Economic Hardships

An Independent Palestine Requires a Self-Sufficient Economy: Occupation leads to Israeli Profits and Disintegration of the Palestinian Economy

The Palestinian Economy in a nutshell:

- The Palestinian Authority receives approximately US$1.8 billion to help to meet its budget. This situation is described as a "donor state." The economy cannot support its government on its own.
- Unemployment is computed at 19% in West Bank and 29.8% in Gaza first quarter 2008.
- Poverty (based on household income only): 79.4% for Gaza; 45.7% for West Bank (World Bank for above)
- Gross Domestic Product fell 40% since 2002 restrictions increased. It is computed at $285.50 per quarter. (Portland Trust)

Since the occupation in l967, Israel has used its military rule to the advantage of Israeli and American corporations and economic interests and to the detriment of the Palestinian economy.

Restrictions on movement are one chief cause of economic disruption.

- Since 2002, restrictions have increased such that the West Bank is segmented into northern and southern sections, linked by Jerusalem. Arab East Jerusalem is closed off from the West Bank. Gaza is even more isolated. Permits are needed to travel and can be scarce. Permits expire at 7 p.m. placing tourism sector outside reach of workers.(PIJ)
- Companies are compelled to have two headquarters, increasing costs.
- Workers employment choices are limited.
- Farmers are required to have permits to drive agricultural vehicles to the Jordan Valley.
- Transaction costs decrease competitiveness of trade; trucks must be unloaded/reloaded at crossings.

Trade restrictions are a second cause of economic disruption

- 70% of total imports to Palestinians come from Israel while 30% of WBG's output are exported to Israel. Administrative barriers deny Palestinian business free access to Israeli markets.
- Palestinian producers are restricted to selling to companies that can cross Israeli checkpoints/borders.
- Imports to Palestine can be handled only by Israeli work crews. No Palestinian agents are licensed to work at Israeli ports. Only Israeli-owned warehouses are permitted closer than 6 miles from port of entry. (PIJ)
- Trade is controlled by Israeli regulations. Imports and exports are controlled by a customs union, making the Palestinian customers a captive market for Israeli goods.
- Palestinians are restricted from purchasing goods such as concrete at a competitive price.

International Investment is hampered by visa restrictions

Visas are three months maximum, with renewal uncertain. Visas for Arab investors are valid for one week only. Prospective investors are considered for approval by Israeli Civil Administration.

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"Who Profits? Exposing the Israeli Occupation Industry." The Settlement Industry, Economic Exploitation, Control of Population." Website sponsored by the Coalition of Women for Peace. www.whoprofits.org