



Photo: WFP/ Ali Jadallah

GAZA MARKET MONITORING

FLASH UPDATE #4



World Food Programme

SAVING
LIVES
CHANGING
LIVES

17 November 2023

KEY FINDINGS

- The influx of food and non-food items into Gaza between October 7 and November 14 fall significantly short compared to Gaza's needs. The average daily inflow of trucks since the beginning of the escalation amounts to just nine percent of Gaza's inflows during the first eight months of 2023.
- The majority of bakeries have shut down, and none are operating in the north of Gaza. Bread production is severely hampered due to shortages of energy and water, and damages sustained by many bakeries.
- The Gaza Strip has never experienced such a surge in prices. Official reports of month-on-month inflation reached 12 percent in October, and food and beverages inflation reaching 10 percent; with notable increase in wheat flour by 65 percent, mineral water by 100 percent, and vegetables by 32 percent, while other food items slightly increased.
- Gaza's markets are rapidly collapsing as shops shut down, and the majority of the ones that remain open report running out of essential food items, such as wheat flour, dairy products, mineral water, and eggs.
- Data on the redemption of electronic vouchers reflect a gradual increase in activity from Gaza and North Gaza towards Deir El Balah, Khan Younis and Rafah in the South Gaza.

INTRODUCTION

Situation Overview

The **Gaza Strip** continues to be under a complete siege since the military escalations, leading to severe shortages of vital resources like food, water¹, fuel and electricity as well as medical supplies. Furthermore, the cut-off of energy sources and the banning of movement of fuel into the Strip through the Rafah crossing² (with the exception of the first fuel imports on the 15th of November, which are restricted to support the movement of aid coming from Egypt³), led to significant price increases in energy and transportation⁴ and to a gradual reduction of the humanitarian response⁵. As of 14 November, over 1.6 million people in Gaza were estimated to be internally displaced, including about 787,000 IDPs in at least 154 UNRWA shelters.⁶

As an import-dependent economy, Gaza received 78,970 truckloads in the first eight months of 2023, of which 24,649 (or 31%) were food imports. These imports are critical to cover the food needs to the 1.2 million people that were estimated to be in need of food assistance⁷ in 2023. The escalation and continuation of the crisis is not only causing a severe drop in the inflow of trucks making humanitarian operations challenging (especially in northern Gaza), but also leading to very high inflation rates, further exacerbating households' access to food.

Meanwhile, in the **West Bank**, violence has been surging coupled with arrests and movement restrictions. Hundreds of thousands of Palestinians are losing their work permits and are unable to leave the West Bank. Commercial activities within the area are limited, with risks of further economic deterioration. 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 over the past month, except for some wholesalers and retailers whose costs have increased due to restrictions at commercial crossings.⁸

The shock to the Palestinian economy has been severe as a result of the total siege of Gaza, destruction of capital, forced displacement, restriction on movement of people and goods in the West Bank. According to the Palestinian Central Bureau of Statistics (PCBS), almost all the private sector establishments in Gaza, about 56,000 out of a total of 176,000 establishments operating in Palestine, had to halt their production. This production suspension has resulted in losses exceeding USD713 million in October 2023, amounting to nearly USD24 million per day. In addition to that, preliminary reports from Gaza suggest direct losses in properties and assets totaling more than USD2.5 billion.⁹

The November bulletin of the International Labour Organisation (ILO) reports that the employment sector has suffered considerably, with an estimated total of 390,000 jobs lost as of 31 October, if the conflict in Gaza

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 PCBS Impact of Israeli Occupation Aggression on Consumer Prices in Gaza Strip

³ UNRWA ([link](#))

⁴ Key informant interview

⁵ UNRWA News and Press release 14 Nov 2023 "[Humanitarian operations will grind to a halt in the Gaza Strip due to lack of fuel](#)"

⁶ OCHA Flash Update #39

⁷ Humanitarian Needs Overview 2023

⁸ Ministry of National Economy

⁹ PCBS [The Losses of Private Sector in Palestine due to the Israeli occupation](#)

continues, these job losses are projected to worsen. In Gaza, it is estimated that 61 percent of jobs have been lost, equating to approximately 182,000 positions. The impact extends to the West Bank, where around 24 percent of jobs have been lost, totaling about 208,000 jobs. These job losses have broader economic consequences, translating into monthly labor income losses of around USD 490 million.¹⁰

FOOD AVAILABILITY AND ACCESSIBILITY IN GAZA STRIP

Food Availability in Gaza

Lack of food in the Gaza strip, and particularly in the northern region, is a growing concern as food stocks drop at higher rates than they are replenished through humanitarian aid. During the 39 days between October 7 and November 14, the amount of humanitarian aid entering the Gaza Strip has been inadequate to cover the needs of the population. Prior to the conflict, the average daily truck flow in the first eight months of 2023 was 329 trucks, of which 77 carried food.¹¹ Since the start of the crisis, a total of 1,129 relief trucks carrying food, water, medicine, and other essential items entered through the Rafah Crossing, out of which 447 were carrying food.¹²

Table 1: Trucks entering Gaza Strip

	TOTAL TRUCKS	FOOD TRUCKS
DAILY AVERAGE JAN-AUG 2023	329	77
DAILY AVERAGE (7 OCT - 14 NOV)	29	11
% OF PRE-CRISIS AVERAGE	9%	15%
GAP	91%	85%

This is equivalent to an average of 29 trucks per day, 11 of which carry food – merely nine percent and 15 percent, respectively, of the number of trucks that would have normally entered. This leaves a staggering 91 percent gap in total supplies, and an 86 percent gap in food supplies that have reached Gaza.

According to OCHA, people are resorting to negative coping mechanisms due to food scarcity, including skipping or reducing meals, using unsafe and unhealthy methods for making fire, and resorting to unconventional eating (e.g., eating raw onion and eggplant)¹³. The Food Security Sector reported that the food entered accounts for 7.5% of the population's required daily minimum caloric intake.¹⁴

As of November 14, WFP estimates that the current market stocks of wheat flour may last for only a few days. Four out of the five WFP-contracted mills in the Gaza Strip, are not operational due to security issues, fuel scarcity, and a lack of electricity. As such, despite the availability of wheat grain in Gaza mills, a significant proportion of that wheat is not available for consumption as it cannot be milled, nor can it be transported. Furthermore, in the north, all bakeries have closed, while in the south, the production of bread is also severely hampered due to shortages in energy and water, as well as due to damages sustained by many bakeries.

Wholesalers and importers in the Gaza strip, and particularly those in the northern region, continue facing challenges moving the little food stocks from their warehouses to retailers due to continuous airstrikes, road damage, and fuel scarcity, and poor telecommunication services¹⁵, leaving some retailers with no option to replenish their food stocks except for going to the wholesalers by themselves to retrieve their new stocks, as opposed to having the new stocks delivered to their shops as usual.

¹⁰ ILO 06 Nov 2023, [Impact of the Israel-Hamas conflict on the labour market and livelihoods in the Occupied Palestinian Territory](#)

¹¹ Own calculation based on data from [OCHA - Gaza crossings: movement of people and goods](#) (accessed 13 November 2023)

¹² OCHA – Aid Trucks Crossing From Egypt to Gaza (As of 14 November 2023)

¹³ OCHA flash update #37

¹⁴ Food Security Sector Gaza Update #4 <https://fscluster.org/state-of-palestine/document/fss-gaza-update-4>

¹⁵ Key informant interviews with wholesalers and importers

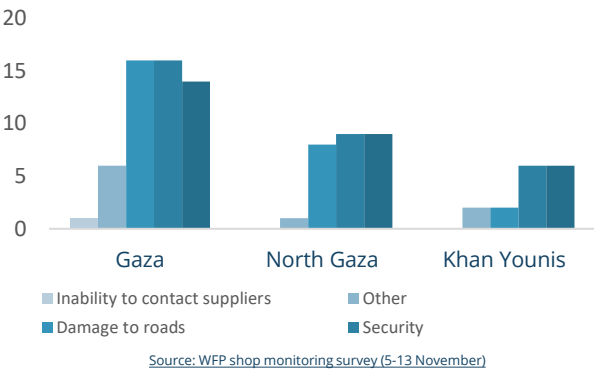
Furthermore, the limited local production of key protein rich food commodities including meat, eggs, and dairy from the poultry and cattle sectors are on the brink of collapse due to significant shortages of fodder. The Ministry of Agriculture (MoA) reported the deaths of thousands of poultry, while sheep and cattle breeders reduce feedings. Furthermore, the agricultural production is also impacted by farmers' limited access to their farms and to electricity sources.¹⁶

Food Availability in Contracted Shops¹⁷

Of the 77 shops that responded to the WFP shop monitoring survey from 5-13 November, 54.5 percent were operational during this period. The shops that stopped their operations are located in three governorates: 19 are in Gaza governorate, nine are in North Gaza governorate, and seven are in Khan Younis. Figure 1 outlines the main reasons for shops ceasing operations, primarily attributed to safety risks and structural damage.

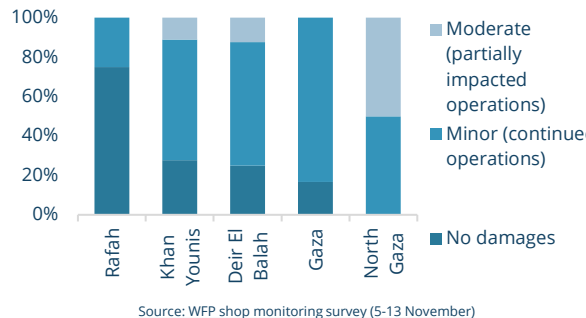
The top reasons for shop closures are the damage to shops (82.9%), worsening of the safety conditions (88.6%), and obstruction of roads (65.7%). While the distribution of the causes of shop closures are quite similar across the three governorates, it is clear that the situation is significantly more severe in Gaza and North Gaza, leading to a higher incidence of shop closure. Furthermore, 19 out of the 35 shop owners reported closure of their shops due to the displacement of the people in their neighborhood or the displacement of the shop owners. When asked about an expected time to reopen their shops, many owners of the shops which closed for security reasons indicated that they would wait until the situation stabilizes, while highlighting their uncertainty about the physical status of their shops by that time. Few shop owners explained trying to relocate their shops to different governorates, but are still unable to, while one stated that they merged their operations with another store owned by another family member.

Figure 1: Reasons for shop closure (frequency by governorate)



The remaining operating shops across all five governorates were also facing varying levels of physical damage as indicated in figure 2. Shops in north Gaza were the most likely to report damages to their shops. Around 40 percent of the shops in Khan Younis and Deir El Balah were more likely to report minor damages, and very few shops (around 10 percent) reported more significant damages that partially impacted their operations.

Figure 2: Physical Damage to Shops that remain open

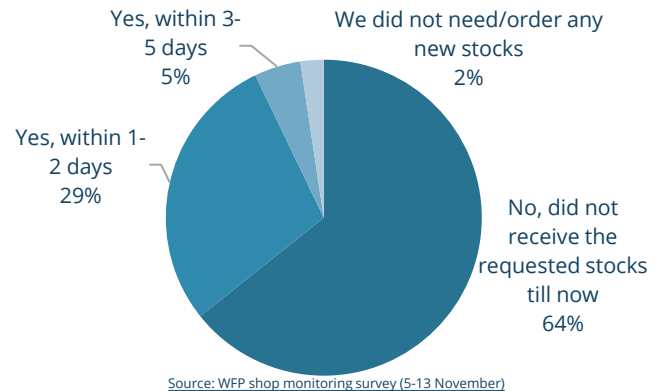


¹⁶ Palestine Food Security Sector – Gaza Update #4

¹⁷ Based on survey between 5-13 November that collected information from 77 of the 202 contracted 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.

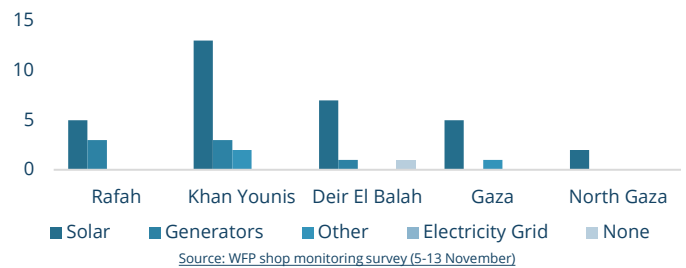
Figure 3 illustrates the status of goods arrival at shops from 1 to 13 November. More than 60 percent of the open shops have placed orders to replenish their stocks but did not receive them yet, indicating a scarcity of supplies and raising concerns about the availability and accessibility of food products among Gaza wholesalers. Conversely, 34 percent received their goods within a maximum of five days. It is noteworthy that those reporting receipt of the goods responded to the survey within the first week of November, whereas the majority of those indicating not receiving their stocks were mostly responding to the survey during the second week, and therefore, with the continuous escalation of the security situation, are more likely to face longer delays in receiving their new stocks.

Figure 3: Arrival Time of Goods at Retail Shops from Wholesale Retailers



Although Gaza has very limited stocks of fuel, and electricity is cut off from the region, the responding operational shops reported having access to electricity for an average of 8.6 hours per day. This can be explained by shops' reliance on alternative energy sources such as generators and solar energy as shown in Figure 4.

Figure 4: Shops' energy sources (frequency)

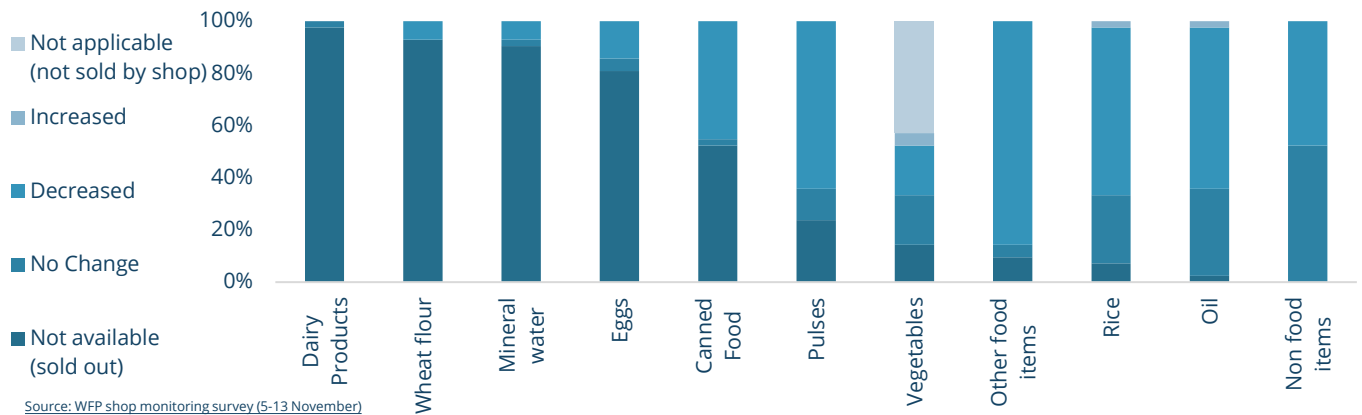


Based on recent field observations, essential food items are vanishing from retail shelves, leading to acute shortages. People are turning to destructive coping mechanisms to manage these shortages including the transition to unconventional dietary choices and significant deviations from normal eating patterns.¹⁸

During the reporting period, 84 percent of shops reported either running out or encountering a significant decrease of main food commodities; around 47 percent of the interviewed shop owners reported that most of the main food commodities were sold out and 37 percent reported there was a significant decrease in their food stock. Many food items appear to be very close to completely depleting from shops in Gaza. Dairy products, wheat flour, mineral water, and eggs appear to be the items that over 80 percent of responding shops ran out as shown in figure 5. Vegetable oil, rice, and pulses seem to be more available compared to other food commodities, around 70 percent of the shops reported that these items are available for up to two weeks, mainly due to the shortage of means for cooking and the change in the consumption patterns. Non-food items (NFIs) appear to be available in all responding shops, and they also appear to be available in large amounts (38% of shops having stocks for at least three weeks). It is also noteworthy that NFIs are also the commodities depleting the slowest in Gaza, as just 48 percent of shops reported declining stocks of NFIs.

¹⁸ Palestine Food Security Sector – Gaza Update #4

Figure 3: Changes to food stocks of key commodities at contracted shops as of 13 November (percent of respondents)



According to the PCBS, significant price hikes were observed during the first month of the escalation of the conflict, as Gaza’s CPI rose by 12 percent since September 2023 and food CPI increased by 10 percent. However, the price increases were significantly higher in essential commodity prices as shown in Table 3. These numbers are aligned with the survey respondents’ estimations for rice and vegetable oil, as most respondents (66.7% and 76.2%, respectively) reported no or slight price increases in the two commodities. However, 59.5 percent and 46.3 percent of our surveyed shop owners indicated severe price increases of more than 30 percent for eggs and wheat flour, respectively. Furthermore, shops demonstrated very high levels of uncertainty with respect to the prices of water, dairy products, and wheat flour, as 92 percent, 79 percent, and 49 percent of the respondents explained that they were unable to estimate the price increases that took place due to the unavailability of the commodities at wholesaler. However, field observations indicate a more severe increase in prices, sometimes up to 300 percent in some cases as people struggle to find their needed commodities.

Table 3: Month-on-Month inflation rates (October 2023)

Headline Inflation	12
Food and non-alcoholic beverages inflation	10
Mineral water	100
Vegetables	32
Fresh fruit	27
Eggs	23
Wheat flour	65
Rice	8
Chicken	5.5
Vegetable oil	5

Source: PCBS

Redemption Rates

Since the start of the military escalation, WFP provided emergency food and cash assistance to an estimated 764,000 affected people across Gaza and the West Bank. Out of these beneficiaries, around 550,300 displaced people in designated shelters received daily fresh bread, canned food, or date bars. Furthermore, 49,414 displaced people in host communities received food parcels to support their food needs for 15 days.

- In November, WFP provided e-vouchers to 580,000 people across Gaza and the West Bank. By 13 November, 233,390 people in Gaza – 45 percent of the planned – redeemed their entitlement, while in the West Bank, 89 percent (53, 938 people), redeemed theirs. By 13 November in Gaza, people could only redeem assistance in around 25 percent of the original 202 shops, and limited connectivity further obstructs people’s ability to redeem. Data on the redemption of electronic vouchers reflect a gradual increase in activity from Gaza and North Gaza towards Deir El Balah, Khan Younis and Rafah in the South Gaza.

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