



**The Palestinian Private Sector between the Anvil of
Dependence and the Hammer of the
Israeli Economic Punitive- Measures**

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- Mr. **Ali Muhanna**- The Assistant secretary- General
- Mr. **Nazih Mardawi** - The Director of Information and Computer department.
- Mr. **Hashem Milhim**-An Economic Researcher.

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Introduction:

The importance of studying the effects of the Israeli economic sanctions on the performance of the Palestinian private sector and their impacts on its representative institutions is stemmed from the following

- The organic correlation between the profound effect of such sanctions and such dependence is a correlation between the cause and effect and a correlation between the end and the means.
- The End of the interim period of the peace process, which was hoped to be a interval between the occupation and independence, a period of transfer from the full dependence on the Israeli economy to the interdependence enabling the Palestinian economy to recover its traditional markets in the Arab World. And to adopting independent economic policies in accordance with the Palestinian interests, aspirations and requirements. In contrary, the net outcome of interim period was the increase of the dependence on the Israeli economy and development of Israel role from main trade partner to the sole partner of the Palestinian territories. Consequently restricting the flexibility of the Palestinian economy to respond to and cope with the changes in the surrounding environment.
- The World direction towards liberating the commerce and removing the customs and non-customs constraints and moving towards European, Mediterranean and Arab world Free Trade Area. But in fact, the reality of the Palestinian economy is that it is captured with the compulsory economic dependence and the policies of the Israeli economic sanctions.

Structure of the study

This study consists of three main parts followed by a conclusion and recommendations:

Part One:

This part handles with analysis the depth of the effects of the Israeli sanctions policy on the performance of the private sector businesses in terms

of ; numbers of workers, the average of daily working hours, the utilized production capacity, marketing and the decline in the volume of sale at district level and between the two parts of the state (West Bank and Gaza Strip), (as the variation between their economies and their separation and economically vertical connection of each part with Israel formed and still forms the most important challenges to Palestinian economy). In addition to the cost increase of production, transport and retreated banking service.

For the purpose of comparison and monitoring development and changes, a special questionnaire has been carefully designed, covering main economic sectors in three different periods of time; the pre-siege (Before Aqsa Intifada) period, the last quarter of the year 2000 and the first quarter of the year 2001

Part Two

This part is related to the monitoring and studying effects of the private sector's suffering from the economic siege and its reflections on the performance of the Palestinian Chambers of commerce, Industry and Agriculture in terms of income, activities and services provided by chambers to their business community. A special questionnaire was designed clarifying the income components of the chambers of commerce and the contribution of each one to the total revenues quarterly basis.

Then a comparison is made the first Quarter of the year 2001 and the first Quarter of the year 2000 and the first quarter of the year 1999. Another comparison is made between the last quarter of the year of 1999 and the last quarter of the year 2000 as well as to the first quarters of the year 2001 and 2000.

The aim of such comparisons, on quarterly basis, is to measure the extent of the effect of the economic siege on the income of the chambers of commerce, on one hand, and to what extent the chambers of commerce respond to such changes by moving to new activities and concentration on some activities on the other hand.

Part Three

This part handles the Palestinian stock market exchange as an indicator of the performance of domestic economy regarding the volume transaction, the exchanged shares in numbers and values.

The Methodology and Study Mechanism

1- **Data Collection:**

(1st) Questionnaire was designed, distributed and completed in the form of a field sample survey conducted by each chamber of commerce in their constituents' areas. Due consideration was given to ensure that the sample accurately represents the business Community.

Geographical Wise: The sample includes all the areas of the chambers of commerce in the state governorates. The size of the sample in the area of each chamber conforms to the size of the business community, and the structure of the sample match with the economic activities prevailing in the area of the chamber.

Sectoral Wise: The sample should cover all the main productive sectors, service sectors, commercial sectors and sub-sectors within the main sectors.

Institution's Size: The sample should cover the small, medium and large-sized institutions by distributing them according to the number of staff in the business (less than 10 staff, from 10-30 employees and more than 30 staff).

(2nd) 143 businesses previously surveyed in the last quarter of the year 2000 were resurveyed. The aim of such resurveyed is to measure the changes occurred during the two sequent periods (in last quarter of 2000 and the first quarter of 2001). 257 new businesses were also surveyed for the aim of expanding the basis of representation.

2- **Data Entry and Analysis:**

Data were entered and analyzed by using SPSS, Excel, Access D-base.

3- **Deriving Results and Issuing recommendations :**

All recommendations and suggestions were collected and sectorally classified and verified with the answers to the questions of the questionnaire to identify the consistency of the recommendations.

Study Objectives:

- 1- To observe, follow-up and document the economic developments.
- 2- To diagnose accurately the problems and difficulty faced by the private sector businesses.

- 3- To enhance the mechanism of the national dialogue between the private and public sectors based on figures and facts derived from the reality.
- 4- To enhance coherence between the chambers of Commerce and the business Community within their areas.
- 5- To increase awareness and improve information dissemination.
- 6- To measure the impact of the Israeli economic sanctions imposed on the private sector businesses and its reflection on the private sector representative organizations namely, the chambers of commerce and industry in terms of income and performance.

Sample Structure

400 questionnaires were distributed, completed and collected covering all the state governorates in the West Bank and Gaza Strip and the five main sectors: industry, trade, services construction and agriculture. 172 businesses were surveyed for the second time as shown in the table below

Upon distribution of the questionnaires to the chambers area, due consideration was given to suite the size and importance of each branch of the above mentioned main sectors in each chamber area in the following manner

- 1- **Industry**: 147 questionnaires were completed. The sample survey covered the following sub-sectors:
 - Food Industry
 - Textile and Clothes
 - Leather and shoes
 - Paper and its products
 - Plastics
 - Metal Industry
 - Construction Metal Industry
 - Wood Products and Furniture Industry
 - Chemicals and pharmaceutical Industry

- Non-Metallic Industry (Stones, Marble, bricks, tiles, Pre-fabricated concrete).
- Tourist related Industry (wood Statues, Pottery, glass and alike).
- Electricity supplies Industry.

2- **Trade**: 117 questionnaires were completed. The sample survey covered both wholesale and retail sale sectors of commodities either those related to essential human needs such as: food 9 food, clothes and shoes, residence (electric appliances, household and furniture) or other related to economic sectors, especially building material- such as construction materials.

3- **Services**: 85 questionnaires were completed. 28 of them were surveyed for the second time, the sample survey covers: hotels, restaurants, issuance companies, transportation companies etc.

4- Construction 26 questionnaires were completed and collected from different chamber areas, 7 companies were surveyed for the second time, the last quarter of 2000 and first quarter of the year 2001.

5- **Agriculture**: 25 questionnaires were completed and collected. 7 companies were surveyed for the second “ last quarter of 2000 and first quarter of the year 2001”. Unlike other sectors, the agriculture questionnaires were collected from 5 chamber areas only.

The results and impact of the punitive economic measures carried out by the Israeli occupation authorities to break the will of the Aqsa Intifada (The Intifada of Independence)

1- Upon analyzing the questionnaires from the various districts of the West Bank, it was found that: The punitive economic measures were serious and comprehensive, including all economic aspects and the various activities of the private sector details later and its representative organizations for the following reasons:

One- Semi-complete dependence to the Israeli economy, as referred to in the introduction, in terms of Israeli control over external Palestinian trade through controlling the borders. Also the systematic destruction of Palestinian infrastructure networks and connecting the Palestinian territories with the Israeli infrastructure networks (such as roads, electricity, water and communications).

b- Nominal measures was taken in the past seven years to reduce this and move from almost total dependence on the Israeli economy to independence and to restore the traditional markets. On the contrary, the contractual agreements during the transitional phase led to a deepening of this dependence, in addition to opening channels of normalization that took various shapes and forms. This shows that no consideration was given to the possibility of confronting situations such as those we are currently facing (The Aqsa Intifada), and it also shows that there were no efforts for prior preparation to confront such circumstances.

c- The weakness or inability of the national economy to cope with fundamental and abrupt changes in a very short period of time.

2- The increase of the profundity and seriousness of such impact have become more painful with the continuation of the Israeli sanctions and measures, given the limited capability of the Palestinian economy to overcome the impact of these measures while Israeli control the Palestinian borders.

Manpower:

The decline rate in the number of the private sector laborers reached 23% by comparing the last quarter of the year 2000 with pre-closure period. And 34% by comparing the first quarter of the year 2000 with pre-closure period, and 15% by comparing the first quarter of the year 2001 with the last quarter of the year 2000. Construction Sector registered the highest percentage of decrease. This percentage reached 34% by comparing the last quarter of the year 2000 with pre-closure period, and 70.5% by comparing the first quarter of the year 2001 with pre-closure period. Then comes the agricultural sector: 31.5% by comparing the last quarter of the year 2000 with pre-closure period, and 52.5% by comparing the first quarter of the year 2001 with pre-closure period. Industry sector registered a decrease reaching

to 21.5% by comparing the last quarter of the year 2000, and 30% by comparing the first quarter of the year 2001 with pre-closure period.

In Gaza Strip, the average of decrease in the number of labourers reached 40% by comparing the last quarter of 2000 with pre-closure period. And 52.4% by comparing the first quarter of 2001 with pre-closure period, and 21.1% by comparing the first quarter of 2001 with the last quarter of 2000.

Agricultural sector registered the highest decrease percentage 75% by comparing the last quarter of the year 2000 with pre-closure period, and 83% by comparing the first quarter of the year 2001 with pre-closure period. Then the construction sector which registered 44.5% by comparing the last quarter of the year 2000 with pre-closure period, and 66% by comparing the first period of the year 2001 with pre-closure period. Industry sector registered a decrease percentage of 56.7% by comparing the last quarter of the year 2000 with pre-closure period and 66.1% by comparing the first quarter of the year 2001 with pre-closure period.

Working hours: -

The average of decrease of working hours at the private sector reached 38.1% by comparing the last quarter of the year 2000 with pre-closure period, and 42.7% by comparing the first quarter of the year 2001 with pre-closure period, and 6.7% by comparing the first quarter of the year 2001 with the last quarter of the 2000. The average of working hours decreased from 9.6% at pre-closure period to 6.09% at the last quarter of the year 2000, and to 5.7% at the first quarter of the year 2001. Industry sector registered the highest percentage of decrease 42.8% by comparing the last quarter of the year 2000. With pre-closure period, and 47.1% by comparing the first quarter of the year 2001 with pre-closure period. The average of working hours decreased from 10.8% at pre-closure period to 6.22% at the last quarter of the year 2000 and to 5.76% at the first quarter of the year 2001. Then comes after it the services sector which registered 38.3% by comparing the last quarter of the year 2000 with pre-closure period, and 38.8% by comparing the first quarter of the year 2001 with pre-closure period.

In Gaza Strip, the average of working hours decreased by 43% by comparing the last quarter of the year 2000 with the first quarter of the year 2001. And 53.9% by comparing the first quarter of the year 2001 with pre-closure period, and 20% by comparing the first quarter of the year 2001 with the last quarter of the year 2000.

Industry sector registered the highest average of decrease with 56.6% by comparing the last quarter of the year 2000 with pre-closure period. And 65.5% by comparing the first quarter of the year 2001 with pre-closure period, and 27.3% by comparing the first quarter of the year 2001 with the last quarter of the year 2000.

The average of daily working hours decreased from 10.2% at pre-closure period to 4.8% at the last quarter of the year 2000, and to 3.52% at the first quarter of the year 2001 (See tables at the statistical annex).

Utilized Production Capacity

The results of the study showed a decrease in the utilized productive capacity of industry and agriculture sectors. It shows also a decrease in the volume of sales in commerce sector and the achieved work in construction sector, as well as in the average occupancy rate of hotels and restaurants and in the volume of financial and banking services.

Industry Sector

The average of decrease of the utilized productive capacity in the governorates West Bank reached 51.3% by comparing the last quarter of the year 2000 with pre-closure period, and 53.5% by comparing the first quarter of the year 2001 with pre-closure period, and 12% by comparing the first quarter of the year 2001 with the last quarter of the year 2000. The utilized production capacity rate decreased from 81.5% at pre-closure period to 39.7% at the last quarter of the year 2000, and 35% at the first quarter of the year 2001.

In Gaza Strip governorates, the average of decrease reached 59% by comparing the last quarter of the year 2000 with pre-closure period, and 63% by comparing the first quarter of 2001 with pre-closure period, and 34% by comparing the first quarter of 2001. With pre-closure period, and 34% by comparing the first quarter of 2001 with the last quarter of 2000. The utilized production capacity rate of Gaza Strip decreased from 75.6% at pre-closure period to 31.1% at the last quarter of 2000 and to 20.4% at the first quarter of 2001. The percentage of businesses, which work with one fourth of their utilities in the governorates of the West Bank and Gaza Strip, increased from 3.8% at pre-closure period to 45% at the first quarter of 2001.

13% of those institutions are closed or working with less than 10% of their utilized production capacity. The industry of bricks, tiles and pre-fabricated concrete in the governorates of the West Bank registered the highest average

of decrease. The average of the utilized production capacity decreased from 76% at pre-closure period to 18% at the last quarter of 2000, and to 13% at the first quarter of 2001. Then the industry of wood and furniture, the percentage decreased from 73.7% to 31.7% and to 23.8% for the same period. In Gaza Strip, the non-- metallic industry (stone, marble, pre-fabricated concrete), shoes industry, paper and this products industry registered the highest percentage of decrease. The percentage decreased from 83.3% at pre-closure period to 21.6% at the last quarter of 2000, and to temporary closure at the first quarter of 2001. The reason of this decrease to this point is attributed to the fact that most raw materials of such industries come from the West Bank. Metal industry ranked the third, which decreased from 64% at pre-closure period to 24% at the last quarter of 2000 and to 18.6% at the first quarter of 2001.

The reasons of the decrease of the utilized production capacity in the governorates of the West Bank are attributed to the difficulty of marketing the Palestinian product. Eighty-three (83) businesses of 105 of the total respondents to this question, (91.6% the sample) voiced the factor difficulty of marketing the products is one of the main reasons which led for the decreased of the rate of utilized production capacity. Raw materials is ranked the second reason of the decrease of utilized production capacity. 78.8% of the sample voiced this factor decrease of rate of utilized production capacity. Difficulty of arrival of laborers access to works is ranked the third reason of the decrease in utilized production activity, and it is one of the reasons that caused the decrease of the average of exploiting the productive capacity. 62.9% of the sample supports this reason.

It is worth noting that the reasons of decrease of utilized production capacity in the West Bank and Gaza Strip are the same reason with the same sequence of importance. But the percentage difficulty of labor access to reach labor work in the West Bank was larger than that percentage in Gaza Strip. It is not surprised that the difficulty of marketing the products comes in the first rank in the reasons of decrease of exploiting the productive capacity. Israel has isolated the Palestinian economy from the external world; and separated the Palestinian market into two divisions, namely: the West Bank and Gaza strip. The Israeli Occupying forces also separated the governorates from one another and separated the villages from the cities and separated the villages from one another in the same governorate. The number of the Israel, military blocking points on roads between the Palestinian cities and villages reached 148 checkpoints some of which are fixed and others are movable. 24 checkpoints are in Gaza strip and the other 98 points are in Gaza strip in addition to 26 inspection points on the Green Line separating the West Bank territories from Palestine 1948⁽¹⁾.

It is not surprising that the decrease of raw materials is one of the most important reasons of decrease of the average of exploiting the productive capacity under the Israeli complete predominance on the exist of the Palestinian territories.

Raw Materials, Non-Sufficient Stock and Difficulty of getting them:

Six Companies (5% of the included companies) showed the impossibility of getting the raw materials necessary for manufacturing. 28 Companies (23%) showed the possibility of getting 25% of raw materials. 37 companies showed possibility of getting 25% of raw materials. 37 companies showed possibility of getting 50% of raw materials, 17.2% only of the companies showed possibility of 75% of raw materials. 22.1% of the sample companies showed that they do not face problems in getting raw materials. By comparing the first quarter of 2001 with the last quarter of 2000, twenty companies (16.4%) showed improvement in the situation; 48 companies (39.3%) showed more worse situation and 52 companies (64%) showed neither positive nor negative change in the situation.

Fifty four companies (46%) showed that their stock may be exhausted within one month or less; 17 companies (14.5%) showed that their stock may be exhausted within a period of not more than one month; 10 companies (4.5%) showed that their stock may be exhausted within less than 3 months, and 25 companies showed that their stock may be exhausted within less than 3 months, and 25 companies showed that their stock suffices for more than 3 months.

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- 1) Ministry of Planing and Inter national Cooperation- Map of West Bank and Gaza Strip including the distribution of the Israeli Military blockings and their number.

By comparing the situation from this angle. With the last quarter of 2000, 71 companies (60.5%) showed that the situation is worse than it has been before; 7 companies (6%) showed that the situation is better than it has been before; 29 companies (24.7) showed that the situation has not been changed. But for getting the raw materials, 61 companies (52%) showed more difficulty in getting the commodities 34 companies (29%) showed no change, and 6 companies (5%) showed improvement in the situation.

By comparing the last quarter of 2000, nineteen companies (15.5%) showed improvement in this field, 55 companies (45.1%) showed more

worse situation and 43 companies (35.2%) showed neither negative nor positive change in the situation.

The ability of the Palestinian product in replacing the Israeli Product :

80 industrial companies (54.4%) of the survey sample showed that the Palestinian product is capable on replacing the Israeli product with a percentage ranging from 81-100%, 24 companies (16%) showed that the Palestinian product is capable on replacing the Israeli product with a percentage ranging from 51-80%; and 11 companies (7%) showed that the Palestinian product is capable on replacing the Israeli product with a percentage ranging from 25-50% 3 Companies showed that the Palestinian product is capable on replacing the Israeli product with less than 25% .

Sales and External Markets:

The volume of sales of the industrial sector decreased in West Bank and Gaza strip governorates decreased by 46% by comparing the last quarter of 2000 with pre-closure period, 49% by comparing the first quarter of 2001 with pre-closure period and 6% by comparing the first quarter of 2001 with the last quarter of 2000.

The sales of West Bank companies to Gaza Strip and vice versa registered the highest percentages of decrease by 59 %. The sale decreased by 59% by comparing the last quarter of 2000 with pre-closure period, and 63% by comparing the first quarter of 2001 with pre-closure period, and 8% by comparing the first quarter of 2001 with the last quarter of 2000. Then come the sales to other governorates. Sales decreased with 57% by comparing the last quarter of 2000 to pre-closure period, and 56.5% by comparing the first quarter of 2001 with pre-closure period. Sales decrease percentage rose up with 0.09 % by comparing the first quarter of 2001 with the last quarter 2000.

The number of Companies selling in other governorates of West Bank decreased with 24.7% by comparing the last quarter of 2000 with pre-closure period, and 23.3% by comparing the first quarter of 2001 with pre-closure period. The number of companies from West Bank selling to Gaza Strip decreased with 55.6% by comparing the last quarter of 2000 with pre-closure period, and with the same percentage by comparing the first quarter of 2001 with pre-closure period.

The number of companies selling in the Israeli market decreased with 29.5% by comparing the last quarter of 2000 with pre-closure period, and 34 % by comparing the first quarter of 2001 with pre-closure period.

West Bank Governorates: -

Sales of the industrial sector decreased with 26% with the governorate while the percentage of sales to other governorates decreased with 32%, and 39% of factories which sell their products in the governorates stopped selling their products to other governorates.

The percentage of sales to Gaza Strip decreased from 19.7% to 3.9%, and 59% of factories which market a part of their products in Gaza Strip stopped selling their products to Gaza strip. Also the percentage of sales in the Israeli market decreased from 39% to 8.3%, 55% of the factories which export to Israel stopped exporting their products to Israel. The exports of the industrial sector to the external market decreased with 19.5%. Also 41% of exporting factories stopped exporting abroad.

Gaza strip Governorates

The results showed a decrease in the percentage of sales of the industrial sector in Gaza governorates at all levels. The average of sales of the industrial sector decreased with 50.7% in Gaza strip, while the sales decrease with 83% to West Bank governorates. The sales to the Israeli Market decreased from 36.7% in the last quarter of 2000 to 8.2% in the first quarter of 2001.

But the financial problems, which face the industrial sector, are the bounced checks. 109 companies (74% of the sample) showed that they suffer this problem. 89 companies (67%) of sample suffered problems of cash.

Trade Sector:

The sales volume of commerce sector decreased with 44.1% by comparing the last quarter of 2000 with pre-closure period; 49.9% by comparing the first quarter of 2001 with pre-closure period, and 10.5% by comparing the first quarter of 2001 with the last quarter of 2000.

The sales of the Palestinian companies from West Bank to Gaza and vice-versa registered the highest percentage of decrease. This percentage reached 69% by comparing the last quarter of 2000 with pre-closure period;

83.6% by comparing the first quarter of 2001 with pre-closure period; and 24% by comparing the first quarter of 2001 with the last quarter of 2000.

Then come the sales to other governorates within West Bank or within Gaza Strip. The decrease was 69% by comparing the first quarter of 2000 with pre-closure period; and 66.4% by comparing the first quarter of 2001 with pre-closure period; and 32.3% by comparing the first quarter of 2001 with the last quarter of 2000. In Gaza strip, the percentage of sales of the Palestinian companies decreased with 66% by comparing the last quarter of 2000 with pre-closure period; and 82.6% by comparing the last quarter of 2001 with pre-closure period; and 25% by comparing the first quarter of 2001 with the last quarter of 2000.

The reasons of decrease of sales volume in the West Bank governorates are attributed to the following reasons ranked according to their importance:

- **Constraints imposed on Free movement:**
90 companies (86.5% of the sample) mentioned this reason as one of the reasons of the decrease of sales.

- **Consumer's capacity Decrease in the purchase Power of the Consumers:**
87 companies (83.6% of the sample) mentioned this reason as one of the reasons of the decrease of sales.

- **Shortage of Goods and Commodities:**
(56%) of the sample mentioned this reason as one of the reasons of the decrease of sales.

By comparing the order of those reasons in the first quarter of 2001 with the last quarter of 2000 we find the difficulty of movement moved to the first rank in the West Bank governorates. This indicates the increase in constraining movement in the first quarter of 2001. But in Gaza strip governorates, the decrease in the consumer's purchase capacity comes in the first grade and comes after it the constraints imposed on free movement then comes the decrease in commodities.

By comparing the first quarter of 2001 with the last quarter of 2000, 81 companies (70%) answered that the situation becomes worse, and 27

companies (32%) answered that the situation has not changed, and 5 companies (4.2%) indicated to an improvement in the situation.

Services Sector

The average of decrease in the utilized capacity used in the services sector significantly appeared in hotels and restaurants. Rate of occupancy decreased from 53.5% before closure to 7.8% in the last quarter of 2000 and to 2.25% in the first quarter of 2001. The average of occupations in restaurants decreased from 78.12% before closure to 25% in the last quarter of 2000 and to 19.4% in the first quarter of 2001. The averages of occupations in restaurants are to great extent conforming to those averages of occupations in tourism.

But transport movement bridge crossing by 84.9% by comparing the last quarter of 2000 with pre-closure period, and 86.3% by comparing the first quarter of 2001 with pre-closure period. And the number of institutions working in this field decreased with 50%.

Financial and Banking Services: -

Financial and banking services registered a considerable decrease in their different aspects by comparing the last quarter of 2000 with pre-closure period. The volume of deposits decreased with 34.6% and withdrawals increased with 27.6%, and the bounced checks percentage increased with 53%, and the volume of lending decreased with 47.2% and letters of credits decreased with 1.25%.

By comparing the first quarter of 2001 with the situation of the last quarter of 2000, six banks out of 11 banks showed the continuation of decrease in deposit volume with 13.16%. And 3 banks indicated an increase in deposit volume with 10%. The two remaining other banks indicated the stability of the situation as was in the last quarter of 2000. Six banks indicated the continuation of increase in withdrawal volume with 9.8%. Two banks indicated the stability of the percentage on what it was in the last quarter of 2000. Three banks indicated a decrease in the number of the bounced checks with 13%. Four banks indicated the increase in the number of returned cheques with 13.3% of what it was in the last quarter of 2000. Two banks indicated an increase in lending with 5%. Five banks indicated the stability of the percentage of the last quarter of 2000. One bank indicated a decrease in the volume of letters of credit with 10%, and two other banks

indicated an increase with 15%, and three banks indicated the stability of the percentage and what it was before.

Insurance Companies:

The number of insurance policies decreased with 50%. The percentage of decrease in vehicles insurance policies reached 50.4%, and laborers' insurance policies 72% by comparing the last quarter of 2000 with pre-closure period. The number of insurance policies decreased with 25%, vehicle insurance policies 26.6% and laborer insurance policies 20.8% by comparing the first quarter of 2001 with the last quarter of 2000.

Building and Construction Sector:

The volume of work in this sector decreased from 91% to 49% in the last quarter of 2000, and to 30% in the first quarter of 2001. In West Bank governorates the volume of work decreased from 90.3% before closure to 50.6% in the last quarter of 2000, and to 31.8% in the first quarter of 2001. This decrease is attributed to three main reasons: difficulty which laborers face to arrive to workplace due to difficult transport, difficulty in getting materials of building and construction and weakness of investment under current circumstances.

Agriculture Sector:

The volume of sales of the agricultural sector in the West Bank decreased with 20.1% by comparing the last quarter of 2000 with pre-closure period, and 21.4% by comparing the first quarter of 2001 with pre-closure period. Although the decrease is considered the lowest compared with the industrial sector, it appeared from the analysis of the questionnaires that there are changes deep rooted happened in the sales of the agricultural sector at the level of the governorate and other governorates, Arab Israeli and external markets. The governorate share increase fewer, while the sales percentage within the governorate increased from 49.9% before closure to 73% in the last quarter of 2000, and to 74.35% in the first quarter of 2001, other markets witnessed a decrease in their share of agricultural product sales. Sales in other governorates of West Bank decreased from 30.5% to 13.87% in the last quarter of 2000 and it increased to 27.3% in the first quarter of 2001. The sales to the Israeli market decreased from 31% to 9% and to 4.6% - Export to external markets decreased from 28% to 7% and to 1%- Export to Arab markets decreased from 8.5% to 7% and to 5.5%. This

led to the decrease in prices and causing compound losses in this sector. The cost of production and transportation increased a one hand, and losing the external markets on the other. Those costs increased with 8.3% by comparing the last quarter of 2000 with pre-closure period and 20.72% by comparing the first quarter of 2001 with pre-closure period. The increase of transportation cost registered the highest percentage 22.7% by comparing the last quarter of 2000 with pre-closure period, and 26.8% by comparing the first quarter of 2001 with pre-closure period. Then comes the increase in the agricultural inputs with 16% by comparing the last quarter of 2000 with pre-closure period, and 17.9% by comparing the first quarter of 2001 with pre-closure period . Agriculture sector in Gaza Strip registered higher averages in cost increase. Costs increased with 27.8% by comparing the last quarter of 2000 with pre-closure period and 35% by comparing the first quarter of 2001 with pre-closure period.

Assessment the Five Main Sectors of Banks Services

There is consensus among businesses the five sectors included in the survey, on the decrease of banking services and the need for those banks to play a greater role in enhancing the stands till of the companies in the current circumstances.

Industry Sector (West Bank Governorates) :

In comparison of the bank services in the Israeli recent sanctions and the period before them, 95 companies answered this question. 56 companies (58.9% of the sample) showed a great decrease in banking services. But 19 companies (20%) showed a decrease in banking services to some extent; 16 companies (16.8%) showed that banking services had been affected neither negatively nor positively. Only 4 companies (4.2%) showed improvement in banking services.

By comparing the first quarter of 2001 with the last quarter of 2000, three companies (2.5%) showed improvement in banking services, and 18 companies (14.8%) showed no change, and 63.9 % showed a continuous decrease in banking services.

Trade Sector :

65 Companies (66.3%) out of the sample (98) in the governorates of West Bank and Gaza Strip, showed a great decrease in banking services; and 15 companies (15.3%) showed a decrease in banking services to some extent,

and 12 companies (12.2%) showed no change; and 4 companies (4.08%) showed improvement in banking services presented to this sector compared with pre-closure period .

By comparing the first quarter of 2001 with the last quarter of 2000, 57 companies (58.1%) of the sample) showed a great decrease in banking services, and 28 companies (28.5%) showed a decrease to some extent, and 10 companies (10.2%) showed no change; and one company showed improvement in banking performance.

Building and Construction Sector:

18 Companies (72%) out of 25 voiced a decrease in banking services to a large extent, and 4 companies (16%) showed a decrease in banking services to some extent, and 3 companies (12%) showed no change by comparing the last quarter of 2000 with pre-closure period.

By comparing the first quarter of 2001 with the last quarter of 2000, sixteen companies (64%) Showed a decrease in banking services, and 6 companies (24%) showed a decrease to some extent in banking services, and 3 companies (12%) showed no change.

Agriculture Sector

15 companies (71.4%) out of 21 companies of the sample showed a decrease in banking services to a large extent, and 5 companies (23.8%) showed a decrease in banking services to some extent and one company (4.7%) showed an improvement in banking services by comparing with pre-closure period.

By Comparing the first quarter of 2001 with the last quarter of 2000, fourteen companies (66.6% of the sample) showed a decrease in banking services to a large extent, and 6 companies (28.6%) showed a decrease to some extent, and one Company (4.7%) showed an improvement in banking services.

Services Sector

23 Companies (69.7%) out of 33 companies showed a decrease in banking services to a large extent, and 3 companies (9.09 %) showed a decrease to some extent in banking services, and 2 companies (6.06 %) showed no

change in banking services, and 5 companies (15.2 %) showed that they do not have relations with banks by comparing this with pre-closure period.

By comparing the first quarter of 2001 with the last quarter of 2000, twenty companies (96.6%) showed a decrease to a large extent in banking services, and 4 companies (12.2%) showed a decrease to some extent, and 4 companies (12.2%) showed no change, and 5 companies (15.15%) showed that they do not have relations with banks.

Recommendations

- 1- To enhance the role of banks in the development process in confronting those exceptional conditions to ensure cash outflow and reducing the rates of interest, facilitate loans (long-term soft loans) and find solutions for bounced cheques.
- 2- To reduce the imposed taxes, especially in come tax, postpone them or cancel them, reduce the fees of licensing, insurance, water, electricity and telephone and facilitate payment.
- 3- To expand the local market and increase the share of the Palestinian agricultural and industrial products through:
 - (One) Promotion of the Palestinian products and import substitution of the Israeli similar products together with improvements of the Palestinian quality products, rationalization of import, and reducing imports and testing the imported materials competing the Palestinian commodities to ensure their good specifications.
 - (Two) Imposing a taxation system on imports that is equal, in its value, to the taxes paid by local manufacturers.
- 4- To enhance correlation between the Palestinian economic sectors, especially the industrial and agricultural sectors (agricultural industries) and the industrial and construction sector, by establishing a factory for cement on one hand and the productive sectors, especially the commercial and services sectors.
- 5- To support the factories and stimulated them retain the workforce.
- 6- To resist the Israeli complete predominance, liberate the Palestinian foreign trade from it, find alternative external markets, recover the traditional markets for the Palestinian products in Gulf states, Iraq and other Arab and Islamic countries.
- 7- To find alternative routs for transport and combine the separated parts of the state together that are separated by puss roads which are controlled and dominated by the Israeli occupying authorities. To distribute larger numbers of manpower to the three partners of production: the Palestinian Authority, the employer and the laborer as well as to found a fund to supper employment and provide with job opportunities, loans and aids to protect companies against bankruptcy.

- 8- To learn and benefit from experiences and derive conclusions.
- 9- To establish an agricultural loan bank.
- 10- To transfer importing the oil derivatives from Israel to importing crude oil from Arab oil producing countries and refining it in Jordan and Egypt and storing it.
- 11- To reduce the dependence of the Palestinian economy on the Israeli economy by establishing vital projects that assists in transition to the political and economic independence such as electricity generation companies and cement factories.
- 12- To support small and medium projects with concentration on establishing productive small projects that generates income and job opportunities, which depend, on local raw materials in their income.

**Palestinian Chambers of
Commerce, Industry and
Agriculture under the Dependence
Of the Palestinian Economy and
The Policy of the Israeli
Punitive Measures.**

Introduction:

The history of the chambers in Palestine goes back to the beginning of the 19th century. The first chamber of commerce was established in 1928 in Akre city. Akre chamber was the second in the Middle East after Cairo chamber of Commerce. Arab Chamber of Commerce in Jerusalem was the second Palestinian established in 1936. With the exception of three Palestinian chambers the rest of the chambers in West Bank and Gaza Strip were established in the 1950s. Qalqilia chamber of commerce was established in 1972, then two chambers of commerce were established in the decade of 1990s governorates after the Palestinian National Authority had come to Palestine; Silfeet chamber of commerce was established in 1997 and Tubas chamber of commerce was established in 1999.

The Israeli occupying authorities sought to Paralyze the work of the Palestinian chambers of commerce, industry and agriculture since the very beginning of occupation like other Palestinian institutions on the argument that they are the forefront of Palestine Liberation Organizations. Israel prohibited any gatherings in the form of workshops or trade fairs under the security reasons on the argument that such gatherings violate and breach general order. Israel also sought to missing some legal articles in the Egyptian chamber act applied in Gaza Strip particularly, the appointment of quarter of the members by the administrative governor, and the article of supervising by government. Thus the election was put in halt for decades. The first actual elections of the Palestinian chambers of Commerce, Industry and Agriculture took place in late 1991 and early 1992 since 1967. All these practices deviate the chamber from their track and intended market.

The Israeli occupying authorities did not abandon their policy towards the Palestinian institutions even after the beginning of the peace process and the redeployment of the Israeli forces from the main cities where all the chambers and other Palestinian institutions were located. Rather they devoted such policy through many main keys remained in their hands and created new tools such as, siege, and complete restrictions on individuals and goods mobility. 148 Israeli Military checkpoints (fixed and movable) set on roads between the Palestinian cities and villages of which 24 were in Gaza Strip and 98 in the West Bank in addition to 26 check-points on the green line separating between the West Bank territories and Palestine 1948⁽²⁾.

2) Ministry of Planing and Inter national Cooperation- Map of West Bank and Gaza Strip including the distribution of the Israeli Military blockings and their number .

As a result, and given the analysis of questionnaires completed by the Palestinian chambers of Commerce, it is found that punitive economic

measures and sanctions were deep and comprehensive on the chambers performance in terms of revenues and activities as shown below:

Revenues: ⁽³⁾

The revenues of the Palestinian chambers of commerce consist of a number of elements forming such revenues; registration fees, annual membership fees, document authentication and issuing of certificates (especially certificates of origin), rents and other income services generating. These elements are arranged according to their relative importance as follows: -

1- Annual membership fees	47.2%
2- Issuing certificate of origin and document authentication	14.6%
3- Rent of property	12.1%
4- Registration Fees	9.2%
5- Fees of issuing entry permits to Israel	9.0%
7- Other income generating services	7.9%

The study indicates a decrease in total revenues of the Palestinian Chambers of Commerce and Industry in Palestine by 48.4% during the past six months (the first quarter of 2001 and the last quarter of 2000) compared with the equal period of the first quarter of 2000 and the last quarter of 1999.

Qalqilyeh Chamber of Commerce registered the highest percentage of decrease in total income. The percentage of decrease reached 71% in the last six months of the first quarter of 2001 and the last quarter of 2000 compared with the last six months of the first quarter of 2000 and the last quarter of 1999. Jenin chamber of commerce ranked the second, its total income decreased by 68%; and Hebron's Chamber with a decrease of 57.4%. While the Chambers of Bethlehem and Ramallah, registered the lowest percentage of decrease with 32.8% and 41.9% respectively.

3) Entry permits for merchants and business men to Israel. The apply for those permits according to members applications to Civil D.C.O.

Sources of Income:

The income decline rate differs from one chamber to another in accordance with the difference of income elements and their relative importance in the total income chambers as shown below:

Entry permits to Israel

The revenues gained from issuing entry permits to Israel form 9 % of the total income of the chambers. However, this source of income completely dried up. The relative importance of this income element differs from one chamber to another ranging from 2.7% and 5.1% in some chambers to 17% and 20.5% in others.

Other services generating income:

Income generating services includes trade fairs, training and shopping festivals and a like registered the second highest decrease. They decreased by 65.2%. It is worth to note that this kind of services exists in some chambers (e.g. Nablus, Hebron, Ramallah, Bethlehem and Jenin) rather than others.

The relative importance of this income element differs from one chamber to another. While this element forms 17.8% of the total income of Ramallah chamber, the contribution of this element in the total income of Jenin Chamber was not more than 2.1% of its total income. The percentage of decrease differs from one chamber to another. Nablus Chamber registered the highest percentage of decrease with 93%, then come Jenin Chamber 82%, Bethlehem Chamber 76%, and Ramallah chamber 51.8%. But Hebron Chamber did not register any decrease in its revenues from this element.

Registration Fees:

Registration fees decrease by 42.5%. The highest percentage of decrease was registered in Qalqilyeh Chamber with 83.1%; then come's Tulkarm Chamber 71%, Jericho chamber 69.5%, Hebron Chamber 65% and Ramallah chamber 60%, but Jerusalem Chamber registered an increase with 10%. The relative importance of this element differs from one chamber to another. While the income of these element forms only 17.1% of the total income of Jenin Chamber, its contribution was not more than 5% of the total income of Qalqilyeh Chamber.

Annual Membership Fees:

The annual fees registered a decrease with 39.9% for all the chambers in the West Bank. Qalqilyeh Chamber registered the highest percentage of

decrease with 67.3% then come Tulkarm Chamber 62.7%, Hebron chamber 61.6% and Silfeet Chamber 60.4%. But Jerusalem and Jenin Chambers registered an increase with 14% and 6% respectively.

Membership fees are considered the backbone of the income of the chambers. It forms 47.1 % of the total income. However, the relative importance of this element differs from one chamber to another. This element forms 70% of Jericho chamber's total income, 69.7% of Ramallah chamber's total income, 57.2% of Hebron Chamber's total income, 53% of Bethlehem Chamber's total income and 53.8% of Qalqilyeh chamber's total income, 30.7% of Jenin chamber's total income.

Fees of issuing certificate of origin and document authentication:

The fees of issuing certificate of origin and document authentication registered a decrease with 38.6% of all chambers in the West Bank. The highest percentage of decrease was in Jenin Chamber with 75.4%, then come Salfit chamber 47.2%, Jericho chamber 43.6% and Ramallah Chamber 42.4%. Other chambers registered an increase in the fees collected for endorsement of certificates and transactions. Bethlehem chamber registered an increase with 45%, then comes Hebron chamber 37.5% Jerusalem Chamber 19.8% and Nablus Chamber 4.1%.

Second: Activities.

The Israeli economic sanctions policy and the performance of the private sector led to great changes in the activities of the chambers, especially those activities targeted to serve the members and the businessmen economy represented by such chambers. Some activities were cancelled and others were delayed. Among these activities; establishment of Internet cafes at some chambers, training courses, workshops and shopping festivals, trade in addition to exchange of trade, delegations.

Most chambers shifted the focus to issues of:

- One) Retaining the labor at their work place in private sector businesses through effective participation in the discussion of the tripartite committees of social partners (the state, the employer and trade unions.
- Two) Encouraging the Palestinian products and boycotting the Israeli similar products.
- Three) Encouraging dialogue with banks in order to reduce the rate of interest and the number bounced of checks.

Due to the current situation and sever restriction on the movement of peoples, separating the parts of the state from each other with military blocking checkpoints as well as separating the villages and cities from each other. The chambers of Commerce, Industry and Agriculture held trade fairs for the national industries in each governorate because of the difficulty in holding such fairs at the national level

Palestine Stock - Exchange

Introduction: -

Palestine Stock Exchange was not far away from the effects, which hit the Palestinian economy as a result of the closure policy applied on the Palestinian land since Al-Aqsa uprising (Intifada) in late September 2000. Palestine Stock Exchange is considered the real mirror that accurately reflects the impact of those economic sanctions and the economic siege on the performance of the private sector. The Israeli recent measures led to suspend Stock - Exchange and a decrease in the volume of exchange and value of shares, as well as a decrease in the number of transactions in addition to delaying the registration of some companies in the stock Exchange.

Figures and Indicators: -

The total number of shares dealt with in the Stock Exchange amounted to 6232816 shares during the last quarter of the year 2000, compared with 33759850 shares during the last quarter of the year 1999. (18.4%) with a decrease 81.6%).

The value of the shares dealt with reached 21018088 American Dollars in the last quarter of 2000, compared with 75136739 American Dollars in the last quarter of the year 1999 (28%) with a decrease 72%).

The number of transactions in the last quarter of the year 2000 reached 672 transactions compared with 4053 transactions in the last quarter of 1999 (16.6%) with a decrease 83.4%.

Despite the decrease which the Stock-Exchange witnessed in the last quarter of 2000, the Stock-Exchange registered an increase in the number of shares dealt with compared with 1999. The number of shares increased from 68892607 shares in 1999 to 93351075 shares in 2000 (35.5%). The Stock - exchange also registered an increase in the value of the shares from US\$ 150243919 in 1999 to US\$ 188982443 in 2000 with an increase 25.7%.

By comparing the first quarter of the years 2001, 2000 and 1999 it is found that:

- The number of shares dealt with in the first quarter of the year 2001 reached 3888847 shares with a value of US\$ 6351527 and the number of transactions was 1183.

- The number of shares dealt with in the first quarter of the year 2000 reached 40087427 shares with a value of US\$ 75977274, and the number of transactions was 7054.
- The number of shares dealt with in the first quarter of 1999 reached 3843110 with a value of US\$ 12217745, and the number of transactions was 1200.

By comparing the first quarter of the year 2001 with the first quarter of the year 2000 it is found that the number of shares registered a decrease by 97%, a decrease in the value of the shares with 83% and 84% in the number of deals, while the number of shares in the first quarter of the year 2000 registered an increase with 43% compared with the first quarter of the year 1999 and an increase with 87.8% in the number of deals, and the value of the shares dealt with doubled six times.

Table (1)

Average Number of Labor in the 1st quarter of the year 2001 in comparison with the last quarter of the year 2000 and before the closure

Area	Industry	Trade		Services		Constructions		Agriculture		Total		Percentage									
		1	2	1	2	1	2	1	2	1	2	Before	1	2	Before:1	Before:2	2 to 1				
Tubas	25	18	13	46	29	17	18	12	7	2	1	1	355	251	137	446	311	175	70%	39%	56%
Bethlehem	668	523	521	118	105	100	578	537	491	##	##	##	##	##	##	1364	1165	1112	85%	82%	95%
Ramallah	436	396	296	32	24	23	529	502	492	39	28	27	##	##	##	1036	950	838	92%	81%	88%
Jerusalem	625	616	571	28	23	23	168	104	76	250	155	40	##	##	##	1071	898	710	84%	66%	79%
Jericho	117	111	106	55	50	46	455	200	200	180	105	43	##	##	##	807	466	395	58%	49%	85%
Qalqilya	139	63	64	25	12	12	52	43	43	##	##	##	28	26	26	244	144	145	59%	59%	101%
Jenin	69	38	28	44	36	34	19	5	1	25	14	11	26		18	183	105	92	57%	50%	88%
Tulkarm	15	8	10	17	14	13	125	125	125	10	5	2	##	##	##	167	152	150	91%	90%	99%
Hebron	838	724	662	52	38	38	166	129	103	##	##	##	##	##	##	1056	891	803	84%	76%	90%
Nablus	738	655	601	148	144	148	270	255	242	320	275	145	68	66	65	1544	1395	1201	90%	78%	86%
Salfit	31	12	13	8	7	7	7	4	5	30	13	7	##	##	##	76	36	32	47%	42%	89%
Total Gaza	725	314	246	144	98	89	503	461	446	519	288	126	64	16	11	1955	1177	918	60%	47%	78%
Grand Total	4426	3478	3131	717	580	550	2890	2377	2231	1375	884	402	541	371	257	9949	7690	6571	77%	66%	85%

1 the last quarter of the year 2000
 2 the 1st quarter of the year 2001
 before before the Israeli closure

Table (2)

Average Working Hours in the 1 st quarter of the year 2001 comparison with the last quarter of the year 2000 and before the closure

Area	Industry		Trade		Services		Constructions			Agriculture			Total					
	Before	1	2	Before	1	2	Before	1	2	Before	1	2	Before	1	2			
Tubas	28	16	11	74	45	38	42	28	21	8	6	3	107	78	58	259	173	131
Bethlehem	262	154	118	256	171	170	128	66	60	0	0	0				646	391	348
Ramallah	133	100	80	61	51	43	54	46	49	28	22	20				276	219	192
Jerusalem	55	38	26	39	30	30	49	37	23	12	12	12				155	117	91
Jericho	31	19	19	147	112	112	38	30	30	25	12	11				241	173	172
Qalqilya	62	24	32	101	59	53	51	31	29				13	16	12	227	130	126
Jenin	38	24	21	118	62	50	46	18	20	35	25	20	61	31	31	298	160	142
Tulkarm	16	14	16	42	23	22	18	18	18	8	4	2				84	59	58
Hebron	357	194	206	54	40	41	42	16	26							453	250	273
Nablus	318	196	208	95	68	69	57	23	31	16	9	8	39	93	96	525	389	412
Salfit	44	15	22	34	30	29	8	5	8	16	12	12				102	62	71
Gaza Total	255	121	88	92	67	64	81	61	61	62	34	17	52	26	20	542	309	250
Grand Total	1599	915	847	1113	758	721	614	379	376	210	136	105	272	244	217	3808	2432	2266

Table (3)

Rate of Utilized Production Capacity and Rates of Decline for different branches of Industry in West Bank and Gaza Strip Districts.

Area	Questionnaire	Before closure	Last quarter 2000	1 st quarter 2001	% of decreasing		
		1	2	3	1-2	1-3	2-3
Gaza	25	75.4%	35.5%	27.2%	39.9%	48.2%	8.3%
Tubas	4	76.25%	50%	35%	26.25%	41.25%	15%
Bethlehem	21	84.2%	45.6%	28.2%	38.6%	56%	17.4%
Ramallah	9	63.3%	40.1%	35.7%	23.2%	27.6%	4.4%
Jerusalem	3	93.3%	45%	31.5%	48.3%	61.8%	13.5%
Jericho	3	90%	60%	50%	30%	40%	10%
Qalqilia	6	94.1%	50%	28%	44.16%	66.16%	22%
Jenin	4	80%	45.5%	58.3%	34.5%	21.7%	-12.8%
Tulkarm	3	66.6%	25%	33.3%	41.6%	33.3%	-8.3%
Nablus	20	71%	44.2%	35.8%	26.8%	35.2%	8.4%
Hebron	30	81.1%	37.8%	34%	43.3% 39.4%	47.1%	3.8%
Salfit	5	96%	56.6%	67.5%	37.45%	28.5%	-10.9%
Grand Total	133	78.9%	41.5%	34.5%		44.4%	6.95%

Table (4)

Rate of Utilized Production Capacity for different branches of Industries in West Bank Districts

Activity	% before the closure	Last quarter of the year 2000	1 st quarter of the year 2001	Decreasing %		
	1	2	3	1-2	1-3	2-3
Food and beverage	67.5%	%36.3	%33.8	31.3%	33.8 %	2.5 %
Textile	90.5%	46%	38.2%	44.5%	52.3 %	7.8%
Leather and Shoes	%67.5	36.3%	33.8%	31.3%	%33.8	2.5%
Paper and its Product	82%	38%	49%	44%	33%	-11%
Plastic and Rubber	77.7%	40.1%	32.1%	37.6%	45.6%	8%
Metallic product	81.5%	24.2%	33.7%	57.3%	47.8%	-9.5%
Wood and Furniture	73.8%	31.8%	23.8%	42%	50%	8%
Chemical Industry	73%	41.2%	34.8%	31.8%	38.2%	6.4%
pharmaceutical industries	82%	35%	27%	47%	55%	8%
Other industries	66.4%	45.5%	40.4%	20.9%	26%	5.1%
Non-metallic products	86.1%	41.3%	31.3%	44.8%	54.8%	10%
Stone cutting	91.6%	54.3%	41.5%	37.3%	50.1%	12.8%
Brick and tiles industries concrete	76%	18%	13%	58%	63%	5.0%
Tourist industries	88.3%	46.6%	28.3%	41.7%	60%	18.3%
Electrical industries	50%	33%	25%	17%	25%	8%
Others	97.5%	25%	31.3%	72.5%	66.3%	-6.3%
Grand Total	79.8%	42.7%	35.8%	37.1%	44%	6.9%

Table (5)

Rate of Utilized Production Capacity for different branches of Industries in Gaza Districts

Activity	% before closure	Last quarter of the year 2000	1 st quarter of the year 2001	Decreasing %		
	1	2	3	1-2	1-3	2-3
Food and Beverage	83%	50%	26.6%	33%	56.4%	23.4%
Textile	76.6%	34%	25.6%	42.6%	51%	8.4%
Leather and Shoes	75%	0%	0%	75%	75%	0%
Plastic Products	76.6%	37%	30%	40%	46.6%	6.6%
Wood and Furniture	85%	50%	30%	35%	55%	20%
Metallic Products	64%	24%	18.6%	40%	45.4%	5.4%
Non-Metallic	83%	37.5%	0%	45.5%	83%	37.5%
Marble and Stones	100%	60%	0%	40%	100%	60%
Tiles industries concrete	75%	5%	0%	70%	75%	5%
Paper Products	30%	10%	0%	20%	30%	10%
Total	75.5%	35.5%	27.2%	39.9%	48.2%	8.3%