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Assessing the Economic and Social Impacts of Israel's War on Palestine

تقييم الآثار الاقتصادية والاجتماعية للحرب الإسرائيلية على فلسطين

Abstract: The offensive on Gaza, in which 2.2 million lives have been thrown into the mire of humanitarian devastation, has decimated an already ravaged economy, rendering "recovery" to pre-2023 largely unreasonable. Meanwhile, Israel amped up its aggressions in the West Bank, further entrenching occupation, destabilizing its precarious economy and obstructing daily life. In an archipelago of isolated Palestinian towns, including Jerusalem and the Green Line, the Occupation's policies continue to compromise livelihoods, all of which debilitate economic prospects. In addressing this humanitarian and economic catastrophe, an urgent reimagining of the support structures for Palestinian political and economic renewal is imperative, including the role of Arab states, international allies, and the Palestinian diaspora.

Keywords: War on the Gaza Strip; Humanitarian Catastrophe; Palestinian Economy; Palestinian State; Apartheid Economy.

ملخص: أدى الهجوم على غزة، والذي كان ضحيته 2.2 مليون شخص، إلى تدمير الاقتصاد المدمر أصلاً؛ ما جعل «التعافي» والعودة إلى ما قبل عام 2023 أمراً غير واردٍ إلى حدٍ بعيد. وفي الوقت نفسه، صعدت إسرائيل اعتداءاتها في الضفة الغربية؛ ما أدى إلى زيادة ترسيخ الاحتلال، وزعزعة استقرار الاقتصاد المضطرب، وعرقلة الحياة اليومية. وتستمر سياسات الاحتلال في البلدات الفلسطينية المعزولة بعضها عن بعض - بما في ذلك القدس والخط الأخضر - في تعريض حياة الفلسطينيين للخطر، وكل ذلك يؤدي إلى تضيق الآفاق الاقتصادية. لمعالجة هذه الكارثة الإنسانية والاقتصادية، من الضروري إعادة تصور سريع لهياكل الدعم للتجديد السياسي والاقتصادي في فلسطين، بما في ذلك دور الدول العربية والحلفاء الدوليين، والشتات الفلسطيني.

كلمات مفتاحية: الحرب على قطاع غزة؛ كارثة إنسانية؛ الاقتصاد الفلسطيني؛ الدولة الفلسطينية؛ اقتصاد الأبارتهايد.

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As Israel continues to pummel the Gaza Strip, inflicting enormous suffering on the Palestinian people, the economic impact of the violence may appear to be a secondary issue. Yet Israel considers the destruction of the economy as central to its efforts to crush any form of Palestinian resistance, made evident by its systematic destruction of Gaza. With the ongoing Israeli offensive, it is not possible to measure the cost of the war or estimate the value of its losses. However, this paper outlines the key impacts of the war on the Palestinian economy, as well as their knock-on effects. It also examines the economic, financial, and social shocks that have already occurred or are expected to pose a risk in the future. It ventures into the possibility of rebuilding Gaza and making the territory inhabitable after this catastrophe, taking into account Israeli, American, and Arab manoeuvring on the issue of “governance” after the war ends. This thorny yet existential issue will be determined by military developments on the ground and the degree to which Israel achieves its stated aim of eliminating Hamas in Gaza, which remains uncertain. To examine the various potential impacts of the war, it is important to distinguish between the economy of Gaza and that of the West Bank and neighbouring Palestinian communities, including East Jerusalem and the other side of the Green Line, which collectively are home to approximately seven million Palestinians. While these areas will undergo a string of similar shocks and endure hostile and racist Israeli policies, major differences will persist between Gaza and other areas of Palestine.

Gaza's Economy: From Crisis to Obliteration

Gaza was already on the verge of collapse before the current onslaught, after more than a decade and a half of division and siege. Years of destruction, killing, and displacement had crippled its economy by the first quarter of 2023. Given the limited “economic activity” in Gaza, it operates as an economy of subsistence, allowing the territory's residents to just about cling to life. Within days, the fatal intent of Israel's latest offensive on the Gaza Strip became evident. The first few weeks of the unprecedented destruction of Gaza's economic and residential infrastructure meant that discussion of economic “losses” similar to those in previous Israeli offensives is unrealistic and futile.

Facing the full impact of a war launched by a military giant backed by an economy 150 times bigger implies that Gaza's prospects of returning to its pre-2023 situation are dim, and the concept of economic “recovery” is largely meaningless. Without delving into the horrific human cost of the war, the economic analysis of Gaza depicts one of the most dire scenarios in recent history. Even under the most favourable conditions, in which hostilities cease immediately and reconstruction commences swiftly, it is projected that Gaza's GDP per capita would only revert to its 2022 benchmark by 2028, even with a miraculous annual GDP growth rate of 10%, and it would reach the pre-blockade GDP per capita level recorded in 2006 by 2035.¹ It will be impossible to restart Gaza's commodities, service, and financial sectors until the immeasurable humanitarian needs of more than two million destitute, displaced, wounded and traumatized Palestinians are met.

The economic challenges posed by this war are distinguished from those of previous episodes of Israeli violence by the sheer and ever-growing scale of physical destruction inflicted on housing, factories, and commercial establishments, as well as educational and health services and facilities. Initial estimates of the damage reveal a total-war scale destruction; United Nations Conference on Trade and Development (UNCTAD) reported at the end of December that 18% of the Gaza Strip's total structures have been damaged or destroyed by the military operation.² Other analyses using satellite imagery reveal that more than half of Gaza's buildings, mainly in the north, may have been compromised or entirely razed through intense

¹ “Preliminary Assessment of the Economic Impact of the Destruction in Gaza and Prospects for Economic Recovery,” *Rapid Assessment*, United Nations Conference on Trade and Development (UNCTAD), January 2024, accessed on 17/3/2024, at: <https://tinyurl.com/46m7b34n>

² “Gaza: Unprecedented Destruction Will Take Tens of Billions of Dollars and Decades to Reverse,” *United Nations Conference on Trade and Development (UNCTAD)*, 31/1/2024, accessed on 17/3/2024, at: <https://tinyurl.com/2sc4bjdc>

conflict, with destruction also stretching to the south. This amounts to rending asunder the entire economic fabric of the northern Gaza Strip and disrupting what remains of the economy in the south of the territory.

The Palestinian Central Bureau of Statistics (PCBS) data indicates a significant economic downturn in Gaza for the year 2023, owing to the last quarter's devastation. The findings illustrate a 25% contraction in the overall economy relative to 2022, alongside a 26% decrease in GDP per capita.³ Concurrently, the region witnessed an alarming increase of 79% in unemployment. This is an erasure of all but meagre growth since 1994. The issue here is not only the scale of the destruction of economic production, but also whether the wheels of the economy can be restarted, allowing it to "recover" from the shock that has left it totally frozen for months. Gaza's economy may take months, if not years, to return to its pre-war production levels. It will also probably take until the end of 2024 to provide basic needs and relief to 2.2 million Gazans before they can return to productive labour.

Further revealing the genocidal intent of this assault, the Israeli apparatus targeted the United Nations Relief and Works Agency (UNRWA). By February 2024, 16 major country donors suspended their funding to the Agency, just as the ravaged population needed it most. With the suspension of \$440 million in funds, constituting about half of its 2024 core budget, UNRWA faces the threat of ceasing operations unless these funds are reinstated. This development is critical, given UNRWA's role in providing essential services to millions in Gaza, where it aids in delivering food, medicine, and water, and operates shelters and healthcare facilities amidst the war's devastation. In 2020, 77% of Gazan households depended on aid, predominantly from UNRWA, which focused on food and cash assistance. At present, the last remnants of self-sufficiency for this populace have been stripped away.

Past indicators provide some insight into the impacts this war is likely to have, of which a collapse in Gross Domestic Product (GDP) and massive physical destruction to residential and economic facilities, both private and public, are already clear. Previous rounds of Israeli attacks on Gaza (especially in 2008/2009 and 2014) were less ferocious and did not extend to all parts of the Strip. They also did not involve an overwhelming humanitarian crisis or population displacement on the scale we are currently witnessing, with the accompanying, ever-rising levels of hunger, thirst, disease and psychological trauma. Previous wars against Gaza created "setbacks" for its economy in the form of a GDP decline that did not exceed 10% in 2014 (the World Bank reported that Gaza's GDP declined by some \$460 million⁴ from which it quickly recovered due to a reconstruction programme the following year. According to UNCTAD, the direct economic damage resulting from the 2008/2009 war amounted to \$2.5 billion and the 2012 and 2014 wars inflicted \$2.7 billion of physical damage. The Palestinian Authority (PA) estimated reconstruction costs at \$3.9 billion.⁵ These estimates provide us with an indication of the war's potential costs on production and infrastructure in Gaza. The Gaza Strip's economy has failed to recover to its pre-division and siege scale when it represented a third of the "Palestinian national economy". On the eve of the current war, it amounted to about 17% of that economy, with local production totalling less than \$3 billion.⁶

The West Bank: Managing a Fragmented and Besieged Economy

In contrast to the Gaza Strip's systematic destruction, the West Bank's economy has not collapsed – albeit being on a deeply damaging trajectory due to the restrictive Israeli security measures, escalating attacks by

³ "Preliminary Assessment of the Economic Impact of the Destruction in Gaza and Prospects for Economic Recovery."

⁴ "Fundamental Shocks Pushed the Gazan Economy to the Brink of Collapse on the Eve of the War," *Economy Brief*, no. 3, Palestine Economic Policy Research Institute – MAS, 30 October 2023, accessed on 17/3/2024, at: <https://bit.ly/3QRqCUw>

⁵ *Ibid.*

⁶ "Palestinian Central Bureau of Statistics (PCBS) Issues a Press Release on the Impact of the Israeli Siege on Gaza Strip," *State of Palestine, Central Bureau of Statistics*, 9/11/2023, accessed on 27/3/2023, at: <https://tinyurl.com/2awtwy6e>

settlers in various areas and fiscal crises. On the one hand, Palestinians in the West Bank have continuously demonstrated their solidarity with Gaza, carrying out acts of peaceful and armed resistance, in which 409 Palestinians, including 103 children, had lost their lives by 1 March 2024.⁷ On the other hand, although the private sector has receded precipitously in its operation on precarious scales, government and municipal services are still being provided, workers continue to make their way to work, and the commercial sector has found ways to maintain a basic flow of goods and services. While the situation is far from normal, it is not in total crisis, given that a minimum level of internal stability remains, guaranteed by the Palestinian Authority security services (although residents of West Bank villages beyond the Authority's reach continue to face attacks by Israeli settlers).

Five months on, the features of the economic aftermath in the West Bank have become clear, accentuated by the profound uncertainty about the future. Examining these impacts shows that even in the absence of widespread military confrontations, the Palestinian economy will not return to the pre-war state in the West Bank.

Pressure on the economy is growing in PA-run areas of the West Bank from several sources; some pressing and immediate, while others will take longer to appear but will have less reversible effects. Previous economic shocks in the West Bank have included material losses resulting from Israeli incursions between 2001-2004, an economic decline of nearly 20% over the same period, and the destruction of buildings and public facilities with a cost estimated at \$2.5 billion.⁸ In 2020, the Palestinian economy shrank by no less than 12% within a year due to the coronavirus pandemic. It was expected to recover by the end of 2023, assuming a GDP growth of 3%. That possibility disappeared in the aftermath of Israel's war on Gaza. Thus, the West Bank continues to face successive waves of economic crises, which could still converge into a tsunami should they continue to reinforce each other. Some of these waves have already materialized in some form, although not at their full destructive potential, while others remain uncertain.

The first wave, which has already struck, may represent the biggest shock to the West Bank economy, particularly in terms of total demand and consumption. From the first day of the war, about 160,000 West Bank workers (approximately 20% of the territory's workforce) and 20,000 Gazans who had been allowed to enter Israel for work in the past year stopped working for Israeli employers. These workers, mostly day labourers, had been contributing \$3 billion annually to the Palestinian economy, approximately 15% of the national income, helping to maintain unemployment rates in the West Bank below 2%, compared to 45% in Gaza.⁹ This suggests that unless job opportunities are provided for these people in the short term, unemployment is likely to rise to more than 30% in the West Bank and perhaps as high as 90% in the Gaza Strip over the course of the war. Indeed, the annual unemployment rate for 2023 reached 31%, way above the 25% recorded at the beginning of the year.¹⁰

Given the Israeli employers' reluctance to keep "enemy" workers on the books (except under conditions resembling those of prison labour camps), and the workers' unwillingness to bear the risks associated with working for Israelis, the vast majority are unlikely to return to work at least until the war is over, perhaps months later – or in the case of those from Gaza, perhaps never. In fact, there has been no shortage of reports of Israeli plans to replace a substantial portion, if not all, of Palestinian labourers in Israeli markets

⁷ "Hostilities in the Gaza Strip and Israel | Flash Update #130," *United Nations Office for Coordination of Humanitarian Affairs*, 1/3/2024, accessed on 17/3/2024, at: <https://tinyurl.com/446atmph>

⁸ Ibid.

⁹ "Palestinian Central Bureau of Statistics (PCBS) Presents the Main Findings of Labour Force Survey in 2022," *State of Palestine, Palestinian Central Bureau of Statistics*, accessed on 17/3/2024, at: <https://tinyurl.com/52n27c5v>

¹⁰ "The Performance of the Palestinian Economy during 2023 and the Economic Forecasts for 2024," *State of Palestine, Palestinian Central Bureau of Statistics*, accessed on 17/3/2024, at: <https://tinyurl.com/4633sk77>

with foreign workers.¹¹ This doubling of jobseekers in the West Bank will spark immediate declines in consumer demand, the purchasing power of the poorest rural households and market liquidity. It will also put downward pressure on local wages. Other, subsequent declines will be difficult to absorb without rapid measures including investments and subsidies aimed at rapidly creating local job opportunities in the manufacturing, construction and service sectors.

The second wave, the effects of which are already being felt, is the drop in visits by Palestinian citizens of Israel and residents of Jerusalem to northern West Bank markets as well as tourist sites in Jericho, Nablus, and Ramallah. This decline has unfolded in the aftermath of the war, resulting in pronounced disruptions in the economic exchange across the Green Line, highlighted by restrictions to movement between Israel/Jerusalem and the West Bank. Additionally, many of this Arab demographic had recently invested in apartments and houses in Jericho and the Ramallah districts.¹² In December, the Palestine Economic Policy Research Institute (MAS) examined the financial consequences of Israeli impositions, reporting notable contractions in economic sectors previously surging with at least a 10% annual growth (retail trade, services, tourism, and real estate). Aggregating these figures, the economic downturn across these pivotal sectors amounted to direct financial losses between NIS 850-930 million (\$232-253 million) over the first three months of the war, approximately 2% of the West Bank's GDP for 2022. The continued cessation of this important income stream adds downward pressure on consumer demand and private spending, which had helped drive production, consumption and investment in a private sector that had performed relatively well before the war.

The next major wave could be fateful to the Palestinian economy. With extremist Israeli Minister of Finance Bezalel Smotrich at the helm, the government of Israel intensified its expropriations from the monthly clearance revenues it collects and transfers to the Palestinian Treasury, escalating an ongoing saga that has persisted in recent years. These new expropriations represent the equivalent of the PA's wage and pension outlays to Gaza, covering some 40 thousand beneficiaries. Clearance revenues are the fiscal artery for the PA, making up about two-thirds of its annual revenues and are the main source of salaries for nearly 147,000 public servants,¹³ as well as other social transfers, all amounting to about \$300 million per month. These funds also help enable indebted families to repay their debts to local banks, which add up to about \$7 billion, and service the PA's own debts to the banking sector, which increased to \$2.1 billion by the end of 2023. The strain on these revenues has compelled the PA to cover approximately 80-85% of public employee salaries since November 2021.

Only in February 2024, despite the Israeli intransigence, the PA finally received a partial amount of its revenues amounting to \$114 million, facilitated by Norway, with additional instalments to follow. Receiving deducted clearance revenues only twice since October 2024, it seems the PA has yielded to the mounting pressures of near financial collapse. Agreeing to such iniquitous schemes is a bad omen for the future of the most basic remnants of stability and sovereignty for the PA and it threatens a new normal. The fallout is multi-faceted and will pervade the economy from multiple channels. If the PA's financial crisis persists, it will not be able to carry out its most basic developmental and social roles, barring servicing the already reduced public wages. Public and private consumption have already declined by 8% and 3% respectively for 2023. Moreover, the economic downturn will result in reduced trade, both imports and exports, further depleting public revenues.

¹¹ Saudamini Jain, "As Indian Workers Queue Up to Work in Israel, Safety Concerns and Moral Questions Arise," *Haaretz*, 19/2/2024, accessed on 17/3/2024, at: <https://tinyurl.com/2kpkvnhf>

¹² "Nahw al-Ta'awwun al-Iqtisādī wa-l-Takāmul bayn al-Filasṭīniyyīn 'alā Ṭarfay 'al-Khaṭ al-Akhdar'," *Policy Analysis*, Palestine Economic Policy Research Institute – MAS, Arab Center for Research and Policy Studies, 25 May 2023, accessed on 17/3/2024, at: <https://bit.ly/40uT81q>

¹³ "Wage Bill and Employment Diagnostic: Key Drivers and Policy Recommendations," *Report*, World Bank Group, 15 December 2022, accessed on 17/3/2024, at: <https://tinyurl.com/2scz7yc3>

The final significant shock threatening the West Bank economy is the fragmentation of domestic markets, exacerbated by Israel's isolation tactics and unchecked settler violence. From October to December 2023, an alarming 85% of businesses across the West Bank reported distribution challenges, linked to Israeli movement restrictions and settler violence, with half unable to reach Jerusalem and a quarter cutting off distribution to the South.¹⁴ Concurrently, 60% of major food importers grappled with heightened port security and bureaucratic hurdles, inflating transport, storage, and insurance costs, undermining supply chain flows and market stability.¹⁵ Similarly, 61% of exporting producers faced obstacles such as crossing shutdowns and reduced operating times, particularly at the Allenby Bridge, which amplified transport expenses and payment collection problems.¹⁶ Such constraints have led to significant isolation and economic distress within key urban centres like Jenin and Nablus,¹⁷ where stringent measures have decimated local economies, impacting thousands of businesses and their varied sectors.

Occupied Jerusalem and Palestinians in Israel: Islands in an Israeli Sea

The economic outlook for residents of occupied East Jerusalem and for Palestinian citizens of Israel is no less grim, even if we exclude the possibility of further conflict in these areas, which could incite the Israeli racist right to carry out yet more attacks. The Israeli government's actions aimed at undermining the economic stability of East Jerusalem have intensified, manifesting in severe restrictions on commerce, trade, tourism, and transportation, exacerbating pre-existing vulnerabilities. A third of the workforce of East Jerusalem depends on jobs in Israeli markets, which have become increasingly tenuous. A similar percentage lives off the traffic of international and Palestinian tourism in the city, including the weekly influx of Palestinians from within Israel who visit the city for worship and shopping. This traffic has now completely stopped.

These trends indicate an increase in the number of unemployed people, whose livelihoods depend on Israeli social insurance for basic monthly aid and limited health and municipal services. Furthermore, the 350,000 Palestinians of Jerusalem are almost completely cut off from jobs, relatives and services in the West Bank. They are also at the mercy of the Israeli security services, which are set up to suppress any popular movement or expressions of solidarity with Palestinians in Gaza, and live alongside some 650,000 Israelis in Jerusalem, including approximately 250,000 in illegal East Jerusalem settlements. The cascading economic impacts are evident across various sectors, with trade, commerce, tourism, and transportation witnessing precipitous declines. The Old City, a historic economic hub, currently sees about 80% of its businesses shuttered or operating minimally. The economic toll on the Palestinian economy of East Jerusalem is projected at ILS 72 million (\$19.6 million) annually, assuming a significant decline in commercial interactions with the West Bank.

The economic outlook for the approximately 1.8 million Palestinians within Israel, viewed by the rest of the country as a potential "fifth column", is not much better. Arab citizens in Israel face the same racist treatment in the workplace as workers in the West Bank and Jerusalem. The stream of Jewish shoppers to Arab towns has slowed or stopped entirely. At least 40% of workers in these towns depend on jobs at Israeli institutions, which may lay these workers off if the war intensifies, even in the absence of Israeli alternatives

¹⁴ "Palestine Economic Update December 2024," *Economic Update*, Palestine Economic Policy Research Institute – MAS, 1 December 2023, accessed on 17/3/2024, at: <https://tinyurl.com/bdz6knk7>

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ "Economic Losses and Damage to Infrastructure in Nablus and Jenin since the Start of the Israeli Aggression Against the Gaza Strip and West Bank," *Economy Brief*, no. 10, Palestine Economic Policy Research Institute – MAS, 25 January 2024, accessed on 17/3/2024, at: <https://tinyurl.com/mwkwf5v5d>

to fill their positions. A return to the pre-war status quo would take months, perhaps years. Thus, this segment of the Palestinian people can depend on no-one but itself and the State of Israel to provide relief and meet its basic needs. It is now isolated from Palestinians in other areas, despite having significantly increased its economic dealings with them in recent years. Therefore, there is little hope for this major component of the Palestinian people other than to remain politically silent and support each other. They could even face the same *Nakba* as the rest of the Palestinian people at this historic and fateful moment in their long struggle for liberation from Zionist settler colonialism and national self-determination in their homeland.

A final factor is the risk posed by Israel's economic crisis, starting with a major decline in the value of the shekel, a decline in local agricultural and industrial production and the policy of urgently buying basic commodities on global markets to support the Israeli "war economy". Therefore, even if the West Bank becomes the scene of full-scale conflict, economic warfare is likely to unfold on multiple fronts, placing its economy at risk.

Beneath the Tempest: Unearthing Resilience

It is unquestionable that October 2023 marked a violent turning point in the history of the Palestinian national liberation struggle. At least in the sheer human toll, the ongoing catastrophe in Gaza is a *Nakba* reminiscent of 1948. Moreover, it might even rival it in its political repercussions and strategic shifts, which are yet to settle. We are already facing the full Israeli occupation of all of Palestine, a sweeping economic devastation, and the upending of the political order on the internal Palestinian landscape, the regional stage, and beyond. Furthermore, the current reality undermines the assumption that maintaining a balance between political stagnation, relative peace and economic normalcy could serve as an effective strategy for managing the conflict. This notion, prevalent among dominant Palestinian and Israeli circles, predicated on the illusion of stability fostering economic growth and perceived calm, gradually hollowed out over thirty years until it culminated in the October 2023 explosion.

The evident dissonance between a persistence of the status quo and the escalating clashes and chronic governance challenges since Oslo culminated dramatically on 7 October 2023. The far-reaching reverberations unleashed by this landmark day have seemingly injected life into the urgency of a Palestinian State. While the grim prospect of further throttling of the Palestinian struggle looms seriously, a stagnation in concept and action over the two-state solution seems to have cracked, with renewed international interest, including by Arab states, reinforced by the urgency of Palestinian political action and international support. Whether this interest materializes or proves illusory as its predecessors, this convergence may pressure Israel into making concessions, reigniting the path toward a sovereign Palestinian state, as envisioned at its declaration in 1988. Against this backdrop, the Palestinian economy stands at a pivotal juncture, navigating between supporting a two-state solution and grappling with the ongoing devastation and the apartheid economy promoted by Israel.

In light of these profound changes and given the magnitude of the current crisis, it is important to highlight that discussions about "economic" responses are secondary to the larger and significant transformations in Palestinian political and economic agenda. It is evident that the catastrophe facing Gaza, and by extension Palestine, necessitates an urgent, multifaceted response that transcends traditional frameworks of international aid and reconstruction. The pre-war economic fragility of Gaza, already on the brink of collapse due to prolonged division and siege, combined with the unprecedented scale of destruction witnessed during the genocidal war, stress a crisis of historic proportions. This challenge is compounded by the economic fallout rippling through the West Bank and East Jerusalem. Israel's targeting of the legitimacy and existence of UNRWA adds a dire dimension to the crisis, threatening the lifeline of millions reliant on its humanitarian aid for basic survival.

Following previous external shocks, international humanitarian aid, and contributions to reconstruction and economic recovery bore the majority of the financial burden of Israeli destruction and the occupation's restrictions on economic activity. The global political situation today is fundamentally different. International aid has declined considerably over the past five years, and in any case, the role of international donors in the reconstruction of the Gaza Strip will be linked to the political goals they share with Israel regarding the future of Palestinian governance. Accordingly, their role remains dubious as to their intentions and the conditions they will impose. The scale of the challenge of "compensating" for what was destroyed and "reviving" an afflicted people is impossible to predict but estimates range between \$10-20 billion over the next five years.¹⁸

These imperatives beget new-old questions on the pillars that would support the Palestinian political renewal: Would Arab countries, despite their inability to defend the Palestinians, and unlike their allies in the West, bear the financial burden of this humanitarian and economic catastrophe without conditions or restrictions? Is it possible for supporters of the Palestinian people in Latin America, Asia, and the Islamic countries of the South to play a new role in preserving the Palestinian cause and restoring the Palestinians' denied rights? A bigger question concerns the role of the Palestinian diaspora, scattered around the globe. Weathering the ferocious onslaught on the Palestinian people requires harnessing the full capabilities of its people, not only in occupied Palestine but also across the world.

¹⁸ Nidal Al-Mughrabi & Ali Sawafta, "Who is Mohammad Mustafa, the new Palestinian PM?," *Reuters*, 29/2/2024, accessed on 17/3/2024, at: <https://tinyurl.com/2kspt9wm>

Appendix 1: Major Indicators of the Weakness of the Palestinian Economy Prior to the Gaza War (2018-2022)

Table (1): Population (in Thousands)

	2018	2019	2020	2021	2022
Palestine	4915.3	5039	5101.2	5227.2	5403
West Bank	2953.9	3020	3053.2	3120.4	3214
Gaza Strip	1961.4	2019	2048	2106.7	2188.9

Table (2): Labour Market (Using Palestinian Central Bureau of Statistics' New Definition of Workforce)

	2018	2019	2020	2021	2022
Workers (thousands)	956.3	1013	956	1036	1136
Percentage of West Bank workforce employed in Israel	18.2%	17.2%	17.1%	18.8%	22.5%
Average daily wage of West Bank labourers working in Israel (in Shekels)	234.2	247.7	258.6	266.1	276.9
Percentage of Gaza workforce employed in Israel	0%	0%	0.1%	0.1%	0.8%

Table (3): Unemployment Rate

	2018	2019	2020	2021	2022
Palestine	26.2	25.3	25.9	26.4	24.4
West Bank	17.3	14.6	15.7	15.5	13.1
Gaza Strip	43.1	45.1	46.6	46.9	45.3

Table (4): Macroeconomic Indicators

	2018	2019	2020	2021	2022
GDP (in 2015 prices, millions)	\$15,616.2	\$15,829	\$14,037.4	\$15,027.1	\$15,612.5
Share of Gaza (GDP)	18.1%	17.9%	17.6%	17.2%	17.4%
Gross National Disposable Income (millions)	\$19,608.6	\$19,960.7	\$17,173.2	\$18,982.4	\$20,497.8
Share of Gaza (GNI)	\$17.8	\$17.6	\$17.4	\$16.8	\$18.2

	2018	2019	2020	2021	2022
Percentage of Gross National Disposable Income made up of revenue from workers in Israel	12.7	11.6	12.5	14.9	15.0
Private consumer spending (in 2015 prices, millions)	\$13,570.1	\$14,126.5	\$12,367.2	\$13,207.2	\$15,908.7
Public spending (in 2015 prices, millions)	\$3,318.9	\$3,202.3	\$3,213.5	\$3,544.9	\$3,174.4
Gross fixed capital formation (in 2015 prices, millions)	\$4,260.3	\$4,177.1	\$3,328.6	\$3,770.2	\$4,197.6
Share of Gaza (GFCF)	9.8%	10.1%	7.6%	6.9%	7%
Exports (current prices, millions)	\$2,578.7	\$2,630.5	\$2,335.9	\$2,740.4	\$2,911.4
Share of Gaza	6.0%	5.5%	5.7%	5.4%	6.1%
Imports (current prices, millions)	\$8,256.8	\$8,376.1	\$7,189.1	\$8,256.4	\$10,377.6
Share of Gaza	14.2%	14.3%	14.5%	13.6%	14.5%

Table (5): Figure GDP Per Capita (at 2015 prices in USD)

	2018	2019	2020	2021	2022
Palestine	\$3,417.7	\$3,378.3	\$2,922.5	\$3,051.5	\$3,086.8
Gaza	\$1,458.3	\$1,422.2	\$1,207.6	\$1,223.9	\$1,256.8

Table (6): Public Finances (Cash Basis, in millions USD)

	2018	2019	2020	2021	2022
Net domestic revenues (including clearing)	\$3,462.9	\$3,290.6	\$3,526.2	\$4,224.7	\$4,685.1
Total clearing revenue	\$2,255.3	\$2,219.2	\$2,399.9	\$2,776.9	\$3,146.2
Current expenditures	\$3,660	\$3,660.1	\$3,954.9	\$4,035.1	\$4,158.1
Public debt	\$2,369.5	\$2,795.1	\$3,649.4	\$3,848.1	\$3,542.7

Table (7): Banking Sector (in millions USD)

	2018	2019	2020	2021	2022
Bank Assets / Liabilities	\$16,125	\$17,825.5	\$19,886.2	\$21,673	\$21,404.4
Public deposits	\$12,227.3	\$13,384.7	\$15,138.3	\$16,518.1	\$16,468.2
Credit facilities	\$8,432.3	\$9,039.1	\$10,078.7	\$10,747.2	\$11,045

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