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Federation of Palestinian Chambers of Commerce, Industry and agriculture

Gaza Movement of Goods Weekly Report

Week 1: August 1-7, 2024

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Gaza Movement of Goods Weekly Report

1 Introduction:

This report, of weekly market analysis in Gaza Strip, covers the period from 01/08/2024 to 07/08/2024. The collected data indicates that, (1,169) trucks with a total of (20,075) tons of commodities entered Gaza Strip during the reporting period. These trucks entered from two crossings only, Karm Abu Salem crossing (KAS) and Erez Crossing, (929) trucks and (240) trucks respectively, while no truck entered through Rafah crossing with the Egyptian side, or any other crossing.

Since the Israeli army has divided the Gaza Strip into two main parts, North Gaza and South Gaza with Wadi Gaza being the division line, Karm Abu Salem (KAS) and Rafah crossings operate mainly for the southern part of Gaza Strip (Israeli Occupation is not allowing Private Sector to send Goods from the south to the north), while Erez crossing operates for the Northern part of Gaza Strip. It should be noted that the trucks entering the north are part of the humanitarian sector and not of the private sector, as the Israeli occupation still prevents the private sector from importing and delivering commodities to the Northern part of Gaza Strip. The Humanitarian Assistance entering the northern part of Gaza Strip does not meet the minimum needs of the remaining population there.

While the Israeli Occupation allows the private sector to import limited food items, for the Southern part, it prevents the private sector from importing any other basic commodities. These prevented basic non-food commodities include, but not limited to: hygiene materials, clothing & footwear, medicines & medical supplies, fuel, etc. Some humanitarian organizations are allowed to bring such non-food commodities in limited to a very small extent.

2 Daily Crossing Points Status:

On 01/08/2024, 200 trucks entered Gaza Strip through the active crossings, 160 trucks from Karm Abu Salem (KAS) in the south and 40 trucks from Erez in the north. On 02/08/2024, the number of trucks decreased to 58 and were solely for the private sector through KAS, with no goods entering for the humanitarian sector. On 03/08/2024, 39 trucks entered for humanitarian sector through Erez crossing in the northern part only and nothing for the private sector. The number of entering trucks rose on 04/08/2024, to 237 trucks entering, including 207 for the private sector from KAS and 30 for the humanitarian sector in the north through Erez crossing. The situation did not change much on 05/08/2024, as a total of 226 trucks entered Gaza Strip, 182 from (KAS) crossing and 44 from Erez. On 06/08/2024 there was a sharp decrease of almost 32% on the total trucks entering, compared to the day before, as only 152 trucks entered Gaza Strip, 122 from (KAS) crossing and 40 from Erez. On the seventh day 07/08/2024, the number of entering trucks increased again, achieving the

highest number of trucks in one day during the reporting period, as 257 trucks entered Gaza Strip, 210 from (KAS) crossing, and 47 from Erez.

It is worth noting that on Friday 2/8 and Saturday 3/8 there was a big decrease of 72% and 80% respectively in the total number of trucks entering compared with Thursday 01/08 (Due to the weekend on the Israeli side) which had a clear impact on the prices of goods in the markets on 4/8.

It is worth mentioning that no Private Sector Goods were allowed into Northern part of Gaza Strip.

Table (1): Number of trucks for each corossing and the total number of trucks in the period.

Day	Date	Number of Trucks			Total
		Rafah	Erez	Karm Abu Salem (KAS)	
Thursday	01/08/2024	0	40	160	200
Friday	02/08/2024	0	0	58	58
Saturday	03/08/2024	0	39	0	39
Sunday	04/08/2024	0	30	207	237
Monday	05/08/2024	0	44	182	226
Tuesday	06/08/2024	0	40	112	152
Wednesday	07/08/2024	0	47	210	257
Total		0	240	929	1,169

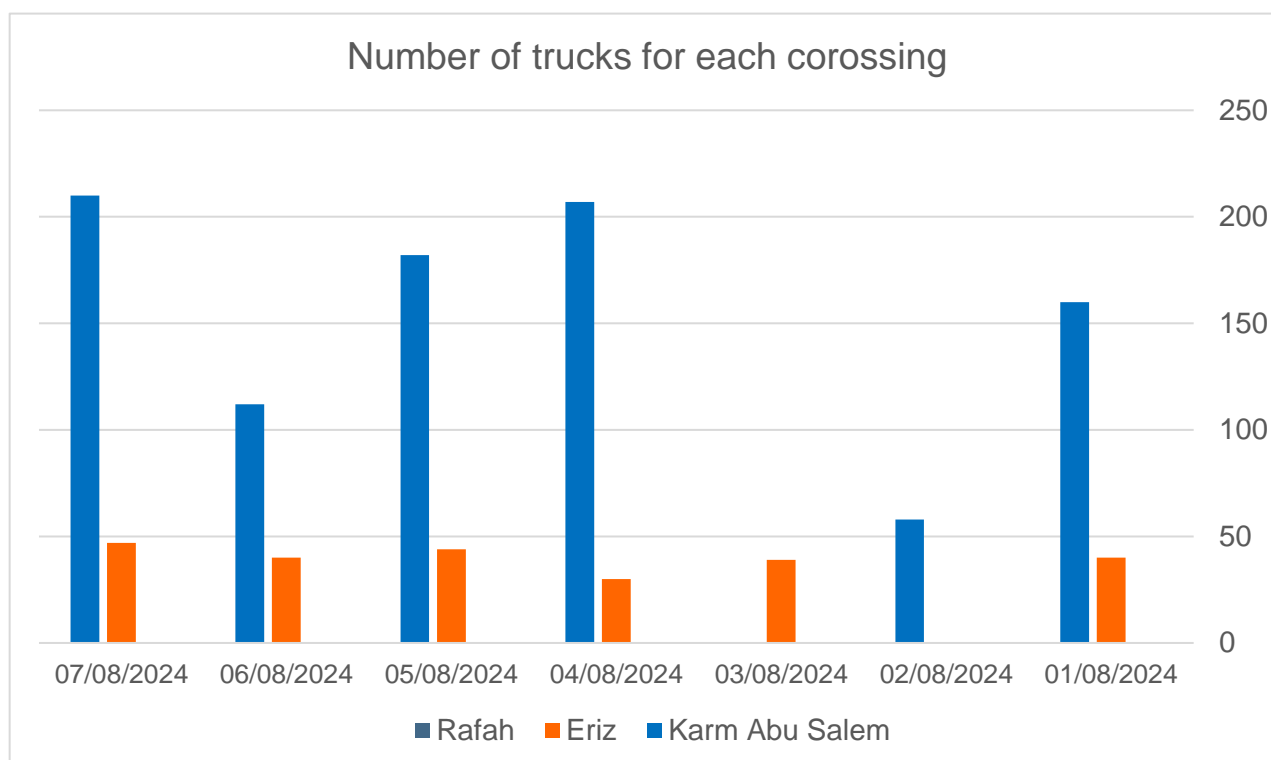


Figure (1): Number of trucks for each corossing in the reporting period.

3 Entering commodities:

3.1 Commodities classification:

The types of goods entering Gaza Strip in the north and south are divided into 4 main categories: food items, shelter equipment, medical supplies and combined aid. There is no prioritization or stability in the importation of these goods. This lack of prioritization and instability has affected local market prices, as will be explained in the market analysis section. There is no proper geographic distribution to the entering commodities, neither in quantities nor in varieties, the following table shows the categories of entering commodities and their amount in tons:

Table (2): Types and ammount of commodities by tons.

Day	Date	Types and Amounts of Commodities (Tons)				Total
		Medical Supplies	Shelter Equipment	Combined Aid	Food items	
Thursday	01/08/2024	50	145	155	3,295	3,645
Friday	02/08/2024	0	0	0	1,160	1,160
Saturday	03/08/2024	5	20	0	580	605
Sunday	04/08/2024	0	60	120	2,630	2,810

Monday	05/08/2024	20	110	45	4,115	4,290
Tuesday	06/08/2024	60	290	30	2,085	2,465
Wednesday	07/08/2024	0	280	30	4,790	5,100
Total		135	905	380	18,655	20,075

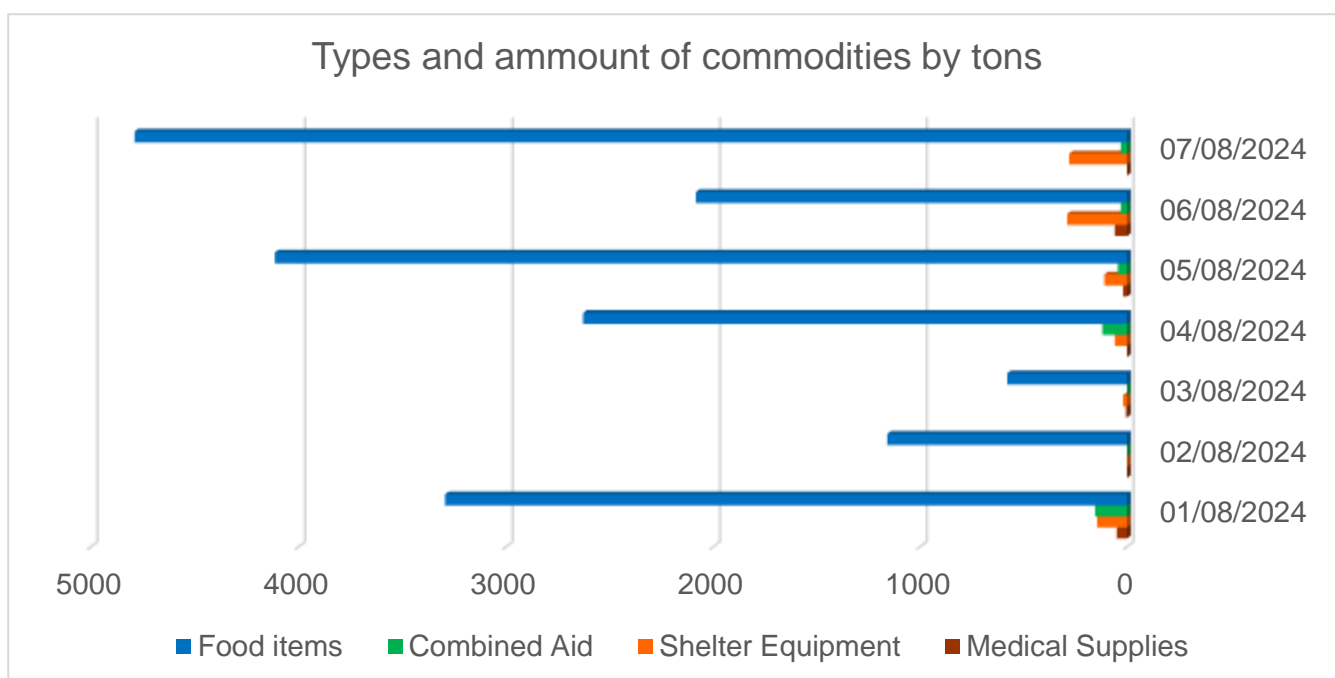


Figure (2): Types and ammount of commodities by tons.

3.2 Food items details:

As shown in the previous table (Table No. 2), food items constitute about (93%) of the total commodities entered to Gaza Strip within the report period, with a total of (18,665) tons. The details of these food items and its components include (6) sub-categories, as follows:

1. Basic items such as (oil - sugar - flour - rice - legumes - ...).
2. Vegetables and fruits.
3. Frozen meat including (red meat - chicken - fish).
4. Food parcels.
5. Eggs and dairy products.
6. Other items such as (spices and seasonings - biscuits - noodles).

The following table shows the quantities of each of the sub-categories in tons:

Table (3): Amount of each food item sub-categories by tons.

Date	Food items categories amount (Tons)							Total
	Water	dairy and eggs	Food parcels	Frozen meat	Fruit and vegetables	basic items	Other	
01/08/2024	120	280	365	500	760	355	915	3,295
02/08/2024	0	160	0	0	240	40	720	1,160
03/08/2024	30	0	60	0	0	465	25	580
04/08/2024	80	200	240	320	720	320	750	2,630
05/08/2024	120	200	395	320	720	1,700	660	4,115
06/08/2024	120	120	365	0	760	200	520	2,085
07/08/2024	80	160	80	760	820	1,565	1,325	4,790
Total	550	1,120	1,505	1,900	4,020	4,645	4,915	18,655

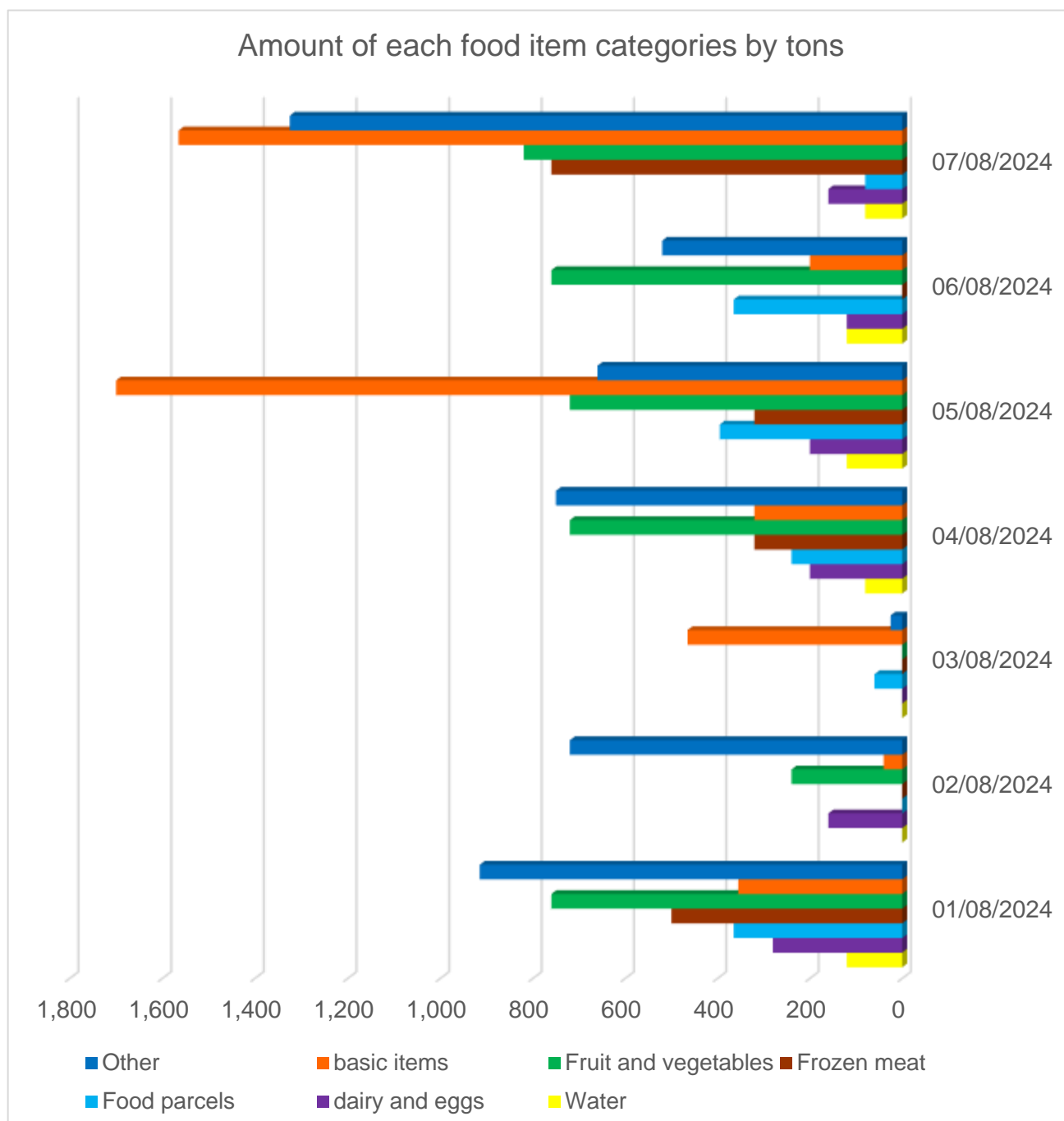


Figure (3): Amount of each food item categories by tons.

3.3 Commodities sources and destinations:

The commodities entered Gaza Strip during the report period vary between the private sector and humanitarian sector. While the private sector is limited to some food items, humanitarian aids extend to food items, medical supplies, shelter equipment, and combined aid. The following table shows the commodities entering according to the source (private sector - humanitarian aid):

Table (4): commodities entering according to the source (private sector - humanitarian aid)

Date	Items	Private Sector		Humanitarian Aids		Total Number of trucks	Total amount by tons
		Number of trucks	Amount by tons	Number of trucks	Amount by tons		
01/08/2024	Food items	143	3,295	0	0	143	3,295
	Combined Aid	0	0	25	155	25	155
	Shelter Equipment	0	0	25	145	25	145
	Medical Supplies	0	0	7	50	7	50
Subtotal 1		143	3,295	57	350	200	3,645
02/08/2024	Food items	58	1,160	0	0	58	1,160
	Combined Aid	0	0	0	0	0	0
	Shelter Equipment	0	0	0	0	0	0
	Medical Supplies	0	0	0	0	0	0
Subtotal 2		58	1,160	0	0	58	1,160
03/08/2024	Food items	0	0	28	580	26	580
	Combined Aid	0	0	0	0	0	0
	Shelter Equipment	0	0	9	20	9	20
	Medical Supplies	0	0	2	5	2	5
Subtotal 23		0	0	39	605	39	605
04/08/2024	Food items	121	2,630	0	0	121	2,630
	Combined Aid	0	0	58	120	58	120
	Shelter Equipment	0	0	58	60	58	60
	Medical Supplies	0	0	0	0	0	0
Subtotal 4		121	2,630	116	180	237	2,795
05/08/2024	Food items	107	4,115	0	0	107	4,115
	Combined Aid	0	0	30	45	30	45
	Shelter Equipment	0	0	66	110	66	110
	Medical Supplies	0	0	23	20	23	20
Subtotal 5		107	4,115	119	175	226	4,290
06/08/2024	Food items	100	2,085	0	0	100	2,085
	Combined Aid	0	0	5	30	5	30
	Shelter Equipment	0	0	37	290	37	290
	Medical Supplies	0	0	10	60	10	60
Subtotal 6		100	2,085	52	380	152	2,465
07/08/2024	Food items	131	4,790	0	0	131	4,790
	Combined Aid	0	0	40	30	40	30
	Shelter Equipment	0	0	86	280	86	280
	Medical Supplies	0	0	0	0	0	0
Subtotal 7		131	4,790	126	310	257	5,100
Total		660	18,075	509	2,000	1,169	20,075

According to the data in Table No. (1), (80%) of the commodities that entered Gaza Strip during the reporting period were through the Karm Abu Salem crossing, Israeli occupation did not allow any of these commodities to go to the Northern part of Gaza Strip. Therefore, all commodities entered through KAS remained in the southern part of Gaza Strip. The commodities entered through Erez crossing constitutes (20%), remained in the northern part.

Population statistics indicate that there are approximately 650,000 people in the northern region of Gaza Strip, which constitutes 29% of the total population of Gaza Strip before the war, and that there are approximately 1,400,000 people in the southern region of Gaza Strip, which constitutes 62% of the total population, and the remaining 200,000 people 9% are currently outside Gaza Strip.



Figure (4): Map of dividing Gaza Strip into North and South of Gaza Valley

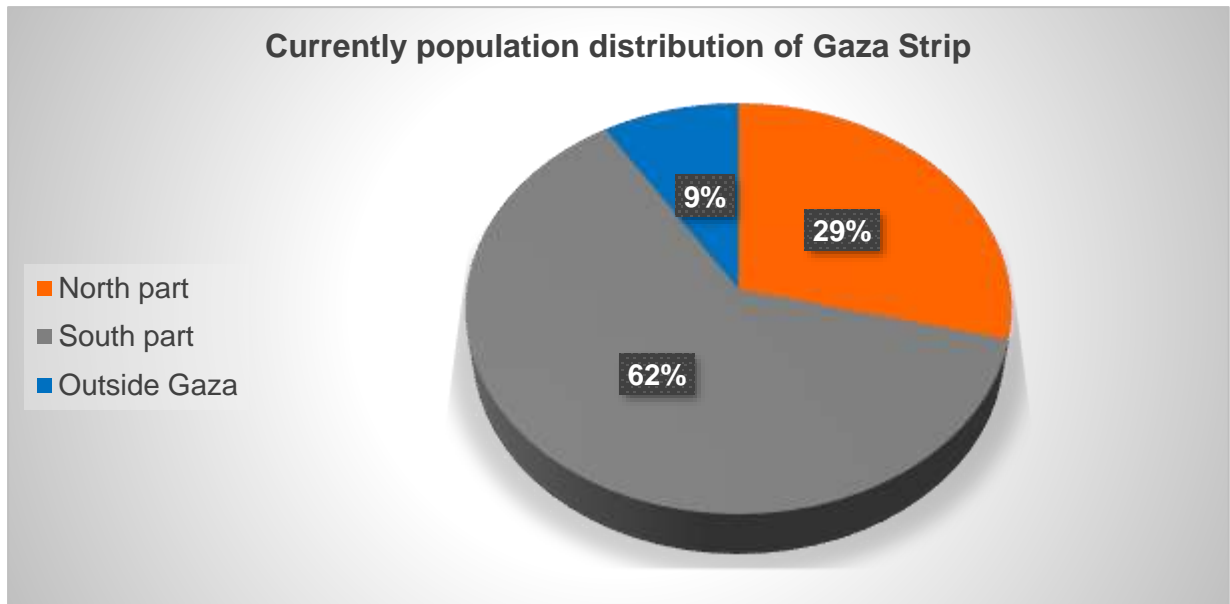


Figure (5): Currently population distribution of Gaza Strip

The following figure shows the distribution of materials between the north and the south based on the number of trucks.

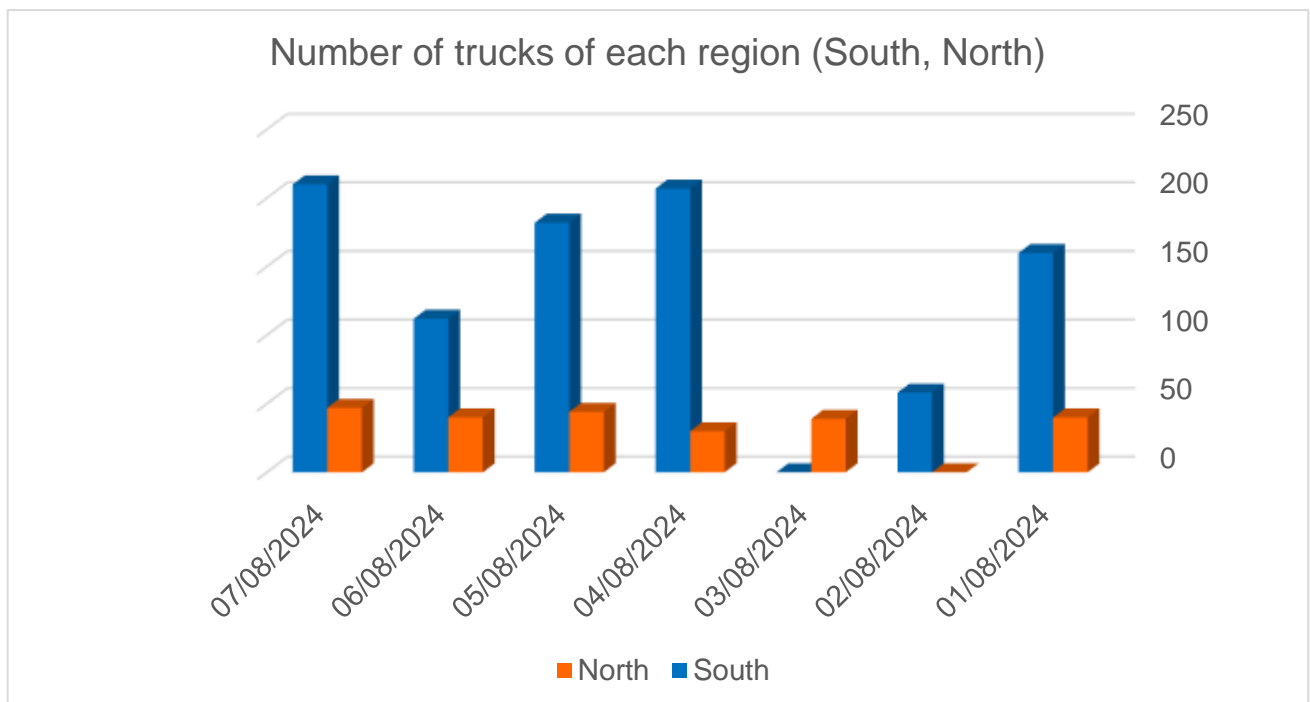


Figure (6): Number of trucks of each region (South, North)

It is worth noting that despite of the basic commodities entry, in limited quantities, to the North and South areas of the Gaza Strip, there is no proper distribution as there is a severe lack of some items based on its geographic location. For instance, no food items enter the North except for flour, while in the South there is a scarcity of Hygiene material.

4 Daily market price for essential items:

Data about market prices were collected from the markets in the humanitarian region in the southern part of Gaza Strip (South of Wadi Gaza), specifically in 'Nuseirat, Deir al-Balah, and Khan Younis' markets. It was noted that there are prices increase between 40% and 500% compared to what it was before the war. This increase is attributed to several factors, the most important of them are the availability of the item and the volume of demand on it (supply and demand, lack of prioritization). Prices of many goods have a sharp fluctuation from day to day, in direct correlation with changes in the status of the crossings and the types and quantities of imported goods (instability of supplies flow). The prices for the days from 01/08/2024 to 07/08/2024 were as follows:

Table (5): Daily market prices for essential items

#	Item	01/08	02/08	03/08	04/08	05/08	06/08	07/08	Average	St. Dev
1	Egg	35	36	35	35	37	36	47	37.29	4.35
2	Pepper	36	32	36	32	32	28	32	32.57	2.76
3	Potato	5	6	5	8	8	9	12	7.57	2.51
4	Lemon	9	15	9	8	8	9	9	9.57	2.44
5	Garlic	20	25	20	25	24	25	25	23.43	2.37
6	Frozen veal	60	66	60	60	60	60	60	60.86	2.27
7	Banana	12	11	12	15	15	15	16	13.71	1.98
8	Tomato	10	12	10	14	14	14	14	12.57	1.90
9	Frozen chicken thigh	26	28	26	26	25	24	25	25.71	1.25
10	Cucumber	13	12	13	14	15	14	12	13.29	1.11
11	Orange	13	13	13	15	15	15	15	14.14	1.07
12	Frozen chicken	24	25	24	26	25	24	26	24.86	0.90
13	Apple	15	16	15	15	15	15	17	15.43	0.79
14	Frozen chicken wing	15	16	15	16	16	16	15	15.57	0.53
15	Sugar	5	5	5	6	6	6	6	5.57	0.53
16	Bottled water box	16	16	16	17	17	17	17	16.57	0.53
17	Eggplant	8	7	8	7	7	7	7	7.29	0.49
18	Onion	7	7	7	7	7	7	7	7.00	0.00
19	Watermelon	6	6	6	6	6	6	6	6.00	0.00
20	Flour	15	15	15	15	15	15	15	15.00	0.00
21	Oil	8	8	8	8	8	8	8	8.00	0.00
22	Rice	11	11	11	11	11	11	11	11.00	0.00
23	Kidney beans	10	10	10	10	10	10	10	10.00	0.00
24	Macaroni	6	6	6	6	6	6	6	6.00	0.00

From the previous table, goods can be grouped according to the severity of price fluctuations based on the standard deviation into three categories:

4.1 Fixed-price goods:

These are goods whose standard deviation is (0), meaning that their prices were stable and did not change throughout the reporting period, these goods are (onions - watermelons - flour - cooking oil - rice - beans - pasta).

4.2 Stable-price goods:

These are goods whose standard deviation ranges between (0-1), meaning that their prices changed at slight rates during the reporting period, these goods are (frozen chicken - apples - frozen chicken wings - sugar - mineral water - eggplant).

4.3 Volatile-price goods:

These are goods whose standard deviation is greater than (1), meaning that they witnessed sharp fluctuations in prices during the reporting period, these goods are (eggs - peppers - potatoes - lemons - garlic - frozen meat - bananas - tomatoes - frozen chicken thighs - cucumbers - oranges).

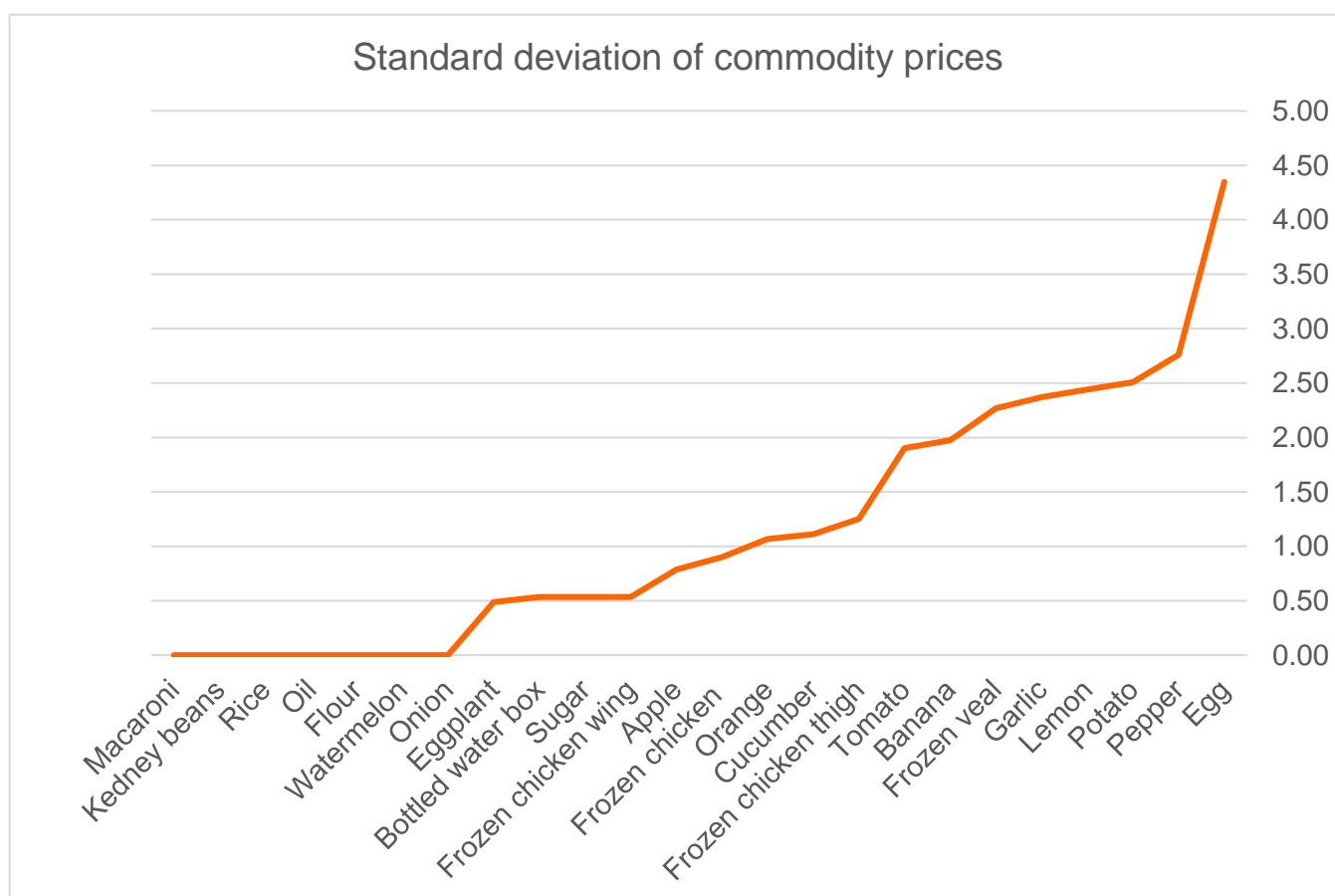


Figure (7): Standard deviation of food items prices

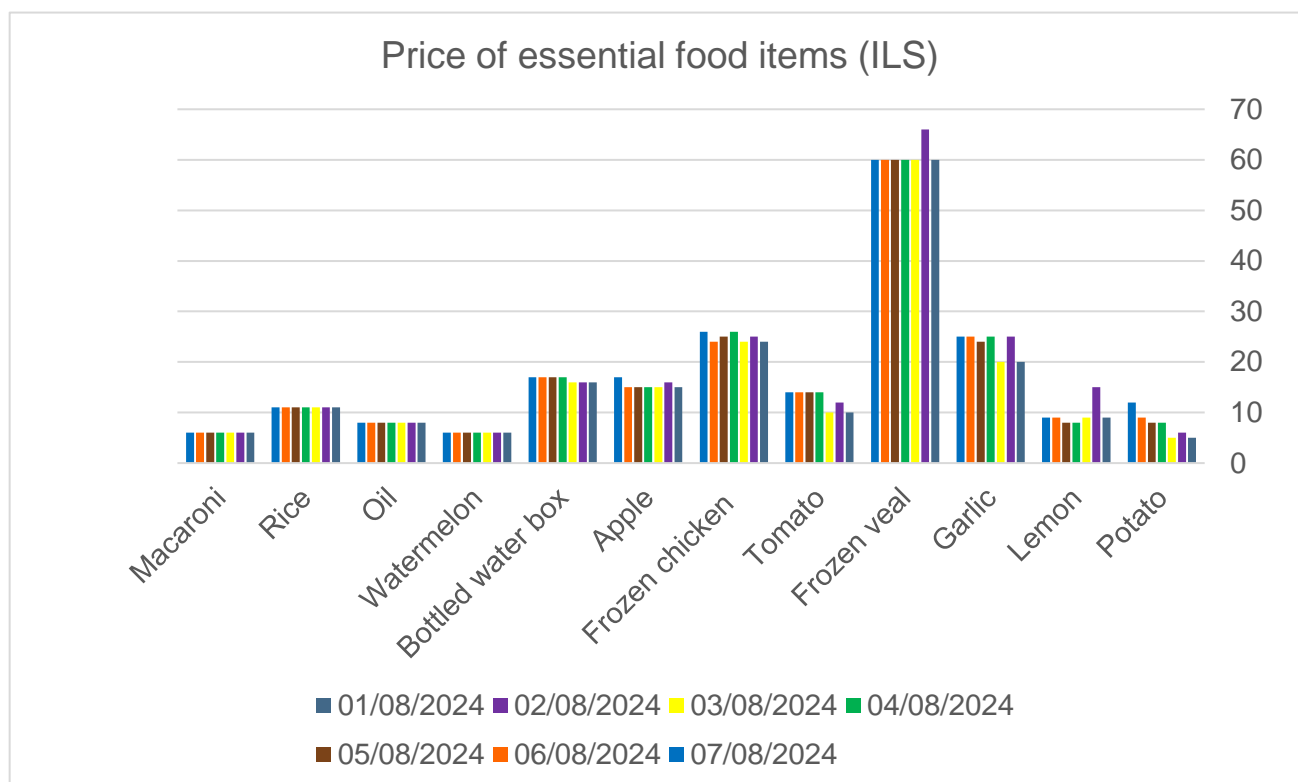


Figure (8): Daily market price for essential items in ILS

4.4 Retailers Price Analysis from 01/08/2024 – 07/08/2024:

As example:

- Product 1: **Tomato.**
 - Opening Price: 10.
 - Closing Price: 14.
 - Percentage Change: 40%.
- Product 2: **Cucumber.**
 - Opening Price: 13.
 - Closing Price: 12.
 - Percentage Change: -7.7%
- Product 3: **Banana.**
 - Opening Price: 12.
 - Closing Price: 15.
 - Percentage Change: 33.3%

4.4.1 Importers prices:

By comparing commodity prices between importers and retailers, we find that retailer prices to consumers are 30% higher than importers (wholesale) for basic materials, vegetables and fruits, and 40% for frozen meat. This is considered, to some extent high percentage, and is attributed to the high costs of sales services such as: transportation, security escort, storage, refrigeration and energy.

4.4.2 Market Conditions in Gaza:

- Truck Movement Variations:
 - During this period, there was a notable increase in the number of trucks entering Gaza, the total is about 534 trucks, distributed between Karm Abu Salem crossing in the south and Erez crossing in the north.
 - Significant fluctuations were observed in the number of trucks from day to day, with a major decrease of 72% in the number of trucks for 02/08/2024 through 03/08/2024, impacting the availability of goods in the markets that caused increase in prices by 10% in local markets on the next day 04/08/2024.
- Variety and Quantities of Goods:
 - Quantities varied greatly on certain days, particularly on 02/08/2024 and 03/08/2024, in these days the supply was at its minimum, which affected market prices to escalate. It was noted also that some retailers offered discounts on some short shelf life items due to the availability of huge quantities of these items. Many basic commodities were scarce in the markets, especially hygiene material and footwear.

5 Coordination Mechanism:

The Israeli Occupation Coordination and Liaison Directorate (CLA) has implemented a system to issue permits for coordinating goods entry. The allowed coordination is for the Southern part of Gaza Strip and is not allowed for the Northern part of the Strip. This coordination system lacks accountability and transparency and rather has a great deal of ambiguity. The system does not allow information on who gets coordination, how many coordination they get and why. Below is the mechanism of the Coordination System, as follows:

- A WhatsApp number is designated by the Israeli Occupation Coordination & Liaison Directorate (CLA) to receive importers application for coordination.
- Importers would send their application to the designated WhatsApp number including the importer's and Israeli driver details as well as the requested goods details.
- CLA would reply from the WhatsApp number as follows: Approved, Rejected, or resubmit after one month (or any other period).
- In many cases the Importer will receive no answer.
- In many cases only the Israeli Driver is informed of the status of the application, which enables the driver to sell the approved coordination to a different Importer.
- Once the coordination application is approved, the Importer can coordinate with traders from the West Bank or Israel to ship goods from their sources.
- If goods are coming from West Bank, it has to go to Tarqoumya or Tulkarm Crossing first by the Palestinian trucks (may have a waiting period on the crossing from several hours to several days) then it will be loaded back to back on an Israeli truck to head to KAS crossing (may also have a waiting time).

- If goods are coming from Israel the Israeli drivers will simply transport it to KAS crossing directly upon the request of the importer. (may also have a waiting time).
- If the Importer receives a rejection or no answer from the WhatsApp number, he will then contact an Israeli driver to purchase a coordination through/from him.
- For agricultural products such as vegetables, fruits and meat, coordination is managed through the Israeli Agricultural Coordinator, Mr. Rabit. This coordination is carried out with the Agricultural Coordinator, outside the described mechanism above.

5.1 Coordination Charges:

- Agricultural coordination is for free.
- Coordination charges for other food items range from 10,000 to 15,000 shekels per truck load.
- Charges could reach up to 60,000 in some Israeli prohibited items like Chocolates, nuts, juices and sweets.

5.2 Difficulties:

- Commercial goods are still significantly lower than pre-conflict levels and do not meet essential needs.
- The delivery of aid and commercial supplies into Gaza remains unreliable due to crossings and routes access restrictions and ongoing security issues.
- Challenges in importing from the West Bank due to double crossings and long waiting time on both crossings.
- Increased transportation costs within the West Bank to 300% due to sudden unplanned transportation requests, and long delays on the crossings.
- High transportation costs within Gaza due to high fuel and spare parts prices.
- Price increase of goods ranging from 5% to 10% from the source in the West Bank due to unplanned demand.
- 80% of Importers experienced damages to Goods during transportation.
- 53% of Importers experienced Goods detention for different periods by the Israeli's.
- 47% of Importers experienced extortion from Israeli drivers regarding cost of transportation and its entry prioritization.
- Cost of security escorts and transportation of goods within Gaza Strip, averaging 10,000 shekels per a truck or a convoy of several trucks.
- Lack of cash liquidity and closure of all Bank branches except one branch in the middle area with one ATM is magnifying the malnutrition and hunger crisis.
- Lack of storage and cold storage which prevents wholesalers and retailers from storing reasonable quantities of goods to help stabilize the markets.
- Lack of power to maintain goods cold chain and enable e-payments over the internet.
- Lack of hygiene products has caused a sharp increase in diseases such as Hepatitis A, impetigo, Scabies, and other fast spreading and contagious diseases.

6 Recommendations:

1. Immediate increase (in quantity and variety) of the amount of humanitarian aid entering Gaza Strip to include variant nutritious needs, with focus on areas suffering from malnutrition and famine in the northern Gaza Strip, through coordination with international organizations.
2. increase the number of commercial trucks, and expand the types and quantities of goods, cover all areas in distribution, and stocking in the southern and northern parts of Gaza to stabilize prices and make essential goods available to people.
3. Allow access to power through solar energy to enable maintain the cold chain for dairy products and frozen meats and vegetables.
4. Increase cooking gas entering Gaza to enable people cook their food properly.
5. increase the amount of commodities entering the northern Gaza Strip to ensure that aid reaches those in need without delay, as well as allowing private sector companies to import and enter goods for Northern part of Gaza Strip.
6. Allow access to hygiene products since it is causing a major concern of disease spreading among population such as hepatitis A, scabies, etc.
7. Allow humanitarian and commercial trucks access the different crossings and all routes to shorten travel distances and avoid routes controlled by looters, in order to avoid paying high sums of money for security escorts.
8. Allow Gaza traders to import directly through international ports to avoid paying high prices and commissions
9. Partner between Chamber of Commerce as the umbrella for the private sector and Industry with donor projects such as Tasdeer's, Anera and WFP to support the back to business for retail recovery, agriculture etc to reduce reliance on street vendors.
10. Promote electronic Wallets and other means of e-payments among consumers and retailers' network. Enable retailers receive e-payments and electronic cash vouchers of the humanitarian organizations, by restoring power and internet to their shops.
11. Allow private sector to import other basic commodities such as hygiene material, medicines, clothes and footwear, etc.
12. Urgently allow to bring agricultural and livestock production supplies into Gaza Strip, and support small farmers with seeds, tools and fertilizers to reduce dependence on external supplies and provide local food sources.
13. Provide sufficient quantities of fuel and truck spare parts to transportation companies at normal prices to reduce commercial transportation costs and limit the unjustified rise in commodity prices in the markets.
14. Provide the necessary funding to rehabilitate commercial facilities including storage and cold storage facilities that can easily return to work to contribute to early recovery and market stability.
15. Find a more effective, accountable and transparent mechanisms to coordinate the entry of commodities from the crossings and strengthening the role of chambers of commerce in managing this situation.
16. Find and promote mechanisms to control markets, prevent monopoly and control prices as much as possible.

7 Conclusion

The report from 01/08/2024 to 07/08/2024 reveals significant fluctuations in truck entry and poor distribution which had an impact on supply flow and on market prices (Supply and Demand rule). Coordination of shipments, managed through a WhatsApp system is not reliable and not always responsive, opening the door for other possible ways of coordination that involve costs between 10,000 and 15,000 shekels. The Northern part of Gaza Strip does not receive any private sector Goods which caused unbelievable price escalation of basic foods especially fresh fruits and vegetables. Challenges such as high transportation costs and extortion further affect market conditions. In overall, these factors contribute to instability in the availability and price of goods in Gaza, Leading to increased malnutrition and hunger.