



World Food Programme

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GAZA MARKET MONITORING FLASH UPDATE #3

30 October 2023

KEY FINDINGS

- The siege imposed on Gaza following the military escalation on 7 October is leading to a severe shortage in the population's access to essential needs including energy, food, healthcare, and clean drinking water.
- Gaza Strip's sole power plant shut down on October 11, transportation expenses have significantly increased due to fuel and gas shortages, cooking gas shortages and price increases are also a significant challenge that households face, compromising their ability to cook food items.
- As of October 29, WFP estimates that the current market stocks of basic food commodities in the Gaza Strip may last between 1 to 23 days. Wheat flour stocks are projected to be exhausted after 23 days, while vegetable oil and pulses would run out after three days, sugar after eight days, and rice after one day. The relatively high wheat flour stock levels can be attributed to the challenges in utilizing this wheat flour due to the shortages of clean water and fuel.
- The average daily inflow of trucks to Gaza since the start of the conflict account to just 3.7 trucks, which is equivalent to 1.1 percent of the daily inflows that took place prior to the conflict. While 84 relief trucks entered Gaza since the escalation of the conflict till October 28, these inflows are not sufficient to support the current situation.
- The closure of four mills constraints the processing of wheat grain to wheat flour, thus reducing the amounts of wheat that is available for consumption. Furthermore, energy limitations, physical damage from the conflict, and challenges to restocking wheat flour are compromising bakeries' abilities to process wheat flour to bread, acting as a main contributor to stopping their operations within the coming days. As such, some of the available wheat is not ready for consumption.
- While shops have been restocking food commodities from wholesalers, food availability at retail level remains very low. Four commodities appear to be in critical short supply: vegetables, eggs, dairy products, and drinking water.

INTRODUCTION

Situation Overview

The **Gaza Strip** continues to be under a complete siege since the military escalations that took place on October 7, leading to severe shortages of vital resources like food, water¹, fuel and electricity as well as medical supplies. Furthermore, transportation expenses have significantly increased due to fuel and gas shortages.² As of October 24, an estimated 1.4 million people in Gaza have been internally displaced (IDPs) due to the intensified airstrikes, with around 590,000 of them taking refuge in 150 UNRWA-designated emergency shelter.³

Years of isolation, blockade and recurrent conflicts have hampered the development of the productive sector making the Gaza Strip heavily dependent on imports. In the first eight months of 2023, 78,970 truckloads entered Gaza, of which 24,649 (or 31%) were food imports. With a stagnating economy, high poverty and unemployment rates, approximately 1.2 million people were estimated to be in need of food assistance⁴ in 2023, and over 73 percent of all households in Gaza received humanitarian assistance for survival. These numbers are expected to highly increase due to the current hostilities.

Furthermore, all 55 branches of the 10 banks operating in Gaza have suspended their operations, with only ATMs remaining functional.⁵ The settlement system that typically facilitates financial transactions between banks has also ceased functioning in the Gaza Strip. It is worth noting that the availability of liquidity in the Gaza Strip is relatively high. ATMs remain in operation with a withdrawal limit of 14,000 NIS (approximately 3,500 USD), providing a vital financial resource for the local population. However, some of WFP's contracted shops reported facing challenges accessing financial services, especially cash withdrawals, reporting that the ATMs are not functional or are heavily crowded.

Meanwhile, the situation in the **West Bank** remains tense with an increase in confrontations and enforced movement restrictions due the volatility of the current security situation. However, essential food commodities are available for an estimated six months, and wheat flour stocks are sufficient for about three months. Also, food prices have remained stable, except for some wholesalers and retailers whose costs have increased due to restrictions at commercial crossings.

The current conflict in Gaza, coupled with movement restrictions and closures among West Bank governorates, is anticipated to result in USD 500 million decrease in **Palestine's** GDP in 2023, leading to an expected three percent drop in economic growth compared with 2022. Gaza's GDP suffers from an estimated daily loss of USD 16 million due to the halt of most economic activities. Furthermore, there is an anticipated five percent decline in per capita income and a 1.2 percent reduction in consumption throughout 2023, potentially contributing to an upswing in poverty rates across Palestine.

¹ According to the WHO, the Gaza Strip has been suffering from a severe shortage of water, with per capita water supply falling far below recommended levels, and over 97 percent of the water pumped from the coastal aquifer does not meet water quality standards. See also: [WHO](#)

² Key informant interview

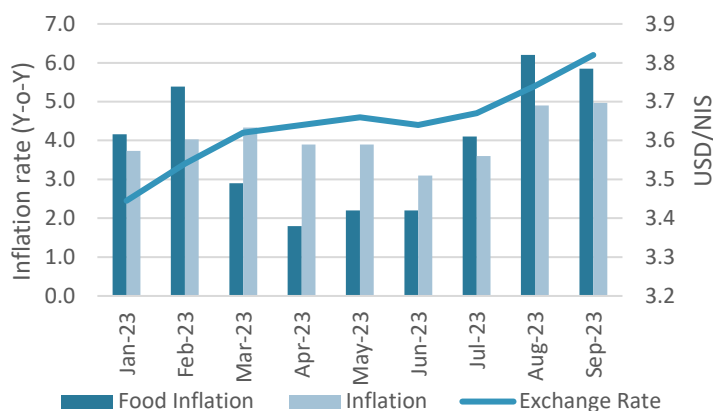
³ 24 October OCHA [flash update](#)

⁴ HUMANITARIAN NEEDS OVERVIEW 2023

⁵ Palestine Monetary Authority (PMA)

Inflation rates are expected to increase in Palestine in the near future. A one percent depreciation in the Israeli shekel (NIS - currency in use in the West Bank and Gaza Strip) against the US dollar could lead to a corresponding 1.6 percent increase in inflation rates.⁶ Since the beginning of the escalation, the shekel has experienced a depreciation of 5.2 percent, contributing to an overall depreciation of approximately 15 percent since the beginning of 2023.⁷ This depreciation has led to an inflation rate of 5.0 percent in September 2023.⁸

Figure 1: Year-on-Year Inflation and food inflation, and the exchange rate of the Israeli Shekel



FOOD AVAILABILITY AND ACCESSIBILITY IN GAZA STRIP

Since October 7, the amount of humanitarian aid entering the Gaza Strip has been inadequate. As of October 28, 84 relief trucks carrying food, water, medicine, and medical supplies have entered through the Rafah Crossing.⁹ However, prior to the conflict, the average daily truck flow in the first eight months of 2023 was 329 trucks.¹⁰ As such, the average daily inflow of trucks to Gaza since the start of the conflict account to just 3.7 trucks, which is equivalent to 1.1 percent of the daily inflows prior to the conflict. This assistance falls significantly short of the people's actual needs. The existing food stocks continue to deplete daily, and a significant part of the stocks available before the conflict has been spoiled and lost due to airstrikes¹¹.

As of October 29, WFP estimates that the current market stocks of basic food commodities in the Gaza Strip may last between 1 to 23 days. Wheat flour stocks are projected to be exhausted after 23 days, while vegetable oil and pulses would run out after three days, sugar after eight days, and rice after one day.¹² The relatively high wheat flour stock levels can be attributed to the challenges in utilizing the wheat flour due to the shortages of clean water and fuel as well as the limited productivity of the mills. These estimates are based on a regular, non-war-time consumption patterns in Gaza, and assumes the ability of shops to replenish their stocks from wholesalers. It is noteworthy, however, that of the five WFP-contracted mills in the Gaza Strip, only one is currently operational due to security issues, fuel scarcity, and a lack of electricity.

As such, while Gaza mills hold roughly 10,000 tons of wheat stock, a significant proportion of that wheat is not available for consumption as it cannot be milled. Furthermore, the production of bread is also severely hampered as bakeries suffer from fuel and energy shortage, as well as water scarcity.

⁶ [PCBS | PCBS: Highlights Socio-Economic Indicators on the Impact of the Israeli Occupation War on Gaza Strip, 2023](#)

⁷ Bank of Israel ([Link](#))

⁸ Palestinian Central Bureau of Statistics, 2023 (PCBS) Press Report, The Consumer Price Index During September 09/2023.

⁹ Egyptian Red Crescent and UNRWA

¹⁰ [Gaza crossings: movement of people and goods](#) – OCHA

¹¹ Waste in food due to the conflict is assumed to be 25%, which is based on observations from key informants in Gaza

¹² The current stock estimation does not include household-level stocks.

Meanwhile, many wholesalers and importers report facing challenges moving food stocks from their warehouses in Gaza City to retailers in the southern governorates due to continuous airstrikes, road damage, and fuel scarcity.¹³ On the other hand, retailers have communicated their difficulties in receiving new food stocks from wholesalers due to widespread road damage, security concerns, weak or cut-off telecommunication connectivity, and logistical hurdles to meet demand. In fact, some shops reported that wholesalers stopped delivering food commodities to them and that the only way they can replenish their food stocks is by going themselves to the wholesalers to retrieve their new stocks. Others explained that they are completely cut off from some wholesalers, leading to shortages in their stocks of some commodities. One contracted shop even stated that restocking delays force him to operate only once every three days.

Food Availability in Contracted Shops

The World Food Programme (WFP) has continued its remote rapid survey to assess the food availability in local shops. The survey includes questions about the availability and prices of the main food commodities such as wheat flour, vegetable oil, vegetables, rice, dairy products, eggs and pulses. Additional questions ask about the ability and time needed to replenish shop’s stock and access to electricity and potable water.

Out of the 202 WFP-contracted shops located in the Gaza Strip, 55 shops (27 percent) responded to the WFP questionnaire between October 15 and October 23. The response rate is lower than that of last week, which can be caused by the worsening of telecommunication services and energy shortages. To account for the decline in daily response rates, the data was aggregated every two days to achieve more reliable results.¹⁴

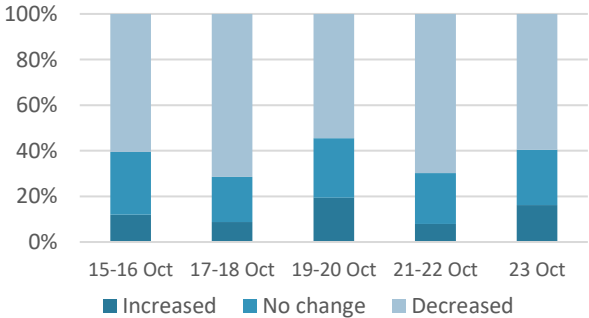
One of the most significant issues faced by shops is the damage to shops because of the airstrikes; around 50 percent of respondents explained that their shops faced some level of damage. Concurrently, shop owners indicated that the situation has severely deteriorated, compromising the safety of their employees and their abilities to commute to the shops. Thus, shops are either forced to operate in unsafe conditions or to halt their operations.

During the reporting period, around 60 percent of the interviewed shop owners reported decreases in food stocks. At the same time, on average 30 percent of the shops reported facing delays in receiving food stocks while 56 percent of respondents reported receiving some level of new stocks within one to two days. However, it remains difficult to quantify the movement of food between wholesaler and retailers.

Table 1: Responses to "did your shop face any physical damages since the escalation of the conflict?" (percent)

No	53.5%
Yes – Minor damages. (continued operations)	38.6%
Yes – Moderate damages. (partially/temporarily affected operations)	7.9%

Figure 2: Change in food stocks (percent)



¹³ Key informant interviews with wholesalers and importers.

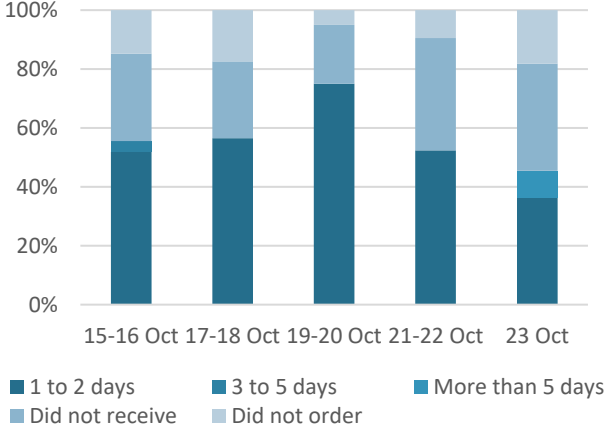
¹⁴ The response rate over this period were as follows: 13 percent from October 15-16, 11 percent from October 17-18, 10 percent from October 19-20, 10 percent from October 21-22 and 5 percent on October 23.

Although Gaza has very limited stocks of fuel, and electricity is cut-off from the region, almost 60 percent of respondents reported having access to electricity for two or more hours per day. To add, 31 percent of the shops reported having over six hours of electricity daily. This can be explained by shops' reliance on alternative energy sources such as generators and solar energy.

Table 2: Responses to "On average, how many hours of electricity do you have access to per day?" (percent)

Less than 2 hours	42.6%
2 to 4 hours	10.9%
4 to 6 hours	15.8%
More than 6 hours	30.7%

Figure 3: Time needed to receive new stocks since ordering

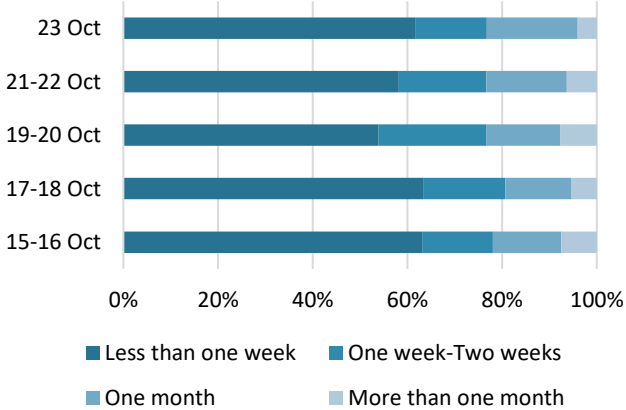


Availability and Price Changes of Key Commodities

During the reporting period, shops' responses indicate that the food availability remained almost the same throughout the week, at rates approximately the same as the ones reported on 14 October. Similarly, for most commodities, the majority of the shops reported having very small quantities that can only last for two weeks or less and struggling to increase their stocks. Shops also reported facing price increases from their suppliers.

There are three commodities that appear to be in the most critical phases: Wheat flour, dairy, and drinking water. Throughout the week, at least 85 percent of the shops reported that the stocks of the three commodities have been continuously depleting. Over 80 percent of the respondents indicated that their stocks can only last for one week or less. On the other hand, and similar to the first week of the escalation of the conflict, perishable goods, namely dairy products, vegetables, and eggs continued to have low stocks. On average, 85, 82, and 63 percent of respondents indicated having stocks that are sufficient for less than one week, respectively. While their perishable nature contributes to this phenomenon, these numbers are slightly higher than last week, indicating the worsening of the availability for these commodities. Furthermore, very few respondents indicated an ability to increase their stocks throughout the week (one percent for vegetables, three percent for dairy, and 17 percent for eggs). Interestingly, dairy products' prices appear to have been the most stable throughout the reporting period,

Figure 4: Overall stocks sufficiency level

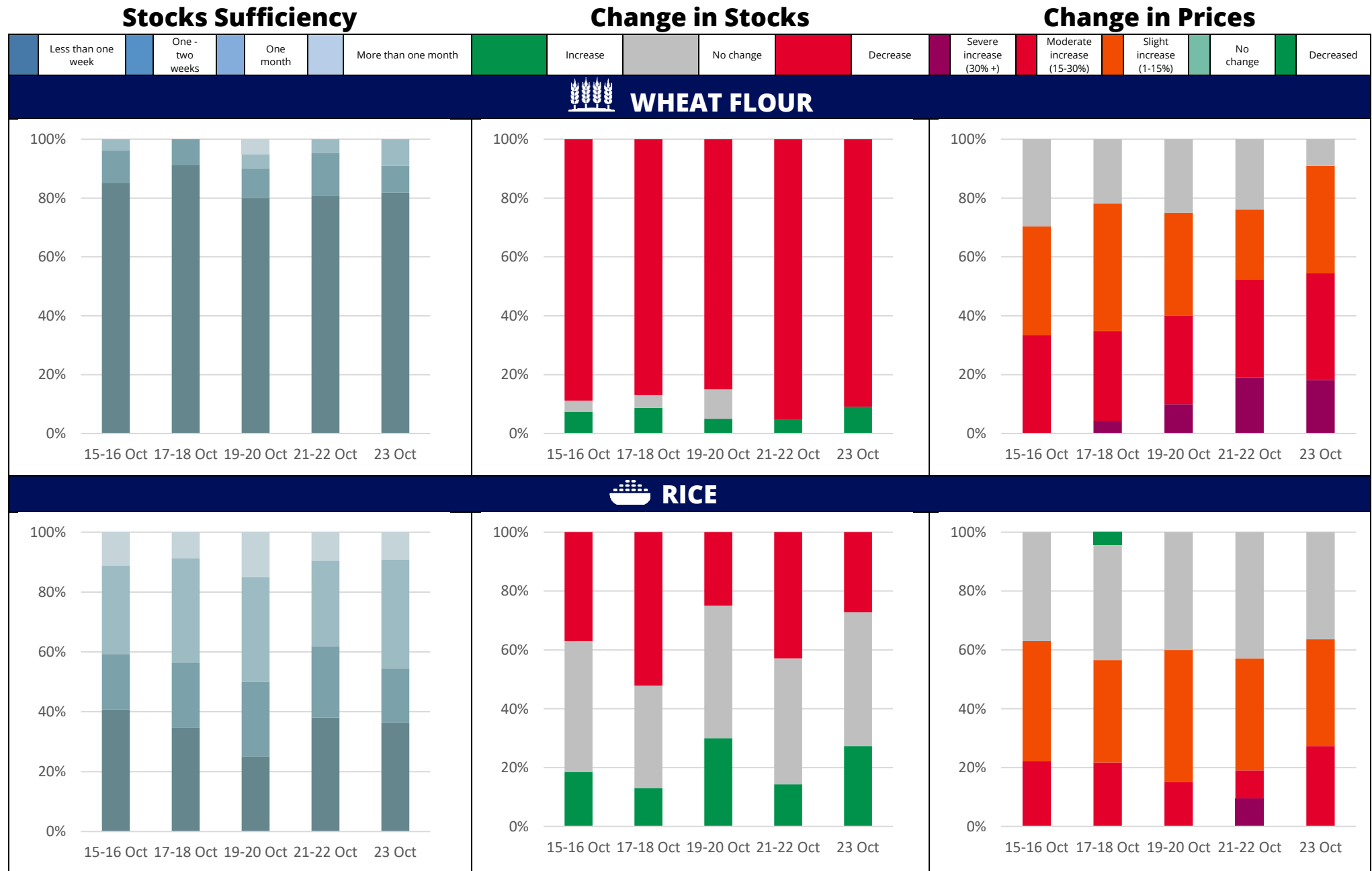


which is also similar to what was observed in the previous week. As nearly 41 percent of respondents indicated no change to their prices. However, more durable commodities (rice, vegetable oil, and pulses) have on average relatively higher stocks, even though they are expected to last shorter than reported last week.

The drop in the availability of most commodities also explains the price increases that were observed for all commodities throughout the week. Most notable is the price of wheat flour, which consistently increased throughout the week compared to before the escalation of the conflict. By October 23, around 18 percent had reported severe price increases of the commodity, 36 percent reported moderate increases, and 36 percent reported slight increases. Vegetables and eggs were most frequently reported¹⁵ among the perishable commodities to have witnessed slight price increases of 1 to 15 percent.

¹⁵ 41 and 42 percent of respondents, respectively.

Figure 4: Prices, sufficiency and change of stocks for main food items October 15 to October 24 ¹⁶



¹⁶ Based on 27 responses on 15-16 October, 23 responses on 17-18 October, 20 responses on 19-20 October, 21 responses on 21-22 October, and 11 responses on 14 October.

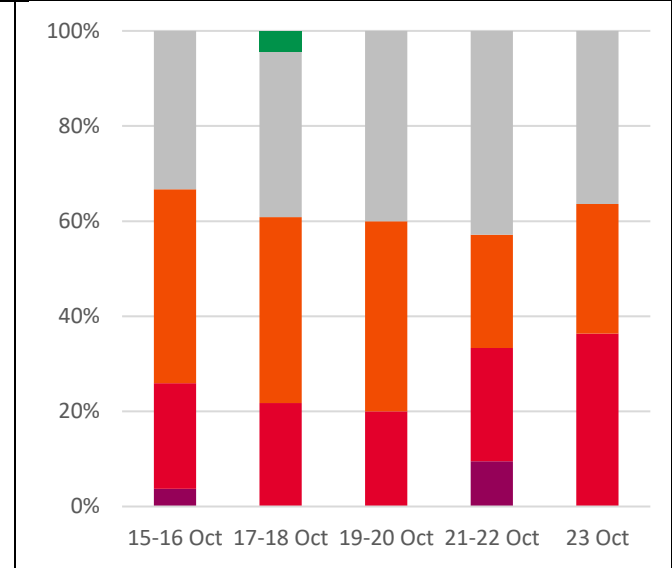
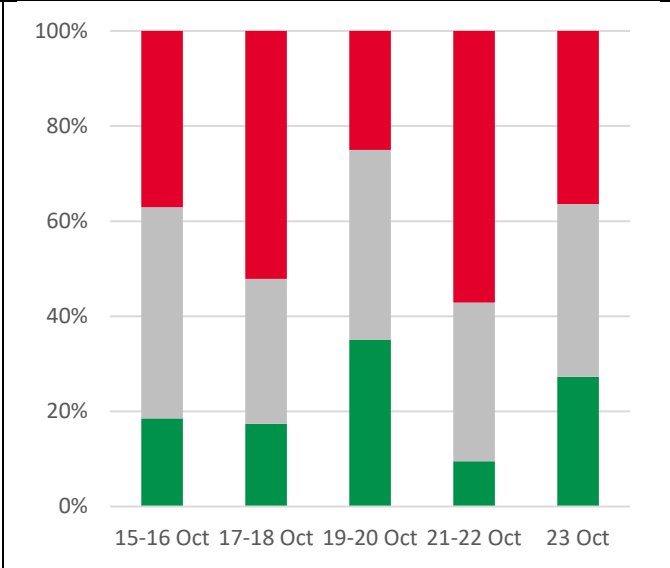
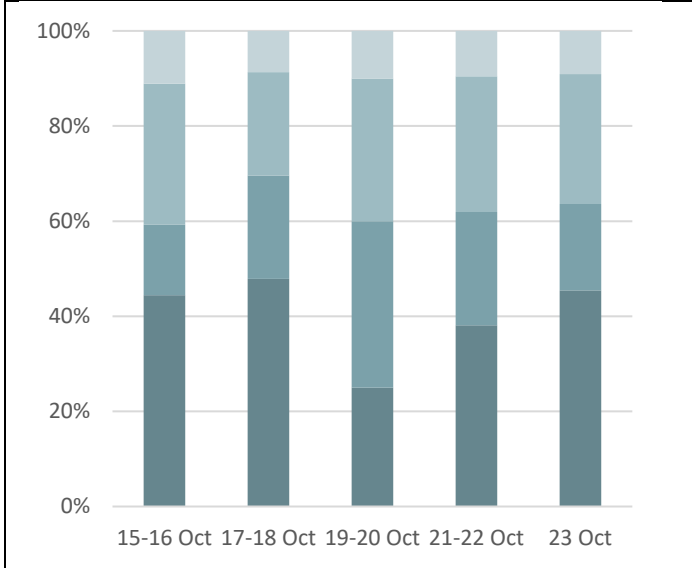
Stocks Sufficiency

Change in Stocks

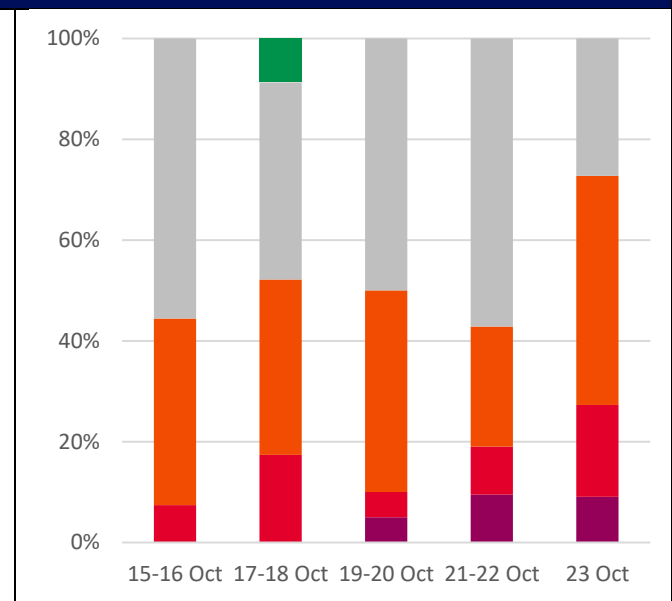
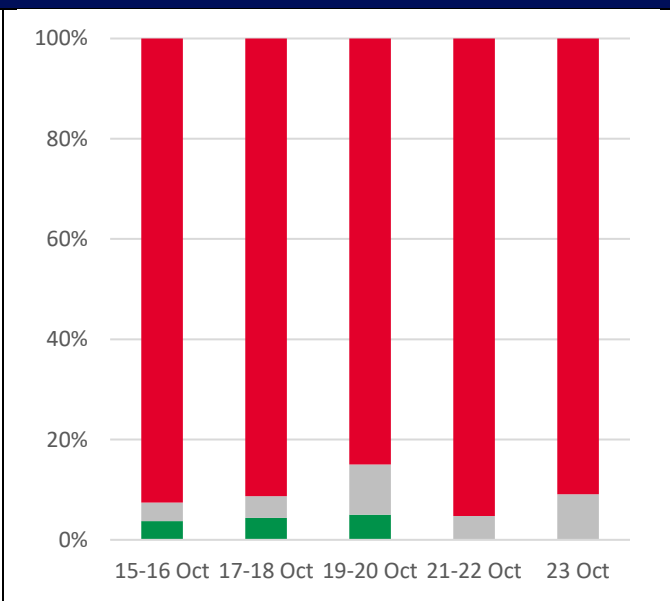
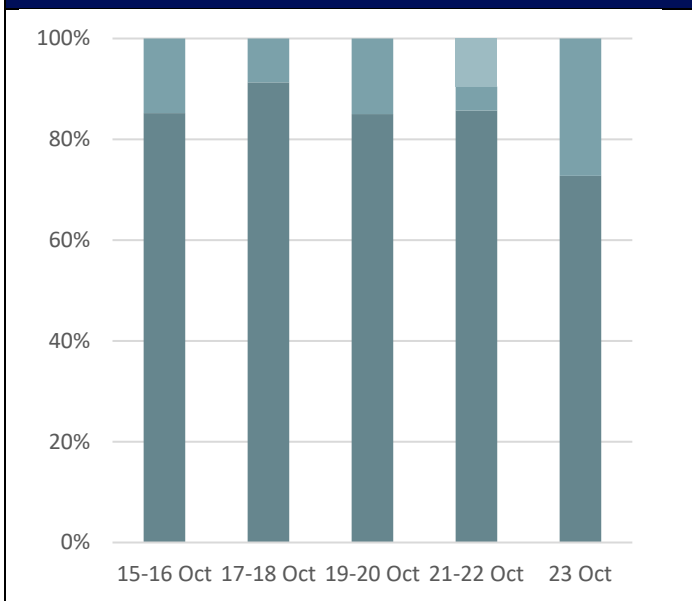
Change in Prices



PULSES



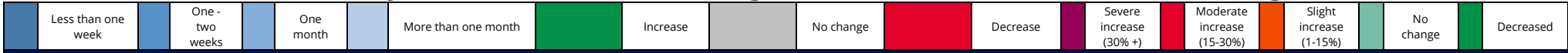
DAIRY



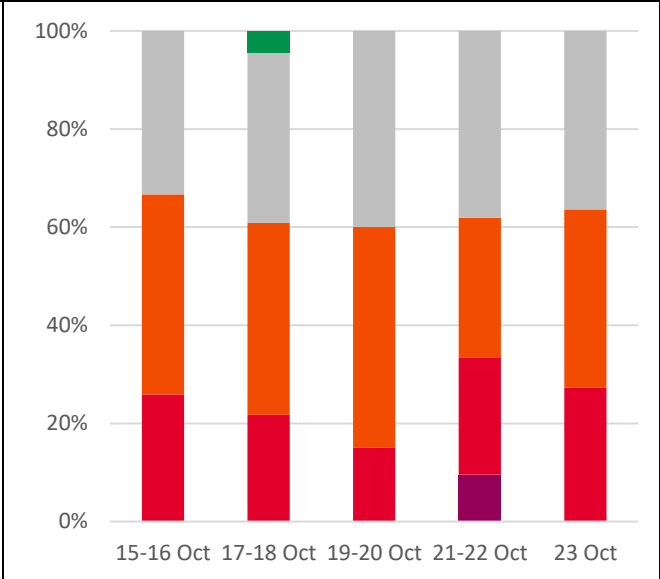
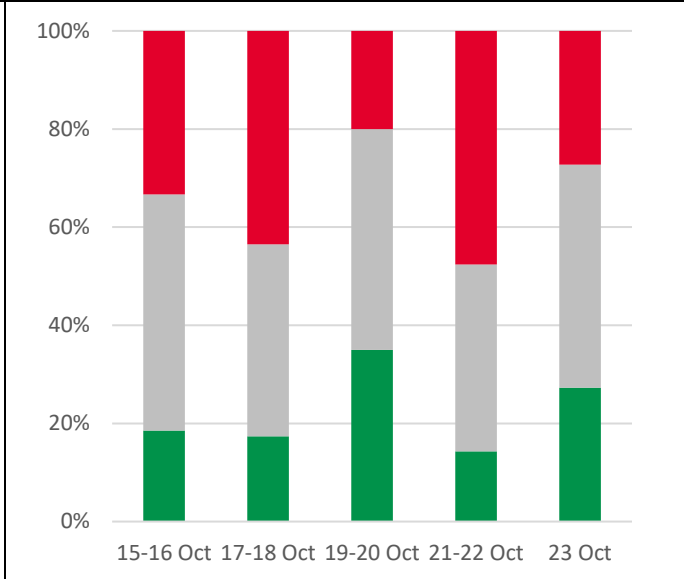
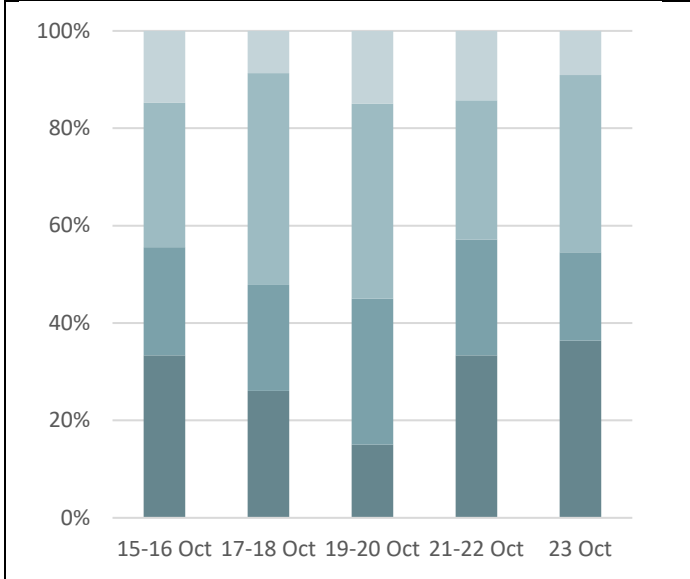
Stocks Sufficiency

Change in Stocks

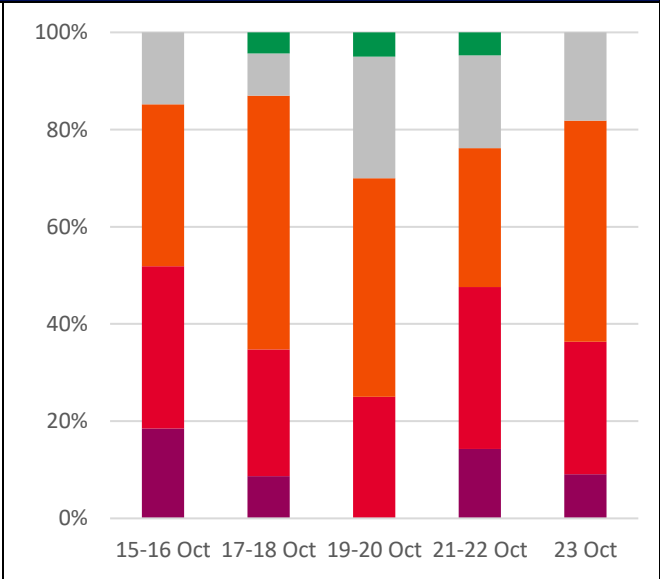
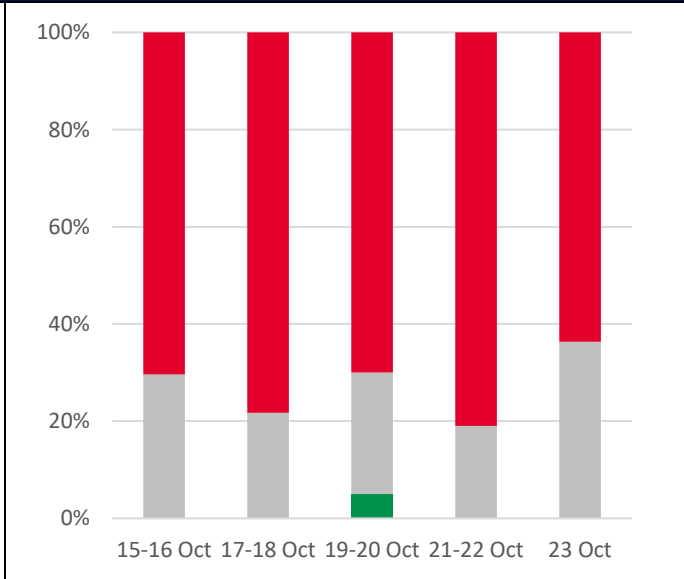
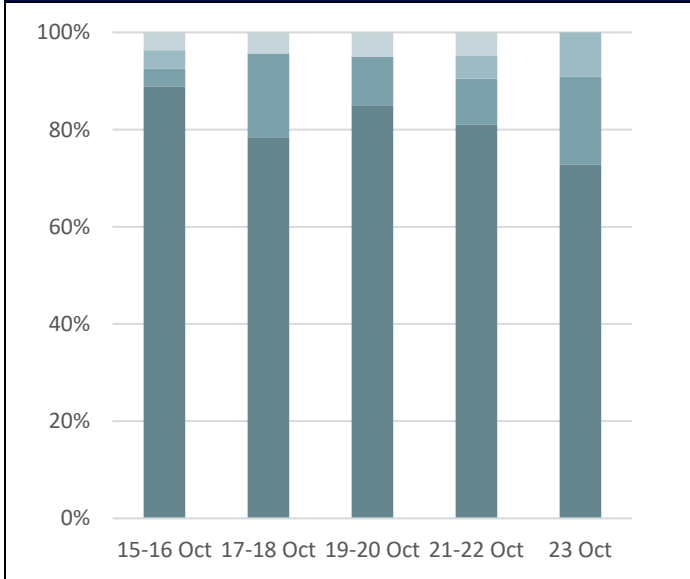
Change in Prices



OIL



VEGEABLES



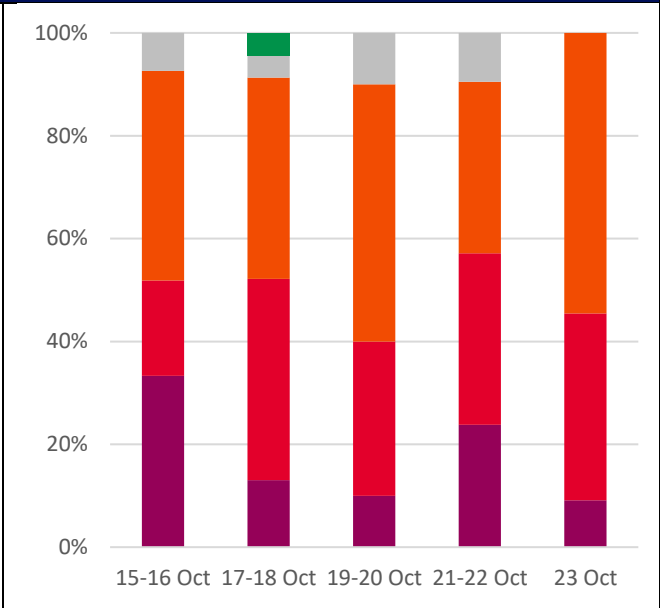
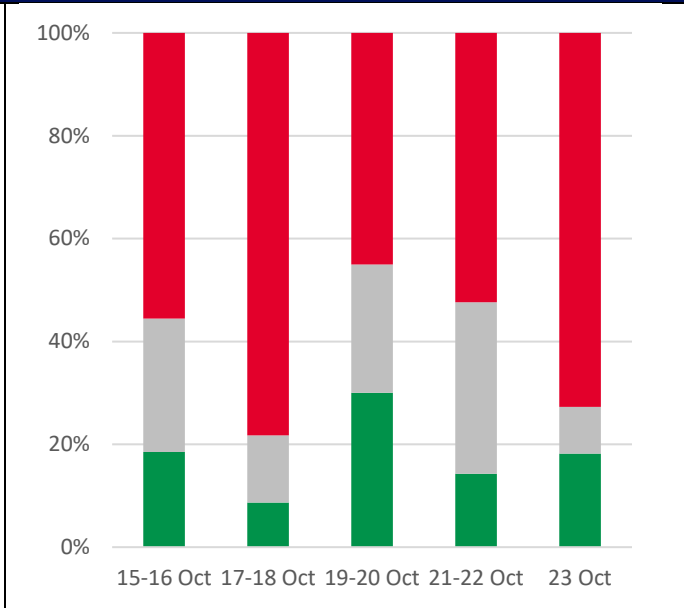
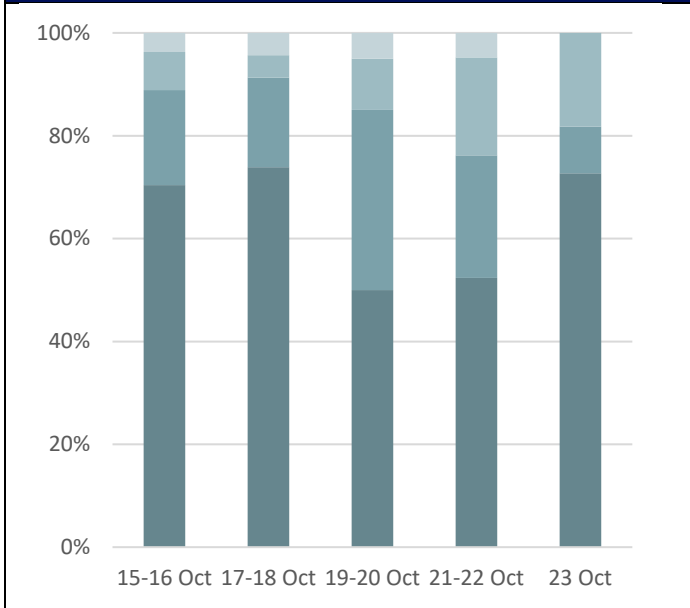
Stocks Sufficiency

Change in Stocks

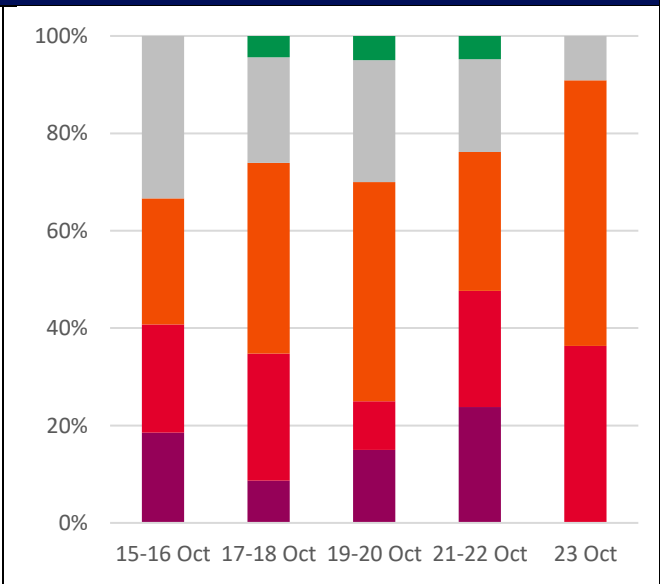
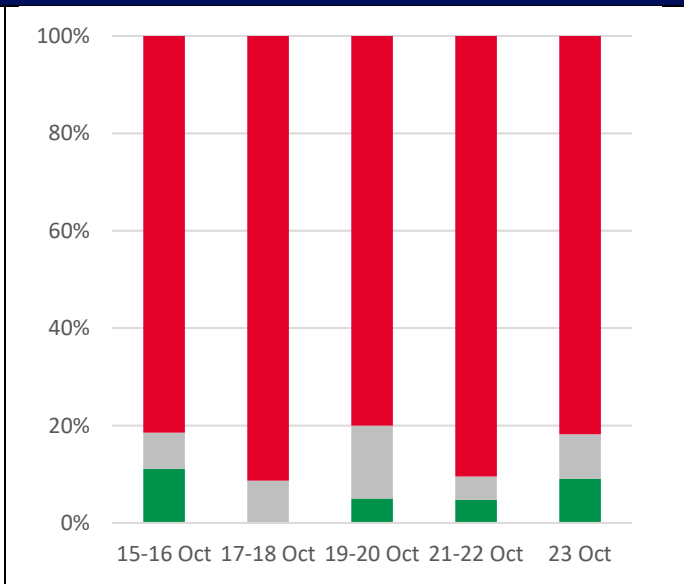
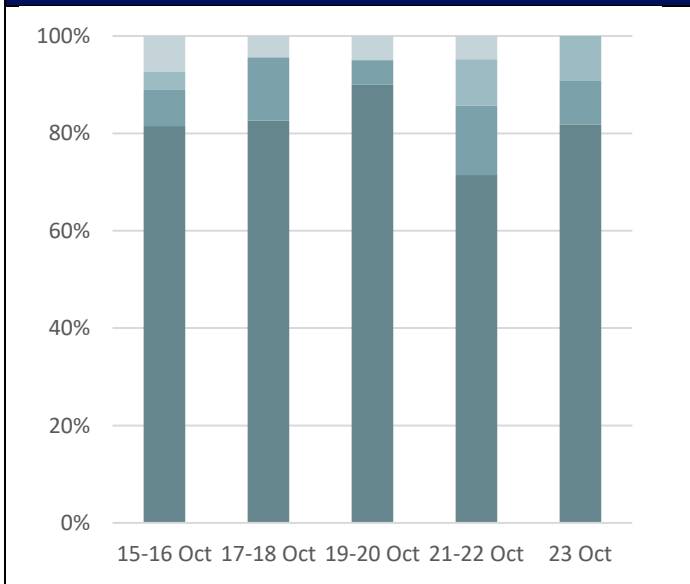
Change in Prices



EGGS



MINERAL WATER



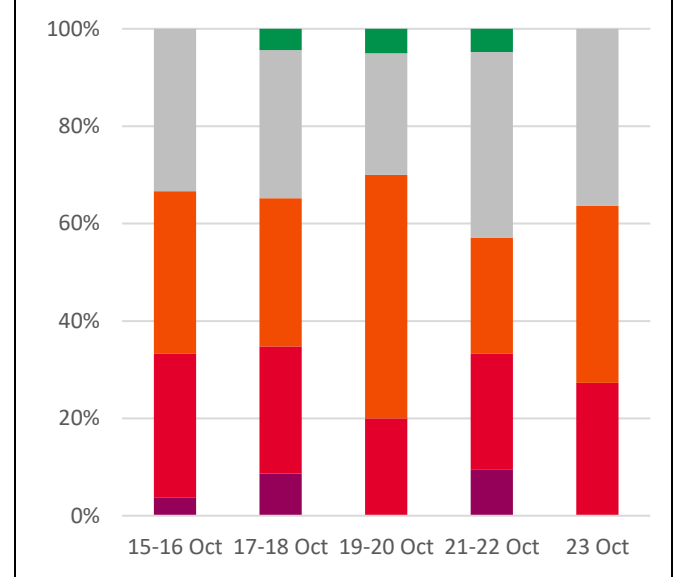
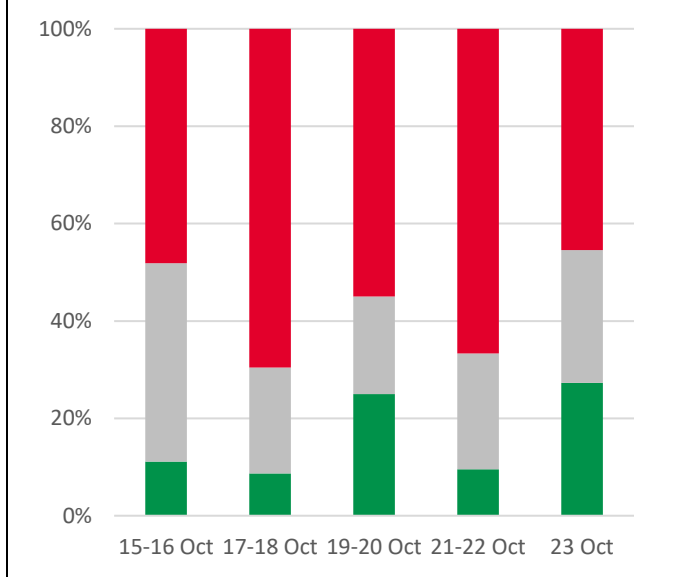
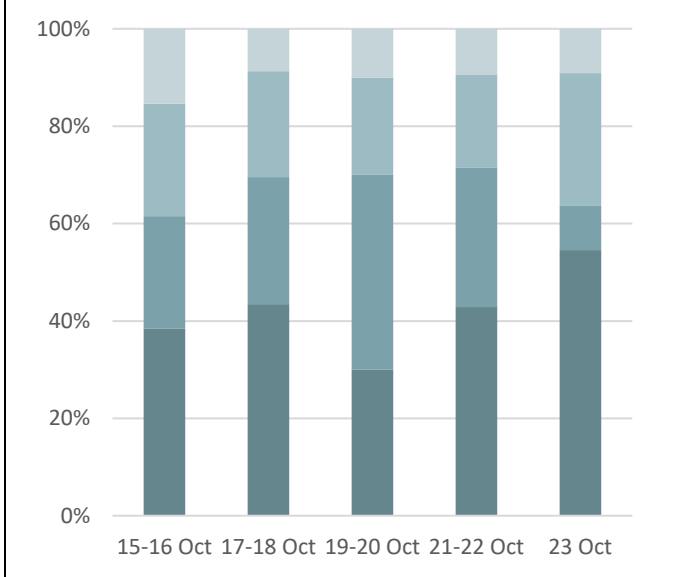
Stocks Sufficiency

Change in Stocks

Change in Prices



OTHER FOOD ITEMS



Bakeries¹⁷

There are approximately 130 bakeries in Gaza Strip, comprising 70 automatic and 60 manual ones. Of WFP's contracted bakeries, some have explained that they are occasionally forced to pause their operations due to damages from the airstrikes, which require some time to fix the damages. Also, several bakeries reported having stocks of wheat flour that can last around just five days. They have also reported suffering from the severe energy shortages. Closure due to inability to communicate with wheat flour suppliers was also raised by one bakery. Two bakeries reported having access to energy sources that would allow them to operate for just one day. According to the Gaza Bakers' Association, all Gaza Strip bakeries are at risk of closing their operations within the coming days.

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¹⁷ Based on information collected from some contracted bakeries and the Bakers' Association.