



WFP/ Mostafa Ghroz



World Food Programme

SAVING
LIVES
CHANGING
LIVES

WFP Palestine Monthly Market Dashboard

July 2023



Number of people assisted by WFP in July 2023

201,396



Consumer Price Index

3.6%

(Jul 2023/Jul 2022)



Number of food-insecure people

1.84 million people (HRP 2023)



Price of rice

10.8%

(Jul2023/Jul 2022)

Highlights

- During July, WFP provided critical food assistance to 201,396 Palestinians of those, 136,190 received cash-based transfers (CBT) of US\$ 1.3 million. The most redeemed items were wheat flour, vegetable oil, and rice.
- In July, WFP reached 65,206 people through the quarterly in-kind distributions. WFP distributed wheat flour, chickpeas, lentils, salt, vegetable oil, and locally produced olive oil. Around 263 metric tons of food commodities were distributed. The distribution of olive oil is in line with WFP's commitment to boost the local economy, and the olive oil sector.
- WFP continued the provision of its technical expertise and cash-based transfer (CBT) platform to other humanitarian agencies to facilitate the implementation of their projects. Through this service provision in July, WFP enabled assistance to about 693,800 individuals, with a redemption of about US\$ 10.7 million.
- In July, the year-on-year inflation rate reached 3.6 percent, marking an increase of 0.5 percent from the previous month, while year-on-year food inflation reached 4.1 an increase of 1.9 percent compared to the previous month inflation. (*Palestinian Central Bureau of Statistics/PCBS*).
- In July, the average value of WFP food ration prices in local currency experienced a minor increase of 0.2 percent compared to the preceding month, but decreased by 1.2 percent relative to the same month in previous year, and 18.8 percent since the beginning of the Ukraine crisis (February 2022).

Situation Monitoring:

Socioeconomic situation

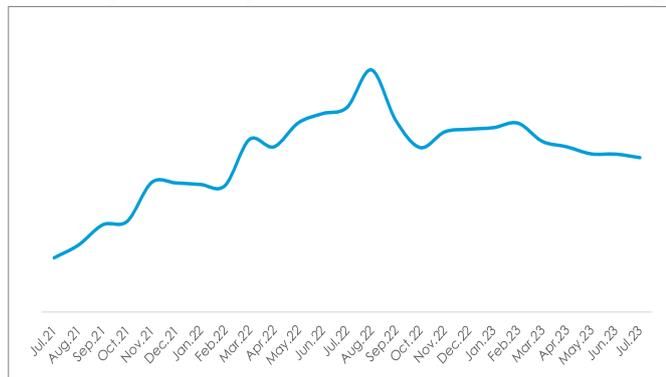
In the first quarter of 2023, Palestine's GDP at constant prices experienced a 2% decrease compared to the previous quarter. This decline was more pronounced in the Gaza Strip with a 4.7% decrease, while the West Bank saw a milder 1.6% decrease. The second quarter of 2023 saw an overall unemployment rate of around 25%. Notably, there was a significant gap between the Gaza Strip and the West Bank, with unemployment rates of 46% and 14%, respectively.

During the first half of 2023, the inflation rate increased to 3.8%, and food inflation rose to 3.1%, both in comparison to the same period in 2022. An additional factor to consider is the suspension of the Black Sea Grain initiative, introducing uncertainty to global food prices. This uncertainty could potentially impact local prices in the long term once current stocks are depleted.

WFP Activities

Value of WFP Food Rations

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



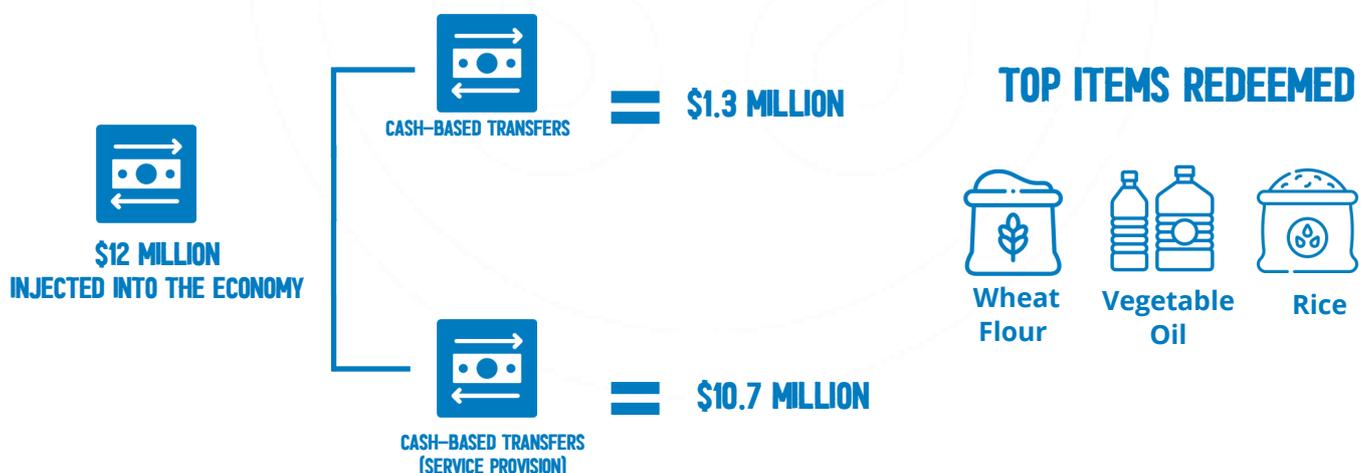
%CHANGE (\$): JUL 2023/JUL 2022 = -6.6%

%CHANGE (\$): JUL 2023/JUN 2023 = -0.5%

In July 2023, the average monthly value of WFP food rations per capita in local currency (NIS) has increased slightly by **0.2 percent compared to June** but decreased by 1.2 percent in comparison to the same month in the previous year, and increased 18.8 percent since the beginning of the Ukraine crisis. **The USD value of the WFP ration decreased by 6.6 percent** compared to the previous year due to the **depreciation of the local currency by 5.7 percent**. The slight increase in ration value during July is attributed to the slight increase of prices for essential food items, such as wheat flour and chickpeas.

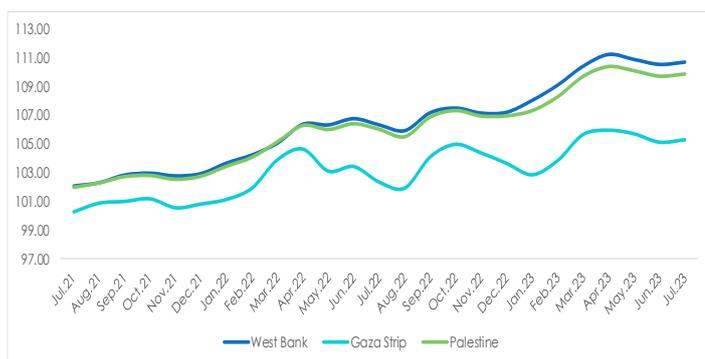
Food Accessibility & Availability

- In July, 3 percent of WFP beneficiaries reported witnessing an increase in prices of some commodities such as vegetable oil, eggs, and vegetables.
- Following the ration cuts, WFP began conducting monitoring calls to beneficiaries who have had their assistance suspended. Almost all the interviewed individuals (97%) reported a decline and change in their food consumption patterns after the suspension of the food assistance provided by WFP. Many of them have either reduced or completely stopped consuming certain food groups, including dairy products, wheat flour, pulses, rice, meat, canned food, eggs, and fruits, which they used to purchase through WFP's vouchers.
- According to WFP Palestine's monitoring of WFP contracted shops, 59 percent of shops have sufficient stock to meet demands for two months up to 6 months, an increase of 8 percent compared to the previous month. The remaining 41 percent reported having sufficient stock to meet demands for only one month or less.
- 61 percent of WFP's contracted shops reported that any increase in prices will have a negative impact on their sales volume.



Consumer Price Index (CPI)

Overall Consumer Price Index



%CHANGE: JUL 2023/JUL 2022 (INFLATION RATE)

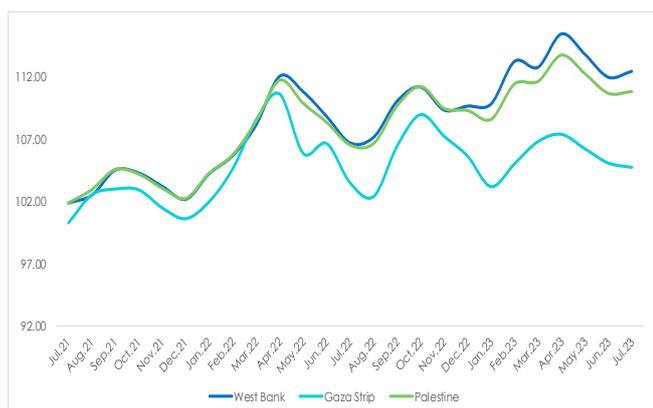
- PALESTINE = 3.6%
- WEST BANK = 4.1%
- GAZA STRIP = 2.9%

%CHANGE: JUL 2023/JUN 2023 (INFLATION RATE)

- PALESTINE = 0.1%
- WEST BANK = 0.1%
- GAZA STRIP = 0.2%

In July the overall Consumer Price Index (CPI) increased by 3.6 percent compared to last year, and increased by 0.1 percent compared to the previous month. Additionally, the food CPI rose by 4.1 percent compared to July 2022 and by 0.1 percent compared to the previous month. According to the CPI subgroups, the fresh vegetables and fresh fruits have seen respective increase of 10.7 percent, and 9.1 percent compared to the previous month.

Food & Soft Drinks CPI



%CHANGE: JUL 2023/JUL 2022 (FOOD INFLATION RATE)

- PALESTINE = 4.1%
- WEST BANK = 5.4%
- GAZA STRIP = 1.2%

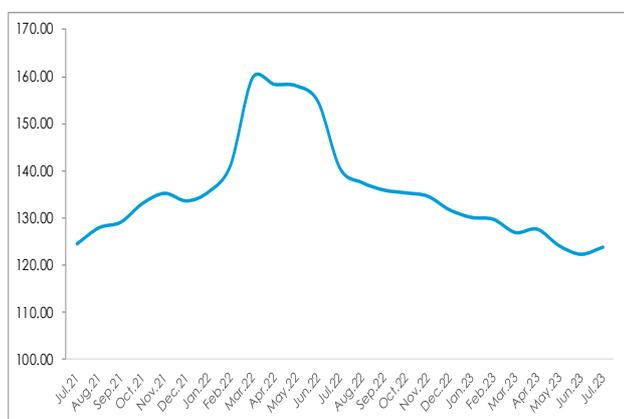
%CHANGE: JUL 2023/JUN 2023 (FOOD INFLATION RATE)

- PALESTINE = 0.1%
- WEST BANK = 0.4%
- GAZA STRIP = -0.3%

%CHANGE: JUL 2023/JUL 2022 = -11.9%

%CHANGE: JUL 2023/ JUN 2023 = 1.2%

FAO Food Price Index



In July 2023, the FAO Food Price Index increased by 1.3%, led by higher vegetable oil prices but countered by a drop in sugar prices. Cereal prices dipped slightly, driven by lower maize prices and increased wheat prices due to uncertainties in Ukraine's exports and dry conditions in North America. Rice prices rose due to supply concerns.

Vegetable oil prices rebounded by 12.1% after seven months of decline, influenced by uncertainties in the Black Sea region and production worries for palm, soy, and rapeseed oils. Dairy prices fell by 0.4%, with lower butter and skim milk powder prices. Meat prices slightly decreased due to lower bovine and poultry prices, while pig meat prices rose due to supply shortages. Sugar prices declined by 3.9%, impacted by successful sugarcane harvests and reduced demand from major importers, but were moderated by concerns about crop impacts and higher crude oil prices.

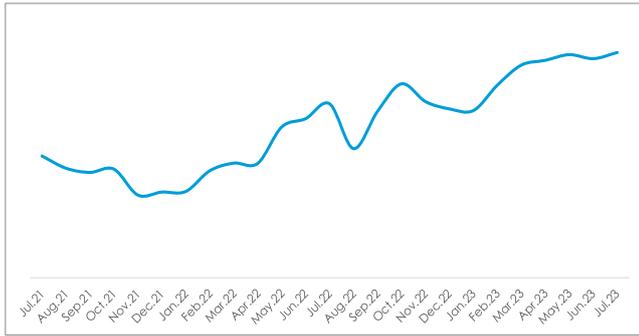
Tracking Trends

Jul 2023–Jun 2023 % change

Jul 2023–Jul 2022 % change

 <p>Flour</p>	Gaza	0.0	↔	Gaza	-22.1	↓
	West Bank	0.9	↑	West Bank	-4.1	↓
 <p>Bread</p>	Gaza	0.0	↔	Gaza	-11.0	↓
	West Bank	0.0	↔	West Bank	-2.1	↓
 <p>Chickpeas</p>	Gaza	0.9	↑	Gaza	-7.8	↓
	West Bank	1.5	↑	West Bank	5.4	↑
 <p>Lentils</p>	Gaza	-0.1	↓	Gaza	-0.1	↓
	West Bank	-0.9	↓	West Bank	5.4	↑
 <p>Table Salt</p>	Gaza	0.0	↔	Gaza	15.4	↑
	West Bank	1.4	↑	West Bank	0.0	↔
 <p>Rice</p>	Gaza	4.1	↑	Gaza	6.7	↑
	West Bank	17.4	↑	West Bank	18.2	↑
 <p>Corn Oil</p>	Gaza	-0.9	↓	Gaza	9.5	↑
	West Bank	-1.3	↓	West Bank	-4.7	↓
 <p>Chicken</p>	Gaza	-14.9	↓	Gaza	-1.8	↓
	West Bank	-13.2	↓	West Bank	1.4	↑
 <p>Potatoes</p>	Gaza	11.4	↑	Gaza	6.3	↑
	West Bank	23.4	↑	West Bank	32.4	↑
 <p>Tomatoes</p>	Gaza	90.9	↑	Gaza	80.1	↑
	West Bank	38.5	↑	West Bank	57.1	↑

Exchange Rate (NIS/\$)

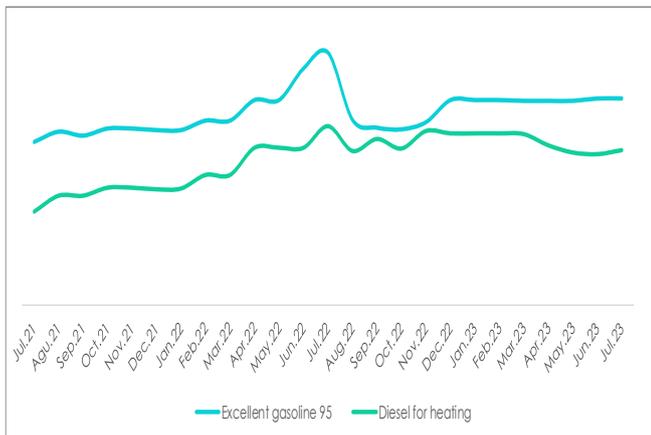


%CHANGE: JUL 2023/JUL 2022 = 5.7%

%CHANGE: JUL 2023/JUN 2023 = 0.7%

In July 2023, the value of the **local currency (NIS) depreciated by 5.7 percent compared to the previous year**, resulting in an average exchange rate of 3.67 NIS per 1 USD. This depreciation was caused by the ongoing investor concerns and uncertainties regarding judicial reforms in Israel that could potentially affect local business operations. Additionally, the robust economic indicators and positive outlooks in the USA contributed to this trend. A depreciation in currency value makes imported goods more expensive, leading to higher consumer prices. This situation poses a significant challenge for import-dependent countries like Palestine, where domestic production capabilities are limited. The drop in currency value can result in increased consumer prices, which can have a significant impact on inflation and the cost of living for consumers.

Fuel - (NIS/L)

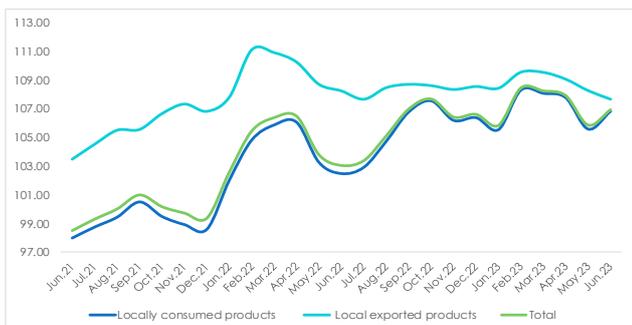


GASOLINE %CHANGE: JUL 2023/JUL 2022 = -8.1%

DIESEL %CHANGE: JUL 2023/JUL 2022 = -4.8%

In June, the cost of Excellent gasoline 95 increased slightly by 0.5 percent and reached 6.61 NIS per liter. On the other hand, diesel, a fuel commonly utilized for public transportation and heating purposes, saw a slight decrease of 0.3 percent from the previous month, reaching 5.91 NIS per liter. The slight changes in fuel prices in Palestine are primarily influenced by the overall stability in global oil prices and demands. (PCBS)

Producer Price Index (PPI)



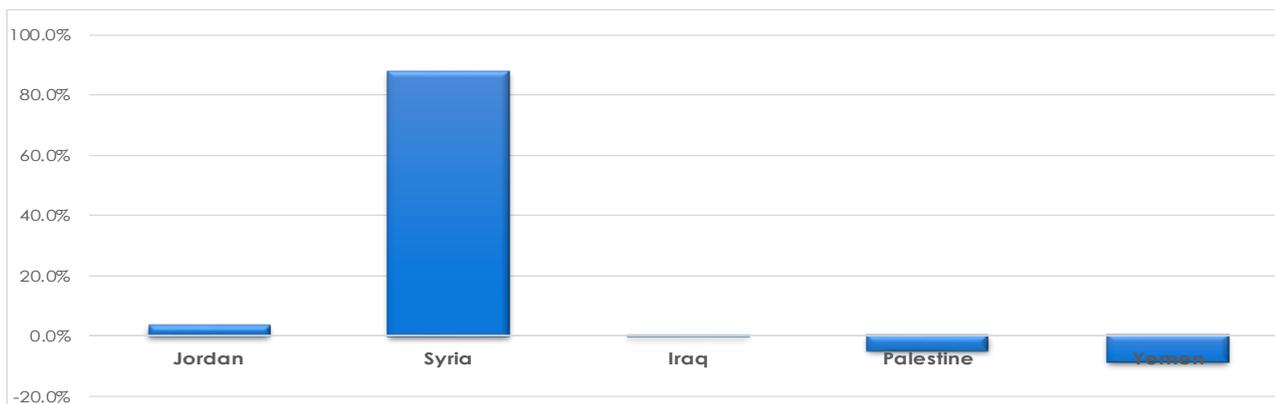
%CHANGE: JUN 2023/JUN 2022 = 3.8%

%CHANGE: JUN 2023/APR 2023 = 1.0%

The overall Producer Price Index (PPI) in Palestine increased **by 1.0 percent in June 2023** (latest available data) **compared to April**. Locally consumed products also experienced an increase of 1.2 percent, and local exported products decreased slightly by 0.6 percent. The increase in PPI was largely attributed to the increase in electricity, gas, steam and air conditioning supply activities by 5.5 percent, and agriculture, forestry and fishing activities by 2.7 percent, compared to the previous month.

Food Basket Cost

Percentage change in the cost of food basket in the region July 2023/ July 2022



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