The Palestine Strategic Report 2022 – 2023

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Chapter Two

Palestinian Demographic and Economic Indicators

Palestinian Demographic and Economic Indicators

Introduction

The Palestinian population in GS endured a genocidal war initiated by Israel following Operation al-Aqsa Flood. This war was accompanied by an extensive campaign aimed at inflicting comprehensive destruction within the Strip. Similarly, WB faced a relentless offensive campaign seeking to confiscate the land, holy sites and livelihoods of the Palestinians, exacerbating their living conditions to the point of emergency. Furthermore, the residents have been subjected to suppression and a deprivation of their fundamental freedoms.

This chapter aims to provide general statistics regarding the Palestinian people both within their homeland and abroad. However, this endeavor encounters significant challenges, as approximately half of the Palestinian population resides under occupation and siege in their historical land, while the other half are refugees dispersed across different regions of the world. Nevertheless, by employing academic methodologies, the available information and data have been leveraged to attain the most precise results possible.

The second part of this chapter delves into an examination of the economic conditions in WB and GS, where a substantial amount of information and data is available, notably sourced from the official institutions of the PA.

First: Demographic Indicators

1. The Palestinian Population Worldwide

According to figures provided by the Palestinian Central Bureau of Statistics (PCBS), the global Palestinian population reached 14.63 million in 2023 up from 14.32 million in 2022, representing a 2.2% increase (see table 1/2).

As of 2023 estimates, Palestinians in historic Palestine are approximated at 7.297 million, constituting 49.9% of the global Palestinian population. Within the

1967 occupied territories, the Palestinian population is estimated at 5.548 million, comprising 37.9% of the global Palestinian population, while Palestinians residing in territories occupied in 1948 (Israel) are estimated at 1.749 million, accounting for approximately 12% of Palestinians worldwide (see table 1/2).

In the Diaspora, the Palestinian population was estimated at 7.337 million by the close of 2023, comprising 50.1% of the global Palestinian community. According to data sourced by researchers at al-Zaytouna Centre, the Palestinians in Jordan (most of whom hold Jordanian nationality) are estimated at 4.697 million by the end of 2023, constituting 32% of Palestinians globally (approximately 64% of Palestinian Diaspora). In other Arab countries, the Palestinian population is estimated at 1.868 million, representing 12.8% of Palestinians worldwide, with a majority residing in neighboring Arab countries: Lebanon, Syria, Egypt and the Gulf countries (see table 1/2).

According to PCBS, Palestinians in foreign countries are approximated at 772 thousand, accounting for 5.3% of the global Palestinian population, with the majority residing in the US, Latin America, Canada, United Kingdom (UK) and other European Union (EU) countries.

It is important to note that these estimates may be outdated, and subject to inaccuracies. When considering the emigration of Palestinians from Arab countries over the past three decades (including countries surrounding Israel, the Gulf states and Libya), along with movements from Palestine to other regions, discrepancies in previous global Palestinian population estimates become apparent. For example, some estimates suggest that there are over 600 thousand Palestinians in South America, with at least 300 thousand residing in Chile. Additionally, the Palestinian population in Europe is estimated to be not less than 350–400 thousand, while in North America there are approximately 300–350 thousand Palestinians, with at least 100 thousand in other countries. Based on these revised estimates, the global Palestinian population (excluding Palestine and the Arab world) is estimated to be between 1.35 million to 1.45 million, exceeding PCBS estimates by roughly 580–680 thousand. This underscores the challenging yet crucial task for researchers and specialists to provide more precise estimates.

By the end of 2022, according to PCBS statistics, the global Palestinian population stood at 14.32 million, with 5.419 million residing in WB and GS, and around 1.71 million in the territories occupied in 1948 (Israel), compared to 7.19 million living abroad; specifically 4.596 million in Jordan, 1.834 million in other Arab countries and 761 thousand in foreign countries (see table 1/2).

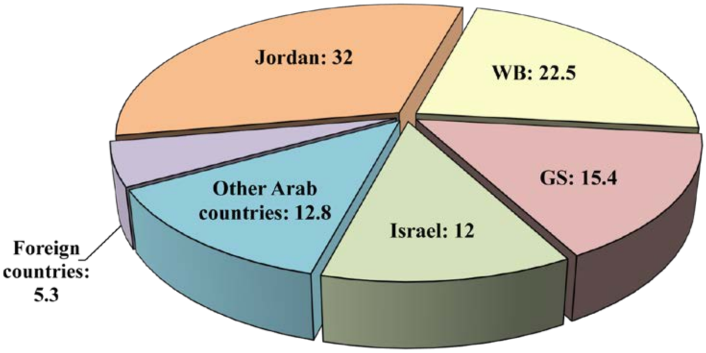
Table 1/2: Palestinian Population Worldwide Estimate by Place of Residence at the End of 2022 and 2023 (thousands)[1]

Place of residence		2022		2023	
		Population estimates	Percentage (%)	Population estimates	Percentage (%)
Palestinian territories occupied in 1967	WB	3,222.6	22.5	3,291.4	22.5
	GS	2,196.4	15.3	2,257	15.4
Palestinian territories occupied in 1948 (Israel)*		1,709.8	12	1,748.8	12
Palestinians in historic Palestine		**7,128.8**	**49.8**	**7,297.2**	**49.9**
Jordan**		4,596.3	32.1	4,697.4	32
Other Arab countries		1,834.5	12.8	1,867.5	12.8
Foreign countries		760.7	5.3	772.1	5.3
Palestinians in diaspora		**7,191.5**	**50.2**	**7,337**	**50.1**
Total		**14,320.3**	**100**	**14,634.2**	**100**

* For the Palestinian population in the 1948 occupied territories, the count excludes Palestinians in the 1967 occupied territories, which includes the Jerusalem governorate, Arab Syrians, Lebanese, non-Arab Christians and individuals classified as "Others." Israeli statistics present figures that deviate from those of the PCBS, indicating that the number of Arab Palestinians in the 1948 occupied territories amounted to approximately 2.079 million in 2023. When subtracting the 389 thousand East Jerusalem residents and approximately 25 thousand individuals in the Golan Heights, the adjusted total stands at around 1.665 million.

** The Palestinian population in Jordan is based on 2009 PCBS statistics, which reported a figure of 3,240,473. Subsequent calculations take into account the annual growth rates spanning from 2009 to 2022, as provided by the Jordanian Department of Statistics, Population and Housing, Demographic Statistics, ranging between 3.1% and 2.2%.
For more information, refer to https://dosweb.dos.gov.jo/

Palestinian Population Worldwide Estimate by Place of Residence at the End of 2023 (%)



2. The Demographic Characteristics of the Palestinians

a. The WB and GS

By the conclusion of 2023, the Palestinian population in WB and GS was estimated at 5.55 million, with approximately 3.29 million residing in WB (59.3%) and 2.26 million (40.7%) in GS. This reflects an annual growth rate of 2.4%, considering that the combined Palestinian population in WB and GS stood at 5.42 million at the end of 2022.

In terms of population distribution by governorate for the year 2023, Hebron boasted the highest population with 832,702 individuals (15% of the WB and GS population), followed by the Gaza Governorate with 758,134 residents (13.7% of the WB and GS population), and then the Jerusalem Governorate with a population of 497,483 (9% of the WB and GS population). Conversely the Jericho and Rift Valley Governorate reported the lowest population share at 1% of the WB and GS population. Table 2/2 shows the estimated population count in the WB and GS governorates based on PCBS estimates.

The Palestinian community in WB and GS is young with over a third of its individuals (37.1%) aged under 15, exhibiting a notable contrast between WB and GS, standing at 35% and 40.2%, respectively. Statistics indicate that the median age (the age dividing the population into two numerically equal groups, i.e., half of the population is below that age and half is older) in the WB and GS has increased throughout 2010–2023 from 18.5 years to 21.3 years. A separate analysis for the

WB and GS during the same period indicates an increase in median age from 19.4 years in 2010 to 22.5 years in 2023 for the WB, and from 17.2 years in 2010 to 19.5 years in 2023 for the GS.[2]

Table 2/2: Estimated Population Count in WB and GS by Governorate 2022–2023 (thousands)[3]

Governorate	2022		2023	
	Estimates	Percentage (%)	Estimates	Percentage (%)
WB	**3,222.6**	**59.5**	**3,291.4**	**59.3**
Jenin	349.4	6.4	365.4	6.4
Tubas and Northern Rift Valley	68.1	1.3	69.5	1.3
Tulkarm	204.2	3.8	207.7	3.7
Nablus	427.6	7.9	435.6	7.9
Qalqilya	125.7	2.3	128.4	2.3
Salfit	85	1.6	86.9	1.6
Ramallah and al-Bireh	366.3	6.8	373.7	6.7
Jericho and Rift Valley	54.8	1	55.8	1
Jerusalem	487.2	9	497.5	9
Bethlehem	242.2	4.5	247.2	4.4
Hebron	812.3	15	832.7	15
GS	**2,196.4**	**40.5**	**2,257**	**40.7**
North Gaza	437.5	8.1	451.5	8.2
Gaza	740.2	13.7	758.1	13.7
Dayr al-Balah	315	5.8	323.4	5.8
Khan Yunis	432.3	8	444.9	8
Rafah	271.5	5	279.1	5
Total (WB & GS)	**5,419**	**100**	**5,548.4**	**100**

As for the elderly (60 years and over), they constitute a minority within the total population. As of mid-2023, approximately 313 thousand elderly individuals resided in Palestine, accounting for about 6% of the total population. Of this group, around 206 thousand lived in WB, constituting about 6% of that population, while the remaining 107 thousand individuals were in GS, making up about 5% of its population.[4]

In 2022, 24% of households were headed by an elderly person (60 years and over), 25% in WB and 21% in GS. Also, the average size of households headed by an elderly person was usually relatively small reaching 3.4 individuals (3 in WB and 4.4 in GS).

Approximately 71% of the elderly suffer from chronic diseases, with 72% in the WB compared to 69% in the GS. This condition affects about 66% of elderly men and 76% of elderly women.[5]

Educational status data for the year 2022 showed that 30% of the elderly in WB and GS did not complete any educational stage (19% males and 41% females), while the elderly who completed diploma degrees and higher did not exceed 17%. In terms of labor force participation, about 15% of the elderly were engaged in the workforce during 2022, with 20% in the WB and 6% in the GS.[6]

In terms of gender distribution, the male population in WB and GS reached 2.82 million at the end of 2023, compared to 2.73 million females, resulting in a sex ratio of 103.2 males per 100 females. In GS, the male population reached 1.14 million males compared to 1.11 million females with a sex ratio of 102.7, while in WB, the male population reached 1.68 million compared to 1.62 million females with a sex ratio of 103.7.[7]

Data illustrated a decline in the dependency rate (the number of dependents per 100 individuals of working age, 15–64 years) in WB and GS from 78.7 in 2010 to 68.6 in 2023. Notably, there was a significant difference in the dependency rate between the two regions, with rates dropping from 73.7 to 63.9 in WB and from 87.4 to 75.9 in GS between 2010 and 2023.[8] Additionally, in 2022, 12% of households were headed by females in both WB and GS, with a slight increase noted in WB compared to GS.[9]

As for Life expectancy, it has increased in WB and GS, from 70.7 years in 2000 to 73.3 years in 2023 for males, and from 72.2 years in 2000 to 75.5 years in 2023 for females. In GS, life expectancy stood at 74 years (72.9 years for males and 75.1 years for females), while in WB, it reached 74.7 years (73.6 years for males and 75.8 years for females) in 2023. The rise in life expectancy primarily stemmed from improved healthcare, and lower infant mortality rates (see table 3/2).

Available data indicated a decline in Crude Death Rate (CDR) in WB and GS, where it decreased from 4.5 deaths per thousand population in 2000 to 3.7 deaths per thousand population in 2023. A slight discrepancy in CDR was observed between WB (3.9 deaths per thousand) and GS (3.7 deaths per thousand) in 2023 (see table 3/2).

The natural population growth rate (the difference between birth and death rates) in the WB and GS declined from 3.6% in 2000 to 2.4% in 2023. In 2023, the natural population growth rate decreased to 2.7% in GS and 2.1% in WB (see table 3/2).

There were indications of a decreasing fertility rate among Palestinian women, though it remained higher in the short and medium term compared to their Jewish counterparts. Based on the results of the Palestinian Multiple Indicators Cluster Survey (PMICS) 2019–2020, the total fertility rate in WB and GS has decreased, with 3.8 births per woman recorded during 2017–2019 compared to 5.9 in 1999. Comparing the two regions, the fertility in GS was slightly higher, with 3.9 births per woman compared to 3.8 births during 2017–2019. This rate was also higher in GS compared to WB in 1999, where it reached 5.8 births in GS compared to 4.1 births in WB.[10]

In 2022, there was a decrease in the average household size in WB and GS compared to 2010, with the average number of persons per household declining from 5.5 to 5 in 2022. The average household size in WB declined from 5.2 persons in 2010 to 4.7 in 2022, while in GS it dropped from 6.4 persons to 5.5 during the same period (see table 3/2).

Moreover, a reduction in the Crude Birth Rate (CBR) was observed in WB and GS, declining from 40.9 births per thousand in 2000 to 28.8 in 2023. An obvious difference is noted regarding the CBR rate between the two regions, with WB recording 26.6 births per thousand compared to 32 in GS in 2023 (see table 3/2).

As for housing density (persons per room), the figure for 2022 was higher in GS compared to WB, with 1.7 persons/room in GS compared to 1.4 in WB, resulting in a total average housing density of 1.5 persons/room in both regions. Approximately 81% of Palestinian households had a family member who owned a housing unit, with ownership rates at 87.3% in WB and 69.8% in GS.[11]

The number of registered marriages in 2022 indicated a decline compared to 2021, with marriage contracts dropping from 45,018 in 2021 to 43,430 in 2022. The general marriage rate declined to 8.1 marriages per thousand in 2022 (7.6 cases in WB and 8.8 cases in GS) compared to 10 marriages per thousand in 2017.[12]

Regarding population characteristics related to education, the 2022 data revealed that 22.1% of the population (15 years and above) in WB and GS had completed high school. The overall illiteracy rate for individuals aged 15 years and over stood at 2.2%.[13]

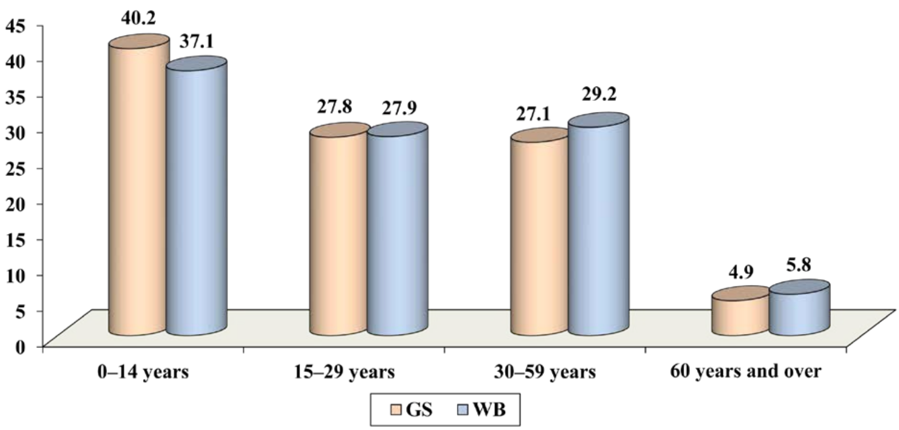
The illiteracy rate for both males and females has significantly declined over a 25-year period, particularly among females. From 1997 to 2022, the overall illiteracy rate dropped from 13.9% to 2.2%. Among males, the rate fell from 7.8% in 1997 to 1.1% in 2022, while for females, it decreased from 20.3% to 3.3%. Regionally, the illiteracy rate among the Palestinian population aged 15 and older was 2.4% in WB and 1% in GS in 2022.[14]

These rates are among the lowest in the world. The illiteracy rates for individuals aged 15 years and above in West Asia and North Africa reached 19.5% in 2020, according to data from the United Nations Educational Scientific and Cultural Organization's (UNESCO) Institute for Statistics, with rates of 14.2% among males, compared to 25.1% among females. Globally, in 2020, the rate was 13.3% for individuals in the same age group, with rates 9.9% among males compared to 16.7% among females.[15]

Table 3/2: Selected Demographic Indicators of Palestinians in WB and GS[16]

Indicator		WB	GS	WB & GS
Population density (persons/ km2) (2023)		582	6,185	921
Population growth (2023)		2.1	2.7	2.4
Average family size (2022)		4.7	5.5	5
Life expectancy at birth (males) (years) (2023)		73.6	72.9	73.3
Life expectancy at birth (females) (years) (2023)		75.8	75.1	75.5
CBR (births per thousand population) (2023)		26.6	32	28.8
CDR (deaths per thousand population) (2023)		3.9	3.7	3.7
Infant mortality rate (deaths per thousand live births) (2015–2019)		11.7	12.7	12.1
Average number of rooms in the housing unit (2022)		3.5	3.5	3.5
Age structure (%) (2023)	0–14 years	37.1	40.2	35
	15–29 years	27.9	27.8	27.9
	30–59 years	29.2	27.1	30.5
	60 years and over	5.8	4.9	6.6
Average housing density (persons/ room) (2022)		1.4	1.7	1.5

Age Structure in WB and GS 2023 (%)



b. The Palestinian Territories Occupied in 1948 (Israel)

PCBS has indicated that Palestinians living in Israel at the end of 2023 were estimated at 1.75 million compared to 1.71 million in 2022. Available data shows that they are a young community, with individuals aged under 15 representing 31.4% of males and 30.3% of females, while those aged 65 years and over amounted to 4.9% of males and 6% of females (see table 4/2).

Available estimates for 2022 indicate that the fertility rate for Palestinians residing in Israel was 2.9 births per woman, almost equal to the fertility rate of Jewish women, noting that the fertility of religious Jews women is 7 births. As for the average Palestinian household size, it was 4.2 persons. The CBR and CDR reached 21.6 births and 3.2 deaths per thousand respectively, while infant mortality rate was 5.1 deaths per thousand live births. Notably, these figures exclude Arab citizens in the Syrian Golan Heights, citizens in J1 of the Jerusalem governorate, as well as, Lebanese Arabs who have moved to live temporarily in Israel, as they are considered part of the Arab population as a whole (see table 4/2).

The number of homicides among Arab Palestinians in the 1948 occupied territories is rising at an unprecedented rate. A study by the Taub Center examining homicides in Israel found that the number of homicides in 2023 increased consistently each month within the Arab population. In 2023, there were 233 homicides,[17] compared to 109 in 2022, which included 12 women. The year 2021 was also deadly for the Arab sector, with 126 murders recorded.[18]

According to the Israel Central Bureau of Statistics (CBS) data at the end of 2022 (which also include East Jerusalem and the Golan Heights), Muslims in the 1948 occupied territories counted for 1.747 million, comprising 85.7% of the population, while Druze counted for 150 thousand and Christians 139.8 thousand, comprising 7.4% and 6.9% respectively.[19]

c. Jordan

Palestinians living in Jordan at the end of 2023 were estimated at 4.7 million up from 4.6 million at the end of 2022, most of whom hold Jordanian citizenship (Jordanian citizens of Palestinian descent) (see table 1/2).

According to the Jordanian Department of Statistics, annual population growth was 2.2% in 2022, a percentage that included Jordanian citizens of Palestinian descent as well. Statistics also reveal that from 2020 to 2023, the total fertility rate in Jordan was 2.6 children per woman, the infant mortality was 14 deaths per thousand live births, and the under-5 mortality rate is 15 deaths per thousand live births. These statistics include all Jordanians.[20] Jordanian citizens of Palestinian descent most likely have similar rates.

According to United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), there were 2,562,628 Registered Persons (RPs) in Jordan as of mid-2023, compared to 2,519,306 RPs in mid-2022. [21]

d. Syria

According to UNRWA figures, the total RPs in Syria was 678,679 as of mid-2023 compared to 670,266 in mid-2022. It is worth noting that these are estimated figures due to the unstable situation of Syria, as many refugees who have left the country are still listed in the records.[22]

According to UNRWA Figures as of July 2022, prior to the outbreak of events in Syria in 2011, there were over 570 thousand Palestinians living in Syria, with approximately 280 thousand displaced within the country. Additionally, more than 265 families reside in tents in northern Syria. [23]

The number of Palestinian refugees with Syrian documents in Türkiye is estimated to be between 10 and 12 thousand, located in the provinces of Hatay, Kilis, Mersin and Istanbul. According to Action Group for Palestinians of Syria (AGPS), approximately 150 thousand Palestinian-Syrian refugees had arrived in Europe by the end of November 2023.[24] Moreover, an unknown number of refugees have sought asylum in Arab countries, the Americas and Australia.

In 2023, Palestinian refugees in Syria faced a significant worsening of humanitarian and living conditions compared to 2022. More than 91% of the refugees are enduring extreme poverty, while 40% remain in a state of protracted displacement due to the destruction of their homes amid the internal conflict in Syria.[25]

Palestinian Syrians are struggling with high prices and a shortage of medicines, negatively impacting their lives, particularly for those who are sick, as support from UNRWA for medications has declined. Meanwhile, displaced Palestinians in northern Syria are being deprived of healthcare, education, financial aid and food assistance by the agency, under the pretext of residing in unsafe areas.[26]

In northern Syria, approximately 1,500 Palestinian families have been forced to leave their homes in al-Yarmouk, Khan Eshieh, Handarat, Dera'a and southern Damascus RCs. These families are facing harsh living conditions, worsened by the earthquake that struck Syria and Türkiye in February 2023, claiming the lives of 51 Palestinian refugees injuring dozens more.[27]

Palestinian families in northern Syria are distributed across three main areas: Idlib and its countryside, Afrin (Olive Branch) and northern Aleppo countryside (Euphrates Shield). The city of Idlib hosts the largest number of Palestinian refugees, with 819 families residing in various areas, including 226 families in the city itself. These refugees face extremely difficult humanitarian conditions due to the scarcity of aid, high poverty and unemployment rates and the collapse of the Turkish lira against the US dollar, limiting their purchasing power and job opportunities.[28]

AGPS has documented the deaths of 4,261 Palestinian refugees in Syria from March 2011 to December 2023, including 111 victims in 2023. Of the total casualties, 59% were males and 41% were females, with the majority being civilians.[29]

Additionally, AGPS reported a total of 3,087 Palestinian detainees in Syria by the end of 2023, including 11 individuals during that year. The Group also recorded the disappearance of 333 individuals, including 40 women and several children.[30]

As of March 2023, UNRWA records show a total of 31,400 Palestine refugees migrating from Syria to Lebanon, residing in various regions across the country.[31]

The year 2023 witnessed a significant increase in the number of Palestinian refugees migrating from Syria to Lebanon, driven by the collapse of the Syrian economy, the sharp decline of the Syrian pound against the US dollar, a lack of basic living necessities, widespread unemployment and high prices. These challenges have compelled many to seek refuge in Lebanon.[32]

e. Lebanon

According to UNRWA figures, RPs residing in Lebanon as of mid-2023 constituted a total of 564,072, compared to 553,218 in mid-2022.[33] However, the census in Palestinian RCs and gatherings in Lebanon for 2017 revealed that there are only 174 thousand refugees residing in Lebanon.[34] Even if we assume that there is a higher margin of error in this census, the estimates that most researchers agree on are 200–250 thousand, with a significant portion of the rest willing to immigrate if given the opportunity. This means that the Palestinian refugees in Lebanon have been suffering from a high rate of migration, which has increased in recent years due to the ongoing work restrictions on Palestinians and the escalation of political and economic crises in Lebanon. ‘Abdelnasser el Ayi, the office director of the Lebanese Palestinian Dialogue Committee (LPDC) stated that “the wave of Palestinian immigration from Lebanon has been on the rise since 2005, but the numbers doubled in the last two years, 2020 and 2021, both through legal and illegal immigration.” He added that in 2020 between 6 and 8 thousand Palestinians left Lebanon without returning, while in 2021 up to the end of October, 12 thousand Palestinian travelers were recorded who did not return to Lebanon. This number surpasses the average of previous years.[35]

According to UNRWA’s Annual Operational Report 2022, there were 30,134 Palestinian refugees from Syria (PRS) registered with the Agency in Lebanon. The report highlighted that a high-frequency crisis monitoring survey conducted by UNRWA in September 2022 indicated that 93% of Palestine refugees were living below the poverty line, compared to 73% and 86% recorded in July 2021 and March 2022, respectively, representing a 20% increase over 14 months. Underlining the fragility of living conditions, the report revealed that in October 2022 the first cases of cholera were identified. By the end of the year, 5,105 suspected and confirmed cases had been recorded in 20 of the country’s 26 districts, resulting in 23 deaths.[36]

The Palestinian Association for Human Rights “Witness,” conducted a study in May 2023, concerning the Lebanese crisis and its impact on the Palestinian refugees. The study revealed that 80–85% of Palestinian refugees in Lebanon are unemployed, a situation primarily caused by the restrictive Lebanese laws and decisions that deprive them of their right to work and civil rights. Additionally, the Lebanese economic crisis and currency collapse have exacerbated this issue. The study further noted a rapid increase in unemployment rates, with a significant number of the unemployed individuals being university graduates or holders of vocational certificates, many of whom are young. Furthermore, the study also highlighted a growing trend of turning to informal sources of income, such as operating small coffee stands, as dozens of young people in the camps turned to this idea due to the lack of real job opportunities, providing them with a modest income but still falling short of effectively addressing the unemployment problem.[37]

According to UNRWA, poverty rates among Palestine Refugees are high with 80% reported to be living below the national poverty line (adjusted for inflation) as of March 2023. Data modeling confirmed that without the distribution of quarterly cash assistance (amounting to a total of $18 million in two rounds since December 2022), the poverty rate would stand at 93%.[38]

According to the Population and Housing Census in the Palestinian RCs and Gatherings in Lebanon for 2017 (which has not yet been updated), individuals aged under 15 accounted for 29% while those aged 65 years and older comprised 6.4% of the population. On average, Palestinian households in Lebanon consisted of four members, with families headed by women comprised 17.5% of the total. On the other hand, the fertility rate among Palestinian women living in the Palestinian RCs and gatherings in Lebanon was recorded at 2.7 births per woman.

f. General Comparisons Among Palestinians

Before comparing the major demographic indicators summarized in table 4/2, it’s important to note that, some data may pertain to different years, potentially affecting the comparison process. Nevertheless, these data remain valuable as general indicators based on the latest available statistics. The following are the key observations:

- The highest percentage of Palestinians under the age of 15 is in GS, while it is lowest in Lebanon.
- The percentage of Palestinians aged 65 and over is highest in Lebanon, followed by the territories occupied in 1948 (Israel) and Syria, with the lowest in GS.
- CBRs are highest in GS, followed by Jordan and Syria, then WB with Lebanon following, and lowest in the territories occupied in 1948 (Israel). This trend aligns with past years, where GS consistently maintained the highest CBRs, contributing to demographic pressures on the besieged strip with limited capacity.
- CDR remained high in WB and GS reaching 3.7 deaths per thousand in 2023. This was primarily attributed to Israeli policies pursued over decades, particularly the killing of Palestinians.

Table 4/2: Selected Demographic Indicators of Palestinians by Residence[39]

Indicator	WB 2023	GS 2023	WB & GS 2023	Israel 2022	Jordan 2011	Syria (2009–2010)	Lebanon 2017
% of individuals under 15 years	35	40.2	37.1	31.4 males 30.3 females	39.9	33.1	29
% of individuals 65 years and over	4.1	3	3.6	4.9 males 6 females	4.3	4.4	6.4
Sex ratio (males per 100 females)	103.7	102.7	103.2	103.1	–	100.4	102
CBR (births per 1,000 population)	26.6	32	28.8	21.6	29.2 (2010)	29.2	25.8 (2010)
CDR (deaths per 1,000 population)	3.9	3.7	3.7	3.2	–	2.8 (2006)	–
Total fertility rate (births per woman)	3.8 (2017–2019)	3.9 (2017–2019)	3.8 (2017–2019)	2.9	2.6 (2020–2023)	2.5	2.7
Average household size (individuals per house)	4.7 (2022)	5.5 (2022)	5 (2022)	4.2	5.1	4.1 (2010)	4

3. Palestinian Refugees

Determining the precise number of Palestinian refugees worldwide poses a challenge, yet utilizing available data allows for approximations.

According to PCBS, approximately 7.337 million Palestinians were residing abroad by the close of 2023. Concurrently, the Palestinian refugees in the WB and GS were estimated at 42.2% of the population based on 2017 data, totaling around 2.356 million individuals by the end of 2023, with 865 thousand in the WB, and 1.491 million in the GS, representing 26.3% and 66.1% of their respective populations.[40] These figures are closely align with those reported by UNRWA, which indicated approximately 905 thousand registered refugees in the WB, and about 1.578 million in the GS by the mid of 2023. Discrepancies in numbers may arise from refugees relocating from the WB and GS (see table 5/2). Moreover, a number of Palestinians residing abroad possess Palestinian "citizenship" and originate from the WB and GS, retaining the option to return and settle there Furthermore, an estimated 150 thousand Palestinians from the 1948 occupied territories, who were displaced from their historical cities and villages, yet remained within the geographical borders of occupied Palestine in 1948. Thus, the total tally of Palestinian refugees by the end of 2023, is projected at 9.843 million, constituting 67.3% of the global Palestinians population.

Challenges related to replications may arise due to changes of residency status or passport details, primarily affecting only a limited segment of the large proportion of refugees.

It's worth noting that UNRWA's data is limited to registered refugees within its five areas of operation: WB, GS, Jordan, Syria and Lebanon. Therefore, these statistics do not comprehensively capture the global refugee population, as they exclude many refugees residing outside UNRWA's operation areas, and even those within its operational areas who have not enlisted with the agency to benefit from its services.

Additionally, UNRWA's figures exclude the Palestinian refugees who took refuge post the 1967 war. Besides, there are refugees who had to flee Palestine under different circumstances (other than war) and were prevented from returning. Hence, UNRWA statistics, except to a limited extent in Syria and Lebanon, are incomplete and should not be considered definitive figures reflecting the reality of the 1948 refugee population. These figures only represent registrants with UNRWA eligible for its assistance and services, rather than all Palestinian refugees.

The count of registered refugees across UNRWA's operational areas as of 30/6/2023 is estimated at 6.718 million, with around 2.563 million residing in Jordan (38.1%); 2.913 million in the Palestinian territories occupied in 1967 (43.4%), 1.784 million in the GS (26.6%) and 1.129 million in the WB (16.8%); and the remaining constitute 1.24 million (18.5%), who are registered in Syria and Lebanon. The total number of families registered in UNRWA's operational areas reached 1.6 million, with an average household size of 4.2 persons.[41]

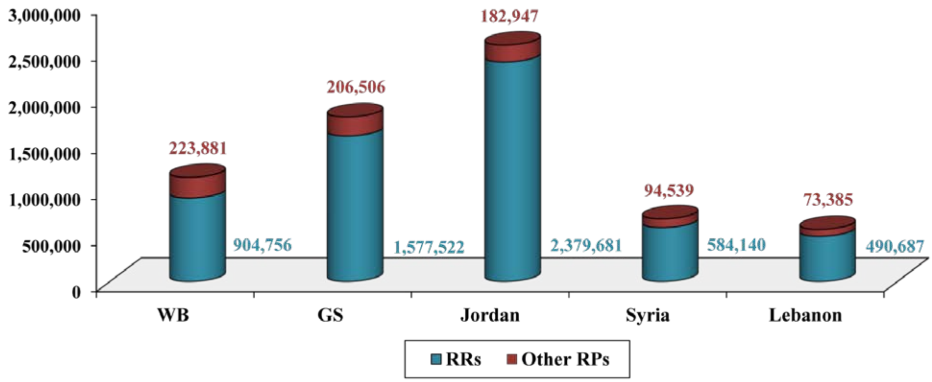
Refugee figures persist as estimations, particularly concerning Palestinians abroad, beyond UNRWA's operational reach, lacking official statistics and precise knowledge of growth rates. Additionally, challenges arise in addressing replication issues due to changes in country of residence or citizenship, especially concerning Palestinians in Jordan, Lebanon and Syria, as well as Palestinians in historic Palestine residing abroad.

Table 5/2: UNRWA-RPs According to Their Area of Operation as of 30/6/2023[42]

Indicator	WB	GS	Jordan	Syria	Lebanon	Total
Registered Refugee (RRs)	904,756	1,577,522	2,379,681	584,140	490,687	**5,936,786**
Other RPs*	223,881	206,506	182,947	94,539	73,385	**781,258**
Total RPs	1,128,637	1,784,028	2,562,628	678,679	564,072	**6,718,044**
Families	288,257	390,190	573,606	199,707	148,583	**1,600,343**
Official camps	19	8	10	9	12	**58**
Schools	96	284	161	102	63	**706**
Pupil enrolment	46,022	294,086	113,485	49,500	39,982	**543,075**
Primary health-care facilities	43	22	25	23	27	**140**

* Other RPs: include non-refugee wives, non-refugee husbands, non-refugee children, Jerusalem poor, Gaza poor, etc.

UNRWA's Figures as of 30/6/2023



UNRWA-Total RPs by Area as of 30/6/2023

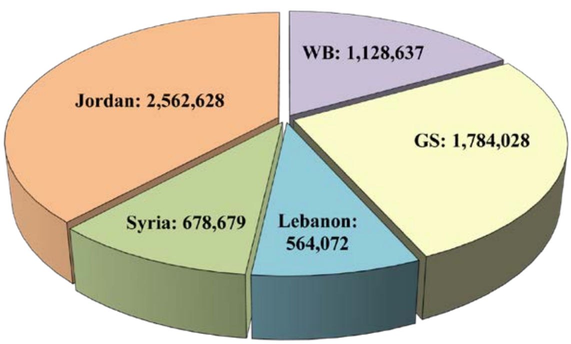


Table 6/2 indicates that UNRWA refugee communities, much like the general Palestinian population, are young, with 29% of Agency-registered refugees are children under the age of 18, with highest proportion in the GS (40.7%) and lowest in Lebanon (21.6%).

The data reveals that fertility rates among refugees in the WB and GS are the highest across UNRWA's five operation areas (3.6 births per woman), as reflected in the average family size in these areas (5.6 individuals per household). The dependency ratio (the number of dependents per 100 individuals of working age, 15–64 years) among registered refugees is notably high in the GS (70 years) primarily attributable to the significant percentage of individuals under 15 years old. This situation could pose challenges given the high levels of unemployment and worsening economic conditions.

Table 6/2: Selected Demographic Indicators of UNRWA-RPs According to Their Area of Operation 2022[43]

Indicator	GS	WB	Jordan	Syria	Lebanon
Children below 18 years (%)	40.7	26.5	24.2	26.8	21.6
Average household size (individual per house)	5.6	5.6	5.2	4.8	4.7
Fertility rate (births per woman)	3.6	3.6	3.2	2.7	2.7
Dependency ratio	70	48.6	43.3	46.5	47.9

Regarding education, figures reveal that refugees in the WB and GS are more educated than non-refugees. The illiteracy rate among refugees (15 years and over) stands at 2.5%, compared to 3% among non-refugees. Moreover, individuals holding a bachelor's degree or higher comprise 16% for refugees and 14% for non-refugees.[44]

4. Demographic Growth Trends

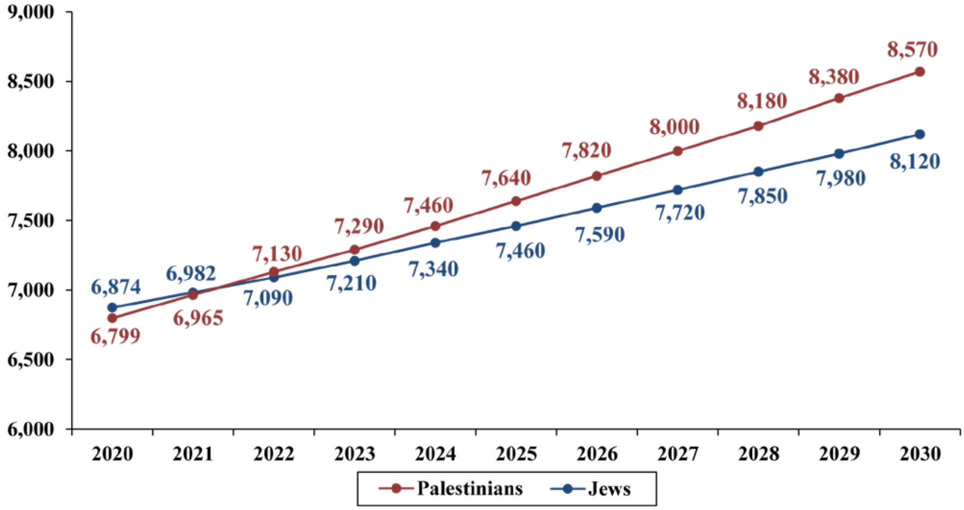
Despite the relative decline in the rate of natural population growth among Palestinians, the rate remains notably high compared to other populations, including Israelis. According to PCBS, the Palestinian population in historic Palestine had reached 7.3 million by the close of 2023, while CBS estimated the Jews population at 7.2 million.[45]

In 2022, Palestinians outnumbered Jews for the first time in many years by approximately 40 thousand, and Palestinians are expected to outnumber Jews in historic Palestine in 2030 by about 450 thousand.

Table 7/2: Estimated Population Count of Palestinians and Jews in Historic Palestine 2020–2030 (thousands)[46]

Year	Palestinians in historic Palestine	Jews
2020	6,799	6,874
2021	6,965	6,982
2022	7,130	7,090
2023	7,290	7,210
2024	7,460	7,340
2025	7,640	7,460
2026	7,820	7,590
2027	8,000	7,720
2028	8,180	7,850
2029	8,380	7,980
2030	8,570	8,120

Estimated Population Count of Palestinians and Jews in Historic Palestine 2020–2030 (thousands)



From a Palestinian perspective, the optimistic reading of these projections, confirms that despite enduring oppression, displacement and occupation, the Palestinian people stand resolute on their land. It also underscores a significant shift: after 125 years since the establishment of the World Zionist Organization, and 74 years since the founding of Israel, the Zionist project faces the reality that the Palestinian population within Palestine now surpasses the Jews population—a gathering from over a hundred countries throughout these years. This demographic reality undoubtedly unsettles Israel. However, while the notion of a Palestinian "demographic bomb" is significant, should not lead Palestinians into complacency or premature celebration. While Palestinian endurance and population growth are vital, they alone are not insufficient. History has shown that colonial powers have often navigated and overcome such challenges.

On the other hand, Israelis are acutely aware of the risks posed by this demographic reality and have been strategizing for decades to address it. Hence, their disengagement from GS in 2005. In the WB, their tactics have involved annexing the largest area of land with minimal population density to create conditions conducive to Palestinian displacement. Moreover, the specter of displacement and "transfer" remains a pressing agenda for Israeli decision-makers', with past attempts to implement these plans, particularly during the war against GS following Operation al-Aqsa Flood. However, these attempts have thus far been unsuccessful.

5. Palestinians Abroad and the Right of Return

The Palestinian communities abroad play a crucial role in raising awareness about the issue of Palestine and fostering a deep connection among the younger generations with Palestine, emphasizing the significance of the right of return and the bond to the homeland. Despite political marginalization, these communities have spearheaded numerous initiatives independent of existing factions and affiliated institutions.

Continuing a long-standing tradition, the 20th "Palestinians in Europe" conference took place on 27/5/2023, in the Swedish city of Malmö, under the slogan "75 Years On.. We Will Return." The event drew thousands of Palestinians from various European nations, alongside prominent Palestinian, Arab and European figures. The conference was attended by 11 lawmakers from the

Swedish parliament along with parliamentarians from Ireland, Italy and Spain.[47] The conference advocated for PLO reform and the restoration of national unity.[48]

As part of the "Our Wound is One" relief campaign, initiated by the European-Palestinians Initiative for National Action in May 2021 to support hospitals and health centers in GS with essential medical equipment and supplies, the initiative's medical committee announced the successful completion of the third project in September 2022. This project involved the providing an advanced Ultrasound device to the Department of Vascular Surgery at al-Shifa Medical Complex in GS.[49]

On 29/10/2022, the inaugural European Conference for Jerusalem, themed "Jerusalem is Ours" commenced in the Italian city of Milan to spotlight ongoing Israeli aggressions on Islamic and Christian Palestinian holy sites in Jerusalem. Participants highlighted diverse European initiatives aimed at bolstering support for Palestinian endeavors on the continent and fostering stronger communication with the Palestinian territories. The conference stressed the importance of enhancing the resilience of the Palestinian community in Europe.[50]

The Popular Conference for Palestinians Abroad (PCPA), active in approximately fifty countries worldwide, hosted the "Palestinian Situation in 2022, Future Prospects, and the Required Role of Palestinians Abroad" conference on 5/3/2023. This conference coincided with the second General Assembly meeting of the Popular Conference, conducted via the Zoom platform. The event featured the participation of national figures from both the Palestinian territories and abroad, emphasizing the importance of rebuilding the Palestinian national project as the cornerstone for liberation and mobilizing the potential of Palestinians within and outside Palestine. It underscored the necessity of establishing a national front grounded in resistance and the legitimate rights of the Palestinian people.[51]

The Palestinian Return Center (PRC) has actively engaged in various initiatives abroad. On 14/3/2022, in collaboration with the AGPS, the center urged the release of Palestinian women detained in Syrian prisons during its oral intervention at the United Nations Human Rights Council in Geneva.[52]

Latin America is witnessing growing solidarity with the Palestine issue, owing to persistent efforts by the Arab and Muslim community, notably the Palestinian community, in raising awareness about the suffering the Palestinians under Israeli occupation, while emphasizing the right of return.

The second conference of the Union of Palestinian Communities of Latin America (UPAL) concluded on 19/3/2023, after three days of deliberations in the Colombian city of Barranquilla. The conference was attended by Palestinian delegations from various Latin American countries, including Venezuela, Bolivia, Brazil, Honduras, Guatemala, Colombia and El Salvador. Discussions focused on pertinent issues affecting Palestinian communities in Latin America, with a specific emphasis on expanding the Boycott, Divestment, and Sanctions (BDS) movement against Israel and influencing the domestic policies of these nations in support of the issue of Palestine. The conference adopted a final statement reaffirming the participants' deep-rooted connection to the Palestinian people.[53]

Palestinian communities in Europe, the US and South America have remained steadfast in advocating for Palestinian rights through a series of events, activities, demonstrations and vigils. These gatherings aim to underscore Palestinians' rightful claim to their land and the return of refugees to their original homes from which they were forcibly displaced. They also seek to denounce the Judaization and displacement in Jerusalem and WB, in addition to condemning Israeli war on GS. Following Operation al-Aqsa Flood, and subsequent unprecedented Israeli aggression against GS, Palestinian communities, peace activists and supporters of Palestinian rights have organized numerous demonstrations in various capital cities across these regions.[54]

In Latin America, Palestinian communities have taken a leading role in organizing and participating in demonstrations and events in solidarity with GS across several capitals and cities. The Federation of Palestinian Institutions in Brazil (VIBAL) highlighted that the Palestinian resistance launched an operation of self-defense in response to occupation, colonization and violations of international agreements and norms. Furthermore, the Palestinian Club in Chile, hosted a public lecture on "the truth of Israel's claims of peace versus the reality of its killing and extermination of Palestinians in GS."[55]

Experts from the Palestinian American Organizations Network (PAON), alongside dedicated volunteers from Palestinian communities in the US, played a significant role in establishing the South American Preparatory Committee against Israeli Apartheid. This pivotal committee was officially announced in October 2023, during a gathering in Mexico City, comprising representatives from various political parties and parliamentarians from most Latin American countries.[56]

In the US, the Palestinian community, along with Palestinian youth organizations and networks, has been actively involved in organizing vigils, demonstrations and activities. Notably, the Palestinian Youth Movement (PYM) and the US Palestinian Community Network (USPCN) have emerged as leading organizations.[57]

In Vienna, around 10 thousand individuals from the Palestinian and Arab communities, alongside European supporters, convened on 4/11/2023, to denounce the ongoing Israeli war on GS. Similarly, countries like Britain, Germany, Italy and other European nations, saw significant demonstrations expressing solidarity with Palestine and condemning the war on Gaza.[58]

Second: Economic Indicators in WB and GS

The recent events—Operation al-Aqsa Flood and the Israeli war on GS—have had devastating effects on the already struggling Palestinian economy, particularly in GS. These events have exacerbated the ongoing hardships faced by Palestinians due to oppressive Israeli policies and measures. These policies not only exploit Palestinian resources but also hinder the development of the Palestinian economy, effectively making it dependent on the Israeli economy.

During the prolonged Israeli aggression on GS, which has persisted through land, sea and air operations since 7/10/2023, the strip has suffered extensive devastation. In an update covering 200 days (23/4/2024) of Israel's war on GS, it was reported that 3,025 massacres were committed against Palestinians, and 75 thousand tons of explosives were dropped on the enclave. Of the 34,183 fatalities recorded at hospitals, 14,778 were children and 9,752 were women, with a total of 77,143 injured. Children and women accounted for 72% of the victims. Furthermore, 7 thousand remain missing. The report highlighted the loss of 485 medical staff, 67 civil defense crews and 140 journalists. The health sector in GS has collapsed, with 32 hospitals and 53 health centers now out of service due to attacks targeting 160 healthcare facilities and 126 ambulances. Additionally, the war has displaced two million people, with 86 thousand residential units completely destroyed and 294 thousand partially damaged. Moreover, the Israeli forces have demolished 181 governmental buildings and 103 educational institutions, partially damaging

309 others. Places of worship have also been targeted, with 239 mosques destroyed and 317 partially damaged, and destroying three churches struck. Cultural heritage has not been spared, as 206 archaeological and heritage sites in GS have been destroyed.[59]

On 30/12/2023, PCBS presented a report on the Palestinian economic repercussions of the Israeli war on GS, leading to a sharp contraction in Gross Domestic Product (GDP) in the Strip, accompanied by a significant rise in unemployment rate. The WB experienced a decline in GDP by 22%, with an unemployment rate of 29%, resulting in a decline in GDP in both the WB and GS during Q4 2023 by up to 33%. This also led to a sharp decline in the level of consumption in PA areas by more than 33%, with prices rising by more than 30% during the same period, affecting poverty levels in Palestine, which rose to unprecedented levels.[60]

During the first two months of the Israeli war on GS, the estimated direct losses surpassed $12 billion. After six months of war, the Government Media Office reported that the total damage caused was approximately $30 billion, with 80% of Gaza City's buildings destroyed. The destruction extended to residential buildings, economic facilities and critical infrastructure such as roads, electricity networks, water pipes and sewage systems.[61]

On 17/4/2024, The United Nations (UN) appealed for $2.8 billion in funding to assist more than three million people in GS and the WB until the end of the year, helping to ease food shortages and prevent looming famine in the strip. The flash appeal published by the UN Office for the Coordination of Humanitarian Affairs (OCHA) specified that $782.1 million would be allocated for food aid for 2.2 million people in GS and 400 thousand people in the WB.[62]

In 2022–2023, GS has endured two major wars with the first one known as Unity of the Arenas Battle, occurring throughout the 5–7/8/2022 period. This aggression resulted in the loss of 46 Palestinian lives and left 360 individuals injured. Additionally, 1,761 housing units in GS sustained damages, with 18 completely destroyed and 68 severely damaged.[63]

According to the official in charge of the reconstruction file at the Ministry of Public Works and Housing in GS, the estimated direct losses exceeded $3 million, while indirect losses were estimated at more than $10 million.[64]

The second war, known as Revenge of the Free Battle during the period 9–13/5/2023, resulting in the loss of 33 Palestinian lives. The Ministry of Public Works and Housing in Gaza reported that a total of 2,943 housing units sustained damage, while the agricultural sector incurred losses estimated at $3 million. The estimated total direct and indirect losses reached approximately $50 million.[65]

1. GDP in PA Territories (WB and GS)

GDP reflects the overall economic activity carried out by all institutions producing goods and services in the public, private and other sectors in a country over one year. It is a widely used indicator employed locally, regionally and internationally at different levels. It indicates the state of economic development and growth, and the PCBS periodically measures and presents its current data and future forecasts.

a. GDP Growth Rate

The years 2021–2022 witnessed significant economic growth, with growth rates of 7% and 4.1% respectively. While the first three quarters of 2023 showed a 3% increase in GDP compared to the same period in 2022, the Israeli war on GS in October 2023 led to a decline in GDP in GS during Q4 to more than 80% compared to Q4 2022. Economic activities were almost completely disrupted, and most production components were destroyed. In the WB, GDP declined by 22% in Q4 2023 compared to the same period in 2022. Consequently, the GDP in the WB and GS, which was expected to grow by 3% in 2023, actually dropped by approximately 6%.[66]

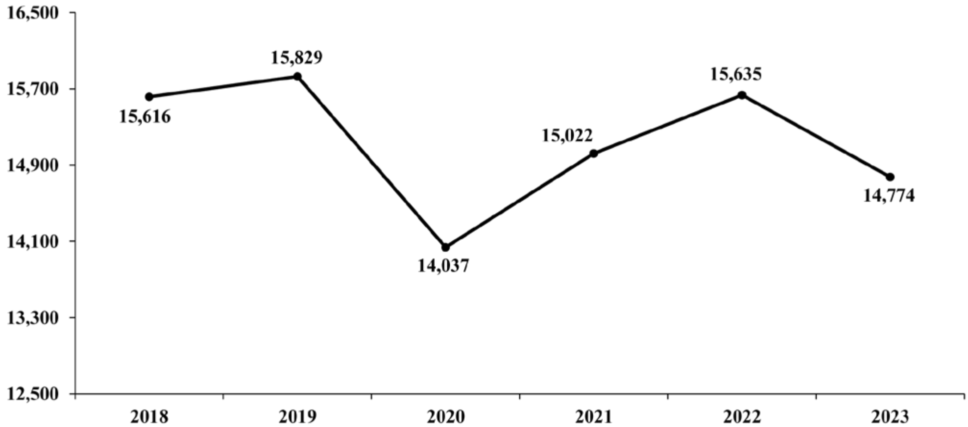
On 31/1/2024, the United Nations Conference on Trade and Development (UNCTAD) published a report highlighting the social and economic deterioration in Gaza. Through the utilization of innovative satellite imagery and official data, the report revealed that the ongoing military operation has greatly accelerated the decline and precipitated a 24% GDP contraction for the year 2023. If the current military operation were to end immediately with reconstruction starting right away, and the 2007–2022 growth trend persists with an average growth rate of 0.4%, it would take GS (approximately 70 years) until 2092 just to restore the GDP levels of 2022.[67]

Table 8/2: GDP in PA Territories 2018–2023 at Constant Prices ($ million)[68]

	2018	2019	2020	2021	2022	2023
GDP	15,616	15,829	14,037	15,022	15,635	14,774
Average annual growth (%)	+1.2	+1.4	–11.3	+7	+4.1	–5.5

Note: The data based on PCBS statistics excludes the parts of Jerusalem annexed by Israel in 1967. The base year is 2015. This exclusion will be applied to all the following tables in this chapter.

GDP in PA Territories 2018–2023 at Constant Prices ($ million)



b. GDP Growth in WB and GS

There was significant variation in GDP growth rates between WB and GS in 2021 and 2022. In GS, GDP increased by 4.2% in 2021 and by 5.2% in 2022, compared with growth in WB by 7.6% and 3.8% for the same years, respectively. However, the gap between the two regions widened further, due to the Israeli war. Preliminary estimates suggest that GDP in GS will decline by 22.6% in 2023, compared to a decline of 1.9% in WB during the same period. In terms of their contributions to the overall GDP, GS's share continues to diminish. It decreased to 17.2% in 2021, 17.4% in 2022, and is anticipated to drop to no more than 14% in 2023. Conversely, WB accounted for 82.6% of total output in 2022, despite the fact that its share of the total population is estimated at 60% compared to 40% for GS. These statistics are not surprising given the challenging conditions

GS has endured over the past 16 years, including a suffocating siege, resistance against Israeli occupation, casualties, injuries, destruction of homes, property and infrastructure, as well as impediments to economic development.

Table 9/2: GDP in WB and GS 2018–2023 at Constant Prices ($ million)[69]

Year	WB		GS		WB and GS	
	GDP	Percentage (%)	GDP	Percentage (%)	GDP	Percentage (%)
2018	12,797.3	81.9	2,818.9	18.1	**15,616.2**	**100**
2019	12,998.8	82.1	2,830.2	17.9	**15,829**	**100**
2020	11,564.1	82.4	2,473.3	17.6	**14,037.4**	**100**
2021	12,443.6	82.8	2,578.1	17.2	**15,021.7**	**100**
2022	12,921.7	82.6	2,713.3	17.4	**15,635**	**100**
2023*	12,673.3	85.8	2,100.4	14.2	**14,773.7**	**100**

* Preliminary estimates.

GDP in WB and GS 2018–2023 at Constant Prices ($ million)

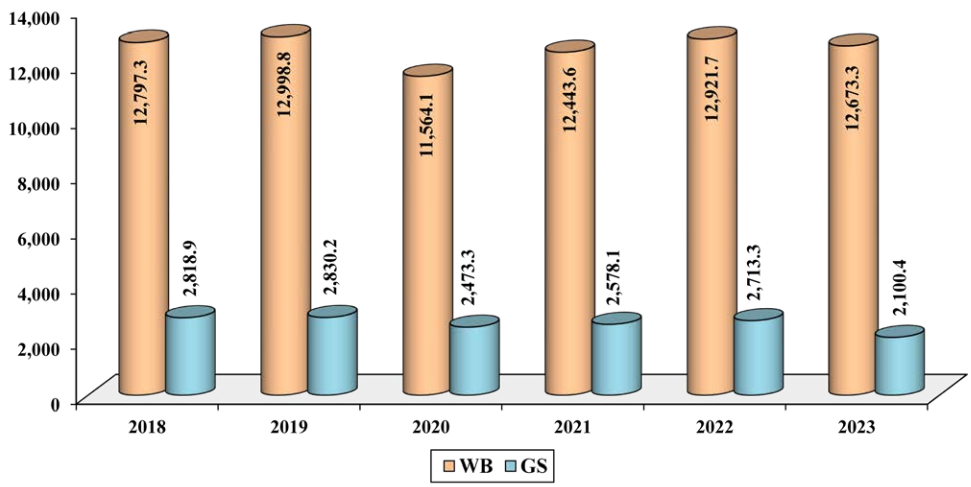


Table 10/2: GDP Growth in the WB and GS 2018–2023 at Constant Prices ($ million)[70]

		Actual					Preliminary estimates
		2018	2019	2020	2021	2022	2023
WB	GDP	12,797.3	12,998.8	11,564.1	12,443.6	12,921.7	12,673.3
	Average annual growth or deterioration (%)	+2.3	+1.6	–11	+7.6	+3.8	–1.9
GS	GDP	2,818.9	2,830.2	2,473.3	2,578.1	2,713.3	2,100.4
	Average annual growth or deterioration (%)	–3.5	+0.4	–12.6	+4.2	+5.2	–22.6

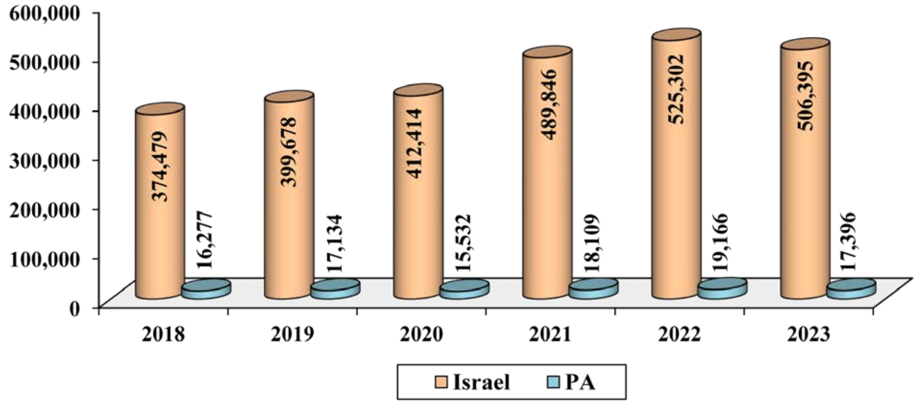
c. GDP in PA Territories and Israel

When considering the Israeli GDP at current prices, which stood at $506 billion in 2023 and $525 billion in 2022, it becomes evident that it surpasses its Palestinian counterpart by more than 29 times in both years. This stark contrast underscores the nature of the Israeli occupation and its profound impact on the Palestinian economy, highlighting how it exploits Palestinian resources and hinders their ability to fully utilize their energies and potentials. It's crucial to acknowledge the demographic differences, with Israel's population reaching 9.84 million in 2023 compared to 5.55 million in WB and GS.

Table 11/2: GDP in PA Territories and Israel 2018–2023 at Current Prices ($ million)[71]

Year	PA	Israel	% Palestinian GDP to Israeli GDP
2018	16,277	374,479	4.3
2019	17,134	399,678	4.3
2020	15,532	412,414	3.8
2021	18,109	489,846	3.7
2022	19,166	525,302	3.6
2023	17,396	506,395	3.4

GDP in PA Territories and Israel 2018–2023 at Current Prices ($ million)



2. GDP per Capita

This indicator reflects the overall development and growth of GDP at constant prices, after excluding inflation rates and population growth rates. It represents the average share of GDP per capita over time, which is being reformulated as an average per capita income or disposable income that reflects as a purchasing power per person. This value is influenced by remittances from abroad and deductions at the individual level.

a. Average Growth of GDP per Capita

The GDP per capita improved by an average of 3% between 2021 and 2022, as shown in table 12/2, reaching around $3,100 in 2022 compared to $3,052 in 2021.

Based on preliminary PCBS estimates, despite a 0.5% increase in GDP per capita in WB and GS during Q3 2023 compared to the preceding quarter, the Israeli war on GS in October 2023 resulted in a decline of approximately 8% in GDP per capita for the year 2023.[72]

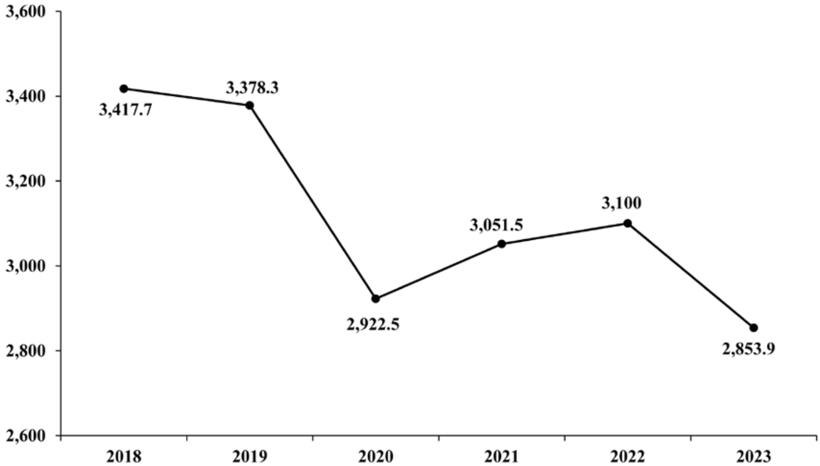
On the other hand, UNCTAD report on 31/1/2024, indicated a 26.1% reduction in GDP per capita in 2023 due to the war. Even with the most optimistic scenario, Gaza's GDP per capita is not anticipated to return to its 2006 pre-blockade levels until 2035.[73]

Table 12/2: GDP per Capita in PA Territories 2018–2023 at Constant Prices ($)[74]

	2018	2019	2020	2021	2022	2023*
GDP per capita	3,417.7	3,378.3	2,922.5	3,051.5	3,100	2,853.9
Average annual growth or deterioration (%)	–1.3	–1.2	–13.5	+4.4	+1.6	–7.9

* Preliminary estimates.

GDP per Capita in PA Territories 2018–2023 at Constant Prices ($)



b. Average GDP per Capita in WB and GS

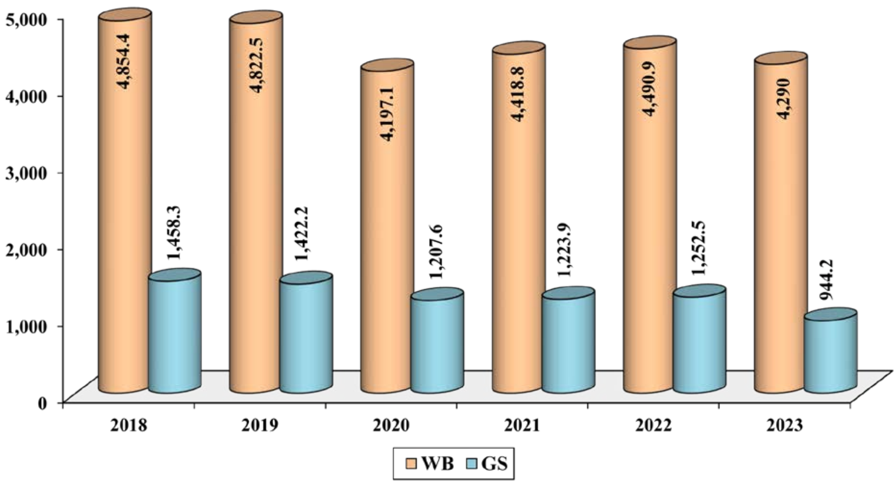
In 2022, the GDP per capita in WB exceeded that of GS, standing at $4,491 in WB compared to $1,253 in GS. Following the Israeli war on GS in October 2023, it is estimated that the GDP per capita in WB will decrease to around $4,290 in 2023, reflecting a 4.5% decline from 2022. Conversely, the GDP per capita in GS is anticipated to plummet to approximately $944 in 2023, representing a sharp decline of 24.6% due to the impact of the Israeli war.

The GDP per capita in WB was 3.6 times higher than that of GS in 2022. However, following the Israeli war at the end of 2023, this ratio increased to 4.5 times, underscoring the widening gap between WB and GS in terms of GDP per capita (see table 13/2).

Table 13/2: Average GDP per Capita in the WB and GS 2018–2023 at Constant Prices ($)[75]

		Actual					Preliminary estimates
		2018	2019	2020	2021	2022	2023
WB	GDP per capita	4,854.4	4,822.5	4,197.1	4,418.8	4,490.9	4,290
	Average annual growth or deterioration (%)	+0.1	–0.7	–13	+5.3	+1.6	–4.5
GS	GDP per capita	1,458.3	1,422.2	1,207.6	1,223.9	1,252.5	944.2
	Average annual growth or deterioration (%)	–6.3	–2.5	–15.1	+1.3	+2.3	–24.6

GDP per Capita in the WB and GS 2018–2023 at Constant Prices ($)



c. Comparison of GDP per Capita Between PA Territories and Israel

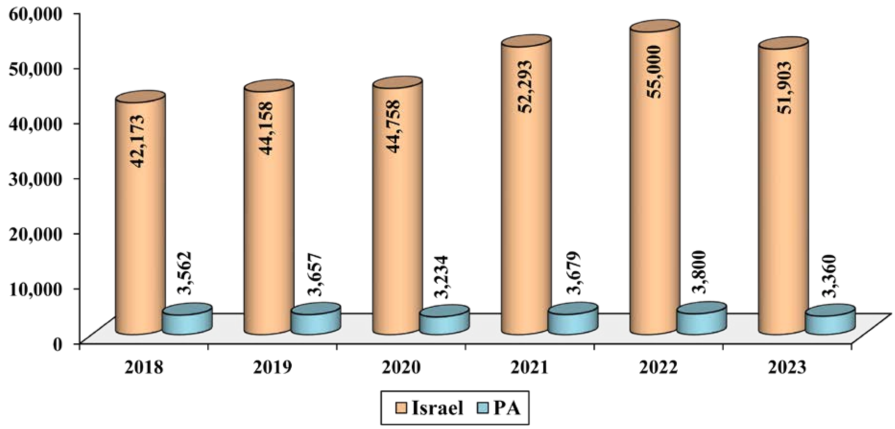
There is a significant gap between GDP per capita in PA territories and Israel. In 2022 and 2023, at current prices, it stood at $3,800 and $3,360 in the PA territories, respectively, while in Israel (at current prices) it reached $55 thousand and $51,903 for the same period. This contrast highlights that the average Israeli GDP per capita surpasses that of Palestinians by 15.4 times. This discrepancy is largely attributed to the Israeli occupation and its policies that hinder the normal growth of the Palestinian economy, resulting in a decline in Palestinian GDP.

Meanwhile, Palestinians experienced higher rates of population growth compared to the Israeli side and worked under more challenging conditions due to the occupation, leading to adverse effects on wages, living standards and savings. Furthermore, the huge gap between the two regions has enabled Israelis to enjoy a notably superior standard of living compared to Palestinians.

Table 14/2: GDP per Capita in the PA Territories and Israel 2018–2023 at Current Prices ($)[76]

Year	PA	Israel	% Palestinian GDP per capita of Israeli GDP per capita
2018	3,562	42,173	8.4
2019	3,657	44,158	8.3
2020	3,234	44,758	7.2
2021	3,679	52,293	7
2022	3,800	55,000	6.9
2023	3,360	51,903	6.5

GDP per Capita in the PA Territories and Israel 2018–2023 at Current Prices ($)



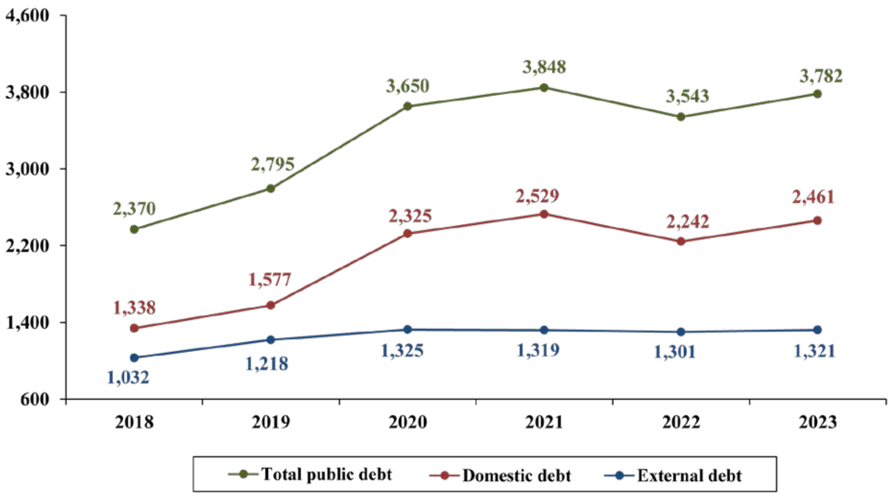
3. Public Debt

Public debt, both domestic and external, was associated with the great expansion of government expenditures and, consequently, the persistent budget deficit. A significant decline in unstable external aid was also noticed since 2009, followed by an increased obligations due to the COVID-19 pandemic, alongside unjust Israeli deductions. Consequently, the PA resorted to borrowing, particularly from local sources, such as the banking system and public entities, including the Palestinian Pension Agency.

Table 15/2: PA Government Public Debt 2018–2023 ($ million)[77]

	2018	2019	2020	2021	2022	2023
Domestic debt	1,338	1,577	2,325	2,529	2,242	2,461
Annual growth rate (%)	–10.9	+17.9	+47.4	+8.8	–11.3	+9.8
External debt	1,032	1,218	1,325	1,319	1,301	1,321
Annual growth rate (%)	–1	+18	+8.8	–0.4	–1.4	+1.5
Total public debt	**2,370**	**2,795**	**3,650**	**3,848**	**3,543**	**3,782**
GDP at current prices	16,276.6	17,133.5	15,531.7	18,109	19,165.5	17,396.3
Total public debt as % of GDP	14.6	16.3	23.5	21.2	18.5	21.7

PA Government Public Debt 2018–2023 ($ million)



It is worth noting that public debt followed various trajectories throughout 2015–2023, initially declining until 2018, and then rising during 2019–2021, and subsequently declining by approximately 8% in 2022.

Data released by the Ministry of Finance at the end of 2023 indicated that public debt increased by 6.7% compared to 2022, reaching $3.78 billion, or 21.7% of GDP. However, despite fluctuation in the size of the debt, it remains at high levels compared to previous periods due to the ongoing crisis in clearing revenues, Israeli deductions, withholdings from funds and the sharp decline in the volume of foreign grants and aid, which has reached its lowest levels. The government's public debt was divided between domestic debt, constituting approximately 65%, and external debt, approximating 35%.

In 2023, general government debt accounted for about 80% of net public revenues and grants, and approximately 87% of net public revenues, compared to approximately 70% and 76%, respectively, in the previous year. These figures demonstrate the government's financial instability and fragility, dependent on economic and political developments internally and externally, i.e., in the donor countries. The increase in this ratio indicates the government's inadequate repayment capacity and a growing number of years overdue for repayment, demonstrating that the government's financial resources have been depleted. It is worth noting that when the accumulated arrears on the government are considered liabilities due for payment, these ratios surpass the permitted limit under the Public Debt Law (40% of GDP).[78] At the time of writing this report, specific data on the impact of Operation al-Aqsa Flood and the Israeli war on GS on the PA economy in WB and GS was not available.

In recent years, domestic debt has constituted the majority of the total public debt, reaching 65% in 2023. The banking system has been the primary source of this debt due to its excess liquidity and willingness to lend, given the government's commitment to meet these debts and their usurious interest payments on time. This borrowing is conducted in local currency, enabling local banks to maintain sufficient liquidity. This approach helps the PA avoid the risk of currency exchange rate fluctuations. Additionally, it mitigates the risk of currency exchange rate fluctuations. Another aspect of indebtedness is the so-called "arrears," which represent additional public debts for which no binding repayment period has been set, reflecting unilateral government behavior. This practice is utilized by the PA to conceal the true extent of its debts, by exceeding the legally permitted public borrowing ratio of 40%. Additionally, these arrears have negative implications for service providers needed by the Authority, including hospitalization expenses,[79] rights of goods suppliers, contracting companies and others.

Throughout 2022, the government amassed a total of arrears nearing 3.5 billion shekels (about $960 million). Concurrently, the government successfully discharged approximately 1.9 billion shekels (about $520 million), from the residual arrears of preceding years, rendering the 2022 net arrears to hover around 1.6 billion shekels (about $440 million).

The total arrears were primarily distributed between nonwage arrears at about 49.7% equivalent to 1.7 billion shekels (about $466 million), wage and salary arrears at about 35.9%, approximately 1.2 billion shekels (about $330 million), development expenditure arrears at nearly 8.7%, around 0.3 billion shekels (about $82 million), earmarked payment arrears at 3.3%, approximately 0.1 billion shekels (about $27 million), and tax refund arrears at 2.4% of the total arrears in 2022.[80]

In a statement released in May 2023, the Civil Society Team for Enhancing Public Budget Transparency highlighted that the PA government is submerged in both internal and external debts, totaling approximately 12.5 billion shekels (around $3.4 billion) by the conclusion of 2022, marking an unprecedented level since the establishment of the PA. The team emphasized that the accrued net arrears amounted to 11.2 billion shekels (about $3 billion) by the end of 2022. Furthermore, the salaries and wages bill increased from 2018 to 2022 by around 2 billion shekels (about $540 million). Moreover, the commitment-based wages and salaries bill exceeded the appropriations in 2022 budget by 7%.[81]

4. The PA's General Budget

The general budget reflects the government's financial activity in a country during a given year. It includes revenues and expenditures in various forms, the state of the total balance in terms of surplus or deficit, how the surplus is utilized and methods to cover the deficit. The data presented pertains to the period preceding the devastating Israeli war on GS, which significantly impacted the Palestinian economy and the PA's general budget. This period also saw a halt in the transfer of clearance funds, accompanied by unjust piracy and deductions.

Table 16/2: PA Fiscal Operations 2018–2023 Cash Basis ($ million)[82]

	2018	2019	2020	2021	2022	2023*
– Domestic revenues	1,346	1,210	1,210	1,539	1,776	1,639
– Clearance revenues	2,255	2,219	2,400	2,777	3,146	2,730
– Tax returns	–138	–138	–84	–91	–237	–11
Total net revenue	3,463	3,291	3,526	4,225	4,685	4,358
Annual growth rate (%)	–5.2	–5	+7.1	+19.8	+10.9	–7
– Salaries and wages	1,658	1,678	1,891	1,988	2,048	1,892
– Non-wage expenditure	1,688	1,590	1,659	1,624	1,614	1,611
– Net lending	268	320	351	373	366	365
– Earmarked payments	46	73	54	50	131	154
Total expenditures	3,660	3,660	3,955	4,035	4,158	4,022
Annual growth rate (%)	–3.5	0	+8.1	+2	+3	–3.3
Current balance	–197	–370	–429	190	527	336
Development expenditures	277	200	169	168	178	215
Overall balance excluding grants and foreign aid (deficit)	–474	–570	–598	22	349	121
Grants and aid	665	492	464	321	345	358
Overall balance including grants and foreign aid	191	–77	–133	343	694	479

* Non-final figures, as they are supposed to change significantly due to the Israeli war on GS.

PA Fiscal Operations 2018–2023 Cash Basis ($ million)

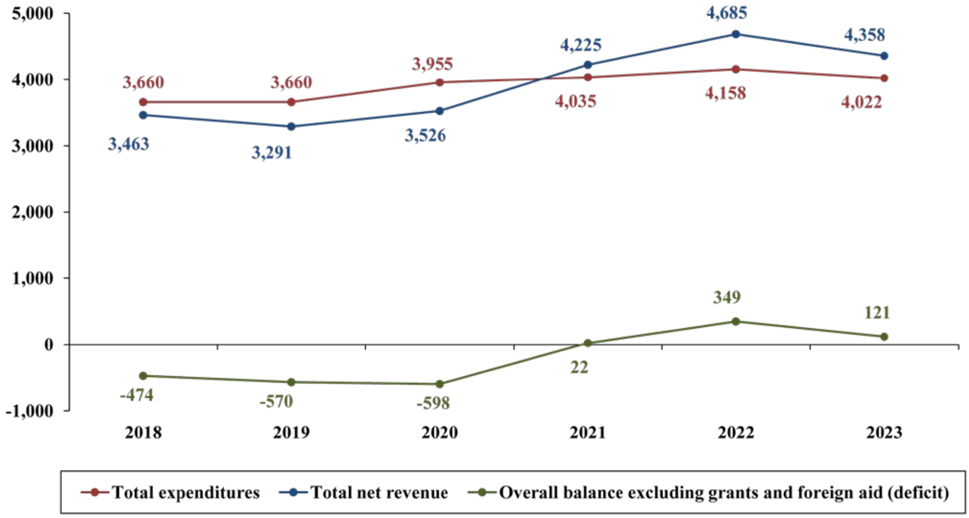


Table 16/2 shows that the government's finances have experienced fluctuations in terms of growth. In 2021, there was a notable increase in total revenues by 19.8% due to a significant increase in local collection revenues by 27.2%, in addition to an increase in clearance revenues amounting to 15.7%, due to their retention for several months. While overall expenditures witnessed a 2% increase, the overall balance reflected a surplus of $190 million, with $22 million remaining after factoring in development expenditures.

In 2022, the overall balance achieved a surplus of $349 million, marking an exceptional milestone. This was primarily fueled by a 13.3% increase in clearance revenues, a 15.4% increase in local revenues and a slight increase in both overall and development expenditures.

As for 2023, estimates indicate a decrease in the general revenues of the Palestinian treasury by 7%. This decline is linked to a 7.7% drop in local collection revenues and a 13.2% decrease in clearance revenues. Clearance revenues, constituting approximately 63% of total public revenues, covered approximately 68% of total expenditures in 2023, underscoring their critical role in the Palestinian public budget. This significance is magnified by the ongoing decrease in grants and foreign aid, which declined by 30.8% in 2021, 7.5% in 2022, and saw a modest 3.8% increase in 2023.[83]

On the other hand, on 9/11/2023, the Palestinian Ministry of Finance released a statement revealing that the Israeli Ministry of Finance had deducted 600 million shekels (approximately $156 million) from the clearance funds. This deduction was justified by claiming that a portion of this sum covered salaries and allowances for employees in GS.[84] Additionally, on 2/10/2023, Palestinian Ministry of Finance revealed that the Israeli government had escalated its illegal deductions from Palestinian taxpayers' funds to an unprecedented level. These deductions now range between 240–260 million shekels (equivalent to $63–68 million) monthly, constituting about 25% of the PA's revenues from tax funds collected by Israel.[85]

The Palestinian Ministry of Finance has projected that the 2023 budget deficit will surpass $600 million should illegal Israeli deductions persist. These deductions, coupled with recurring assaults that impede economic growth and investment plans, have significantly contributed to financial pressures on the government. Furthermore, the unprecedented decline in grants and foreign aid further exacerbates the situation. Notably, the primary driver of the looming deficit is the Israeli war on GS, whose final figures have yet to be released.[86]

5. Work, Unemployment and Poverty

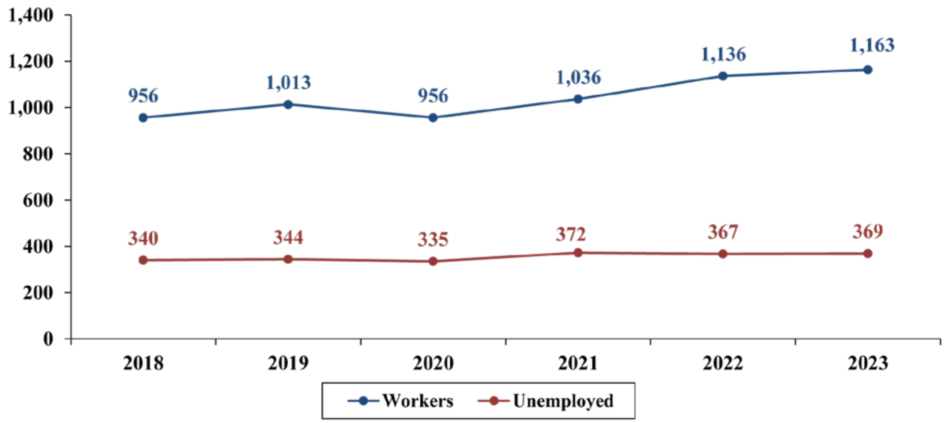
The human element forms the foundation of economic activity and its production processes, manifesting as a diverse workforce comprising craftsmen, professionals and specialists across different fields in the government sector, the private sector and non-profit institutions, along with other factors such as land and investments. The human element is directly related to the population count with the new entrants into the labor force seeking suitable opportunities to avoid unemployment and poverty.

Table 17/2: Distribution of Palestinians Aged 15 Years and Above in WB and GS by Labor Force and Unemployment 2018–2023 (thousand)[87]

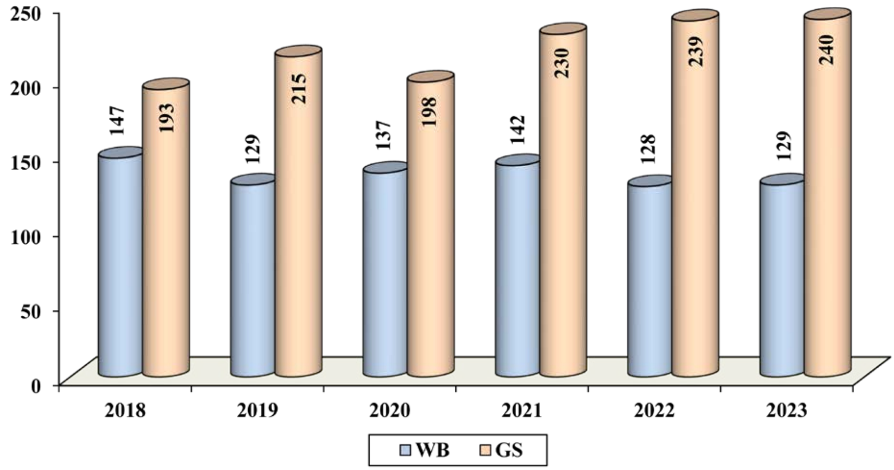
		2018	2019	2020	2021	2022	2023*
WB	Labor force	849	881	867	918	976	1,000
	Workers	702	752	730	776	848	871
	Unemployed	147	129	137	142	128	129
	% of unemployment	17.3	14.6	15.7	15.5	13.1	12.9
GS	Labor force	447	476	424	490	527	531
	Workers	254	261	226	260	288	291
	Unemployed	193	215	198	230	239	240
	% of unemployment	43.1	45.1	46.6	46.9	45.3	45.1
WB & GS	Labor force	1,296	1,357	1,291	1,408	1,503	1,532
	Workers	956	1,013	956	1,036	1,136	1,163
	Unemployed	340	344	335	372	367	369
	% of unemployment	26.2	25.3	25.9	26.4	24.4	24.1
Workers in Israel		105	110	125	124	164	153
Workers in WB settlements		22	23		21	29	25

* Q3 2023 data prior to the war on GS.

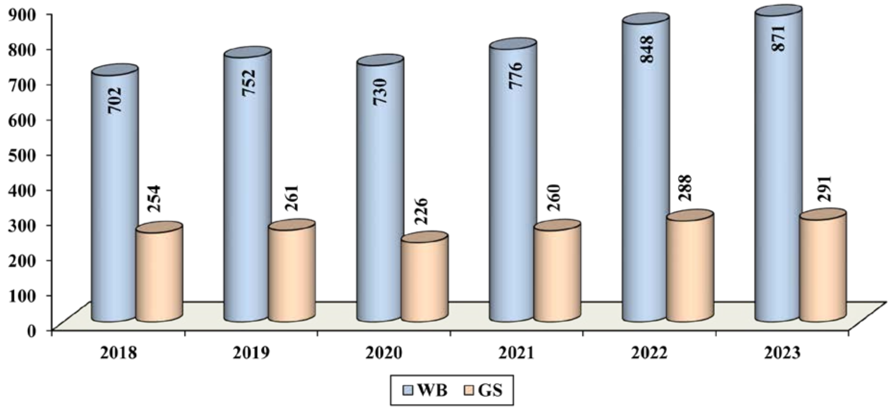
Distribution of Palestinians Aged 15 Years and Above in the WB and GS by Labor Force and Unemployment 2018–2023 (thousand)



Unemployed Palestinians in WB and GS 2018–2023 (thousand)



Palestinians Workers in WB and GS 2018–2023 (thousand)



a. Work and Unemployment

Table 17/2 indicates a general decrease in the unemployment rate in 2022, dropping to 24.4% in the WB and GS, compared to 26.4% in 2021. However, unemployment rates remained different between WB and GS, reaching 45.3% in GS, compared to 13.1% in WB. The highest unemployment rate was concentrated among youth aged 15–24, reaching 36.1% in 2022.[88] On the other hand, total labour underutilization reached 31%, according to the revised International Labour Organization (ILO) standards, with 500 thousand persons underutilized, including 56 thousand discouraged jobseekers* and 22 thousand in time-related underemployment**.[89]

The results of the 2022 labor force survey indicate a 5.7% increase in the number of employed in the local market (4% in the WB and 9.9% in GS). Furthermore, the number of workers in Israel and the settlements reached about 193 thousand, up from 145 thousand in 2021. Moreover, 3% of children aged 10–17 years were employed, with 5% in WB and 1% in GS.[90]

Regarding 2023, the labor force in Q3 (before the war on GS) was around 1.2 million employed persons; 983 thousand in the local market, 153 thousand persons in Israel, and about 25 thousand in Israeli settlements. Results also highlighted that 37% of wage employees in the private sector in WB and GS receive a monthly wage of less than the minimum wages (1,880 shekels, about $500). The average monthly wage for those who receive less than the minimum wage in GS was 736 shekels (about $200), compared to 1,432 shekels (about $390) in WB.[91] Furthermore, according to 2022 figures, the construction sector recorded the highest employment rate in Israel and the Israeli settlements, accounting for 57.4% of the total Palestinian workers in these areas, with an average daily wage of 276 shekels (about $80).[92]

In Q3 2023, the unemployment rate was approximately 24%, with 45% in GS compared to 13% in WB. Total labor underutilization stood at about 29%, totaling 457 thousand persons. This figure includes 32 thousand discouraged job seekers and 20 thousand experiencing time-related underemployment.[93]

Due to the ongoing Israeli war on GS since 7/10/2023 until the time of writing of this report, resulting in the displacement of about two million Palestinians, widespread destruction of institutions, headquarters, homes, universities and schools and the consequent indefinite suspension of economic activities in GS, analyzing labour force rates in WB and GS becomes unrealistic.

* **Discouraged jobseekers:** Persons classified as available for work, not seeking work during the reference period and having sought work during the past six months.

** **Time-related underemployment:** Persons who were employed during a short reference period and the total actual hours worked in all jobs were less than 35 hours and they wanted to work additional hours.

At the beginning of the war, PCBS reported unprecedentedly high unemployment rates, soaring to 75% in Q4 2023, resulting in the loss of at least 200 thousand jobs. This situation also impacted WB, with the number of unemployed persons rising to 317 thousand in Q4 2023, and the unemployment rate increasing to 32% compared to approximately 13% in Q3 2023. Additionally, the number of employed persons decreased from around 870 thousand in Q3 2023 to about 665 thousand in Q4 2023.[94]

As for the number of employed persons from WB in Israel and Israeli settlements, it decreased significantly between Q3 and Q4 2023 due to the strict closures imposed by Israeli occupation following the war on GS. By Q4 2023, the total number of employed persons in Israel was around 17 thousand, including about 7 thousand in Israeli settlements.[95]

b. Poverty and Food Insecurity

Poverty is a global issue, affecting both poor and rich countries. Recognizing its gravity, the world has designated an International Day for the Eradication of Poverty since the issuance of UN General Assembly resolution in December 1992. Then the call was renewed more broadly at the beginning of the third millennium to adopt the first goal of sustainable development which aims to eradicate extreme poverty for all people everywhere by 2030, currently measured as people living on less than $1.25 a day.[96]

It is natural to link the state of poverty to unemployment rates and prevailing wage levels. The PA endeavored to set a wage standard that would shield workers from poverty. Consequently, a decision was made to establish the minimum wage at 1,880 shekels per month (about $500). However, in 2022, 19% of private sector wage earners in the WB received monthly wages below this threshold, with average monthly wage of about 1,419 shekels (about $380). In contrast, this percentage was 89% in GS with an average monthly wage of about 697 shekels (about $190).[97]

It is no secret that poverty is closely linked to hunger and food shortages both locally and globally. Malnutrition can impede production efficiency, industrial growth, distribution systems, exacerbate local conflicts, amplify the impact of extreme climatic conditions and contribute to economic downturns. The food crisis has been exacerbated by the expansion of poverty and associated inequalities in income, productivity, education, healthcare and technology.[98] Prior to the war in Ukraine, food security was gradually recovering from the disruptions caused by the COVID-19 pandemic. However, the conflict in Ukraine caused market turmoil, leading to increased food prices, elevated costs of agricultural inputs and energy, exerting varied repercussions on hunger and food insecurity.[99]

In terms of labor force projections for 2024, a collaborative report by ILO and the PCBS indicates that over half a million jobs have been lost in WB and GS since the Israeli war on GS on 7/10/2023 through 31/1/2024. These job losses result in a daily income reduction of $21.7 million. This figure increases to $25.5 million per day, when combined with the loss of income resulting from the partial payment of wages to civil servants and the reduced incomes of workers in the private sector across GS. Should the war continue into Q2 2024, the annual unemployment rate is projected to rise even further to 45.5%,[100] with GS bearing the brunt of this unemployment crisis. ILO Regional Director for Arab States Ruba Jaradat said:

> In Gaza, entire neighbourhoods have been wiped from existence. Infrastructure, energy and water facilities have been demolished. Schools, medical facilities, and businesses have been destroyed. This has decimated entire economic sectors and paralyzed labour market activity, with untold repercussions on the lives and livelihoods of Palestinians for generations to come.[101]

6. Industrial Activity

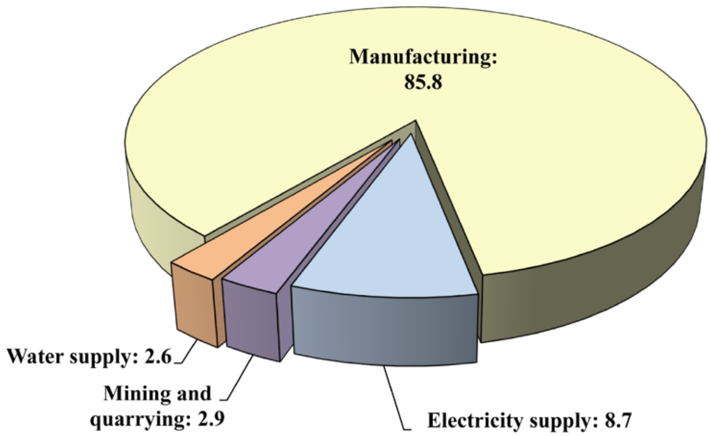
The successive industrial revolutions have been pivotal in global economic development, ushering in modern production methods and flooding markets with new products. These developments have revolutionized manufacturing processes, machinery and equipment operations. They have also transformed energy consumption and the exploration of minerals, oil, gas and other industrial resources. Consequently, many countries developed. Despite possessing ample potential for industrial development, the 1967 occupied Palestinian territories have yet to fully harness these resources.

Table 18/2: Industrial GDP in PA Territories 2018–2023 at Constant Prices ($ million)[102]

	2018	2019	2020	2021	2022	2023*
Mining and quarrying	66.7	68.7	49.9	49.7	48.8	50.8
Manufacturing	1,762.8	1,779	1,500.7	1,537.7	1,623	1,497.5
Electricity, gas, steam and air conditioning supply	165.9	164.1	138.6	146	160.1	152.3
Water supply, sewerage and waste treatment	61.2	62.9	55.2	56.7	56	45.1
Total	**2,056.6**	**2,074.7**	**1,744.4**	**1,790.1**	**1,887.9**	**1,745.7**
Average annual growth or deterioration (%)	–1.8	+0.9	–15.9	+2.6	+5.5	–7.5
% of GDP	13.2	13.1	12.4	11.9	12.1	11.8

* Preliminary estimates.

Industrial Sector Activities of GDP 2023 (%)



Industrial GDP in PA Territories 2018–2023 at Constant Prices ($ million)

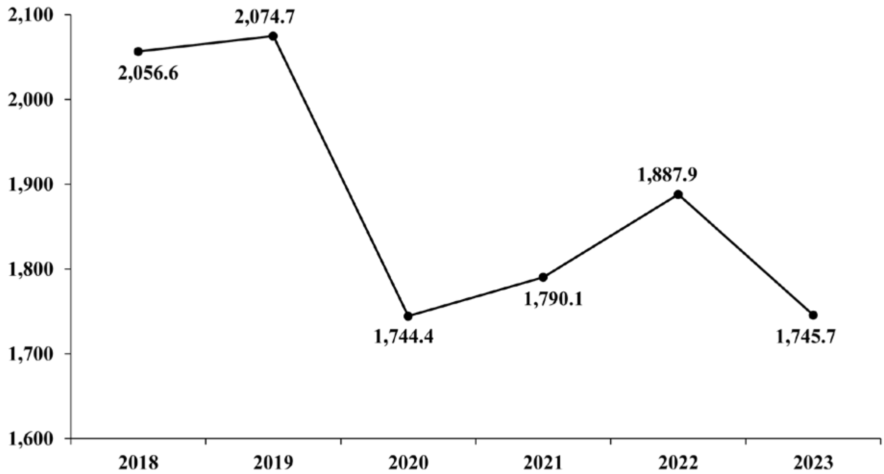


Table 18/2 reveals that manufacturing ranks first at 85.8% of productivity, an indication of its utmost importance in terms of its broad capability in generating new products and supporting other sectors, especially agriculture, with a promising role of solid waste treatment that could lead to the elimination of landfills. Then comes electricity, gas, steam and air conditioning supply at 8.7%, followed by mining and quarrying at 2.9%, and finally water supply, sewerage and waste treatment at 2.6%, according to 2023 estimates.

Despite the significant reserves of stones, marble and granite, the mining and quarrying industries appear to be experiencing a decline, even though they rank as the top category among the ten Palestinian exports. Additionally, the Gaza coast is also rich in large reserves of natural gas whose flare was lit in September 2000; however, the Palestinian side have yet to secure its right to exploit these resources.

Industrial development has been constrained, showing fluctuations over the years, with its contribution to the GDP averaging 12.5% between 2015 and 2022, compared to 15.4% between 2000 and 2004.[103] Despite efforts to disengage from Israel and the desire to boost national production and encourage investment in industrial cities, reliance on clearance funds as primary revenue source has hindered any significant progress in industrial growth. Furthermore, the dissolution of the Ministry of Industry, established during the emergence of the PA, has added to these challenges.

In 2021, the industrial sector in PA territories is characterized as small or very small, employing 116 thousand individuals, with heavy dependence on unpaid workers (business owners and their household members) constituting 19.1% of the total workforce.[104]

Throughout 1994–2023, the contribution of industrial activity to the GDP declined from 22% to 11.8%, as industrial activity decreased by 7.5% in 2023 following a 5.5% improvement in 2022. This decrease can be attributed to the ongoing Israeli war on GS since 7/10/2023, which has had significant repercussions on the Palestinian economy. The value added by industrial activities in Q4 2023 dropped by 28% compared to the same period in 2022, with projections indicating a further decline throughout 2024.[105]

7. Agricultural Activity

Agricultural activity plays a crucial role in achieving self-sufficiency by producing many agricultural crops, thereby meeting local demands of food and other essential products. This traditional production sector relies on accessible agricultural land, ample irrigation water and the adoption of modern technologies to boost productivity and make efficient use of limited spaces. In the Palestinian case, there is an urgent need to exploit all cultivable areas, intensify this activity as a consolidation of the Palestinian identity and curb the relentless expansion of settlements, which persist despite the significant sacrifices made by Palestinians to stop it.

Table 19/2: Agricultural GDP in PA Territories 2018–2023 at Constant Prices ($ million)[106]

	2018	2019	2020	2021	2022	2023**
Agricultural GDP*	1,091.1	1,100.7	1,001	993.9	938.6	830.7
Average annual growth or deterioration (%)	+1.6	+0.9	–9.1	–0.7	–5.6	–11.5
% of GDP	7	7	7.1	6.6	6	5.6

* Includes forestry and fishing activities.

** Preliminary estimates.

Agricultural GDP in PA Territories 2018–2023 at Constant Prices ($ million)

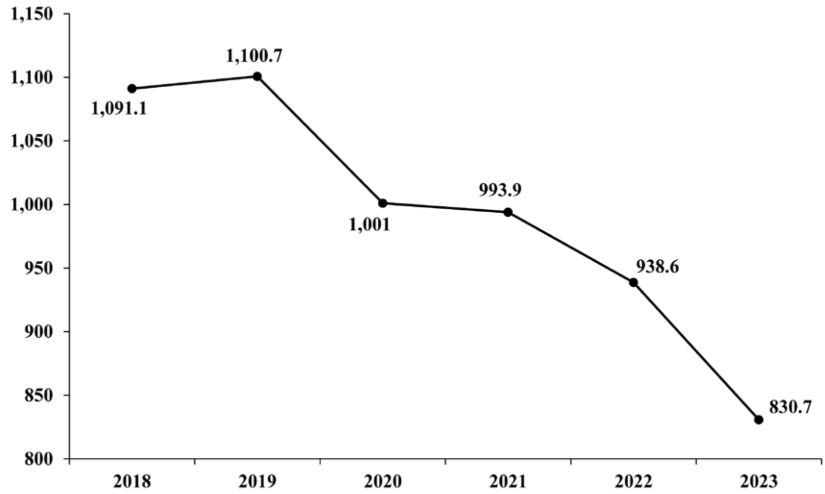


Table 19/2 shows that agricultural growth is fluctuating, demonstrating a generally slow growth, while its contribution to the GDP is decreasing. Despite the ability of agricultural activity to absorb the labor force, it is noted that the percentage of employed persons in agriculture has decreased, where it was 14.1% in 2008, falling to 6.3% in 2022.[107]

The diminishing role of the agricultural sector in the GDP can be attributed to several factors, including reduced government financial support in the annual budget, settlement expansion coupled with aggression in addition to the deprivation of farmers from cultivating large areas of their lands. This is despite the international resolutions advocating for Palestinians' right to permanent sovereignty over their natural resources.[108]

Agriculture remains a promising sector within the economy as it deals with various segments of landowners, farmers and skilled professionals with unlimited capabilities. This multifaceted activity encompasses a range of crops, livestock and poultry, which receive wide input from non-profit organizations at home and abroad that have vast experience and creative solutions to challenges.[109]

The Palestinian Agricultural Credit Institution could play a pivotal role in the renaissance of agricultural activity through its vision of seeking sustainable agricultural development with distinguished financing services, and through its mission to improve the level of food security and raise its contribution to the GDP.[110]

8. Trade

Trade is one of the most prominent forms of international economic relations. Given its significance, the international community has been keen in structuring trade through the World Trade Organization (WTO). The PA has sought to be part of this system, by concluding several trade agreements with many Arab and foreign countries and seeking WTO membership.

Table 20/2: Commodity Trade Balance in PA Territories 2018–2023 at Current Prices ($ million)[111]

	2018	2019	2020	2021*	2022	2023
Trade volume	7,695	7,717	7,118	9,187	9,782	9,306
Exports	1,155	1,104	1,055	1,358	1,585	1,561
Imports	6,540	6,613	6,063	7,830	8,197	7,745
Deficit	–5,384	–5,510	–5,008	–6,472	–6,612	–6,184
% Exports to GDP	7.1	6.4	6.8	7.5	8.3	9
% Deficit to total imports	82.3	83.3	82.6	82.7	80.7	79.8
% Deficit to GDP	33.1	32.2	32.2	35.7	34.5	35.5

* There are limited differences due to approximation.

PA Trade Indicators 2018–2023 at Current Prices ($ million)

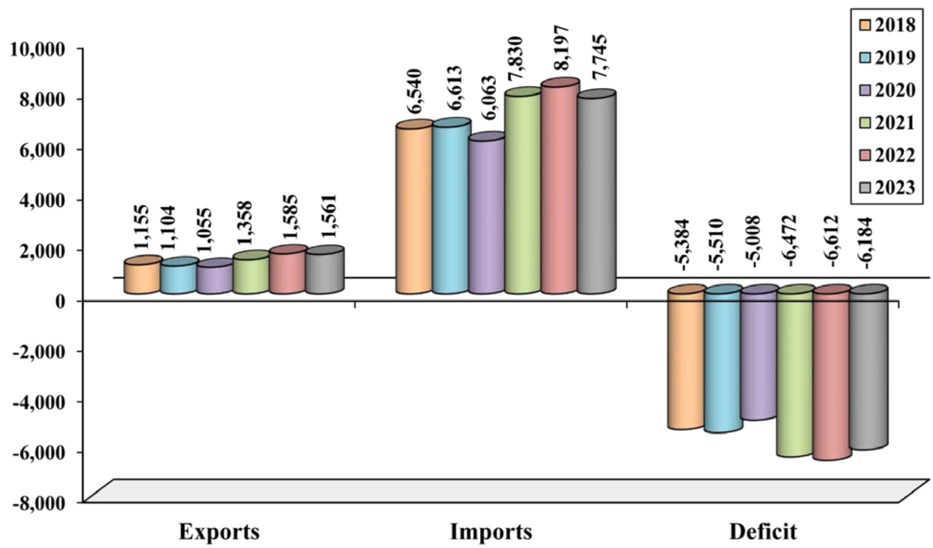


Table 20/2 indicates that trade volume tends to increase with fluctuations in exports or imports. An economic downturn was notably observed due to the Israeli war on GS following Operation al-Aqsa Flood at the end of 2023. Overall, the export volume in 2023 was low compared to imports, with a decline in GS exports. This decline was attributed to various factors, notably the limited competitiveness of Palestinian products in international markets, due to the high production cost resulting from Israeli-imposed obstacles and restrictions on movement and access, alongside internal factors related to technological levels, economies of scale and other obstacles.

While the PA's external relationship with the outside world is developing significantly, its ties with Israel remain pronounced, accounting for 86% for exports and 57% for imports in 2023, with exports to Israel valued at around \$1.34 billion and imports totaling \$4.44 billion.[112]

The overall trend in exports and imports shows growth with some fluctuation, reflecting the significance, benefits and challenges of these transactions. However, a prominent aspect of this trade is the severe deficit in the Palestinian trade balance, which constitutes a high percentage of GDP. The export-to-import ratio has also remained at a low level.

The persistent deficit serves as an indicator of low productivity and high unemployment rates. In general, the trade deficit reflects the weaknesses of the economy and its inability to meet the needs of the domestic market, prompting Palestinians to seek external sources to meet these needs, particularly Israel, which allows its goods to flow freely, legally and illegally, into the Palestinian market in exchange for various restrictions limiting Palestinian exports to the global market.[113]

In terms of geography, EU countries emerged as the primary trading partner of the PA in 2022, representing 8.6% of total trade. Following closely were Arab-Asian countries, whose trade increased significantly from 2021, reaching 7.7% of the PA's total trade volume in 2022. Arab-African countries ranked third as trading partners, constituting 3% of the total trade volume (see table 21/2).

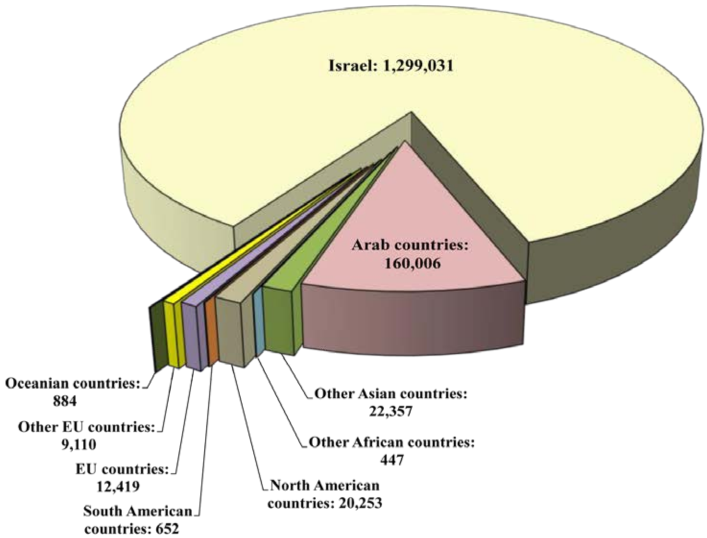
Table 21/2: Volume of Palestinian Trade, Exports and Imports in Goods in PA Territories to/ from Selected Group of Countries 2021–2022 ($ thousand)[114]

Countries	Trade volume		Palestinian exports to:		Palestinian imports from:	
	2022	2021	2022	2021	2022	2021
Israel	6,049,458	5,325,724	1,299,031	1,168,682	4,750,427	4,157,041
Arab-Asian countries	812,604	575,565	157,967	119,631	654,637	455,934
Other Asian countries	2,005,301	1,674,837	22,357	18,517	1,982,944	1,656,320
Arab countries in Africa	306,809	168,944	2,039	1,820	304,770	167,125
Other African countries	18,556	15,962	447	386	18,109	15,575
North American countries	135,091	136,381	20,253	17,917	114,838	118,464
Central American countries	25,533	19,280	–	–	25,533	19,280
Caribbean countries	1,045	754	–	–	1,045	754
South American countries	70,067	58,445	652	743	69,415	57,702
EU countries	907,649	912,512	12,419	16,597	895,230	895,915
Other EU countries	265,846	289,501	9,110	11,984	256,736	277,516
Oceanian countries	13,917	9,439	884	1,362	13,033	8,077
Other countries	–	–	–	–	1,919	–
Total	**10,613,794**	**9,187,345**	**1,525,160**	**1,357,640**	**9,088,634**	**7,829,705**

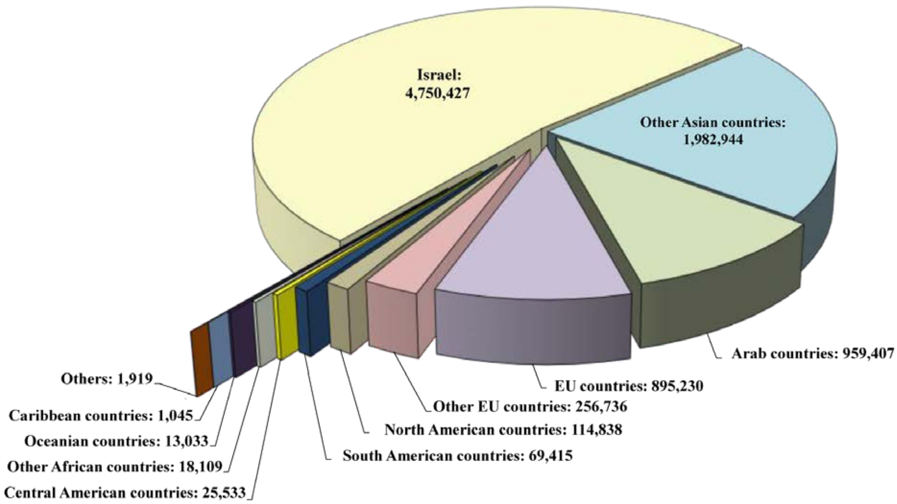
(–): No value.

Note: The total exports and imports provided in this table are based on PCBS figures published on 20/11/2023 and differ from the figures presented in table 20/2, which were updated as of 22/2/2024.

Palestinian Exports in Goods to Selected Group of Countries 2022 ($ thousand)



Palestinian Imports in Goods from Selected Group of Countries 2022 ($ thousand)



The challenges facing the national export strategy are apparent, falling short of achieving the targeted growth in exports. On the other hand, on 6/9/2021, the government established the Palestine Gas Company with the aim of liberalizing the energy sector, facilitating the utilization of natural resources and managing gas transmission and distribution networks.[115] Furthermore, renewable energy receives notable attention, being prioritized as a symbol of sovereignty over land and resources, aligning with the global trend towards developing clean energy sources.[116]

9. External Financing and Foreign Aid

External financing has consistently played a crucial role in shaping Palestinian economic conditions, especially with the establishment of the PA under the occupation. The urgent need for this financing was mainly linked to the PA's plans for economic and social development. Nevertheless, the expansion of public spending and the growing budget deficit resulted in a shift of focus, directing the bulk of this financing towards covering the indicated deficit, with less or a limited part directed towards development projects.

Table 22/2: External Financing to the PA 2018–2023 ($ million)[117]

	2018	2019	2020	2021	2022	2023
External budgetary support	506	496	346	189	240	206
External financing for development expenditures	158	–4*	118	132	105	152
Grants and foreign aid	664	492	464	321	345	358
Average annual growth or deterioration (%)	–7.8	–25.9	–5.7	–30.8	+7.5	+3.8
% of Development expenditures out of total external financing	23.8	–0.8	25.4	41.1	30.4	42.5

* This was because the Ministry of Finance returned $125 million (according to data) to the US Consulate in response to the US position on Jerusalem.

External Financing to the PA 2018–2023 ($ million)

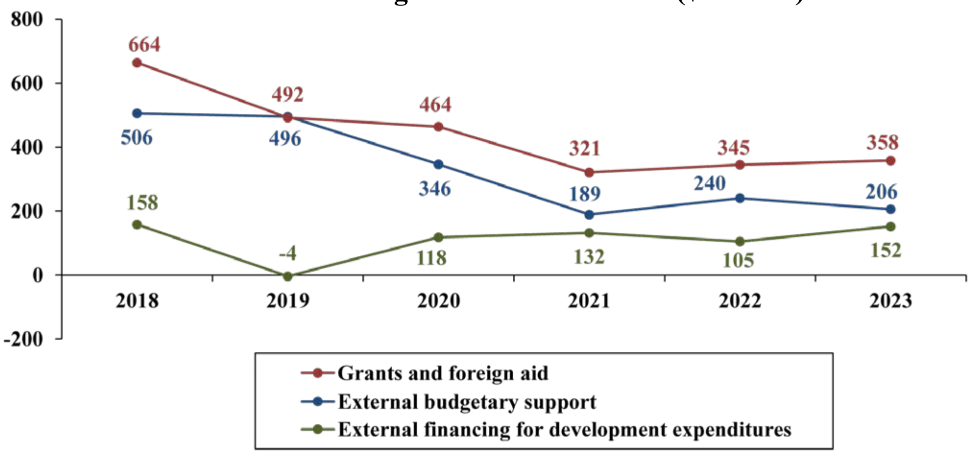


Table 22/2 shows that the decline in grants and foreign aid was the dominant feature throughout 2018–2021, reaching an unprecedented limit in 2021 of 30.8%. Subsequently, there was a modest uptick of 7.5% in 2022 and 3.8% in 2023, according to the latest data. These shifts had a severe impact on the PA's ability to fulfill public services, leading to a significant increase of domestic debt to compensate for this shortfall. This underscores the non-binding nature of external financing from donor countries, since it is done voluntarily and is subject to their conditions, including their capabilities, conviction and mostly whether it serves their political agendas. The potential repercussions of recent events; Operation al-Aqsa Flood and the Israeli war on GS, on external support for the PA remains uncertain.

In a statement on 22/12/2023, the European Commission has adopted a €118.4 million (about $130 million) assistance package to support the PA as part of the annual allocation for Palestine in 2023. The statement added: The EU is the biggest provider of external assistance to the Palestinians which amounts to indicatively almost €1.2 billion (about $1.3 billion) for 2021–2024 under the European Joint Strategy (EJS), of which €809.4 million (about $890 million) have already been adopted.[118]

On the other hand, in addition to the EU, 17 countries have suspended their funding to UNRWA. This suspension was made under the pretext of Israeli claims that 12 UNRWA employees in GS participated in the October 7th, 2023 attack (Operation al-Aqsa Flood) on the Gaza envelope. These countries collectively contribute 78.4% of UNRWA's annual funding, according to the latest budget figures released by UNRWA (actual 2022 spending), amounting to about $921 million out of a total of about $1.175 billion, until February 2024. However, by the end of March, 6 countries had resumed their funding to UNRWA, while 10 continued their suspension.[119] Other countries are gradually reinitiating funding as Israeli claims are being questioned.

During the Gaza aid conference in Paris, leaders of participating country pledged over €1 billion (approximately $1.07 billion) in aid for GS. The majority of this aid is intended to fulfill the United Nations' requirements for supporting the populations of GS and the occupied WB, estimated at $1.2 billion by the end of 2023.[120]

OCHA also reported that UN Member States have disbursed approximately $796 million against the Flash Appeal launched by the UN and its partners to implement its response plan in support of GS. This constitutes about 66% of the $1.2 billion requested.[121]

Conclusion

In the fall of 2023, the Palestinian people faced a genocidal war by the Israeli occupation in GS, reflecting an ongoing effort to Judaize the land and displace Palestinians. Despite this suffering, the Palestinian people remained resilient, resisting forced displacement from GS and ultimately maintaining a population that exceeds the Jewish population in historic Palestine. Palestinians abroad remain deeply connected to their homeland and holy sites, actively supporting their cause and the goal of return.

The economic situation for Palestinians in WB and GS has significantly deteriorated under the most extremist Israeli government in Israel’s history and ongoing Israeli aggression against the Palestinian people. This violence peaked during the genocidal war in GS that began on 7/10/2023, which resulted in the destruction of much of the GS infrastructure, including hospitals, schools and mosques, as well as approximately 70% of homes. The siege has caused severe food shortages and famine, pushing the Palestinian people in Gaza to endure extreme hardships while rallying around the resistance, believing that these sacrifices may ultimately lead to liberation and the end of occupation.

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This Report

Al-Zaytouna Centre is pleased to present The Palestine Strategic Report (PSR) 2022–2023, now in its 13th consecutive edition. This report provides an academic, objective and comprehensive analyses of the developments related to the Palestine issue across various dimensions. It offers up-to-date and accurate information and statistics through the end of 2023, complemented by analytical insights and forecasts.

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Prof. Dr. Mohsen Mohammad Saleh

The Palestine Strategic Report 2022 – 2023

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