

**Ramallah, 16/10/2023**

**The Palestinian Central Bureau of Statistics Highlights  
Socio-Economic Indicators on the Impact of the Israeli Occupation War on  
Gaza Strip, 2023.**

More than 3,000 martyrs in Palestine since the beginning of 2023, 90% are in Gaza Strip. Destruction of infrastructure and indicators of an imminent humanitarian and environmental catastrophe in Gaza Strip.

**The Palestinian Central Bureau of Statistics issued a press release on the most important socio-economic indicators on the impact of the Israeli occupation war on Gaza Strip, highlighting the follows:**

**More than 3,000 martyrs in Palestine during 2023, which is the highest number of martyrs that Palestine has witnessed in more than two decades.**

During 2023, Palestine has witnessed an accelerating Israeli escalated aggression against all components of the Palestinian society, affecting stones, trees, and people, in addition to increasing restrictions on the resources of the Palestinian people. The number of Palestinian martyrs since the beginning of 2023 until the issuance of this press release, which was concentrated in Gaza Strip as a result of the Israeli war on Gaza Strip, reached 3,057 martyrs (2,793 martyrs in Gaza Strip and 264 martyrs in the West Bank), which is the highest number of martyrs in Palestine since the Second Intifada, and more than 11,000 Palestinians were injured as a result of the Israeli war on Gaza Strip. More than 2,185 buildings and 8,840 housing units were completely destroyed. In addition to the partial destruction of more than 89,000 housing units, and about 680,000 Palestinian citizens were displaced forcefully within Gaza Strip, far from their places of residence.

**Structural distortion in the ability of Gaza Strip to recover, and indicators of an imminent humanitarian and environmental catastrophe in Gaza Strip**

About 2.2 million people live in Gaza Strip in an area of 365 km<sup>2</sup>; most of them are refugees. The population density in Gaza Strip amounts to 6,102 individuals/km<sup>2</sup>, which is considered one of the highest densely populated areas in the world. Gaza Strip suffers from demographic pressure on the basic resources of production factors, as well as the latest series of repeated wars on Gaza Strip, which led to almost complete destruction of the most basic necessities of life for the Palestinian individual, where unemployment and poverty rates increased to reach their highest levels; unemployment rates exceeded 45% during the first half of 2023. In addition, more than 50% of the young graduates are unemployed, the Palestinian per capita income in Gaza Strip is equivalent to the half of the Palestinian per capita in the West Bank, and poverty and malnutrition rates have worsened until they exceeded 80%. On the other hand, the per capita of water in Gaza Strip reached about 80 liters/day, which is much less than the minimum share recommended by the World Health Organization, which is estimated to be about 150 liters/day per capita, taking into account

that more than 97% of Gaza Strip water does not meet the World Health Organization standards for drinking water. The economic indicators for the first half of 2023 indicate a decline in Gaza Strip contribution to the gross domestic product in the State of Palestine from about 34% for the years before 2006 to fall below 18%, which led to a structural distortion in the ability of Gaza Strip to recover. The above indicators show that Gaza Strip has been suffering from a difficult economic situation before the current Israeli war on Gaza Strip. It goes without saying that this devastating war has increased its suffering, as Gaza Strip is now deprived of the least human rights: water, electricity, fuel, and a critical shortage of medication and basic medical supplies, which indicates an imminent humanitarian and environmental catastrophe.

### **A decline in GDP estimated at USD 500 million during 2023 compared to 2022**

The level of recovery in the Palestinian economy during 2022 is still limited as a result of a number of factors, the most important of which is the sharp decline in external support, and the continuation of deducting a portion of the Palestinian tax revenues by the Israeli occupation (clearance) throughout the year, where the continued policy of the Israeli occupation to deduct clearance revenues during 2023, in addition to the recent Israeli war on Gaza Strip, as well as the Israeli occupation policy of restrictions and closures between the governorates of the West Bank, all of this would increase the state of recession and decline in growth rates of the Palestinian economy and would harshly affect the ability of the Palestinian government to fulfill its obligations towards the Palestinian society.

**The continuation of the Israeli war on Gaza Strip for a month and the extension of its effects over the following two months, in addition to the accompanying repercussions on the economy in the West Bank,** will lead to a decline in the GDP of Palestine in 2023 at an estimated value of USD 500 million, which is equivalent to 3% compared to 2022, though the Palestinian economy was supposed to achieve a growth of 3% in the same year, as a result of the cessation of daily production wheel in Gaza Strip.

### **USD 16 million is the daily loss of production due to the complete disruption of all economic activities in Gaza Strip; this value excludes the losses in properties and fixed assets**

During the first half of 2023, Palestine's gross domestic product (GDP) increased by 3% compared to the same period last year, which, in return, made the increase in per capita income does not exceed 1% compared to the same period of 2022. However, the recent Israeli war on Gaza Strip will lead to a downturn/retrogression in the Palestinian economy during the second half of 2023, as the expected daily loss of production value in Gaza Strip is estimated to be USD 16 million as a result of the cessation of production wheel for all economic activities other than losses in properties and fixed assets.

### **Estimates of a decline of 5% in per capita income during 2023 and a decrease of 1.2% in consumption level, leading to increasing poverty rates in Palestine**

In terms of expenditure, total consumption increased by 6% during the first half of 2023 compared to the same period in the past year (7% in the West Bank and 5% in Gaza Strip),

where private consumption by households and enterprises in the private sector increased by 8%, compared to a decline of 2% in public consumption during the same period. The total investment increased by 7%. During 2023, it is anticipated that there will be a decline of 5% in per capita income and to be accompanied by a decline of 1.2% in consumption level in Palestine as a result of Israeli war on Gaza Strip and its repercussions on Palestine, and thus leading to raising poverty levels in Palestine.

### **A decrease in the trade exchange level in Gaza Strip to the half for the times pre-2006**

At the level of foreign trade exchange, the value of exports of goods and services increased by 21% during the first half of 2023 compare to an increase in imports by 19% during the same period. Due to the fact that imports are worth about three times the value of exports, the deficit of trade balance increased by 18%. It is worth mentioning that the size of trade in Gaza Strip before 2006 reached 23% of Palestine's total trade size, it recently dropped below 12% in 2023. During the recent war on Gaza Strip, supply chains from and to Gaza Strip were cut off, which accordingly, warns of a health catastrophe in all of Gaza Strip due to the critical shortage in medications and medical supplies.

### **Estimates of high unemployment rates in Palestine to exceed 28% in 2023 after reaching 25.5% in 2022**

At the level of labour forces, Palestine is experiencing a regional gap in unemployment rates. In 2022, the unemployment rate in the West Bank was about 13.1% and in Gaza Strip about 45.3%. The unemployment rate declined in the second quarter of 2023 to 24.7% compared to 25.2% in the first quarter of this year. Unemployment rates are estimated to increase from being 25.5% in 2022 to exceed 28% in 2023 as a result of the Israeli war on Gaza Strip and its repercussions on Palestine as a whole.

### **An increase in the prices in Palestine during 2023**

**In regards to prices in Palestine, inflation rates are being directly affected by levels of prices in Israel and the repercussions of external crises due to the large import of consumption goods from abroad and Israel. They are also affected by three main factors, the first is the mutual customs between the Israeli occupation and Palestine, which impose that VAT rates are required to remain within the margin of 2 percent points, and the second factor that we lack control over our borders and crossings; and thus, control over supply chains, the third and last factor is the absence of a national currency and therefore we keep suffering from the global fluctuations. During the first half of 2023, Palestine's consumer price index increased by 3.82% compared to the first half of 2022. Prices of some goods increased, which have negatively affected the Palestinian households expenditure and the purchasing value has decreased, which, in return, negatively impacted poverty levels in Palestine. Nonetheless, the most recent and the ongoing Israeli war on Gaza Strip is expected to increase inflation rates in Palestine over the coming period. Furthermore, estimates show that the increase in the exchange rate of the USD against the New Israeli Shekel (NIS) by 1% will increase inflation rates by 1.6%.**