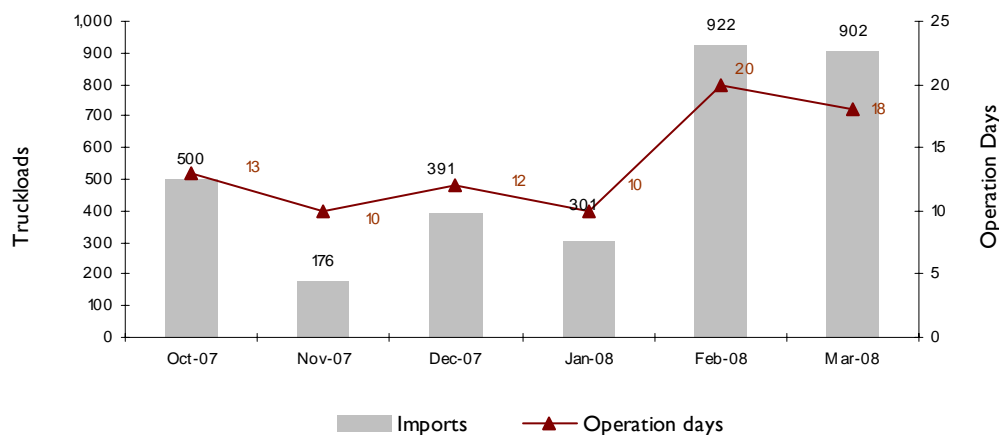
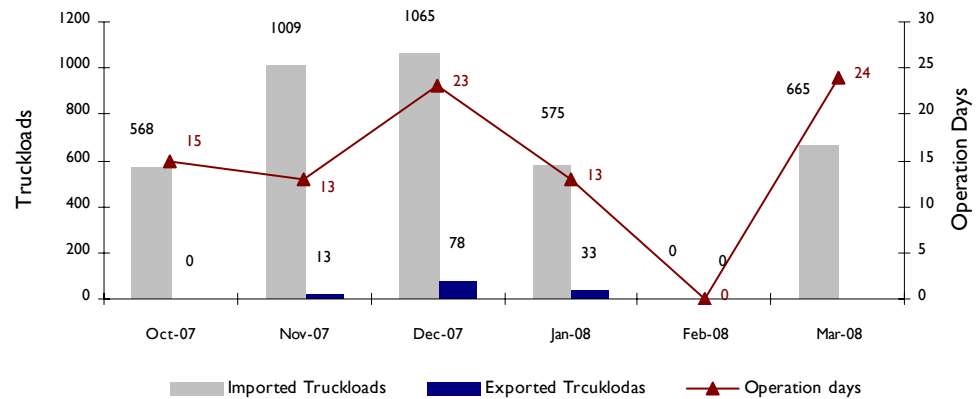


Figure (5): Trade activity and operation days at Sufa terminal (October 2007- Mar 2008)

E.3-Karem Abu Salem/ Kerem Shalom Crossing

During the study period from October 2007 to March 2008, the **imports** trend was increasing in December, and drastically dropped in January 2008, totally halted in February, and resumed in March. With regard to **exports**, 13 truckloads of cash crops (strawberries and flowers) were exported in November 2007, 78 truckloads in December, and 33 truckloads were exported in January 2008. No export activities were reported ever since. With regard to **operation days**, the trend was fluctuating.



Figure(7): Trade activity and operation days trend at Karem Abu Salem/Kerem Shalom (October 2007 - March2008).

F- Nahal Oz Entry Point Performance

F.1- Terminal Operation (Days & Hours)

Nahal Oz	October2007-March2008	Notes
Available opening days	157days	
Actual opening days	144 days	
Available opening hours/ per day	9 hours	
Average actual opening hours/ per opened days	7 hours	

F.2- Imports

A total of 106,467,885 liter of fuel, and 33,962,380 Kg of gas were imported to Gaza strip through Nahal Oz entry point; about 56.5% of the imported fuel was industrial diesel needed for the power generation station, 36% diesel, 5% benzene95, 2% benzene 96 and 0.5% white gasoline. Since the destruction of the industrial gasoline pipes during an IF operation, benzene 96 pipes has been used for entry of the industrial gasoline, which is crucial for the power generation station. As a result, the import of benzene 96 has been halted for the fifth consecutive month.

F.3- Terminal Trends

During October 2007 - March 2008, the import levels of the **fuel** were decreasing below its average levels (approximately 18 million liter in the period from January to September 2007). The fuel imports dropped by about 25% of its average in November 2007, 14% in December, 20% in January 2008, 38% in February, and 25% in March causing a fuel crisis in the Gaza Strip. The import levels of the **gas** has dropped in December 2007 to its lowest level causing a shortage in the gas supply in Gaza Strip but the gas supply increased in the recent months.

Fuel Type	Nahal Oz / Monthly Total Imports 2007- 2008					
	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
Benzene 95 (Liter)	1118070	1151010	1232210	650125	283450	343020
Benzene 96 (Liter)	264050	0	0	0	0	0
Gasoline /Diesel (Liter)	7021340	5091670	6312740	5058620	2794960	3784020
White Gasoline (Liter)	0	0	196000	0	192000	0
The Industrial Gasoline (Liter)	8498830	7226800	7716700	8594,750	8184860	9665180
Total Fuel	16902290	13469480	15457650	14303495	11455270	13792220
Gas (Kilogram)	5006800	5032480	3391330	4966770	5351570	6274190

Gasoline & Benzene Trends

With regard to gasoline import trends for the period between October 2007 and march 2008, the import levels were steeply decreasing, and reached the lowest averages in February and March. With regard to the benzene supply, which is mainly used for the private cars; it dropped drastically in January, February, and March.

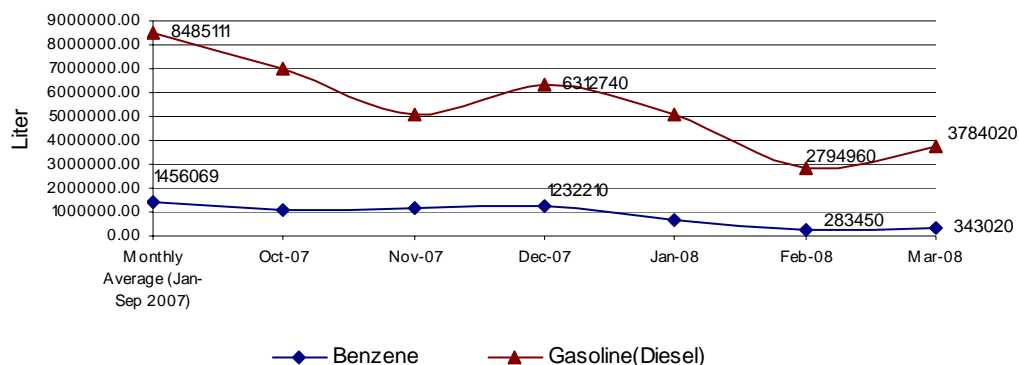


Figure (7) : Gasoline and benzene imports through Nahal Oz entry point (October 2007– March 2008)

F.4- Consumption Levels and Reserve

The reduction of fuel supplies started at the end of October 2007, as part of the sanctions imposed on Gaza Strip by the Government of Israel, and has been accelerated in the last two weeks of January 2008 to reach unprecedented levels in February, as gasoline dropped by approximately 67% of the monthly averages, and benzene steeply dropped by about 80% of its normal monthly averages. Despite of the slight increase in March compared with February, gasoline and benzene supplies were insufficient to meet the daily demand, causing a fuel crisis in Gaza Strip.

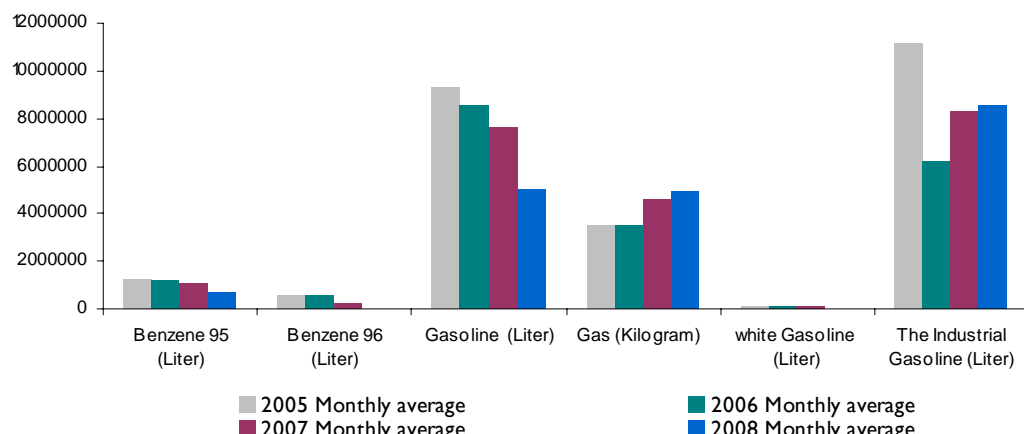


Figure (8): monthly Average of Imported Fuel through Nahal Oz during the period of 2005-2008

SECTION 2: SECTORS PERFORMANCE

A- Closure Impact On Key Sectors

According to the related Industrial Associations, import and export operations were not allowed for industrial products since the mid of June 2007 and this in turn resulted in a suspension of 96% of industrial sector operations, and laying off about 33,500 workers. The table below summarizes the impact of the closure on the industrial sector:

Indicators	Industrial Sector in Gaza 2007-2008						
	June 2005	July 2007	Nov 2007	Dec 2007	Jan 2008	Feb 2008	Mar 2008
Working Establishments	3,900	780	250	195	150	150	130
Working Employees	35,000	4,200	2000	1,750	1500	1500	1300
Exports from Gaza (truckloads)	748	0	0	0	0	0	0

The Cash Crops sector was rigorously affected by the closure. According the Agricultural Associations, the direct losses are estimated at \$15 million, and about 7500 workers were laid off. The table below summarizes the impact;

Product	Workers	Average Season Export Demand		Accumulative Actual Exports (Until March)		Direct losses \$Million
		Quantity	Truckloads	Quantity	Truckloads	
		Strawberries	4,500	2500 tons	650	
Cut Flower (Carnation)	1,000	53 million flowers	265	9,301,760 flowers	81	6.5
Cherry Tomatoes	2,000	500 tons	116	0 tons	0	1.5
Total	7,500		1031		124	15

B– Terminals Closure Impact on Furniture Sector:

According to the Wood Industries Union (WIU), and as a result of the closure, the furniture sector suffered considerable losses of about \$20 million as direct export sales losses, and about 96% 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	Jan-08	Feb-08	Mar-08	
Number of working establishments	600	120	50	40	30	25	25	25	25	
Number of working employees	6,500	550	220	120	90	75	75	75	75	
Relocated establishment	0	0	0	3	3	3	3	3	3	
Export sales losses (US million dollar)	NA	8	10	12	14	17	17	20	20	
Export (truckloads)	168	0	0	0	0	0	0	0	0	

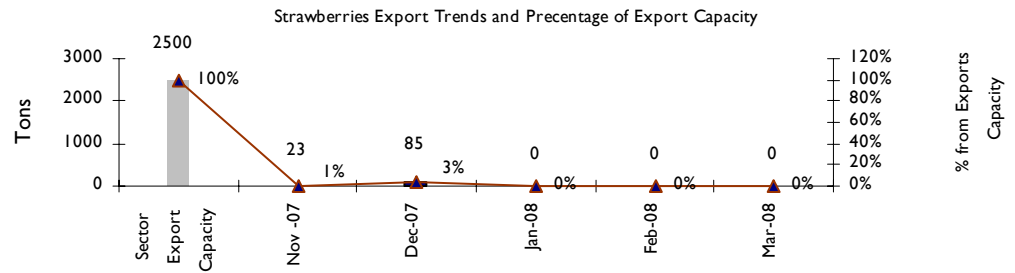
C– Terminals Closure Impact on Garment Sector:

According to the Sewing Factories Owners' Unions (SFOU), and as a result of the closure, the garment sector is totally paralyzed, where its losses are estimated at US\$26 million as direct export sales losses.

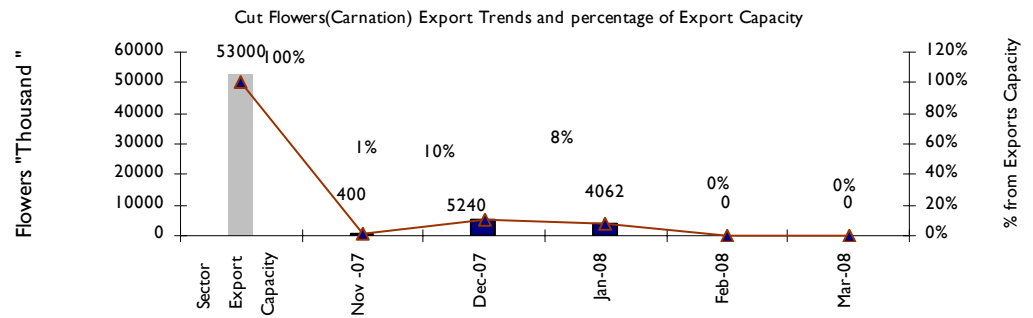
	Garment									
	Jun-05	Jul-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-8	
Number of working establishments	600	48	10	5	8	1	0	0	0	
Number of working employees	25000	800	50	30	50	10	0	0	0	
Relocated establishments	0	0	0	5	5	5	5	5	5	
Export sales losses(US million dollar)	NA	12	15	20	22	24	26	26	26	
Export (truckloads)	172	0	0	0	0	0	0	0	0	

D- Terminals Closure Impact on Cash Crops Sector:

The expected export capacity of strawberries and cut flowers (carnation) in 2007/ 2008 season were estimated at 2500 tons and 53 million flowers respectively. So far, only 109 tons of strawberries and 9.3 million flowers were exported, the strawberries producers stopped exporting the crops on December 6, 2007 due to the inadequacy of the Karem Abu Salem / Kerem crossing infrastructure that impairs the quality of the produce. In order to export the season's crops, the monthly average of strawberries exports has to reach approximately 835 tons, and the monthly export average of carnation flower has to reach approximately 10 million flowers.



Figure(9): Strawberries expected exports vs. the actual exports in 2007 season(Nov 15 - Feb 15).



Figure(10): Cut flower (Carnation) expected exports vs. the actual exports in 2007-2008 season (Nov15-May15)

E- Terminals Closure Impact on Construction Sector

As a result of the closure, all the construction and development projects, including those for UNDP and UNRWA which are valued at more than US\$116 million, were halted due to the absence of construction materials such as cement, metal, and aggregates, in addition to the infrastructure projects. Moreover, the construction-related industries such as tiles, blocks, ready-mix concrete, infrastructure, etc. were also halted.

The halted projects -due to the closure- are estimated at US\$240 million, and the laid off construction employees were about 42 thousand employees.

	Jan-07	Jul-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
Number of working establishments	120	50	7	5	5	6	0	0	0
Number of employed workers	42000	7000	70	50	50	60	0	0	0

ANNEX I**Gaza 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

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; it 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); it 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.



ANNEX 2

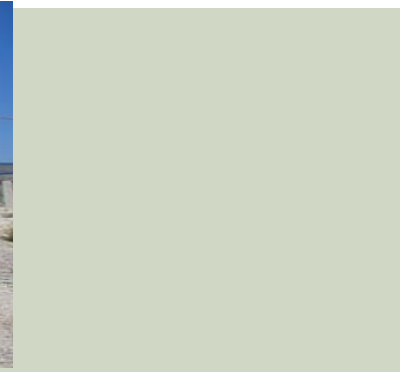
Project Overview

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).



Trade Activity and Operation at Karem Abu Salem/ Kerem Shalom, Sufa , and AIMontar/ Karni Terminals (October2007– January2008)

Month	Karem Abu Salem/Kerem Shalom			Sufa		AIMontar/ Karni	
	Imports Truckloads	Exports	Operation Days	Imports Truckloads	Operation Days	Imports Truckloads	Operation Days
Oct. '07	568	0	15	500	13	738	12
Nov. '07	1009	13	13	176	10	631	10
Dec.07	1065	78	23	391	12	478	8
Jan.08	575	33	13	301	10	468	7
Feb.o8	0	0	0	922	20	595	8
Mar.08	665	0	24	902	18	857	12
Total	3882	124	88	3,192	83	3,767	56

References & Sources:

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