



WFP/Mostafa Ghroz



World Food Programme

SAVING LIVES
CHANGING LIVES

WFP Palestine Monthly Market Dashboard

December 2022

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2022 YEAR ROUND-UP

The average WFP ration value in local currency (NIS) increased sharply by 20.4 percent since the previous year.

The overall consumer price index (CPI) increased sharply by 3.7 percent compared to 2021.

The FFPI increased by 14.3 percent, with an average of 143.7 points compared to 125.7 points in 2021.

The local currency (NIS) has depreciated by 4.0 percent compared to 2021 and averaged 3.4 NIS for USD compared to 3.2 NIS in 2021.

The overall Wholesale Price Index experienced an increase of 7.4 percent compared with 2021 (6.6 percent for imported products, and 9.7 percent for local products).

The price of Excellent gasoline 95 has increased by 8.2 percent compared to 2021. The price of diesel has increased by 14.1 percent

The unemployment rate decreased to 25.7 percent compared to 27.6 percent in 2021.

The Palestinian economy only grew by 3.6 percent compared to 7.0 percent in 2021, due to financial challenges faced by the Palestinian Authority and the impact of the Ukraine crisis on commodity prices.



Number of people assisted by WFP in 2022

380,593



Food Consumer Price Index

(2022/2021)

6.7%



Number of food-insecure people

1.84 million people (HRP 2022)



Price of Wheat Flour

(2022/2021)

37.8%

Highlights

- In 2022, the Consumer Price Index (CPI) recorded the highest increase in 10 years, increasing by 3.7% compared to the previous year. *(Palestinian Central Bureau of Statistics (PCBS)).*
- In 2022, the average value of WFP food ration prices in local currency has increased by 20.4 percent compared to 2021.
- In December, around 370,000 people in Palestine received WFP's monthly food and cash e-voucher, injecting \$3.1 million into the local economy. The most redeemed items were wheat flour, followed by vegetable oil and rice.
- The unemployment rate in 2022 decreased to 25.7 percent compared to 27.6 percent in 2021. *(PCBS)*
- In 2022, the preliminary estimates of the foreign trade showed that the amount of goods and services sold to other countries (exports) went up by 7.3% and the amount of goods and services bought from other countries (imports) went up by 16.9% compared to 2021. As a result, the difference between the deficit in trade balance increased by 21.7% compared to last year. *(PCBS)*

Situation Monitoring:

Palestinian Economy in 2022 and the outlook for 2023

In 2022, the Palestinian economy grew by 3.6% compared to 7.0% in 2021. The slow down was mainly caused by financial challenges faced by the Palestinian Authority and the impact of the Ukraine crisis on commodity prices, leading to a 6.7% increase in food inflation.

Most economic activities saw an increase, with the industry sector experiencing the highest growth at 6.3%, followed by the service sector at 2.9% and the construction sector at 2.3%. The agricultural sector saw a decrease of 2.6%.

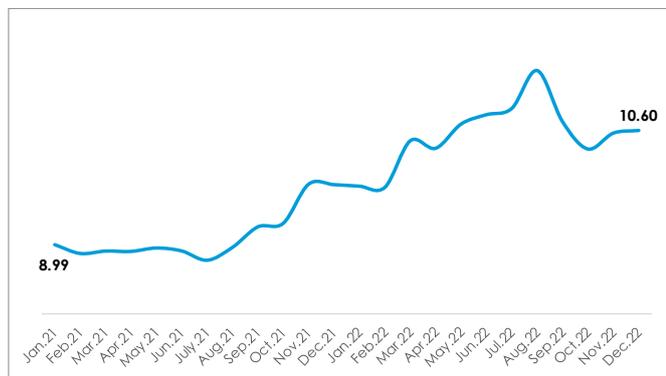
Projections for 2023 suggest that the Palestinian economy will grow by only 2.5%, due to concerns about food prices impacting individuals' income and purchasing power, continued financial challenges faced by the Palestinian Authority, and political uncertainty. Neighboring countries such as Egypt and Jordan are also expected to see a slow down in growth.

Globally, growth is forecast to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023, due to factors such as tightening financial conditions, cost of living crisis and supply chain disruptions, and the ongoing COVID-19 pandemic. Global inflation is expected to rise from 4.7% in 2021 to 8.8% in 2022, but decline to 6.5% in 2023 and 4.1% by 2024. (Source: PCBS, Palestinian Monetary Authority, and International Monetary Fund)

WFP Activities

Value of WFP Food Rations

Monthly average value of WFP food rations per capita (\$)



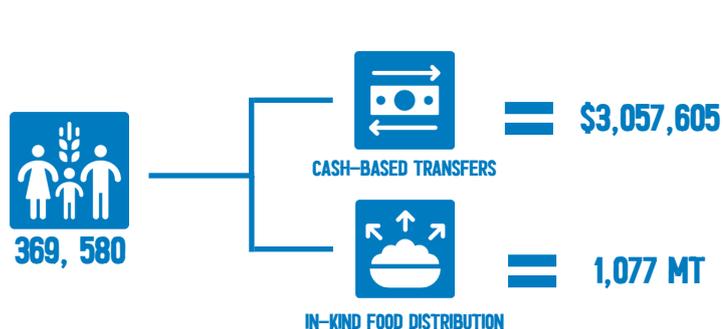
%CHANGE (\$): 2022/2021 = 15.6%

%CHANGE (\$): DEC/NOV 2022 = 0.4%

In December 2022, the monthly average value of WFP food rations per capita in local currency (NIS) decreased slightly by 0.5 percent compared to the previous month. **The average ration value (NIS) in 2022 increased sharply by 20.4 percent since the previous year.** In July 2022, the value has reached its highest level ever recorded caused by the historical increase in food prices.

Food Accessibility & Availability

- In December, only 2 percent of WFP beneficiaries reported witnessing an increase in prices of some commodities such as vegetable oil, eggs, and vegetables. This figure reflects the decrease in Food CPI during December compared to the previous month by 0.2 and.
- Around 34 percent of interviewed WFP beneficiaries reported not being able to buy the same amount of food as they did during the previous month and relied on some coping strategies such as consuming less quality food or less preferred food, reducing quantities of food consumed, and purchasing food on credit.
- According to WFP Palestine’s monitoring of WFP contracted shops, 56 percent of shops have sufficient stock to meet demands for two months up to 6 months a decrease of 3 percent compared to the previous month. The remaining 44 percent reported having sufficient stock to meet demands for only one month or less.
- 62 percent of WFP’s contracted shops reported that the increase in prices had a negative impact on their sales volume in the previous months.



TOP ITEMS REDEEMED



Flour



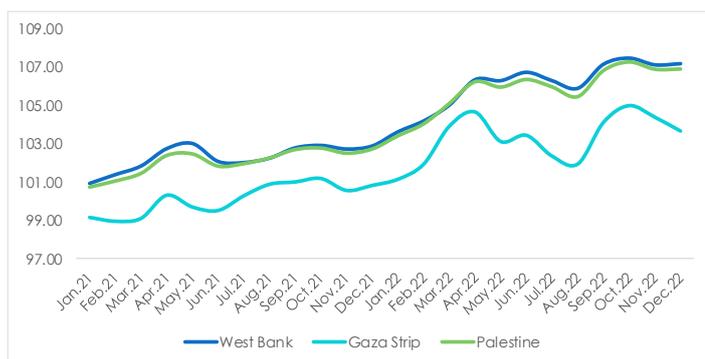
Vegetable Oil



Rice

Consumer Price Index (CPI)

Overall Consumer Price Index



%CHANGE: DEC/NOV 2022 (INFLATION RATE)

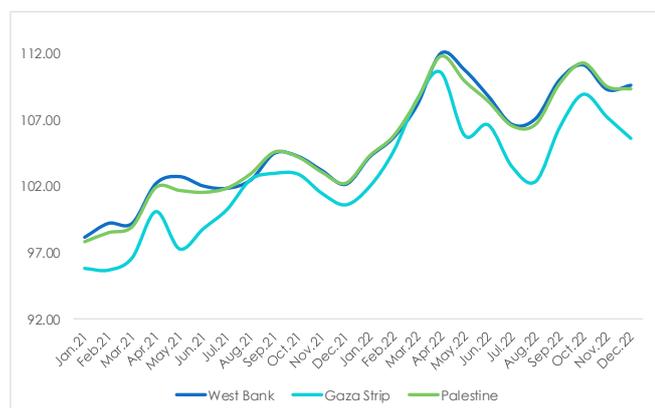
- PALESTINE = 0.0%
- WEST BANK = 0.1%
- GAZA STRIP = -0.7%

%CHANGE: 2022/2021 (INFLATION RATE)

- PALESTINE = 3.7%
- WEST BANK = 3.7%
- GAZA STRIP = 3.2%

In December, the Food CPI increased by 6.7 percent compared to the previous month. In 2022, the overall consumer price index (CPI) increased sharply by 3.7 percent compared to 2021. The increase in both CPI and Food CPI in Palestine during 2022 were driven by the historical increase in commodities and energy prices as a result of the Ukraine crisis and the continuous supply chain distribution caused by the COVID-19 pandemic and geopolitical tensions.

Food & Soft Drinks CPI



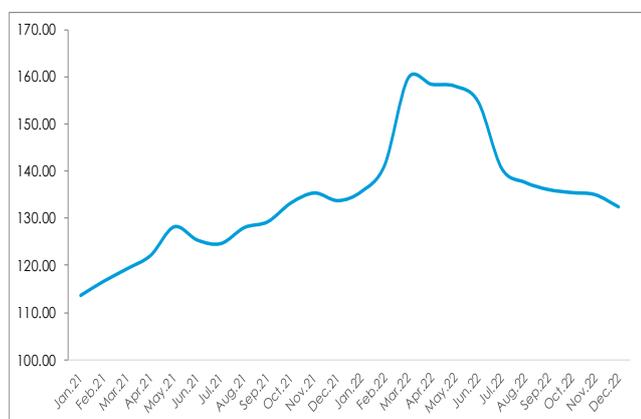
%CHANGE: DEC/NOV 2022 (FOOD INFLATION RATE)

- PALESTINE = -0.2%
- WEST BANK = 0.3%
- GAZA STRIP = -1.5%

%CHANGE: 2022/2021 (FOOD INFLATION RATE)

- PALESTINE = 6.7%
- WEST BANK = 6.7%
- GAZA STRIP = 6.5%

FAO Food Price Index



%CHANGE: DEC/NOV 2022 = -1.9%

%CHANGE: 2022/2021 = 14.3%

The FAO Food Price Index (FFPI) averaged 132.4 points in December, a **decrease of 1.9 percent compared to November, marking the ninth consecutive monthly decline**, reaching pre-Ukraine crisis levels and the lowest level since October 2021. **For 2022 as a whole, the FFPI increased by 14.3 percent, with an average of 143.7 points compared to 125.7 points in 2021.**

The sharp increase in the FFPI in 2022 was led by the increase in the price indices for cereals, vegetable oils, dairy, meat, and sugar.

The rise in FFPI during 2022 was driven by significant market disruptions, the Ukraine crisis, higher energy and input costs, adverse weather in a few key suppliers, and continued strong global food demand.

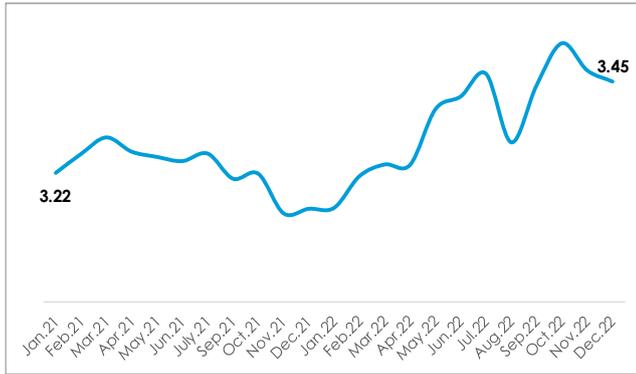
Tracking Trends

Nov-Dec 2022 % change

2021-2022 % change

 <p>Flour</p>	Gaza	-9.4	↓	Gaza	41.8	↑
	West Bank	-2.0	↓	West Bank	33.7	↑
 <p>Bread</p>	Gaza	0.0	↔	Gaza	16.0	↑
	West Bank	0.0	↔	West Bank	12.2	↑
 <p>Chickpeas</p>	Gaza	-0.8	↓	Gaza	-0.9	↓
	West Bank	0.1	↑	West Bank	4.2	↑
 <p>Lentils</p>	Gaza	-1.9	↓	Gaza	16.3	↑
	West Bank	0.6	↑	West Bank	8.7	↑
 <p>Table Salt</p>	Gaza	0.0	↔	Gaza	4.1	↑
	West Bank	0.0	↔	West Bank	6.9	↑
 <p>Eggs</p>	Gaza	-2.3	↓	Gaza	26.8	↑
	West Bank	-7.5	↓	West Bank	11.3	↑
 <p>Corn Oil</p>	Gaza	3.1	↑	Gaza	20.8	↑
	West Bank	-0.7	↓	West Bank	18.8	↑
 <p>Chicken</p>	Gaza	-1.3	↓	Gaza	9.6	↑
	West Bank	13.5	↑	West Bank	8.4	↑
 <p>Potatoes</p>	Gaza	5.0	↑	Gaza	20.3	↑
	West Bank	19.8	↑	West Bank	16.7	↑
 <p>Tomatoes</p>	Gaza	-24.9	↓	Gaza	39.4	↑
	West Bank	-11.9	↓	West Bank	30.7	↑

Exchange Rate (NIS/\$)

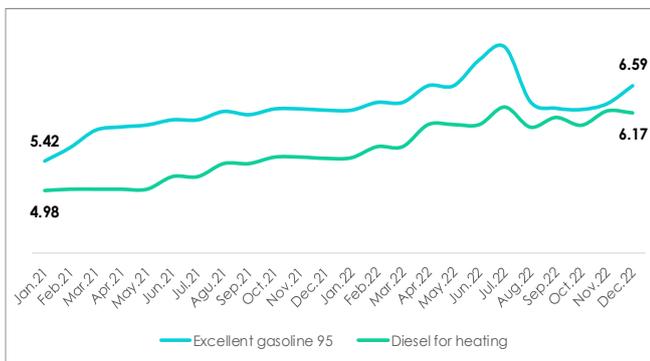


%CHANGE: 2022/2021 = 4.0%

%CHANGE: DEC/NOV 2022 = -0.8%

The exchange rate of the USD against the local currency (NIS) fluctuated during 2022. **In December the exchange rate averaged 3.5 NIS for 1 USD, appreciating by 0.8 percent compared to the previous month.** However, **for 2022 as a whole the NIS has depreciated by 4.0 percent compared to 2021 and averaged 3.4 NIS for USD compared to 3.2 NIS in 2021.** The depreciation of the NIS and higher commodities prices have led to an increase in the importation cost and contributed to the rise in the inflation rate during 2022. (PMA)

Fuel - (NIS/L)



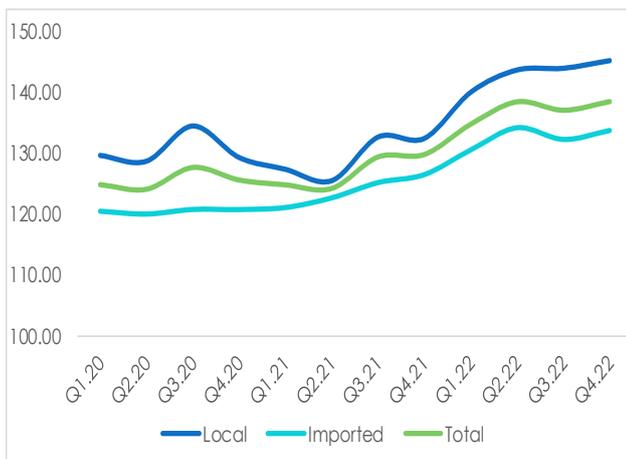
GASOLINE %CHANGE: 2022/2021 = 8.2%

DIESEL %CHANGE: 2022/2021 = 14.1%

The price of Excellent gasoline 95 has **increased by 4.4 percent in December compared with November**, and by 8.2 percent during 2022 as whole compared to 2021. The price of diesel, used for heating and public transportation fuel, has **slightly decreased in December by 0.5 percent compared with November, but increased by 14.1 percent during 2022 as whole compared with 2021.** (PCBS)

Globally, crude oil prices increased in first-half 2022 and declined in second-half 2022. In the first half the prices reached the highest level since 2014 driven by the Ukraine crisis and low supply. During the second half, the prices has declined as a result of declining demand amid fears of a recession.

Whole Price Index (WPI)



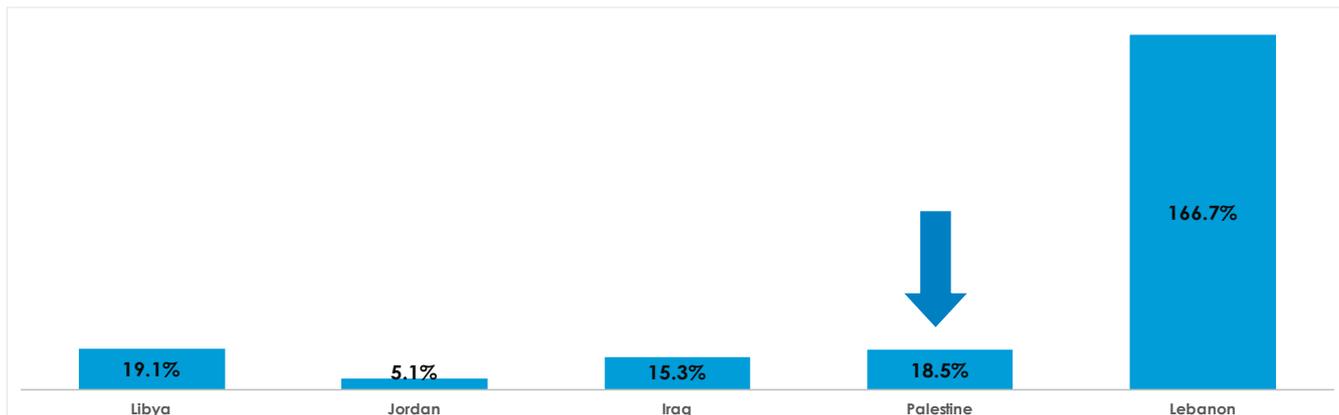
%CHANGE: 2022/2021 = 7.4%

%CHANGE: Q4/Q3 2022 = 1.1%

The overall Wholesale Price Index (WPI) in Palestine during 2022 **experienced a sharp increase of 7.4 percent compared with 2021 (6.6 percent for imported products, and 9.7 percent for local products).** Also, the overall WPI in Palestine during the fourth quarter of 2022 recorded an increase of 1.1 percent compared with the third quarter of 2022 (1.1 percent for imported products, and 0.9 percent for local products). The increase in the overall WPI was driven by the increase in the wholesale trade of drinks, the wholesale of dairy products and eggs, and the wholesale of fruits and vegetables. (PCBS)

Food Basket Cost

Percentage change in the cost of food basket in the region 2022/2021



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