



"Facilitating Trade Flows Between WBGs and Israel Project"

Al Montar / Karni Terminal Movement Monitoring Monthly Report –March 2007

**Prepared by Palestine Trade Center - PalTrade
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1- Introduction

As the National Trade Development Organization, PalTrade is the private sector institution with a direct mandate in trade development. As such, PalTrade has been a member of the Gaza withdrawal technical committees, and made important contributions to the reports to the AHLC on trade development and facilitation and other related forums. 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. PalTrade was also the only private sector institution to participate in negotiations on movement and access during and following the Israeli withdrawal from Gaza.

As part of the World Bank project "Facilitating Trade Flows between WBGs and Israel" and previous projects, PalTrade has maintained a physical presence at AlMontar/ Karni since August 24th, 2005 until present, PalTrade's scope is to monitor and collect statistics for AlMontar terminal operations, monitor queuing duration and exported cargo volumes. AlMontar terminal statistics have been collected in full collaboration with AlMontar authorities; mainly representative offices of Border & Passage General Dept., Ministry of Civil Affairs and Ministry of National Economy.



AlMontar Terminal is considered the major commercial terminal of Gaza Strip, where it connects the Gaza Strip with the West Bank, Israel and the rest of the world, the terminal is located at the east of Gaza City and deemed the lifeline for the inhabitants of the Gaza Strip, but is marred by inefficiency and insecurity.

2- Technical Observation (Cargo Flow)

The statistics presented in this monthly report are the result of observations at AlMontar/Karni covering 26 available operating days from March 1st to 31st, 2007. In the month of March, 2007, the terminal operated for both imports and exports.

IMPORTS:

A total of 9,442 truckloads of goods were imported into the Gaza Strip. The highest volume of imports was aggregates (49%), followed by full containers (10%) and mixed cement-Silo (10%).

Most of the goods imported were processed through cells and silo cement hoppers. The containers terminal (area 34) was open for empty and full containers, including aggregates. Based on Al Montar Terminal Authority estimates, the pallet scanners operated with a 12% capacity during the month of March for imports (they are only used for imports from the West Bank).

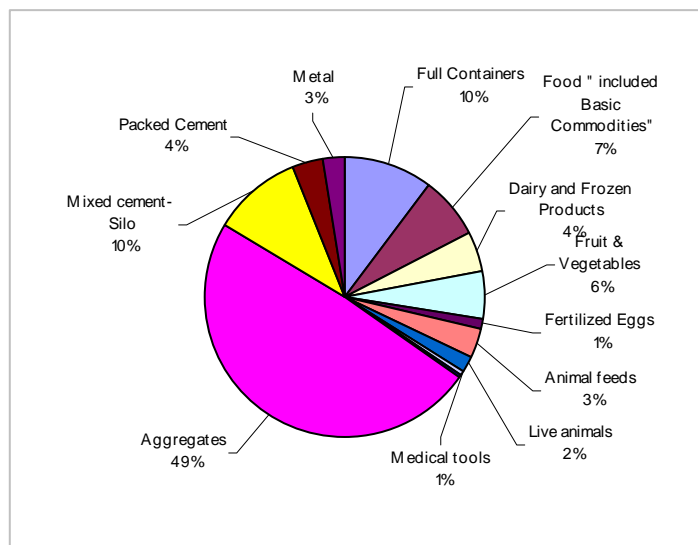


Figure (1): Imported truckloads movement through AlMontar Terminal, classified by Cargo type- March 2007

EXPORTS:

A total of 1,139 truckloads of exports were reported during the study period. All exports were processed through pallet scanners and cells. The highest volume of exports was agricultural produce (61%), followed by furniture (11%) and garment (8%). An additional 112 truckloads of empty boxes and crates and 1,330 empty containers were processed through the terminal from Gaza to Israel.

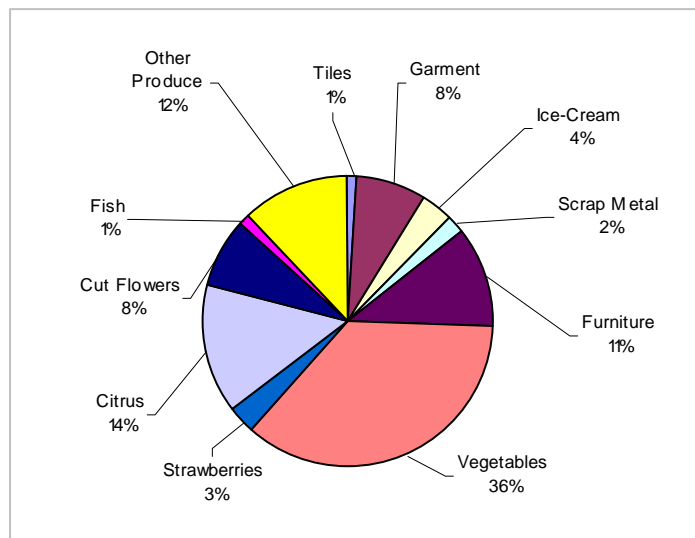


Figure (2): Exported truckloads movement through AIMontar Terminal, classified by Cargo type- March 2007

3- Operation Performance

The terminal operated (imports & exports) for 24 working days (92% of total available working days in the study period). The terminal was totally closed for two days by the Palestinians due to the drivers strike.

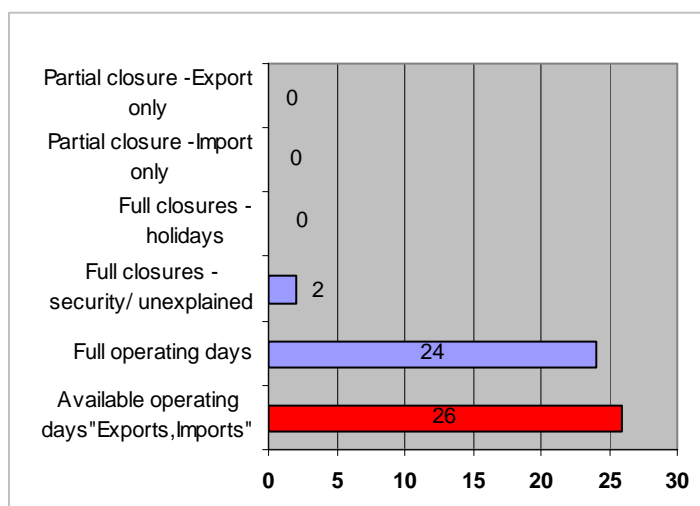


Figure (3): Operation and closures at AIMontar / Karni during March, 2007

The highest daily **working hours** were observed on March 19th where the terminal operated for 8.8 hours, which is just 63% of the daily working hours previously recorded (i.e. prior to February 2006; 14 working hours). The average daily working hours during March was 6 hours, with the shortest working day observed at only 3.5 hours on March 2nd.

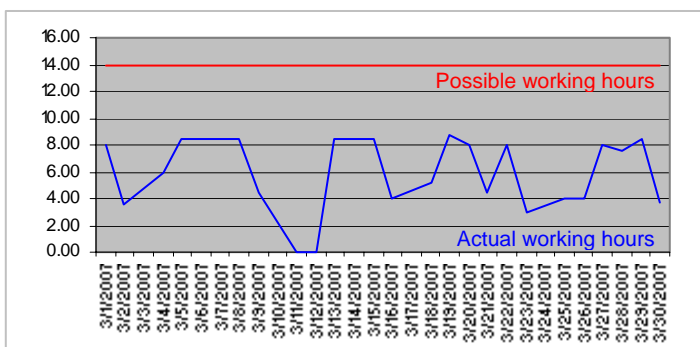


Figure (4): AIMontar / Karni Terminal opening hours during – March, 2007

The highest daily **import volumes** were observed on March 29th where 603 truckloads were processed, while the lowest daily import volumes were observed on March 2nd with only 150 truckloads crossing into Gaza.

The average daily import volume during the study period was estimated at 363 truckloads per day.

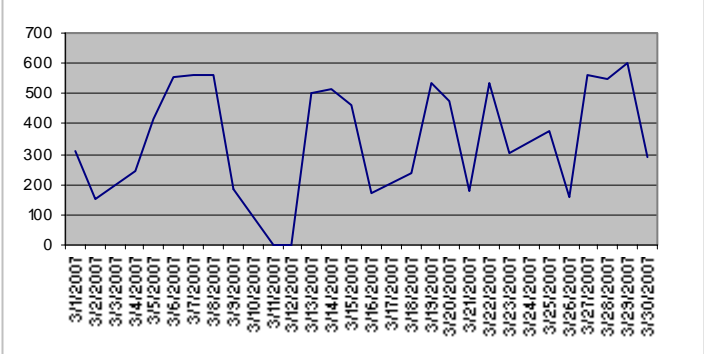


Figure (5): Imported truckloads movement through Al Montar Terminal- March, 2007

The highest daily **export volumes** were observed on March 13th where 96 truckloads were processed, while the lowest daily export volumes were observed on March 9th with only 18 truckloads crossing out of Gaza.

The average daily export volumes during the study period was estimated at 47.5 truckload per day excluding closure days.

With closure days included this drops to 44 truckloads per day, which is estimated at 68% of previously observed daily average (prior to February 2006, where the average daily import volume was estimated at 65 truckloads).

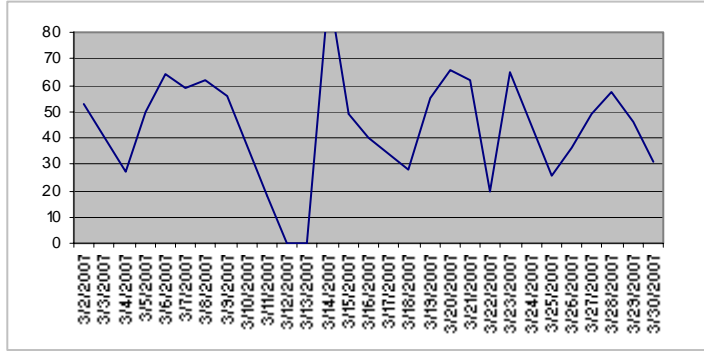


Figure (6): Exported truckloads movement through Al Montar Terminal-March, 2007

PERFORMANCE CONCLUSION

The overall performance of AlMontar terminal during the month of March was fluctuating and similar to the previous month of February, were average daily exports decreased by 8%; and average daily imports increased by around 5%. It can be noticed the operation days have also increased with only 2 days of total closure due to the Palestinian driver’s strike.

4- Cargo Movement Trends – March (2001-2007)

The cargo **import** movement average of March 2007 is better than the March average of recent years (but not as good as the years 2001 and 2003). This month's **export** averages are considered better than last year's (but not as good as the years 2001, 2003 and 2004).

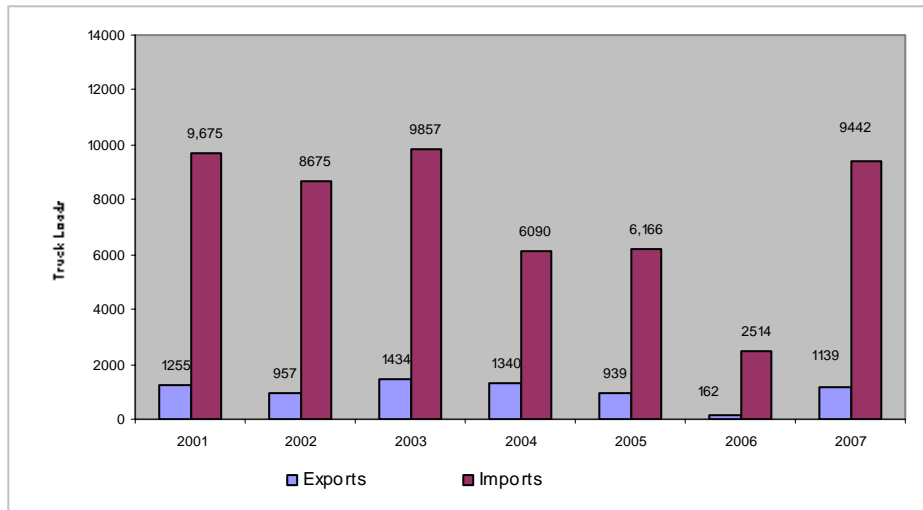


Figure (7): March truckloads movement (imports and exports) for the period (2001-2007)

5- Terminal Performance Trends – (July, 2006 – March, 2007)

Statistical trends of the months from July 2006 to March 2007 show that the export levels were increasing until the month of January in minor levels, but started to decrease afterwards. With regard to imports levels, it's a fluctuating trend. In terms of operational days, the number of closures due to security reasons has greatly decreased since August 2006, but is still relevant.

As illustrated in Figure (8), in the month of March total imported truckloads have increased but total exported truckloads have decreased.

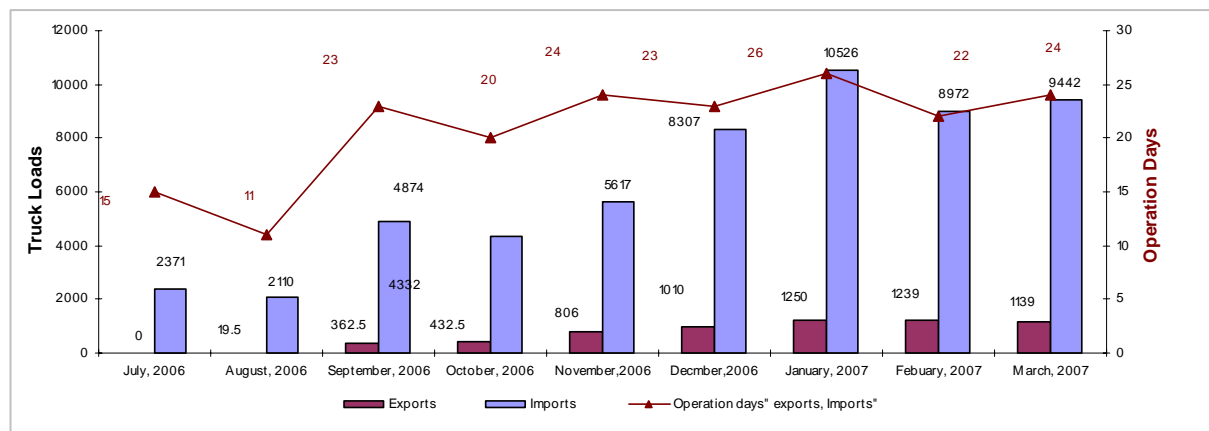


Figure (8): July 2006 – March 2007 truckloads movement (imports, exports & operation days).

6- EXPORT SECTORS PERFORMANCE (Pilot Observation)

Furniture Sector:

Based on the export applications received at the Wood Industries Union (WIU), which is the sector representative association responsible for the export queuing procedure, In March (which is the high sales season of furniture due to the Passover holidays), the total furniture export demand was 625 truckloads, however, 47% of the total demand was scheduled for exports based on the terminal's observed capacity, but only 44% of the scheduled exports (or 21% of the sector export demand) were actually exported.

In comparison with the previous month of February the total actual exports increased by 22 truck loads, however the percentage of demand vs. actual exports decreased from 26% to 21%.

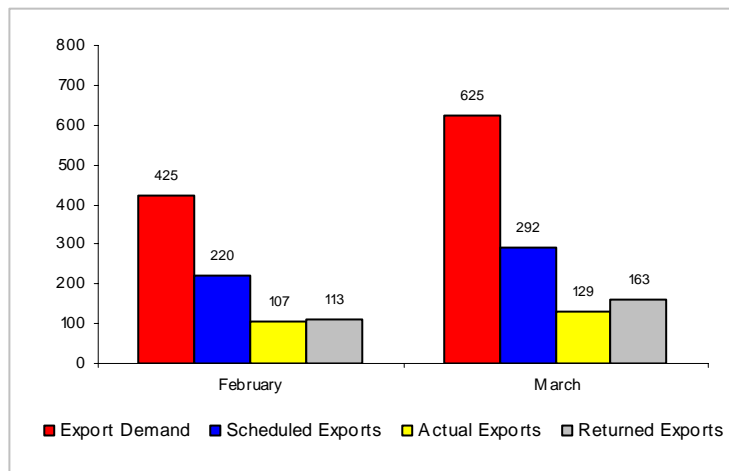


Figure (9): Furniture Sector Demand Vs. Actual Exports in February - March 2007

Expected Upcoming Updates in April of AlMontar Terminal

New Working Hours Pilot Period:

The Borders and Passages General Department was informed that the AlMontar/Karni crossing working hours will be extended until 11 P.M starting from April 12th, 2007 until the end of April as a pilot study for the extended opening hours initiative. However, this new working hours policy will be implemented only the southern part of the terminal and for specific operations (estimated to be around 40% of the total terminals capacity) which are:

- For Imports Only:
 - o Three cells (23A, 24-25 and 27)
 - o Aggregates conveyor (34)
 - o Animals Feed hopper (26)
- For Exports Only:
 - o Two or three palette scanners (of scanners 20, 21, 22, and 23)
 - o One cell (24-25) for empty crates and boxes on specific days.
- For Both Imports and Exports: two cells (17-19 and 28)

Noting that the Northern part of the Terminal will not change its operating hours and will remain from 8:30 AM until 5:00 PM

PalTrade will be studying the effect of the pilot period on the import and export volume levels once the decision is in effect.

Private Sector Initiative:

The Coordination Council for Palestinian Private Sector's Institutions has formed a new committee representing the Palestinian private sector for Commercial Borders related issues, to include the membership of each of Palestine Trade Center (PalTrade) , Palestinian Federation of Industries (PFI), Palestinian Chambers of Commerce– Gaza, Palestinian Contractors Union (PCU), Palestinian Businessmen Association (PBA), and Shipping Companies Union.

An agreement was made between the committee and the related stakeholders Ministry of Economy, Borders and Passages Department, Ministry of Agriculture, Ministry of Finance (Customs & Income Department), Presidential Security Guards, Borders and Passages Security Department, and the Palestinian Standards Institute (PSI) to develop a One-Stop-Shop service center for both importer and exporters, to finalize all required documentation and procedures.

PalTrade will be studying the effect of such an initiative on the import and export process once the committee decision is in effect.

ANNEX 1

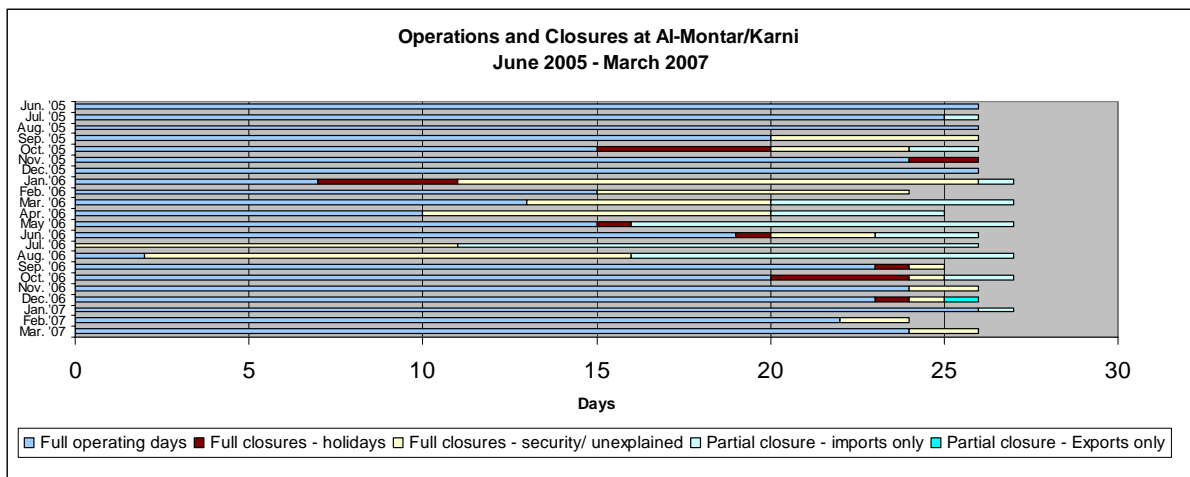
AlMontar/Karni Cargo Movement Statistics - March 2007

Day	Date	Exported Trucks	Imported Trucks	Terminal Opening Hours	Empty Crates (truck)	Empty Containers	Notes
Thursday	3/1/2007	53	309	8.0	4	74	Full operating days
Friday	3/2/2007	27	150	3.5	3	38	Full operating days
Sunday	3/4/2007	50	243	6.0	4	0	Full operating days
Monday	3/5/2007	64	413	8.5	6	58	Full operating days
Tuesday	3/6/2007	59	558	8.5	12	63	Full operating days
Wednesday	3/7/2007	62	563	8.5	12	90	Full operating days
Thursday	3/8/2007	56	564	8.5	4	84	Full operating days
Friday	3/9/2007	18	188	4.4	4	53	Full operating days
Sunday	3/11/2007	0	0	0.0	0	0	Full closures - security/unexplained
Monday	3/12/2007	0	0	0.0	0	0	Full closures - security/unexplained
Tuesday	3/13/2007	96	502	8.5	0	66	Full operating days
Wednesday	3/14/2007	49	513	8.5	15	84	Full operating days
Thursday	3/15/2007	40	462	8.5	7	73	Full operating days
Friday	3/16/2007	28	169	4.0	3	42	Full operating days
Sunday	3/18/2007	55	241	5.3	7	0	Full operating days
Monday	3/19/2007	66	534	8.8	4	99	Full operating days
Tuesday	3/20/2007	62	476	8.0	5	80	Full operating days
Wednesday	3/21/2007	20	180	4.5	9	44	Full operating days
Thursday	3/22/2007	65	533	8.0	5	85	Full operating days
Friday	3/23/2007	26	302	3.0	5	39	Full operating days
Sunday	3/25/2007	36	377	4.0	3	49	Full operating days
Monday	3/26/2007	49	160	4.0	0	0	Full operating days
Tuesday	3/27/2007	57	563	8.0	3	35	Full operating days
Wednesday	3/28/2007	46	547	7.5	7	43	Full operating days
Thursday	3/29/2007	31	603	8.5	0	59	Full operating days
Friday	3/30/2007	24	292	3.8	0	42	Full operating days
Total		1139	9442	158.7	122	1300	

ANNEX 2

Operations and Closures at AlMontar / Karni June 2005 - March 2007

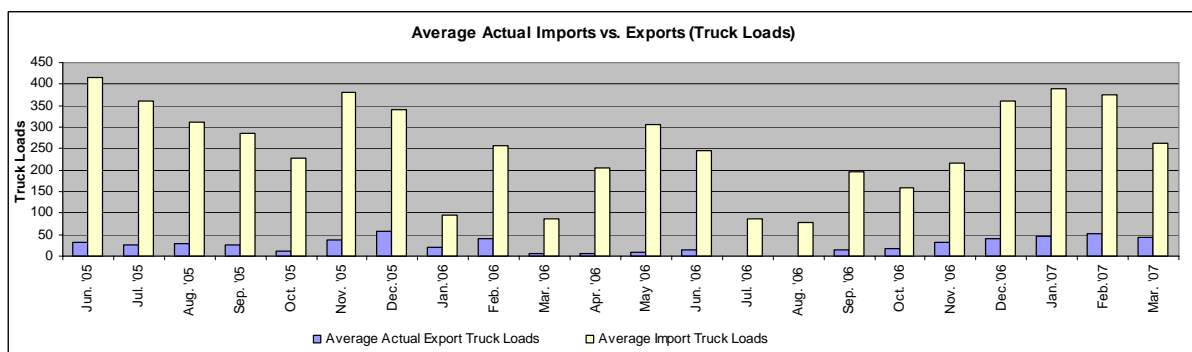
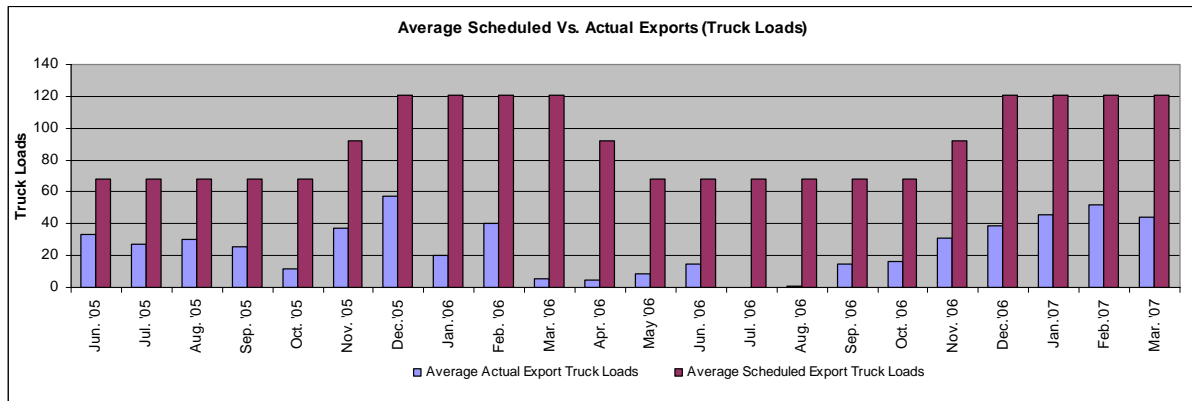
Month	Available Operating days	Full Operating Days	Full Closures - Holidays	Full Closures - Security/ Unexplained	Partial Closure - Imports Only	Partial Closure - Exports Only
Jun. '05	26	26	0	0	0	0
Jul. '05	26	25	0	0	1	0
Aug. '05	26	26	0	0	0	0
Sep. '05	26	20	0	6	0	0
Oct. '05	26	15	5	4	2	0
Nov. '05	26	24	2	0	0	0
Dec.'05	26	26	0	0	0	0
Jan.'06	27	7	4	15	1	0
Feb. '06	24	15	0	9	0	0
Mar. '06	27	13	0	7	7	0
Apr. '06	25	10	0	10	5	0
May '06	27	15	1	0	11	0
Jun. '06	26	19	1	3	3	0
Jul. '06	26	0	0	11	15	0
Aug. '06	27	2	0	14	11	0
Sept. '06	25	23	1	1	0	0
Oct. '06	27	20	4	1	2	0
Nov. '06	26	24	0	2	0	0
Dec.'06	26	23	1	1	0	1
Jan.'07	27	26	0	0	1	0
Feb.'07	24	22	0	2	0	0
Mar. '07	26	24	0	2	0	0



ANNEX 3

Average Daily Number of Scheduled and Actual Export Truckloads

Month	Average Actual Export Truckloads	Average Scheduled Export Truckloads	Average Import Truckloads
Jun. '05	33	68	416
Jul. '05	27	68	362
Aug. '05	30	68	311
Sep. '05	26	68	286
Oct. '05	11	68	227
Nov. '05	37	92	381
Dec.'05	57	121	341
Jan.'06	20	121	94
Feb. '06	40	121	257
Mar. '06	5	121	87
Apr. '06	5	92	206
May '06	9	68	307
Jun. '06	15	68	244
Jul. '06	0	68	88
Aug. '06	1	68	78
Sep. '06	15	86	195
Oct. '06	16	68	160
Nov. '06	31	92	216
Dec.'06	39	121	361
Jan.'07	46	121	390
Feb.'07	52	121	374
Mar. '07	44	121	263



ANNEX 4

Actual Vs. Planned Working Hours Exporting Pallet Scanners "Bays" and "Cells"

Month	Pallet Scanners "Bays"			Cells		
	Actual Daily Working Hours (cargo)	Planned Daily Working Hours (cargo)	Pallet Scanners "Bays" Ratio of Actual vs. Planned Working Hours	Actual Daily Working Hours (cargo)	Planned Daily Working Hours (cargo)	Cells Ratio of Actual vs. Planned Working Hours
Jun. '05	26	91	29%	13	65	20%
Jul. '05	27	91	30%	10	65	16%
Aug. '05	30	91	33%	13	65	20%
Sep. '05	33	91	36%	10	65	15%
Oct. '05	14	91	15%	3	65	5%
Nov. '05	33	91	36%	16	65	24%
Dec. '05	41	91	45%	25	65	38%
Jan. '06	45	91	49%	13	65	20%
Feb. '06	39	91	43%	26	65	40%
Mar. '06	25	91	27%	15	65	23%
Apr. '06	23	91	25%	9	65	14%
May '06	28	91	31%	9	65	14%
Jun. '06	20	91	22%	8	65	12%
Jul. '06	0	91	0%	0	65	0%
Aug. '06	0	91	0%	0	65	0%
Sep. '06	11	91	12%	5	65	8%
Oct. '06	16	91	18%	9	65	14%
Nov. '06	21	91	23%	11	65	17%
Dec. '06	29	91	32%	14	65	22%
Jan. '07	32	91	35%	16	65	25%
Feb. '07	30	91	33%	23	65	35%
Mar. '07	31	91	34%	20	65	31%

