



The United Nations Humanitarian Coordinator for the oPt
Office for the Coordination of Humanitarian Affairs

GAZA HUMANITARIAN SITUATION REPORT 24 - 30 July 2007

SUMMARY POINTS

Gazan Economy:

1. The Gazan **economy continues to deteriorate** as a result of the limited opening of the Gazan crossings. The **vast majority of import-dependent industries** – notably the wood, construction and garment sectors – **have temporarily closed down**. Only 10% of **Gaza's industries**, those depending on previously-stored raw materials, remain partially functional.
2. If the closures continue, the Palestinian Association of Businessmen expects that at least 120,000 workers in Gaza will lose their jobs.
3. The **total accumulative and direct losses** since the closure of the Gaza crossings in mid-June is now reaching about \$23 million, with an average daily loss of about \$0.5 million.
4. Production capacity in the **furniture sector**, one of the most important sectors in Gaza, has **dropped to less than 20%** and 80% of the furniture industry's workers have been laid off.
5. The **Gaza municipality workers went on strike on 29 July** as a result of nonpayment of salaries. Solid waste workers are likely to join in the next two days. The municipality has been unable to pay regular staff salaries due to the 50% decline in revenues.

Passage of goods and persons:

6. On 29 and 30 July, **414 Palestinians who were stranded in Egypt** for nearly two months (51 days) **returned to Gaza** through Nitzana Border Crossing and then Erez Crossing. Additional returns to Gaza are planned in the coming days.
7. Shortages of **medical supplies** are still reported by the MOH, with approximately 25% shortfall in the essential drug list supplies at the central drug stores in Gaza City.
8. An average of 100 truckloads of commercial and humanitarian commodities have been entering Gaza through Sufa and Kerem Shalom every day (compared to 250-300 truckloads per day when Karni was open).

Protection of civilians:

9. Palestinian human rights organizations are expressing concern regarding infringements on freedom of expression, use of non-legal bodies for arrest campaigns and injuries during arrest campaigns.
10. Despite general calm and order internally in the Gaza Strip, IDF air and ground military operations in Gaza left 6 Palestinians dead and 3 injured during the reporting period, while an additional 2 Palestinians were killed and 6 injured in internal violence. Palestinian militants fired 28 Qassam rockets and 35 mortar shells from the Gaza Strip towards the southern Israeli town of Sderot, damaging several homes.

ACCESS AND CROSSINGS

- **Karni:** The main crossing for commercial goods remains closed now for **seven weeks** (since 13 June) for all imports and exports, severely impacting the Gazan economy.
 - The single-lane conveyor belt/chute outside Karni for grains and animal feed was closed for 4 days out of 6. A total of 4,836 tons of wheat flour, soy, beans, chickpeas, barely, corn and animal feed were pumped through. Although the belt needs to be open on a daily basis to guarantee adequate supplies in Gaza, the

IDF has announced that the belt will be open twice a week on scheduled days, further limiting the passage of commodities.

- Due to the limited movements, Gaza's four main flour mills have not been receiving the amount of wheat flour needed (800 tons of wheat flour/day) to produce the 450 tons of flour that Gaza needs every day. A total of only 1,600 tons of flour remain in stock.
- **Rafah:** The crossing remains closed for all Gazan residents since the last 51 days, the longest period since the implementation of the Access and Movement Agreement (AMA) in November 2005.
- **Sufa:** Sufa crossing remains open, and accounts for 76% of the inflow of imported supplies into Gaza since the Karni closure, most of which are food commodities. Attempts by Palestinian Agricultural Cooperatives to export Gaza shipments through Sufa have not been approved by the IDF. The lack of infrastructure to protect goods from the dust, dirt and heat continues to jeopardize food quality.
- **Kerem Shalom:** The crossing operated throughout the reporting period. 91 truckloads of commodities, of which 61 were from humanitarian agencies, crossed Kerem Shalom – equaling approximately 18 truckloads per day.
- **Erez:** An average of 20 senior Palestinian traders cross Erez per day into Israel. The crossing remains open for international agencies and health cases referrals to Israel. Additional coordination with the Israeli District Civil Liaison is now required for those departing Gaza since IDF bulldozers razed the PA security compound and workers' corridor.

On 29 and 30 July, 414 Palestinians who were waiting in Egypt for nearly two months, returned to Gaza through Nitzana Border Crossing and then Erez Crossing. They are the first of 2,000 Palestinians (out of a total of approximately 6,000) who will be allowed to return to Gaza in the coming days after a compromise was reached between Egyptians, Israelis and Palestinians¹.

- **Nahal Oz:** On 27, 29 and 30 July, the fuel pipelines were open only for the inflow of industrial gasoline needed for the Gaza Power Plant operations. Other fuel supplies, including diesel, petrol and cooking gas, were not pumped through due to payment failure. The Palestinian General Petroleum Corporation does not have any fuel stores in Gaza though a collection reservoir at Nahal Oz has stores for 2-3 days.

PRIVATE SECTOR

The vast majority of import-dependent industries – including the wood, construction and garment industries – have closed down. 400 truckloads of furniture ready to be shipped to Israeli and other export markets valued at more than US \$8 million remain stranded in Gaza.

Only 10% of Gaza's industries – 400 factories – remain partially functional. These factories rely on previously stored raw materials – including plastics, foods and metals – but are operating and producing at a lower capacity.

The total accumulative and direct losses since the closure of the Gaza border in mid-June is now reaching about \$23 million, with a daily loss range of about \$0.5 million. The most affected industry is the garment sector, with a reported loss of \$10 million. If the closures continue, the Palestinian Association of Businessmen expects that at least 120,000 workers will lose their jobs.

¹ Source: COGAT, Coordination of Government Activity in the Territories

The Furniture Industry

The furniture industry is one of the most important industrial sectors in the Gaza Strip. Frozen imports and exports have prevented the otherwise vibrant Gaza furniture sector from delivering orders and maintaining viable production levels. The lack of clarity regarding coordination to pass through the Erez crossing since the razing of the PA security compound has discouraged most Palestinian businessmen and merchants from traveling to Israel and the West Bank to manage business and collect money for products already shipped and sold. Businesses are cash-strapped and relationships between Israeli and Palestinian businessmen which have continued despite political turmoil are breaking down.

The furniture sector employs more than 6,000 people. More than 80% of Gaza's furniture manufacturing workers have been laid off to reduce costs, reducing production capacity to less than 20%. If the current situation continues, it will lead to the collapse of this sector and even greater unemployment.

Agriculture

The high cost of cultivation due to increasing prices of raw materials has meant that crops such as strawberries, clustered tomatoes, cherry tomatoes and paprika which are normally planted at this time of the year are not being planted. With little prospect for exporting these crops, plantings will be substantially lower. Strawberry plantation is due to start by mid-August. There are some 40,000 baby strawberry plants ready to be planted on a space of 2,000-2,500 dunums. Unless the closures are lifted, it is unlikely that these crops will be ready for export.

INFRASTRUCTURE

Due to the weakened economy and layoffs at local factories (particularly for water pipes, tiles), the revenues of the Gaza municipality dropped by more than 50% - 4.2 million shekels. During the last seven months, the municipality raised only **3.8 million shekels** in revenues compared to eight million shekels during the same period last year.

The construction of new **local water wells** aimed at increasing the water quantity and quality in Gaza City has been suspended. Only 2 out of 5 planned local water wells were completed. The Gaza Strip is suffering from scarcity of water and deterioration of water quality. Recently, it was reported that some areas in Gaza did not receive water for more than six days.

The closure has put further pressure on the municipality particularly for **solid waste management** due to the lack of spare parts urgently needed for solid waste collection and transfer vehicles. Around 25 vehicles are not functioning recently due to lack of spare parts.

About 50% of the Gaza Power Plant's production capacity is not being utilized due to delays in maintenance. Gaza is experiencing greater power shortages, with an increasing number of hours (approximately 5-6) reported to a greater extent.

FOOD

Most basic food commodities are available on the Gazan markets, but at higher prices, reducing the purchasing capacity of the poorest segments of the population. Shortages of milk powder, wheat flour, fresh meat, vegetable oil and rice remain.

HEALTH

Shortages of medical supplies are still reported by the MOH, with approximately 25% shortfall in the essential drug list supplies at the central drug stores in Gaza City. Aside from these shortages, primary and secondary health care facilities in the Gaza Strip are functioning with no major disruptions.

WHO has confirmed that about 35 people died in Egypt while waiting to re-enter Gaza through the Rafah crossing. Three died in a car accident, 28 died in hospitals in Egypt and four at the border.

ICRC has arranged the transfer of more than 1,140 patients since 17 June from Gaza into Israel via Erez crossing.

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