



PALTRADE

مركز التجارة الفلسطيني - بال توريد
PALESTINE TRADE CENTER

Gaza Strip

Crossings Bi- Monthly Monitoring Report

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GLOSSARY:

Gaza Crossings: For the names and brief overviews of the Gaza crossings referred to in this report, see Annex 3.

Time Periods: The report refers to time periods associated with policy changes and periods of relative calm or unrest. In some instances, actual time periods are denoted, such as June 2007. In other cases, they are referred to by names associated with major events or conditions, such as Closure or Truce. For a description of these, see Annex 4.

AMA	Agreement on Movement and Access, signed on November 15, 2005 http://www.eubam-rafah.eu/portal/node/11
Basic Commodities	Wheat, flour, rice, sugar, cooking oil, and other non-luxury food supplies.
Closure days , Scheduled	Days during which a crossing is normally scheduled to be closed. This includes official holidays and, in most cases, Saturdays.
Closure days, Unscheduled	Days in which a facility is closed for unusual or unexplained reasons. This includes closures for security reasons.
Conveyer Belt	This refers to a conveyor belt at the Al Montar Crossing which was used before the closure on June 2007 exclusively for transferring aggregates from the Israeli to the Palestinian side. Currently, the conveyer belt is the only facility functioning at Al Montar and is used for transferring grains including wheat, pulses, seeds, and animals feed into Gaza.
Commercial Goods	Goods that are imported by commercial establishments in the private sector, and are distributed through commercial outlets in the open market.
Exports	Truckload movements outbound from the Gaza Strip, regardless of destination.
Humanitarian Goods	Basic foods (e.g. rice, cooking oil, etc.), medicines, and other goods brought in by humanitarian agencies.
Imports	Truckload movements inbound to the Gaza Strip, regardless of origin. Includes both commercial and humanitarian goods.
Scheduled days for operations	Total days in a month less Scheduled Closure days
Tunnels	Underground passages between the Gaza Strip and Egypt used for the informal transfer of goods. Use of tunnels increased after the June 2007 closure.

PERFORMANCE SUMMARY

After two years of closure, punctuated by the Gaza War, there has been no improvement at the crossings. The ability to rebuild Gaza and revitalize its economy is dependent on fully opening the commercial crossings to permit inbound movements of industrial inputs, construction materials, and equipment. This is not yet occurring.

CROSSINGS SUMMARY

In terms of **imports**, during this period (Oct-Nov.) a total of 4,970 truckloads of commercial and humanitarian freight entered into Gaza which is 24% of pre-closure average import levels. The large majority of these movements were food and animal feed (67%) and (14 %) were designated for humanitarian aid agencies. A virtual ban on **exports** from Gaza continues, during this period there were no recorded exports.

Al Montar Crossing Conveyer Belt was open for 16 days (about 31% of the scheduled days of operation) and processed imports of 1,378 commercial truckloads of wheat and animal feed (28 % of total imports).

Karem Abu Salem Crossing was open for 42 days (about 81% of scheduled days of operation) and processed imports of 3,592 truckloads, primarily of food items.

Sufa Crossing was closed during this period, as it has been closed since September 12 ,2008. There are indications that the Israelis intend to entirely stop using this facility. ¹

Fuel Movement: during this period there was a reduction in imports through Nahal Oz and a shift to importing through Karem Abu Salem. A total of 70,500 liters of petrol and 702,480 liters of diesel allocated for UNRWA were processed into Gaza Strip. In addition, 17.6 million liters of industrial gasoline and 2.9 million kg of cooking gas were processed into Gaza Strip. These imports are markedly below estimated needs, particularly regarding imports of cooking gas, see Fuel Import Performance page 6 of this report.

GAZA PRIVATE SECTOR

Gaza's private sector has suffered greatly from the strict limitations on imports and near total banning of exports since June 2007. This has contributed to the closure of 70%-90% of working establishments and laying off 92%-96% of laborers. With the continuation of the closure and the availability of using underground tunnels some very few enterprises restarted operations. See page 7 of the report for details.

¹ OCHA Field Update on Gaza from the Humanitarian Coordinator, Jerusalem, 10 - 16 March 2009.

SECTION 1: PERFORMANCE of the CROSSINGS

A OPERATIONS at the CROSSINGS

A-1 Al Montar Crossing (Conveyer belt)

Out of 26 Scheduled Days of Operation for the months of October and November, Al Montar Crossing was open for 7 days in October and 9 days in November. Table 1 below presents the operating days and cargo movements during October and November 2009.

Table (1): Summary of the performance at Al Montar Crossing during October –November 2009

	Oct-09	Nov-09
Scheduled days for operations	26	26
Scheduled closure days	5	5
Unscheduled closure days ²	19	16
Actual days for operation	7	9
Total exports (truckloads)	0	0
Total imports (truckloads)	597	781
Humanitarian imports (%)	0%	0%
Commercial imports (%)	100%	100%
Average daily import volume (truckloads) when open	85	87
Average daily import volume (truckloads) for all days scheduled for operations	23	30

A-2 Karem Abu Salem Crossing

Out of 26 Scheduled Days of Operation for the months of October and November, Karem Abu Salem Crossing was open for 21 days in October and 21 days in November. Table 1 below presents the operating days and cargo movements during October and November 2009.

Table (2): Summary of the performance at Karem Abu Salem Crossing during October –November 2009

	Oct-09	Nov-09
Scheduled days for operations	26	26
Scheduled closure days	5	5
Unscheduled closure days ²	5	4
Actual days for operation	21	21
Total exports (truckloads)	0	0
Total imports (truckloads)	1,694	1,898
Humanitarian imports (%)	23%	16%
Commercial imports (%)	77%	84%
Average daily import volume (truckloads) when open	81	90
Average daily import volume (truckloads) for all days scheduled for operations	65	73

¹ Crossings were closed on Saturdays and Eid Al-adha Holidays

² Karem Abu Salem was closed for security reasons and Al Montar was closed for unknown reasons

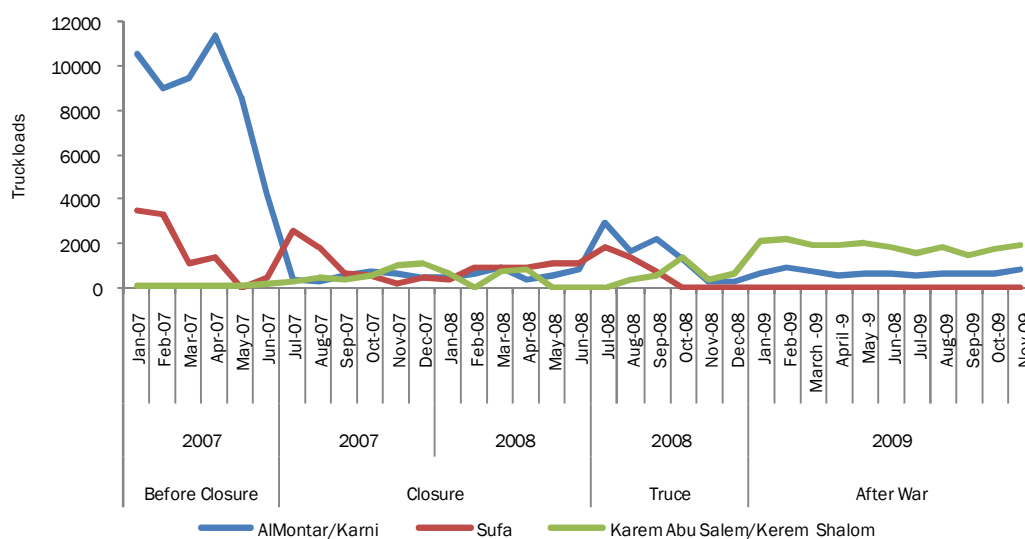
SECTION 1: PERFORMANCE at the CROSSINGS continued

A OPERATIONS at the CROSSINGS continued

A.3– Crossings Operations Trends

As the crossings are currently open for imports only, Figure 1 below presents the trend of import volumes for each crossing. The figure clearly shows the drop in volume of imports, and the major shift in operations from AlMontar to Karem Abu Salem crossing.

Figure (1) : Operation Trends



B CARGO ACTIVITY

B.1- Export Activity

No export activity was recorded during this period. During the period from February — April 2009, only (684,000) carnations were exported through Karem Abu Salem Crossing representing only 1.7% of the produce planned to be exported last season (Nov. 2008– May 2009). It should be noted that monthly average exports in the period before the crisis was 1,380 truckloads per month (70 truckloads per day), composed of furniture, garment, cash crops, vegetables, processed food, metal products, handicrafts, and other cargo types.

Export activity of carnation flowers and strawberries for this season are supposed to commence in December 2009, pending Israeli permission for such exports.

SECTION 1: PERFORMANCE at the CROSSINGS continued

B CARGO ACTIVITY continued

B.2- Import Activity

A total of 4,970 truckloads entered into the Gaza Strip during this period (2,291 truckloads in October and 2,679 in November). Since June 2007, import volumes have been between 19% and 31% of pre-closure levels, see Figure 2. The dire economic and humanitarian implications of this are obvious. Only 36 food items had been allowed into Gaza through October and November 2009. The distributions of imports across crossings and by cargo type are presented in Figure 3.

Figure (2): Imports into Gaza in Oct- Nov 2009 versus monthly averages of different periods.

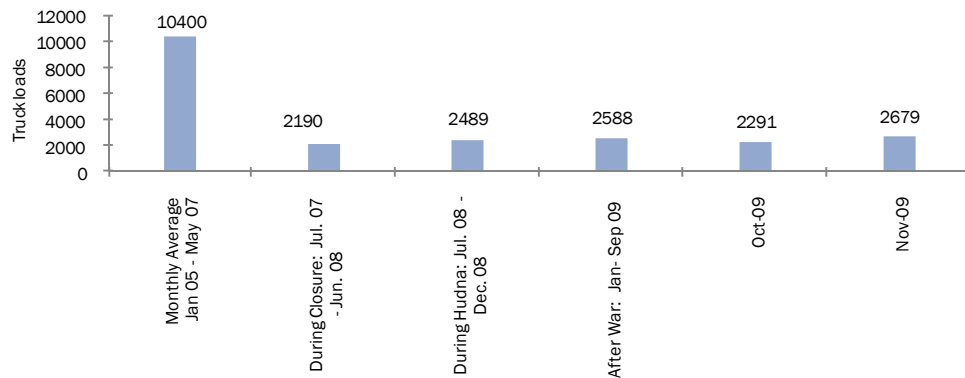
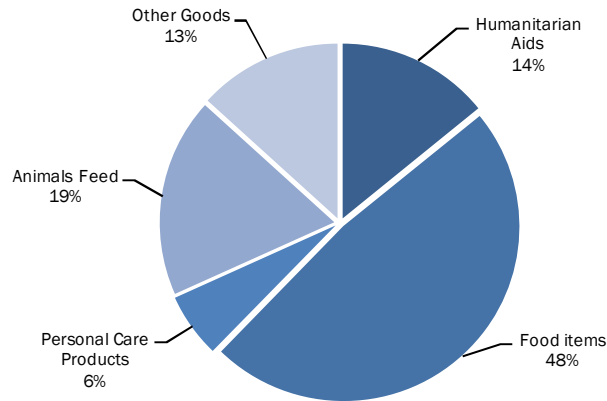


Figure (3): Types of imported goods in Oct-Nov. 2009 through all crossings



Other Goods include:

Nylon, Agricultural Fertilizer , Veterinary Medicine, Egg's Carton, Medical supplies, Chlorine and Agricultural Materials .

For more details of allowed imported goods into Gaza through period report see Annex 1

SECTION 1: PERFORMANCE at the CROSSINGS continued

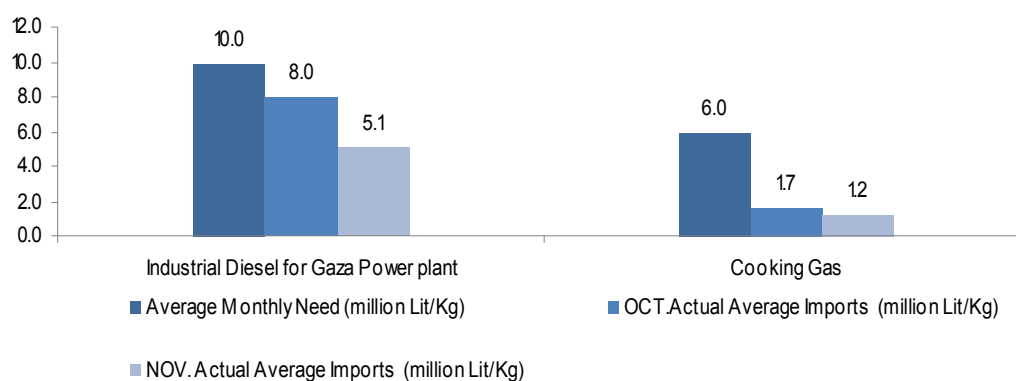
C FUEL IMPORTS PERFORMANCE

No Israeli petrol or diesel entered Gaza during this month, with the exception of 107,000 litres of petrol and 702,480 litres of diesel for UNRWA that entered via Nahal Oz fuel pipeline. There was also a shift to importing fuel through Karem Abu Salem, and reducing imports from Nahal Oz.

Nevertheless, the Gaza marketplace is still mostly reliant on the fuel being transferred from Egypt through the tunnels under the Gazan-Egyptian border (due to its availability and cheap prices). As per the UN-OCHA reports, the rate of these movements through the tunnels is nearly 100,000 liters of diesel and 70,000 liters of petrol per day ⁽¹⁾.

Table (3): Summary of fuel and gas imports in October –November 2009

Type	Oct 2009		Nov 2009	
	Nahal OZ	Kerem Shalom	Nahal OZ	Kerem Shalom
Petrol (liter)	36,500	0	70,500	0
Diesel (liter)	0	0	702,480	0
Industrial Gasoline (liter)	5,555,410	2,434,030	2750570	6,951,580
Cooking Gas (kg)	212,760	1,526,410	717,160	478,720

Figure (4): Illustration of average fuel needs⁽²⁾ vs. actual fuel imports

⁽¹⁾ Source: Protection of Civilians: 12-18 September 2009 UN OCHA oPt

⁽²⁾ Based on estimates by the Petroleum & Gas Station Owners Association-Gaza.

SECTION 2: PRIVATE SECTOR PERFORMANCE

A PERFORMANCE OF KEY SECTORS

Gaza's private sector has suffered greatly from the strict limitations on imports and near total banning of exports since June 2007. This has contributed to the closure of an estimated 90% of industrial establishments (i.e. 3,510 establishments) and reduced operations among virtually all of the remaining 10%, leading to loss of jobs for approximately 32,000 of workers. In the construction sector more than 70% of establishments are now closed and 96% of workers laid off. See Table (4).

In Table (5) are presented data on employment, firm numbers, and exports for the furniture, garment, and processed food sectors before the closure, during the closure, and currently. The increase in number of working establishments is due to the coping mechanisms used (see section B below), noting that establishments are only working with 10%-50% of total capacity.

Table (4): Key Industrial sectors status during three distinguished periods

Sector	Indicator	Before Siege (14 June 2007)	During the closure 2008	Currently Oct-Nov 2009	Notes
Industry	No. of Working Est.	3,900	100	390	90% of industrial establishments are closed Working capacity is around 10%-50%
	No. of Workers	35,000	800	3,000	
Construction	No. of Working Est.	125	8	35	96% of labors lost their jobs (current increase mainly due to rubble removal projects)
	No. of Workers	50,000	100	2,000	

Source: Palestinian Federation of Industries "PFI", Palestinian Contractors Union "PCU"

Table (5): Key Industrial sectors status during three distinguished periods

Industry	Normal Situation 2005			During the closure 2008			Currently Oct-Nov 2009		
	Employment	Establishment	Monthly exports	Employment	Establishment	Monthly exports	Employment	Establishment	Monthly exports
Furniture	6,500	600	168	100	25	0	140	60	0
Garment	25,000	660	172	500	30	0	230	60	0
Processed Food	2,500	100	140	300	26	0	600	40	0

Source: Palestinian Federation of Industries "PFI".

B COPING STRATEGIES

In response to the closure, most operating businesses started using the underground tunnels to import raw materials, equipment, and other inputs for production. Yet, using the tunnels is not feasible since their use imply higher cost, lower quality, and/or limitations on size and type of entered goods/raw materials. In addition, a few businesses have shifted the scope of their businesses to reduce and/or eliminate their productive activities in favor of trade. Also, some businesses have resorted to recycling rubble and other debris resulted from wrecked buildings during the war to make gravel for roadways.

The challenging business environment that Palestinian businesses encounter in Gaza has caused businesses to adopt temporary innovative solutions that would enable them to survive with the hope of resumption of movement and access of goods and people in the near future.

Source: Palestinian Federation of Industries "PFI".

SECTION 3: HIGHLIGHTED ISSUE**The IT Sector in Gaza Strip... Challenges in the Closure!!**

The Information and Communications Technology sector (ICT) is categorized as one of the pioneer sectors in Palestine, valued at about \$280m, accounting for about 5% of Palestinian GDP, and forecasted to grow to \$307m by 2010. In Gaza, there are around 86 companies employing 1,259 employees (of which the Paltel Telecommunications branch in Gaza employs 753 employees), and an estimated annual 1,200 IT related graduated from local universities. Despite the relatively small size of the industry, ICT is considered one of the important development sectors in the Palestinian economy. The output value of a worker in ICT is estimated at \$40,000 against an average of \$17,000 in other sectors. It is also estimated that the multiplier ratio is about 1 to 3, meaning that one new ICT job creates up to three other jobs in other sectors. As the GDP per capita of Palestine is low in comparison to the rest of the Middle East at \$1,289 per person, growth in the ICT sector could lead to substantial economic improvements. Palestinian competitiveness in this sector is based on the good technical expertise of its workforce and its cost advantage. A senior software engineer's average daily pay in Palestine is \$172, in comparison to \$750 in Israel or \$300 in India.⁽¹⁾

Opportunities in this sector were identified both for the local market and for exporting of services.⁽¹⁾ The sector provides various services including telecommunications, internet and web-related services, trading with hardware, software development (solution packages and customized solutions), training and ICT consultancy, as well as office automations and maintenance services.

For the international market, dozen companies are currently involved in the outsourcing business model such as software outsourcing. Markets covered by these companies include the Gulf Cooperation Countries, Middle East and North Africa, as well as North America and Europe. ⁽²⁾ As for local market, Palestinian telecommunication companies can provide, and they do provide, broadband services including, but not limited to, WIMAX, WIFI and VOIP. Since the disengagement in 2005, Ministry of Telecommunication and Information Technology (MTIT) in Gaza has issued frequency licenses to few telecommunication companies who provide broadband services.

Challenges within Closure:

As there is a wide opportunity for the sector to develop and expand, ICT companies in Gaza Strip are facing the following challenges within the current closure on Gaza Strip:

- The total banning of IT related imports where traders and service providers are not allowed to import small equipments (PCs, laptops, servers, telephone sets, etc..) as well as large infrastructure equipments (Mobile, internet, land line infrastructure, wireless communication equipment)
- The restrictions on movement of people where personnel are not allowed to travel to participate in certification or training programs, or conferences, specialized exhibitions, etc needed to develop technical skills. Moreover, businessmen cannot travel to promote exported services (software) and to maintain business relationships with new clients.
- Electricity cut-offs are affecting existing equipment performance as well as business efficiency to provide on time services.
- Absence of copy right protection law and intellectual property rights law, and lack of government support and regulations.

As a result, a few private sector firms in the industrial and construction sectors, among others, are currently unable to exploit the IT sector services and technologies due to the current limitations and challenges combined with very limited donors' support.

(1) Market Mapping of the Palestinian ICT Sector and the Opportunities for Partnerships in the Region Report, Mercy Corps, Nov. 2009

(2) Palestinian Information Technology Association of Companies –PITA

SECTION 3: HIGHLIGHTED ISSUE**The IT Sector in Gaza Strip... Challenges in the Closure!!****Impact on the Sector:****Hardware Trading Companies**

Hardware trading companies used to import directly from Israel or international vendors through Al Montar (Karni), Gaza main crossing, an estimated 15 truckloads per month. Since the closure imposed in mid-June 2007, all have shifted their imports through the underground tunnels in and around Rafah. Although imports through the tunnels are risky, Palestinian businesses in Gaza are left with no other option or alternative. Initially importing through the tunnels had resulted in tremendous increase in prices estimated at as high as tenfold of pre closure prices. Although prices are still well above pre-closure levels, greater tunnel capacity has resulted in some price reductions.

Hardware Training Company

A small sized hardware trading company was interviewed in November 2009. Before the closure, the company used to import around 20 packages each month through Al Montar crossing including laptops, computer pieces and accessories. Shipping cost per package was approximately US\$ 10 and shipping time was between two to four weeks.

Since the closure in June 2006 up until the end of 2008, the company had almost ran out of stock, due to the Israeli restrictions and limitations on imports into Gaza, and was about to close down. Yet, their ability to import from Egypt through the tunnels in 2009 has helped the company to resume operations. According to the manager of the company, the goods he receives from Egypt through the tunnels are delivered in less than 7 days and are similar, in terms of type and quality, to goods imported from Israel. However, the tunnel business is more risky in terms of certain delivery and the shipping cost per package is double its pre closure levels estimated at \$20 per package.

The company is currently "importing" from Egypt 10 packages per month. The drop of its imports by 50% is the result of its uncertainty to market these products under dire economic conditions, uncertainty of guaranteed receipt of shipments, as well as the emerge of high number of 'new' traders from other sectors who started to import similar goods.



A picture from of IT hardware store in Gaza Strip

SECTION 3: HIGHLIGHTED ISSUE

The IT Sector in Gaza Strip... Challenges in the Closure!!

Software Development Companies

Most of software development companies produce a wide range of solutions and packages for the local market such as human resources management, projects and sales management, finance and accounting, education related solutions, management information systems as well as customized solutions. About 5 companies in Gaza export their services to outside markets, mainly in the region and based on business links established before the closure.

After the closure, some companies have lost their remote customers due to difficulties communicating and, in some cases, in continuing to produce. Other firms have been able to maintain business relationships but are finding difficulties reaching new business partners. Moreover, there are difficulties keeping the technical staff of these companies abreast of developments in software design because of limitations on travel to conferences and training.

Despite these difficulties, relative to other sectors in Gaza Strip, the software development sector is considered a promising one for generating exports and for job creation. IT software companies were the most resilient to the Israeli siege on Gaza, simply because the Internet knows no barrier and a cluster of Gaza software development companies were able to do business and to reach new markets under siege.

MTC Case Study

The Modern Tech Corp. (MTC) is one of the pioneer companies in the ICT Sector in Gaza. 90% of the company's activities are software development and 10% are hardware services.

Current scope of services of the company:

- Building Systems and Programming.
- Computers and Networks.
- Services & Software Maintenance.
- Internet Providing & Web Site Development.
- In-Service Training & Follow-up.

MTC was established in 1987 with 5 employees, and it has formed strong relations with its parent company "Modern Tech Corp." in Canada in addition to various strong dealers and representatives in UAE and Egypt.

According to MTC manager, 60% of company software products are sold and marketed in Arab countries such as Egypt, UAE, Jordan, Kuwait, Sudan and Saudi Arabia through representatives and dealers, which the company mainly met in 2001, 2002 and 2003 in the GITEX exhibition in Dubai, known as the largest promotional event for latest technologies in the middle east.

Currently, there are 16 employees in MTC Gaza who are still working on software development. After the closure, the company has been fully oriented to software development, in order to overcome the problems resulting from the scarcity of hardware; it produced 4 large applications and succeeded in promoting them in a few Arab countries. The company is maintaining its relations with its clients in the external world through the available communication technologies, but the company finds it challenging, if not impossible, to reach new markets and expand its clients base. Participating in promotional exhibitions in the Arab countries is no longer an option!

SECTION 3: HIGHLIGHTED ISSUE**The IT Sector in Gaza Strip... Challenges in the Closure!!****Opportunities and New Trends within Current Situation:**

The current closure has shifted investments in the Gaza Strip to the services sector including IT which is less affected by the closure relative to the other productive sectors. New training and certification centers were established during the closure targeting university students, new graduates and other stakeholders. Opportunities in the sector within the current situation are larger than the other sectors of Gaza Strip, especially export opportunities.

Recommendations

- Advocating for IT hardware equipment to enter Gaza Strip through legal channels.
- Improving accessibility for IT business owners and staff (technical and marketing) to travel and visit target markets in order to improve market outreach and technical capacities.
- Developing the sector in order to increase its productivity in the local economy and export capacities. For instance, supporting the creation of new small and medium enterprises in Gaza through incubation as an economic development tool in creating job opportunities based on innovation and entrepreneurship.
- Advocating multinational to visit Gaza and consider the ICT sector for investment. Google has attempted to enter Gaza during the Expotech Technology Week. The process of entering to Gaza was not completed. However, Google staff are still eager to conduct another business trip to Gaza. Similar initiatives should be encouraged by the global business community.

The Palestinian IT Association of Companies PITA contributed to this Highlighted Issue.

ANNEX 1: LIST OF COMMERCIAL GOODS IMPORTED THROUGH GAZA CROSSINGS *

Food Items		Personal Care Products	Animal Feeds	Other Goods
Cooking Fat	Frozen meat	Diapers	Straw	Chlorine
Cooking oil	Fruit	Tissues	Grains	Medical supplies
Olive oil	Corn flour	Cleaning Supplies		Medicine
Margarine	Grits/ "Freekeh"	Sponge for washing dishes		Veterinary Medicine
Sugar	Canned food	Soap		Agricultural Materials
Rice	Beans			Nylon
Flour	lentils			
Zatar	Date			
Milk	Pasta			
Coffee	Garlic			
Nescafe	semolina			
Coffee Mate	Salt			
Calves	Yeast			
Hot chocolate	Carrot			
Dairy	Sesame			
Luncheon meat	Fresh Fish			
Pepper	Fresh meats			
Wheat	Reproductive eggs			

The above itemizes the most recent (Oct-Nov, 2009) goods allowed to cross into Gaza Strip.

All goods enter Gaza Strip through Karem Abu Salem, with the exception of wheat and animal feed which enter through Al Montar Crossing.

*Source: Palestinian Ministry of National Economy, which is responsible for the goods crossing coordination with the Israeli side

ANNEX 2: PROJECT OVERVIEW

Commercial Crossings Monitoring Program—Cargo Movement and Access Monitoring and Reporting Program

Because of its designation as the National Trade Development Organization, PalTrade is the private sector institution with a mandate to promote 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 crossings. PalTrade is also a private sector representative in the Crossings' Steering Committee which was formed by the President of the Palestinian Authority 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 Al Montar/Karni since August 24th, 2005. As such, PalTrade is the only independent source of crossings information which is used by the Quartet, the World Bank, the US Security Coordinator, UN OCHA and others.

PalTrade's work regarding the Crossings includes monitoring, collection and data analysis.

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.
- Second year; was through a Post Conflict Fund grant which was closed in September 2007.
- Third, Fourth and Fifth years; is being provided by the Norwegian Consultant Trust Fund under the supervision of the World Bank (MNSSED Finance and Private Sector Unit).

**Financed by:**

Norwegian Consultant Trust
Fund

**Under the supervision of:**

The World Bank
(MNSSED) Finance and Private Sector

ANNEX 3: GAZA CROSSINGS OVERVIEW

There are six crossings at the Gaza strip boundaries to facilitate imports and exports. Four of the crossings are controlled by the Israeli government. The Rafah crossing is under the joint control of the Palestinian Authority and the European Union. The recently constructed Karem Abu Salem/Kerem Shalom crossing is temporarily being employed for movements between Israel and Gaza, but is intended for trade between, on the one hand, Egypt and, on the other hand, Gaza and Israel.

AlMontar/Karni

Al Montar/Karni crossing is considered to be the primary portal for Gaza's imports and exports. Unfortunately, in recent years its operations have been marred by inefficiency and security threats. As a result, its performance through early 2007 was only a small fraction of that projected by the Access and Movement Agreement (AMA). AMA projected that the crossing should have been able to handle 400 exports per day by the end of 2006, but never averaged more than 70 per day.

Sufa

Sufa, located in the south of the Gaza Strip (east of Rafah City), was used for the imports of construction materials and as a standby for other imports in case of the closure of the Al Montar/Karni crossing. The future of this crossing is uncertain given recent indications from Israel that they intend to abandon the facility.

Karem Abu Salem/Kerem Shalom

The Karem Abu Salem/Kerem Shalom crossing is located in the southeast of the Gaza Strip, 3.6 Km from the Rafah Crossing. Karem Abu Salem/Kerem Shalom is a temporarily being used for movements between Israel and Gaza. The facility is intended for trade between, on the one hand, Egypt, and, on the other hand, Gaza and Israel.

Nahal Oz

Nahal Oz is located east of Gaza City and is used exclusively to facilitate imports of Liquid Fuels and Gas from Israel. The facility consists of storage tanks for petrol and gas on the Palestinian side linked to pipelines from Israel.



Beit Hanoun/Erez

The Beit Hanoun/Erez crossing is located in the north of the Gaza Strip. It is employed, primarily, for processing movements between Gaza and the West Bank. In addition to cargos, the crossing processes civilians, diplomats, businessmen, international organization staff, laborers, and others in and out of Gaza Strip. The crossing is also used for the imports of cars.

Rafah

The Rafah Crossing is located south of Rafah City). It is the only operating border crossing between the Gaza Strip and Egypt. It processes both travelers and cargos. The cargos consist, primarily, of 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 4: GAZA CROSSINGS TIMELINE

Dec. 2005- May. 2007

Before The Closure

The **Al Montar / Karni** crossing was the main crossing of the Gaza Strip for both imports and exports. An average of 450 truckloads a day used to be imported, and an average of 70 truckloads a day were exported. **Sufa** was used exclusively for the imports of construction materials, with an average of about 160 truckloads, and the **Karem Abu Salem / Kerem Shalom** crossing was used for the crossing of humanitarian aid that comes from or through Egypt with an average of 20 truckloads. The **Beit Hanoun/Erez** crossing was used occasionally for imports of medical supplies.

June 14, 2007- June 18, 2008

Closure Period

Beginning June 14, 2007: the **Al Montar/Karni** crossing was officially closed for both imports and exports. The crossing reopened on June 28, 2007 for limited imports of goods such as wheat and animal feed. Since then, **Sufa** and **Karem Abu Salem /Kerem Shalom** crossings have also been used, primarily for imports of humanitarian goods, including basic food commodities (e.g. wheat flour, rice, pulses, cooking oil), animal feed and medical equipment. The **Beit Hanoun/ Erez** crossing was used on rare occasions for imports of medical supplies.

Truce or Hudna Period

June 19, 2007- Dec.19, 2008

During the truce or "hudna" period, that started on June 19, 2008 and ended on December 19, 2008, commercial goods were allowed to enter Gaza Strip including aggregates, cement, construction metal, wood, car tires, clothes, shoes, and fruit juice. The quantities of imported goods were very limited. For example during this six month period, only three truckloads of construction metal were imported. As a result, supplies in Gaza continued to dwindle and industrial production to slow. Many firms ceased operations entirely. Many of the others operated sporadically, dependent upon unreliable deliveries of inputs via the tunnels between Gaza and Egypt. Even basic humanitarian goods were in short supply, despite some legal imports and other movements via the tunnels.

Dec. 27, 2008 - Jan. 18, 2009

War Period

The restrictions on trade activities did not change during the 23-day war in Gaza. An average of 90 truckloads a day were imported, about 70% of the imports were humanitarian goods, and 30% were commercial cargos deemed essential to avoid a humanitarian crisis. The Rafah crossing was also used during the war for the import of humanitarian supplies.

Jan. 19 , 2009 - Nov . 30 , 2009

Post War Period

No improvements were witnessed on the crossings performance, where statistics illustrate that only 28,241 truckloads of commercial goods (mostly food) and humanitarian aid entered into Gaza, as well as the minimal exports of 14 truckloads of carnation flowers.

ANNEX 5: REFERENCES AND SOURCES

- United Nations Office for the Coordination of Humanitarian Affairs (OCHA)
- United Nation Special Coordinator Office (UNSCO)
- 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
- Joint Humanitarian Coordination
- Private Sector Coordination Council-Gaza Governorates.
- Palestinian Federation of Industries (PFI)