OCHA-oPt Socio-Economic Fact Sheet

April 2008

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Socio-Economic Indicators
Occupied Palestinian Territory

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Demographics

Population in the oPt, divided into West Bank, Gaza Strip and the governorates

Table 1

Year	Population					
2007	occupied Palestinian territory	3,761,646	West Bank	2,345,107	Bethlehem	176,515
					Hebron	551,130
					Jenin	256,212
					Jericho	41,724
					Jerusalem	362,521
					Nablus	321,493
					Qalqiliya	91,046
					Ramallah	278,018
					Salfit	59,464
					Tubas	48,771
					Tulkarm	158,213
			Gaza Strip	1,416,539	Gaza	496,410
					Gaza North	270,245
					Khan Yunis	137,577
					Deir El-Balah	103,606
					Rafah	87,465

Source: Palestinian Central Bureau of Statistics (PCBS). Population, housing and establishment Census-2007 Press Conference of the Preliminary findings. February 2008

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Workforce statistics

Unemployment definition:

1) According to International Labour Organization (ILO) standards: unemployment captures unemployed persons who are 15 years and above, do not work at all, are not absent from a job and available for work, and are actively seeking a job in the week-long period, during which the survey is carried out.

2) According to the relaxed definition: unemployment adds the total number of unemployed people to the number of people currently not engaged in active job search but willing to work (known as 'the discouraged').

a) Unemployment in the oPt, West Bank and Gaza Strip

Table 2

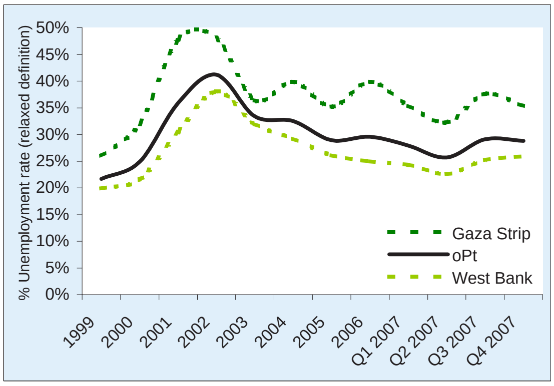
Unemployment (relaxed definition)			
Year	oPt	West Bank	Gaza Strip
1999	21.7%	19.9%	26.0%
2000	24.9%	21.6%	32.0%
2001	35.9%	30.4%	47.8%
2002	41.2%	38.1%	48.1%
2003	33.4%	32.0%	36.4%
2004	32.5%	29.2%	39.9%
2005	28.9%	26.1%	35.2%
2006	29.6%	25.0%	39.9%
Q1 2007	27.9%	24.3%	35.4%
Q2 2007	25.7%	22.6%	32.3%
Q3 2007	29.1%	25.2%	37.6%
Q4 2007	28.8%	25.9%	35.3%

Table 3

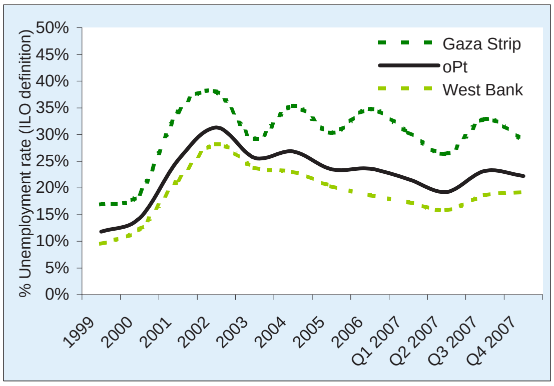
Unemployment (ILO definition)			
Year	oPt	West Bank	Gaza Strip
1999	11.8%	9.5%	16.9%
2000	14.3%	12.3%	18.9%
2001	25.2%	21.5%	34.2%
2002	31.3%	28.2%	38.0%
2003	25.6%	23.8%	29.2%
2004	26.8%	23.0%	35.4%
2005	23.5%	20.3%	30.3%
2006	23.6%	18.6%	34.8%
Q1 2007	21.6%	17.3%	30.4%
Q2 2007	19.2%	15.8%	26.4%
Q3 2007	23.2%	18.6%	32.9%
Q4 2007	22.2%	19.2%	29.0%

Source: Palestinian Central Bureau of Statistics (PCBS). Various labour force surveys (LFs).
Figures in red indicate higher percentages of unemployment, chosen to exceed 25% for easy readinç

Unemployment (relaxed definition) from 1999-Q4 2007



Unemployment (ILO definition) from 1999-Q4 2007



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b) Unemployment by governorate (ILO definition)

Table 4

Year	Region	Employment by economic activity (out of total employed): Agriculture, Forestry and Fishing	Manufacturing	Construction	Commerce / Hotels	Transport / storage	Services (including PA employees)	PA employees
Q3 2000	West Bank*	11.3%	16.1%	24.2%	18.7%	5.1%	24.6%	12.8%
	Gaza Strip	16.2%	12.3%	15.9%	13.2%	4.4%	38.0%	28.5%
	oPt	12.7%	15.0%	21.7%	17.1%	4.9%	28.6%	17.4%
Q3 2007	West Bank	16.1%	15.4%	14.8%	19.7%	5.4%	28.6%	15.4%
	Gaza Strip	12.7%	5.8%	3.7%	18.7%	6.9%	52.2%	40.2%
	oPt	15.1%	12.8%	11.6%	19.5%	5.8%	35.2%	22.3%
Q4 2007	West Bank	15.9%	15.0%	13.9%	20.0%	5.0%	30.2%	15.0%
	Gaza Strip	13.9%	5.5%	1.5%	19.0%	7.9%	52.2%	41.1%
	oPt	15.3%	12.3%	10.4%	19.7%	5.9%	36.4%	22.5%

Source: PCBS. Q3 2000, Q3&Q4 2007 labour force surveys.

* West Bank figures include East Jerusalem

Tables 2-5: Since the beginning of the second Intifada in late 2000, unemployment has fluctuated in all governorates, however, it has remained higher than before the Intifada. The increase in unemployment rate in the oPt is mainly stimulated by the external and internal closure regime Israel has imposed on the oPt.

External closures restrict the access of Palestinian workers to jobs in Israel. They also cripple the economy by limiting the free flow of exports and imports, thus affecting the availablility of jobs.

Internal closures in the West Bank have caused an economic decline, contributing to an increase in unemployment rates. The closures have forced transportation costs to go up and limited the access of workers to better jobs within the West Bank. This has particularly affected marginalised and remote areas where unemployment is high. In addition to closures, both Palestinian-Israeli violence and internal violence have created an environment discouraging investment and limiting the capacity of the local labour market to create jobs.

Table 5

Year	Unemployment in the Gaza Strip (ILO definition): Gaza	Gaza North	Khan Yunis	Middle Area	Rafah
1999	13.3%	14.8%	19.4%	22.6%	19.2%
2000	17.5%	16.3%	20.6%	22.6%	19.5%
2001	32.4%	34.8%	36.6%	34.3%	34.5%
2002	36.1%	37.1%	38.5%	39.9%	41.2%
2003	27.8%	27.7%	32.1%	31.5%	28.2%
2004	32.8%	36.6%	38.2%	36.9%	35.2%
2005	26.8%	33.6%	31.2%	35.1%	29.0%
2006	33.3%	39.0%	36.1%	35.0%	30.2%
Q1 2007	37.9%	36.0%	40.9%	39.1%	37.3%
Q2 2007	20.2%	27.5%	30.4%	33.4%	24.0%
Q3 2007	28.6%	36.4%	37.8%	32.0%	31.5%
Q4 2007	23.0%	32.0%	34.2%	30.8%	29.6%

Source: PCBS. Various labour force surveys.
Figures in red indicate higher percentages of unemployment, chosen to exceed 25% for easy reading.

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c) Employment distributed by economic activity

Table 6

Year	Region	Agriculture, Forestry and Fishing	Manufacturing	Construction	Commerce / Hotels	Transport / storage	Services (including PA employees)	PA employees
		Employment by economic activity (out of total employed)						
Q3 2000	West Bank*	11.3%	16.1%	24.2%	18.7%	5.1%	24.6%	12.8%
	Gaza Strip	16.2%	12.3%	15.9%	13.2%	4.4%	38.0%	28.5%
	oPt	12.7%	15.0%	21.7%	17.1%	4.9%	28.6%	17.4%
Q3 2007	West Bank	16.1%	15.4%	14.8%	19.7%	5.4%	28.6%	15.4%
	Gaza Strip	12.7%	5.8%	3.7%	18.7%	6.9%	52.2%	40.2%
	oPt	15.1%	12.8%	11.6%	19.5%	5.8%	35.2%	22.3%
Q4 2007	West Bank	15.9%	15.0%	13.9%	20.0%	5.0%	30.2%	15.0%
	Gaza Strip	13.9%	5.5%	1.5%	19.0%	7.9%	52.2%	41.1%
	oPt	15.3%	12.3%	10.4%	19.7%	5.9%	36.4%	22.5%

Source: PCBS. Q3 2000, Q3&Q4 2007 labour force surveys.

* West Bank figures include East Jerusalem

Table 6: The most significant trend since the beginning of the second intifada has been the decrease in employment in the construction sector and the increase in employment in the service sector, particularly in the governmental sector. In addition, there has been a slight drop in employment in manufacturing and an increase in employment in the agricultural and commerce sectors.

In the West Bank, workers have increasingly reverted to agriculture as fewer jobs are available in other sectors. Family members in particular tend to engage in the olive harvest in the third quarter of each year.

The increase in employment in the Palestinian governmental sector is part of the PA's policy aimed at reducing unemployment.

d) Employment distributed by status

Table 7

Year	Wage employees (including private and public sector)	Employer	Unpaid family members	Self-employed
	Employment by status in the oPt			
Q3 2000	67.6%	4.4%	9.9%	18.1%
Q3 2007	59.6%	4.2%	12.7%	23.5%
Q4 2007	60.5%	4.3%	11.9%	23.3%

Source: PCBS. Various labour force surveys.

Table 7: The reason for the main trend in the distribution of employment by status is that the number of employers and paid employees is decreasing whilst the number of self-employed and unpaid family members is increasing. This trend seems to be characterised by an increase in more traditional, family-based, low-skilled and less capital-intensive activities, such as agriculture and commerce. However, this comes at the expense of higher capital-intensive activities such as industrial work.

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e) Employment distributed by economic sector

Table 8

Year	Region	Employment by sector (out of total employed) Public	Private	Israel and the settlements	Other sectors
1999	West Bank	12.7%	58.5%	25.8%	3.0%
	Gaza Strip	27.3%	52.5%	15.7%	4.5%
	oPt	16.9%	56.8%	22.9%	3.4%
2000	West Bank	13.9%	61.1%	22.2%	2.8%
	Gaza Strip	31.4%	51.0%	12.7%	4.9%
	oPt	18.9%	58.2%	19.5%	3.4%
2001	West Bank	15.7%	63.0%	17.9%	3.4%
	Gaza Strip	41.5%	50.0%	1.9%	6.7%
	oPt	22.3%	59.7%	13.8%	4.2%
2002	West Bank	17.4%	64.9%	13.3%	4.3%
	Gaza Strip	36.8%	54.3%	2.5%	6.4%
	oPt	22.8%	62.0%	10.3%	4.9%
2003	West Bank	15.4%	67.9%	12.5%	4.2%
	Gaza Strip	30.6%	61.3%	3.1%	4.9%
	oPt	20.1%	65.9%	9.7%	4.4%
2004	West Bank	16.0%	68.7%	11.5%	3.8%
	Gaza Strip	37.1%	55.7%	1.1%	6.1%
	oPt	21.8%	65.1%	8.7%	4.4%
2005	West Bank	15.9%	66.9%	13.7%	3.4%
	Gaza Strip	38.0%	55.5%	0.4%	6.1%
	oPt	22.2%	63.7%	9.9%	4.2%
2006	West Bank	16.1%	67.2%	13.0%	3.7%
	Gaza Strip	41.5%	50.9%	0.1%	7.4%
	oPt	22.8%	63.0%	9.6%	4.7%
2007 Q1	West Bank	16.5%	65.9%	13.8%	3.8%
	Gaza Strip	38.7%	53.7%	0.0%	7.6%
	oPt	22.9%	62.4%	9.8%	4.9%
2007 Q2	West Bank	16.2%	68.0%	11.9%	3.8%
	Gaza Strip	36.1%	56.0%	0.0%	7.9%
	oPt	21.9%	64.6%	8.5%	5.0%
2007 Q3	West Bank	15.4%	68.0%	12.9%	3.7%
	Gaza Strip	40.2%	51.8%	0.0%	8.0%
	oPt	22.3%	63.5%	9.3%	4.9%
2007 Q4	West Bank	15.0%	67.2%	14.1%	3.7%
	Gaza Strip	41.1%	53.2%	0.0%	5.7%
	oPt	22.5%	63.2%	4.3%	10.0%

Source: PCBS. Various labour force surveys

* All West Bank figures include East Jerusalem.

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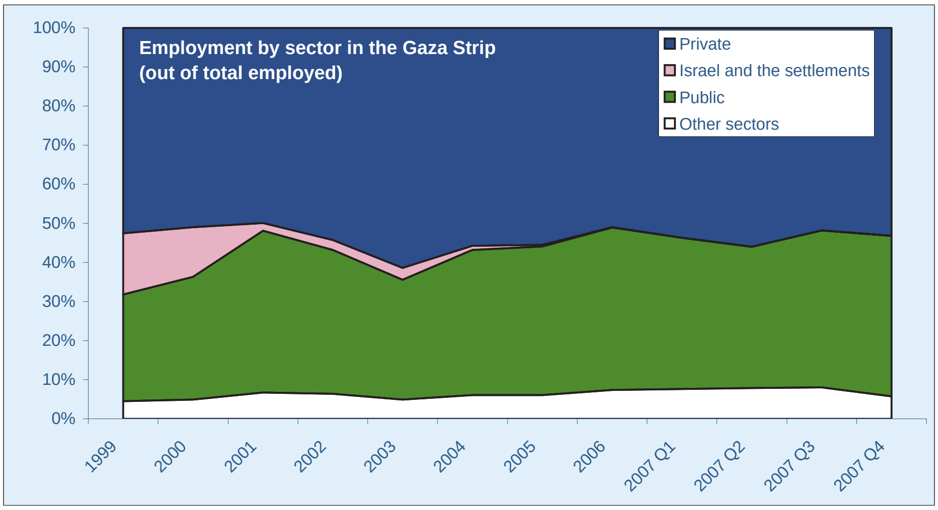
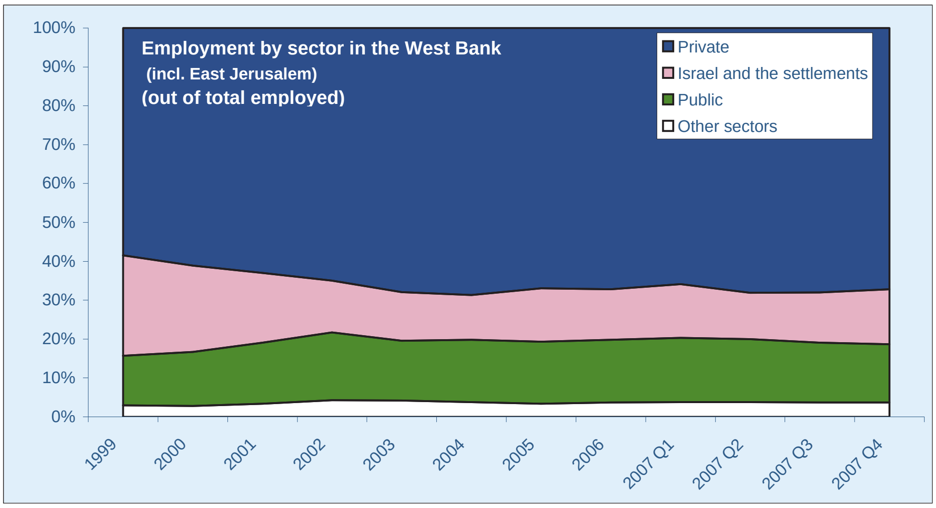
Table 8: Since the beginning of the second Intifada, the percentage of those employed in the public and private sectors has increased, out of those total employed in the oPt, whilst the percentage of those employed in Israel and the settlements has dropped substantially.

Private employment in the West Bank has surged, which is mainly due to the increase in employment in the agricultural sector. Private employment in the Gaza Strip hardly increased due to the severity of the external closures imposed on imports and exports, which have tightened further since June 2007.

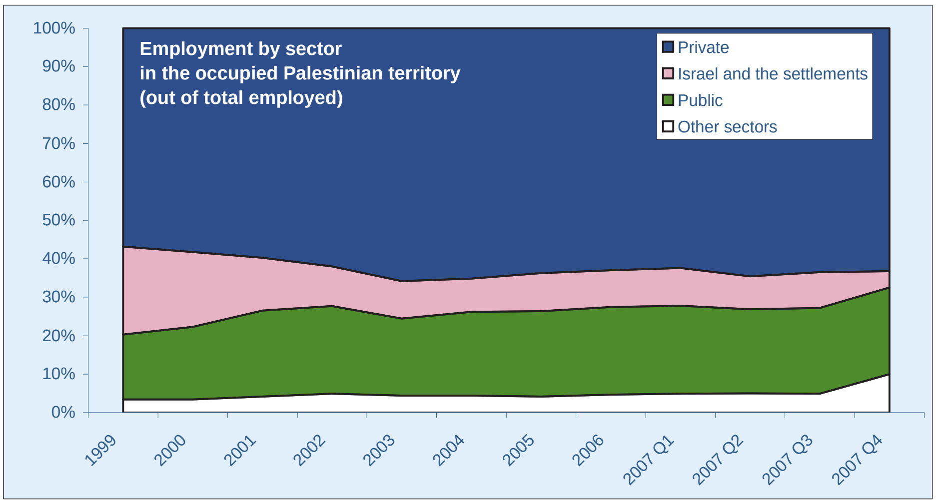
Employment by economic sector in the Gaza Strip from 1999-Q4 2007



Employment by economic sector in the West Bank from 1999-Q4 2007



Employment by economic sector in the oPt from 1999-Q4 2007



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Poverty

Poverty definition:

The PCBS has developed two poverty lines according to the actual spending patterns of a Palestinian average household of six individuals. The first line is the "absolute (deep) poverty line" that reflects a budget for food, clothing and housing. The second line is the "relative poverty line" that adds other necessities such as health care, education, transportation, personal care (i.e. cosmetics, hairdresser and other hygiene personal items) and housekeeping supplies (i.e. hygiene domestic items and cooking utensils). In 2006, the relative poverty line and the absolute poverty line for the average household in the oPt stood at a monthly income of less than 2,300 NIS (USD 518) and 1,837 NIS (USD 414) respectively.

a) Poverty rates in the oPt, West Bank and Gaza Strip

Table 9

Area	Type of poverty	Poverty (income-based) 2001	2004	2005	2006
West Bank	Poverty	35.5%	48.0%	45.7%	49.1%
	Deep poverty	28.8%	39.7%	34.5%	36.4%
West Bank-North	Poverty	43.4%	54.6%	51.6%	n/a
	Deep poverty	35.8%	44.3%	37.6%	n/a
West Bank-Middle	Poverty	20.6%	29.6%	28.6%	n/a
	Deep poverty	16.3%	23.1%	24.7%	n/a
West Bank-South	Poverty	41.8%	59.3%	56.5%	n/a
	Deep poverty	33.6%	51.8%	41.1%	n/a
Gaza Strip	Poverty	64.7%	65.0%	63.1%	79.3%
	Deep poverty	56.5%	53.9%	51.6%	66.7%
oPt	Poverty	45.0%	53.7%	51.5%	56.8%
	Deep poverty	37.9%	44.4%	40.2%	44.1%

Source: PCBS, Poverty data, sent by PCBS upon request from OCHA.

Table 10

Area	Type of poverty	Poverty (consumption-based) 1998	2001	2004	2005	2006
West Bank	Poverty	14.5%	16.2%	30.9%	19.8%	24.0%
	Deep poverty	8.4%	14.5%	20.3%	11.6%	13.0%
West Bank-North	Poverty	18.3%	18.4%	22.2%	22.5%	n/a
	Deep poverty	9.9%	18.3%	11.7%	12.4%	n/a
West Bank-Middle	Poverty	6.9%	9.3%	6.7%	11.0%	n/a
	Deep poverty	4.6%	6.9%	3.7%	6.7%	n/a
West Bank-South	Poverty	20.4%	23.5%	31.2%	34.9%	n/a
	Deep poverty	12.2%	20.4%	20.6%	21.4%	n/a
Gaza Strip	Poverty	33.0%	41.9%	44.7%	37.2%	50.7%
	Deep poverty	21.6%	33.0%	32.2%	26.0%	34.8%
oPt	Poverty	20.3%	23.6%	35.5%	25.6%	36.9%
	Deep poverty	12.5%	20.3%	24.3%	16.4%	18.5%

Source: PCBS, Poverty data, sent by PCBS upon OCHA's request

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b) Poverty rates by gender of the head of the household[1]

Table 11

Poverty (by gender of household head) in 2006		
Type of household	Poverty rate	% of total households
Male-headed households	56.0%	92.2%
Female-headed households	65.2%	7.8%

Source: PCBS. Poverty in the oPt, 2006. Main findings reports. August 2006.

Table 11: Female-headed households constitute 7.8% of all Palestinian households. Although this group is one of the highest recipients of public support and assistance, poverty among these households is higher than among households headed by a male. This phenomenon is linked to the fact that in female-headed households, there is only one parent and the care of children is usually carried out at the expense of income generation.

Table 12: Households that depend on public salaries are among those less likely to suffer from poverty than other households.

c) Poverty rates by main source of income[2]

Table 12

Poverty (by source household income) in 2006	
Source of income	Poverty rate
Agriculture	77.6%
Salaries from Israel	40.7%
Salaries from public sector	52.1%
Salaries from private sector	62.1%
Income from transfers/aid	74.4%
Other HH business	47.7%
Other resources	39.6%

Source: PCBS. Poverty in the oPt, 2006. Main findings reports. August 2006.

Food insecurity

Food security definition:
Food security means having access to sufficient, safe and nutritious food to meet dietary needs and lead an active and healthy life at all times.

In 2006, an estimated 34%, or about 1,300,000, of the Palestinian population, was reported to be food insecure. An additional 12% were estimated to be vulnerable to becoming food insecure. [3]

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Wages

Real and nominal wages definition:

Real wages are wages adjusted for inflation and show the monetary value of wages in a certain year known as the base year (Base Year: 1996). Nominal wages are the money value of wages in different years.

Table 13

Wages and income in NIS					
Year	Area	Average daily nominal wage	Average monthly nominal wage	Average daily real wage	Average monthly real wage
Q3 2000	West Bank*	70	1708	57	1367
	Gaza Strip	50	1194	41	828
	Israel and the settlements	111	2249	90	1807
Q3 2007	West Bank*	77	1696	49	975
	Gaza Strip	64	1436	44	877
	Israel and the settlements	132	2678	84	1682

Source: PCBS. Various labour force surveys. Real wages are calculated by OCHA.

* West Bank figures include East Jerusalem

Table 13: Although there has been an increase in nominal wages since the beginning of the second intifada, it was actually offset by the price increases, which have taken place since the beginning of the Intifada and surged in 2007. For this reason, real daily wages have decreased.

Wages in the Gaza Strip are lower than those of the West Bank due to: a) high participation rate of population in labour market as a result of the high population growth rate and the loss of jobs in Israel, b) limited capacity of the Gazan labour market to create new jobs due to closures.

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Macroeconomics

Real Gross Domestic Product (GDP) definition:

The real GDP, which uses constant prices,[4] measures the value of goods and services produced in a certain year.

Table 14

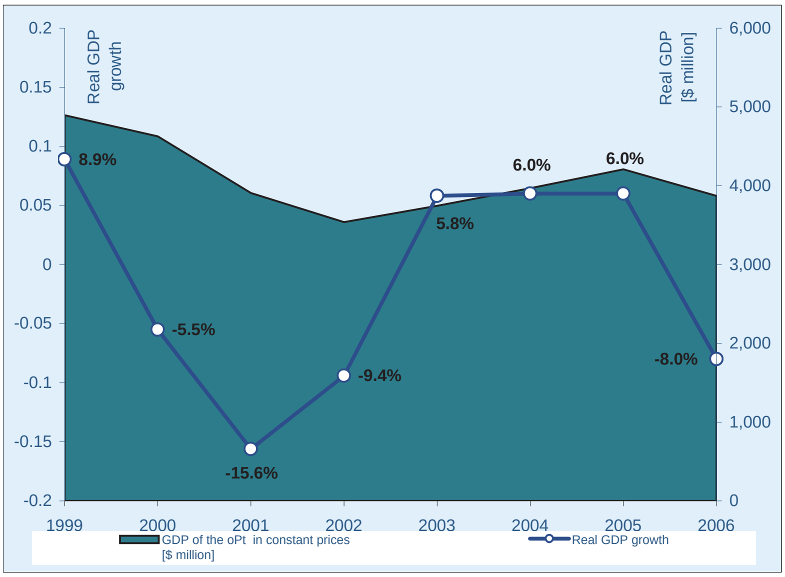
	GDP of the oPt in constant prices [USD million]	Real GDP growth	GDP per capita in USD	Real GDP per capita growth
1999	4,896	8.9%	1,622	4.4%
2000	4,627	-5.5%	1,469	-9.4%
2001	3,906	-15.6%	1,193	-18.8%
2002	3,540	-9.4%	1,043	-12.6%
2003	3,744	5.8%	1,065	2.1%
2004	3,970	6.0%	1,091	2.5%
2005	4,210	6.0%	1,119	2.5%
2006	3,873	-8.0%	n.a.	-10.9%

Source: Figures obtained upon request from IMF.(International Monetary Fund).

Table 14: The Gross Domestic Product (GDP) has decreased since the beginning of the second Intifada, with GDP levels remaining well below the pre-intifada ones. The GDP is estimated at $4,107 million in 2006 compared to $4,511.7 million in 1999. A significant decline took place in 2001 and 2002, however, it improved in the subsequent years.

Real GDP per capita declined by 40% in 2006 compared to 1999.[5] Preliminary PCBS results show that the economy recovered slightly in the second half of 2007, however, GDP per capita declined by about 5% in 2007 compared with 2006.

Real GDP in $million and real GDP growth 1999-2006



Note: The real GDP per capita growth rates are annual growth rates.

The decline in GDP was influenced by the following: the reduction in the expenditure of Palestinian households, the lack of investment and security due to closures, the reduced government expenditure including the non-payment of PA salaries and the prolonged domination of imports over exports in the Palestinian economy.

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PA operating budget

The PA operating budget in total and percentages

Table 15

PA operating Budget						
Year	USD million	Clearance revenues collected by GoI	Locally-collected taxes	Total other fincancing, incl. Palestinian Investment Fund Dividend	External finance for budgetary support[6]	TOTAL
2005	USD million	894	476	477	349	2,196
	%	40.71%	21.68%	21.72%	15.89%	
2006	USD million	344	378	-25	738	1,435
	%	23.97%	26.34%	-1.74%	51.43%	
2007 Budget	USD million	1280	336	0	907	2,523
	%	50.73%	13.32%	0.00%	35.95%	

Source: IMF. Mid-Term Macroeconomic and Fiscal Framework for the West Bank and Gaza Strip. Report for the Donors' Conference. December 17, 2007.

PA operating budget 2005-2007

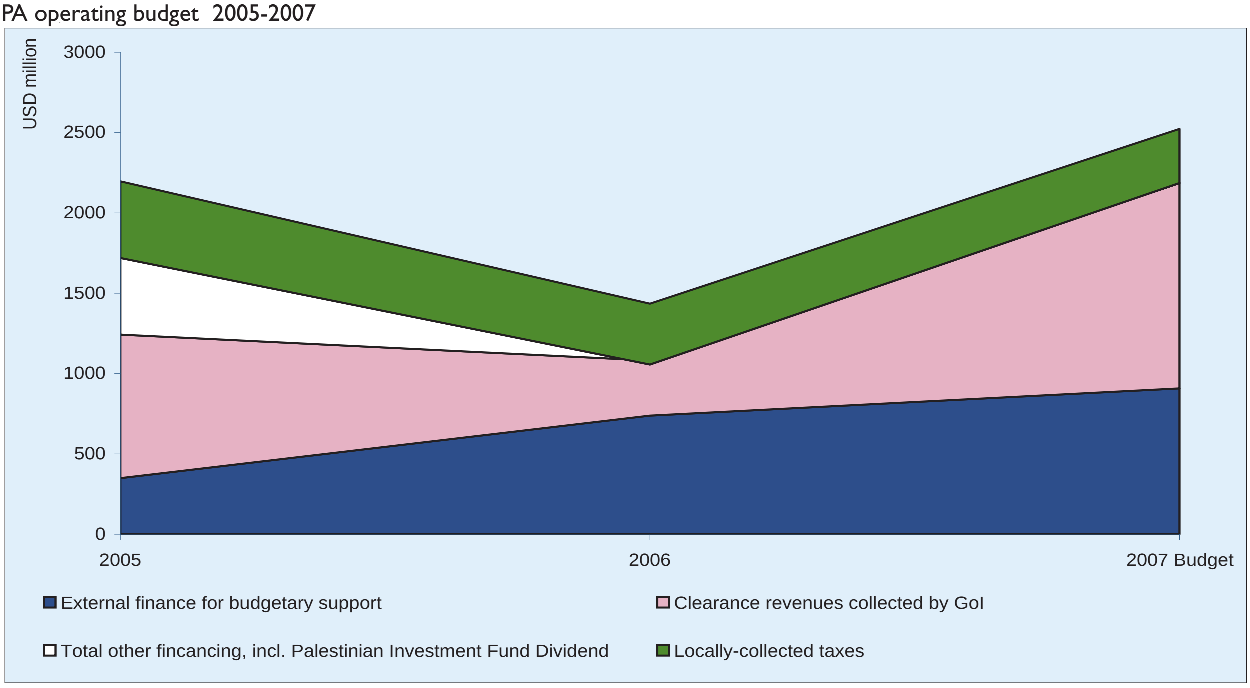

Table 15: Compared to previous years the PA budget dropped significantly in 2006, as a result of the financial sanctions Israel and the international donor community imposed on the Hamas-led government following the January 2006 elections.

The clearance revenues (including VAT and customs) budget item collected monthly by the Government of Israel on behalf of the PA, constitute the largest component in the PA budget, making about 50% of the budget, when transferred monthly.

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End Notes

1. Figures are available only for 2006
2. Figures are available only for 2006
3. For more information, please visit the following webpage which includes a report prepared by WFP and FAO on the Comprehensive Food Security and Vulnerability Assessment (CFSVA) in 2006: http://www.wfp.org/policies/Introduction/other/Documents/pdf/CJFSVA_21_Feb.pdf
4. Constant prices are prices fixed for a specific year, called the "base year", against which other years are compared. For the oPt, PCBS determined the constant prices in 1997.
5. International Monetary Fund (IMF). Fiscal performance in 2006. March 2007
6. External finance for budgetary support includes aid from Arab countries and other countries to the PA to finance recurrent expenditures- staff wages and operating costs.

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