



PALTRADE

مركز التجارة الفلسطيني - بالتريد
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Impact of Gaza Closure on Clothes and Shoes imports

Special Report

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Since June 2007, Israel imposed strict restriction on imported goods in terms of quantities and types. It is estimated that hundreds of containers were held at the Israeli ports and banned entry to Gaza Strip. Three years later, Israel granted entry for two types of these products (clothes and shoes) on April 4, 2010. Five truckloads of each type were granted entry to Gaza Strip on a daily basis.

Upon arrival to Gaza Strip, either partial or complete damages to these products were observed due to prolonged period and poor storage at the Israeli ports. The Ministry of National Economy estimated losses at 30% per truckload in addition to storage cost and high demerger fees. All these incurred costs and restrictions clearly illustrate the extent of Gaza Merchants suffering. Therefore, two cases will be highlighted in order to further explore this issue.

1- Bride Five Company:

Bride Five is clothes imported company. Since 2007, ten containers of clothes were held up at the Israeli ports as a result of the Israeli restrictions . On April 8, 2010, the company was permitted to retrieve one 40 ft container in valued at NIS 1,000,000. Due to the prolonged period and poor storage, around 60% of clothes were completely damaged in valued at NIS 600,000. It should be noted that since 2007, the company has been paying NIS 1,500 on a monthly basis for storage fees in order to avoid financial loss.



2-Abu Hilal Clothes Company:

Abu Hilal is clothes imported company. Since 2007, nine containers of clothes were held up at the Israeli ports. On April 4, 2010, the company was permitted to retrieve one 40 ft container in valued at NIS 296,000. Due to the prolonged period and poor storage, around 50% of clothes were completely damaged in valued at NIS 148,000. It should be noted that since 2007, the company has been paying NIS 1,410 on a monthly basis for storage fees in order to avoid financial loss.

Recommendation:

Containers held up estimated "750" at the Israeli port must be immediately released in order to minimize damages and losses for these products which have been held up for three years.

Note: *Exchange rate is calculated at US\$ 1 = NIS 3.7*

