



The Gaza Strip: Situation Report

31 January 2006

Economic and Humanitarian Impact of the Karni Crossing Closure

The closure of Karni crossing (al Muntar), since 15 January, is raising serious economic and humanitarian concerns for the 1.4 million Gazan population. The loss of value in exports is estimated to be US\$ 500,000 a day.¹ The closure is creating a shortage of basic goods inside the Gaza Strip, notably dairy products, fruit and construction materials. The Palestinian Ministry of Health is running short on medical supplies and has to rely on emergency stocks. Drugs for anesthetic use are in particular short supply.

Karni crossing is the only point of access for Palestinian exports from the Gaza Strip and the major point for import of goods. The IDF contends that it will not open the crossing until the Palestinian Authority (PA) digs several trenches to intercept several tunnels.

According to the IDF, it has offered the Palestinian Authority two other crossings –Sufa and Kerem Shalom – as alternative points of access for imported commercial goods and export products. The PA has refused this offer due to possible political implications of using another crossing.

Impact on Agricultural Export

Concerns are particularly high regarding the Palestinian agricultural sector which had anticipated higher yields this harvest following Israeli commitments to “permit the export of all agricultural products from the Gaza Strip during this 2005 harvest season”, made under the 15 November 2005 agreement reached with the Palestinian Authority (PA). [See annex for relevant text of Agreement] **More than 100 tons of strawberries, flowers, cherry tomatoes, peppers and cucumbers are soiling, or have been destroyed or donated locally to hospitals due to the closure.** The market in the Gaza Strip can not absorb the amount of quantities destined for export, which would result in lower yields than if sold outside.²

Figure 1: Examples from the agricultural sector³

	Goods			
	Cucumbers	Cherry tomatoes	Strawberries	Pepper
Already destroyed	55	33	1	1.5
Soon to be destroyed	50	13	0.75	-
Soon ready for shipment	30	32	4	-
Need of immediate harvesting	30	60	8	-
Donated	11	7	0.75	1.3
Total (tonnes)	176	145	14.5	2.8

Impact on Trade

The Palestine Trade Center (Paltrade), estimates that 80 daily truckloads have not been able to exit since the closure at Karni crossing was imposed.⁴ This amounts to 2,160 truckloads for the month of January (excluding weekend days). The loss of value in exports is estimated to be US\$ 500,000 a day and up to US\$ 7 million for the month. The value of exported goods in December 2005 was estimated at US\$ 7.4 million, as a result of 56 exported truckloads/day - representing a significant improvement from the daily 2005 average (30 truckloads/day).

Israeli textile companies have also raised concern over the closing of Karni. They state that approximately NIS 50 million of seasonal merchandise, which had been contracted out to 20 Gazan sewing factories, is stuck at the crossing. Unable to meet contract requirements in Israel and abroad, they have expressed concern over potential export losses and harm to the business reputation of Israeli textile manufacturers.⁵

Impact on International Humanitarian Relief

International humanitarian relief supplies, handled mostly by the United Nations Relief and Works Agency for Palestine Refugees (UNRWA) have also been blocked. **As of 31 January, UNRWA has 90 laden containers of humanitarian supplies waiting at Ashdod port to cross Karni.** Negotiations between UNRWA and the Government of Israel are taking place as to use alternative crossings - Erez and/or Kerem Shalom, to get the humanitarian supplies into the Gaza Strip. Due to the closure at Kanri crossing, on 26 January UNICEF had to re-route vaccines (BCG and TT vaccines) to Ramallah.

Security and Karni – Timeline

- **5 January:** The IDF requests the Palestinian Authority (PA) to create a trench west of the Karni crossing to intercept a possible tunnel leading to the crossing. The PA starts this work the same day, digging a 6 meter trench approximately 1Km in length.
- **20 January:** The PA completes the trench. According to the IDF, one tunnel was discovered, while according to the PA, a small hole, possibly the start of a tunnel, connecting to a water pipeline was discovered.
- **23 January:** The IDF notifies the PA that it has information of another tunnel and requests the PA to dig a deeper trench, this time 10m in depth.
- **30 January:** Completion by PA of trench. No tunnel located. The IDF requests the PA to dig another trench, 10m in depth, 300m long, 500m northwest of Karni crossing.
- **31 January:** PA begins third trench.

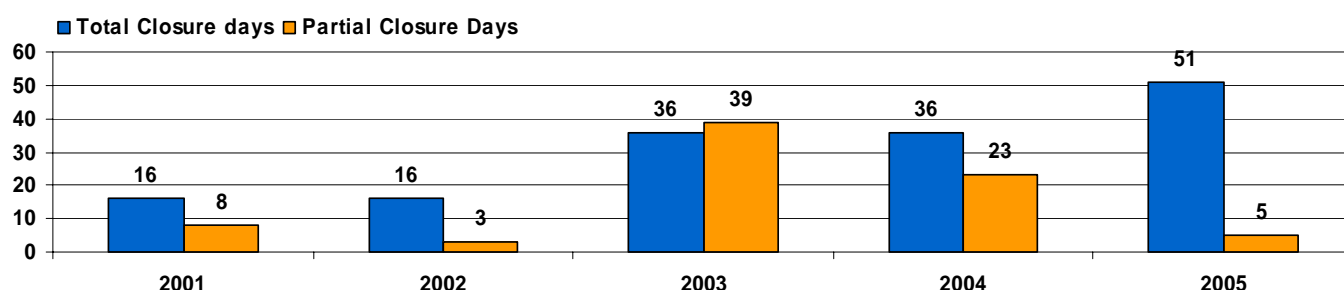
Closure History at Karni Crossing ⁶

Following the outbreak of the second *intifada* in late September 2000, various security measures were imposed by the IDF including restricted opening hours and frequent closures. This led to a decrease in the flow of exported goods through the Karni crossing.⁷

Figure 2: Yearly percentage (%) in which Karni crossing was closed (total and partial)

	2001	2002	2003	2004	2005
Percentage closed	8%	6%	24%	19%	18%

Figure 3: Total and partial closure days at Karni Crossing



Annex

Jerusalem, 15 November 2005

Agreed documents by Israel and Palestinians on Movement and Access from and to Gaza (Excerpts)

Negotiators from Israel and the Palestinian Authority November 15 achieved an agreement on facilitating the movement of people and goods within the Palestinian Territories and on opening an international crossing on the Gaza-Egypt border that will put the Palestinians in control of the entry and exit of people.

The negotiations were facilitated by US Secretary of State Condoleezza Rice, European Union High Representative for the Common Foreign and Security Policy Javier Solana and the international community's envoy for the Israeli disengagement from Gaza, James Wolfensohn.

The details of the agreement are contained in two documents - Agreement on Movement and Access, and Agreed Principles for Rafah Crossing.

Crossing Points

Agreement on Movement and Access

To promote peaceful economic development and improve the humanitarian situation on the ground, the following agreement has been reached. It represents the commitments of the Government of Israel (GoI) and the Palestinian Authority (PA). Its implementation and further elaboration will be assisted by the Quartet Special Envoy for Disengagement and his staff and/or the United States Security Coordinator (USSC) and his staff.

The parties have agreed that:

The passages will operate continuously. On an urgent basis, Israel will permit the export of all agricultural products from Gaza during this 2005 harvest season.

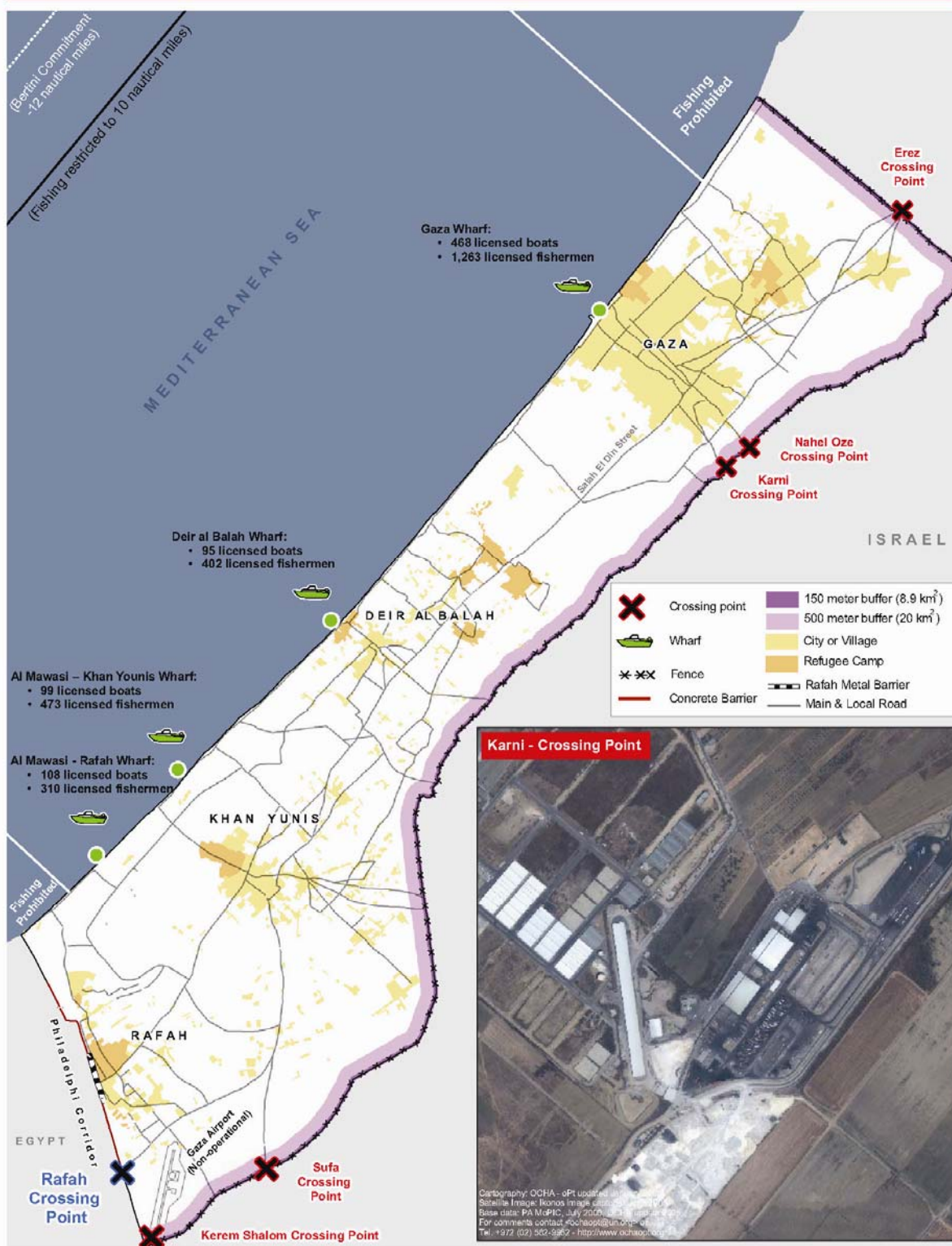
The new and additional scanner will be installed and fully operational by December 31. At that time, the number of export trucks per day to be processed through Karni will reach 150, and 400 by end-2006. A common management system will be adopted by both parties.

In addition to the number of trucks above, Israel will permit export of agricultural produce from Gaza and will facilitate its speedy exit and onward movement so that quality and freshness can be maintained. Israel will ensure the continued opportunity to export.

It is understood that security is a prime and continuing concern for Israel and that appropriate arrangements to ensure security will be adopted.

Gaza Access Map

Closure at Karni crossing point - January 2006



¹ Palestine Trade Center (PalTrade).

² PEDC is also restricted for selling their products to the local market in the Gaza Strip in order not to compete with private farmers.

³ Palestine Economic Development Company (PEDC), as of 28 January 2006.

⁴ These figures are based on truckload movement before the closure was imposed. The 15 November Agreement set an export target of 150 daily truckloads.

⁵ Association of Textile and Fashion Manufacturers in the Industrialists Association Press Release, 30 January 2006

⁶ Palestine Ministry of National Economy/2000 - 2004 Data obtained from UNSCO. Numbers describe the yearly percentage of closure of all working days. Weekend days (Saturday) are not included in the closure calculations even though some of the closure days were in fact implemented on these days; they are therefore included in the total closure day chart.

⁷ In the last three months of 2000, Karni crossing was closed 22 days and partially closed 11 days. (Partially closed means that the crossing is operating only some of its official opening hours, and/or that it is operating only in one direction).