



Gaza Strip

Crossings
Monitoring Report

MONTHLY 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 2.

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 3 .

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.

Imports are around 20% of their pre-closure levels (i.e., before June 2007). This month, a total of 2,046 truckloads of commercial and humanitarian freight entered into Gaza. The large majority of these movements were food and animal feed (87%). A virtual ban on Exports from Gaza continues, with only limited quantities of carnations allowed out of Gaza in 2009. This month there were no recorded exports. The last shipment of carnations was allowed out on 27 April 2009.

Al Montar Crossing Conveyer Belt was open for 7 days (about 29% of the scheduled days of operation) and processed imports of 616 commercial truckloads of wheat and animal feed (30% of total imports).

Karem Abu Salem Crossing was open for 18 days and processed imports of 1,430 truckloads, primarily of food.

Sufa Crossing was closed during this month, as it has been closed since September 12, 2008. There are indications that the Israelis intend to stop using this facility entirely, see OCHA Field Update on Gaza from the Humanitarian Coordinator, Jerusalem, 10 - 16 March 2009.

Nahal Oz Crossing, was open for 12 days and processed 70,010 liters of petrol and 601,030 liters of diesel allocated for UNRWA. In addition, 11.7 million liters of industrial gasoline and 2.5 million kg of cooking gas were processed into Gaza Strip. These imports are markedly below estimated needs, see Fuel Import Performance, Page 4 of this report.

SECTION 1: PERFORMANCE of the CROSSINGS

A OPERATIONS at the CROSSINGS

Out of 22 Scheduled Days of Operation for this month, Al Montar and Karem Abu Salem Crossings were open for 7 and 18 days, respectively. Table 1 below presents the operating days and cargo movements during September 2009.

Table (1): Summary of the performance at Crossings during September 2009

	Al Montar	Karem Abu Salem	Total
Scheduled days for operations	22	22	-
Scheduled closure days ¹	8	8	
Unscheduled closure days ²	15	4	
Actual days for operation	7	18	-
Total exports (truckloads)	0	0	0
Total imports (truckloads)	616	1430	2,046
Humanitarian imports (%)	0	25%	18%
Commercial imports (%)	100%	75%	82%
Average daily import volume (truckloads) when open	88	79	-
Average daily import volume (truckloads) for all days scheduled for operations	28	65	-

¹ Crossings were closed on Saturdays and Israeli official holidays (September 5, 12, 19, 26, 27 and 28) and Eid AlFitr Holidays (September 20 and 21)

² Karem Abu Salem was closed for security reasons on (September 4, 11, 18 and 25) and Al Montar was closed for unknown reasons

SECTION 1: PERFORMANCE at the CROSSINGS continued

B CARGO ACTIVITY

B.1- Export Activity

No export activity was recorded this month. 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 this 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.

B.2– Import Activity

A total of 2,046 truckloads entered into the Gaza Strip in September 2009 . Since June 2007, import volumes have been between 19% and 31% of pre -closure levels, see Figure 1 . The dire economic and humanitarian implications of this are obvious. The distributions of imports across crossings and by cargo type are presented in Figure 2 .

Figure (1): Imports into Gaza in September 2009 monthly averages of different periods.

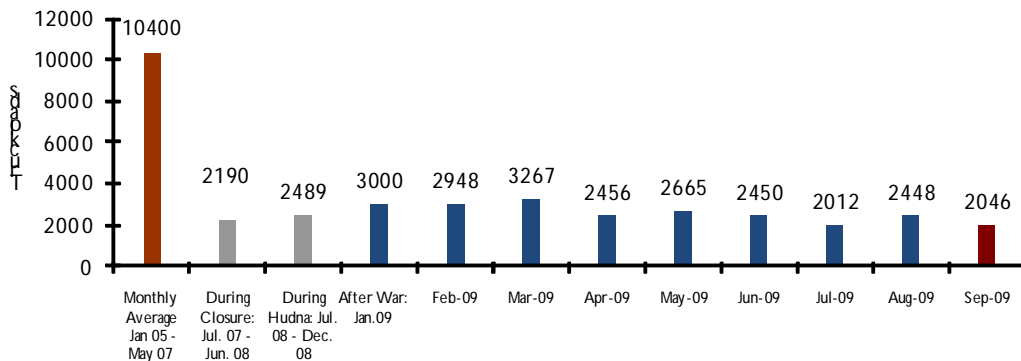
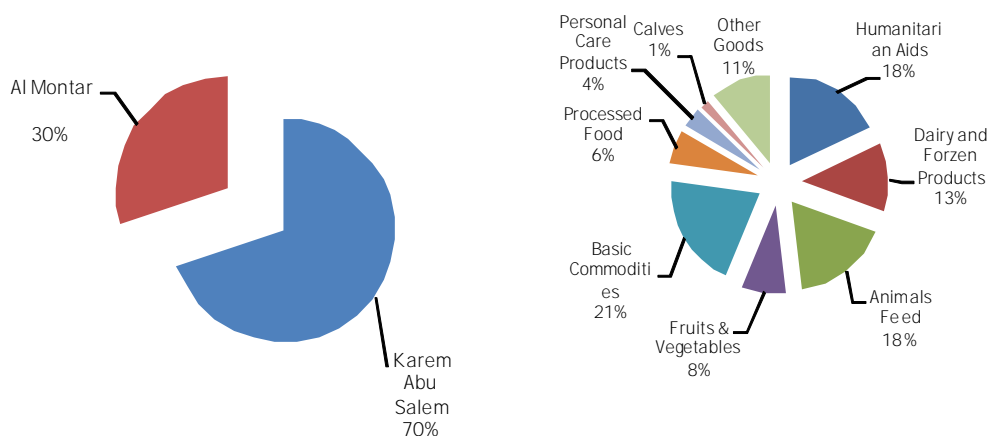


Figure (2): Imported goods through all crossings in September 2009



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 70,010 litres of petrol and 601,030 litres of diesel for UNRWA that entered via Nahal Oz fuel pipeline.

The Gaza marketplace is still mostly reliant on the fuel being transferred from Egypt through the tunnels under the Rafah-Egypt border. The estimated rate of these movements through the tunnels is nearly 100,000 liters of diesel and 100,000 liters of petrol per day*.

Table (2): Summary of fuel and gas imports in September 2009 compared with the current needs

Type	September 2009 Imports for private sector	September 2009 Imports for Humanitarian	Estimated monthly needs ¹	Imports as percent of estimated needs
Petrol (liter)	0	70,010	1,700,000	4%
Diesel (liter)	0	601,030	10,000,000	6%
Industrial Gasoline (liter)	-	11,749,701	12,600,000	93%
Cooking Gas (kg)	2,553,840	-	7,500,000	34%

NOTE: 1. Based on estimates by the Petroleum & Gas Station Owners Association-Gaza.

* Source: Protection of Civilians: 12-18 September 2009 UN OCHA oPt

SECTION 2: HIGHLIGHTED ISSUE

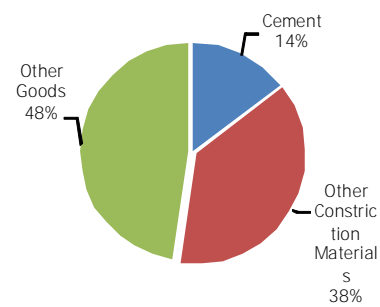
CEMENT SUPPLY AND PRICES IN GAZA

After signing the AMA in 2005, on average half of imports through Gaza commercial crossings were construction materials. Sufa crossing was dedicated for these materials in addition to imports through Al Montar crossing. Construction materials included aggregates, steel for construction and cement. Cement is considered one the most important of these materials. The following describes trends in the quantity and average price of cement:



Figure (3): Imported goods Before Closure

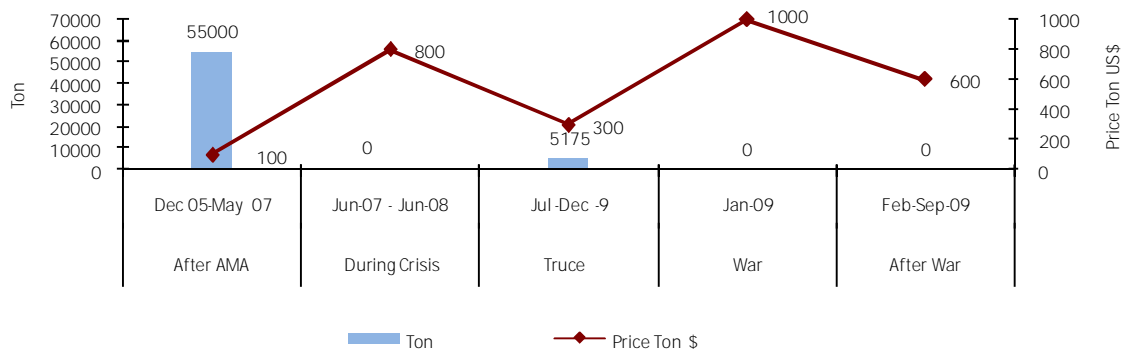
- n After the AMA, imports of cement increased considerably, reaching on average 55,000 tons per month and its price was around \$100 per ton,
- n During the crisis importation was banned as it was considered "dual-use goods" and its price increased eightfold, i.e. US\$ 800 per ton,
- n During the Truce in the second half of 2008, imports of cement were resumed at less than a tenth the pre-crisis level, averaging 5,000 tons per month, which led to a dramatic 60% reduction in prices, reaching US\$ 300 per ton.
- n During the Gaza War, thousands of homes, apartment buildings, and private sector enterprises, as well as hundreds of government and community related buildings were destroyed, resulting in very high demand on cement which made the prices of cement reach its peak US\$ 1000 per ton.
- n Currently, with cement still being among the many banned items, it is being imported through the tunnels under the Gaza - Egypt border, where it is estimated that around 600 tons of cement enter Gaza on a monthly basis and is sold in the market at around (US\$600 per ton).



Construction Industries	No. of Factories in Gaza Strip*
Ready-Mixed Concrete	31
Tiles and Interlock	24
Stone and Marble	34
Bricks	161
Asphalt	5
Total	255

* Source: Construction Industries Union .

Figure (3): Cement Imports (Tons) into Gaza monthly averages of different periods with average price (US\$)



Cement is crucial for the re-building phase. As a coping mechanism it is currently being imported through the tunnels. Unfortunately, other needed materials for construction are extremely difficult to import through the tunnels. These materials include: glass, wood, and steel.

ANNEX 1: 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 and Fourth year; is being provided by the Norwegian Consultant Trust Fund under the supervision of the World Bank (MNSD Finance and Private Sector Unit).



Financed by:
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Under the supervision of:
The World Bank
(MNSD) Finance and Private Sector

ANNEX 2: 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 3: 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.

June 19, 2007- Dec.19, 2008

Truce or Hudna Period

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- Sep . 30 , 2009

Post War Period

No improvements were witnessed on the crossings performance, where statistics illustrate that only 23,271 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 4: REFERENCES AND SOURCES

- n** United Nations Office for the Coordination of Humanitarian Affairs (OCHA)
- n** United Nation Special Coordinator Office (UNSCO)
- n** The Borders and Passages General Department
- n** Agricultural Marketing Cooperatives/Associations
- n** Wood Industries Union (WIU)
- n** The Sewing Factory Owners Union (SFOU)
- n** Informal sources
- n** The Palestinian General Petroleum Company (PGPC)
- n** Petroleum & Gas Station Owners Association-Gaza
- n** Joint Humanitarian Coordination
- n** Private Sector Coordination Council-Gaza Governorates.
- n** Palestinian Federation of Industries (PFI)