WFP PALESTINE

World Food Programme

SAVING LIVES
CHANGING LIVES

GAZA MARKET MONITORING

FLASH UPDATE #5

2 January 2024

KEY FINDINGS

- The scarcity of food in the Gaza Strip, particularly in the northern region, is a mounting concern as households' food stocks are depleting more rapidly than they can be replenished through humanitarian aid.

- Currently, the Gaza Strip market faces a substantial shortage of essential food items, with 66 percent of the shops reporting depletion of crucial goods over the past two weeks. Additionally, 29 percent of the available goods are in short supply, lasting no more than a week. This emphasizes the pressing need for the entry of commercial trucks into the Gaza Strip, as shops may be forced to completely cease operations if the situation persists.

- During the reporting period 1-18 December, numerous food items were on the brink of complete depletion from shops in Gaza. All responding shops indicated a lack of all food items, while wheat flour, eggs and dairy had been depleted.

- The Palestinian Central Bureau of Statistics (PCBS) reports a significant 32.5 percent increase in the Consumer Price Index (CPI) since the conflict's onset. Specifically, the CPI for food and soft drinks has witnessed a notable rise of 21.4 percent. Additionally, the prices of cooking gas have surged dramatically, marking an increase of 431.5 percent.

INTRODUCTION

Situation Overview

Since hostilities began on October 7, the Gaza Strip remains completely besieged. The siege and the continuation of airstrikes and ground attacks have led to severe shortages of vital resources like food, water, fuel and electricity as well as medical supplies, and have severely worsened living conditions and hygiene conditions especially in the shelters, heightening protection and mental health concerns, and increasing the risk of disease transmission. The accurate count of internally displaced persons (IDPs) in Gaza, remains challenging. As of 27 December, according to UNRWA, approximately 1.9 million people, or nearly 85 percent of Gaza's population, are internally displaced. Half of Gaza's population is experiencing extreme or severe hunger, with 90 percent regularly going without food for an entire day. Only ten percent of the required food for 2.2 million people has entered Gaza in the last 70 days.[1]

Recent IPC estimates indicate an unprecedented level of acute food insecurity in Gaza, with 93 percent of the population facing high levels of acute food insecurity between the period 24 November to 7 December 2023, with 42 percent in Emergency (IPC Phase 4), and 17 percent in Catastrophe (IPC Phase 5). These percentages are estimated to be higher for the period between 8 December 2023 and 7 February 2024, as the entire population drops into IPC phase 3 or above, with 53 percent in Emergency (IPC Phase 4) and 26 percent in Catastrophe (IPC Phase 5). Furthermore, the IPC Famine Review Committee concluded that there is a Risk of Famine in the upcoming six months and that the risk will increase for each day that the current situation of intense conflict and restricted humanitarian assistance persists or worsens.[2]

FOOD AVAILABILITY 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 households' food stocks drop at higher rates than they are replenished through humanitarian aid. From October 7 to December 23, the influx of humanitarian aid into the Gaza Strip has proven insufficient to meet the population's needs. Since the beginning of the conflict, 5,133 relief trucks—transporting essential items like food, water, and medicine—entered through the Rafah Crossing. Among these, 2,511 carried food, averaging 66 trucks per day, of which 32 were food trucks.[3] This represents 20 percent and 42 percent, respectively, of the typical truck flow. Consequently, there exists an 80 percent deficit in total supplies, with a 58 percent shortfall in the delivery of essential food supplies to Gaza.

On December 17th, the Karam Abu Salem crossing has been reopened, facilitating the entry of additional humanitarian trucks into Gaza. Additionally, there is a significant development with the entry of commercial cargo into Gaza, marking the first entrance since October 7th. This cargo comprises 46 trucks[4] includes vital supplies like wheat flour, salt, sugar, and yeast, aimed at supporting the operations of bakeries in the Gaza Strip, enabling them to resume their essential services.

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[1] OCHA Flash Update #78
[2] IPC_Gaza_Acute_Food_Insecurity_Nov2023_Feb2024.pdf (ipcinfo.org)
[3] Logistics cluster: Rafah Entry Point Convoys infographic
[4] OCHA Regional Liaison Office in Cairo, ERC Manifest Analysis 22 December 2023

Food Availability in Contracted Shops

Of the 60 shops that responded to the WFP shop monitoring survey from 1-18 December, just 37 percent were operational during this period. As shown in table 2, the proportion of closed shops is significantly higher in the Northern governorates of Gaza Strip, as none of the respondents in North Gaza were operational and just 11 percent were opened in Gaza. On the other hand, 64 percent of the surveyed shops in Khan Younis and all shops in Rafah were operational. It is important to note that some of the shops in the northern governorates indicated having relocated their shops in the southern governorates.

Table 1: Shops status in Gaza Strip by governorate

	Closed	Operational	Total	Operating (%)
North Gaza	4	0	4	0%
Gaza	24	3	27	11%
Deir Al Balah	5	5	10	50%
Khan Younis	5	9	14	64%
Rafah	0	5	5	100%
Total	38	22	60	37%

The below chart (Figure 1) outlines the main reasons for shops ceasing operations. The top reasons for shop closures are: worsening of the safety conditions (97.3%) and the damage to shops' infrastructure (45.9%), followed by the obstruction of roads and telecommunication, impacting their abilities to reach their shops, their suppliers, and replenish their stocks.

Figure 1: Reasons for shop closure (percent)

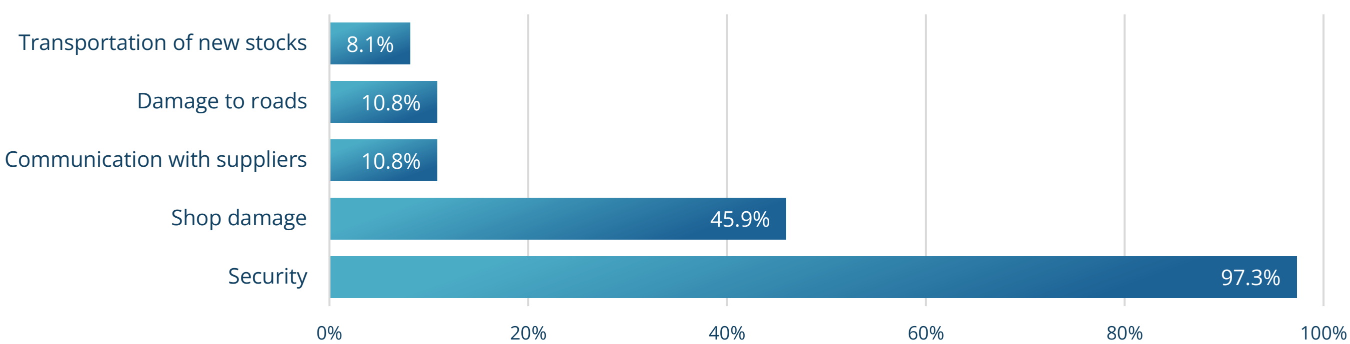


Figure 2: Goods arrival (percent)

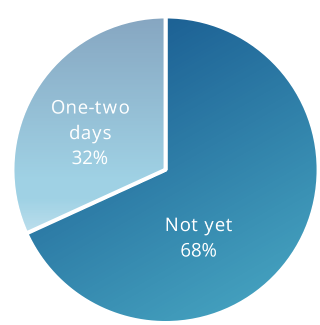
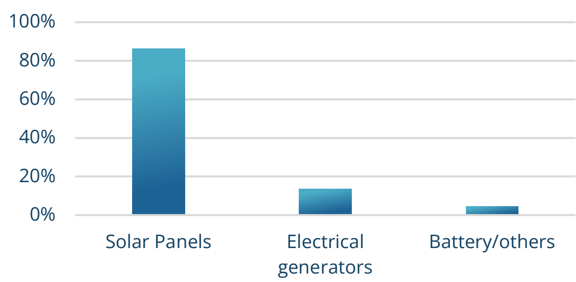


Figure 2 illustrates the status of goods arrival at shops during the reporting period. Around 68 percent of the open shops reported having placed their orders to replenish their stocks but did not receive them yet, indicating a scarcity of supplies and raising concerns about the availability and accessibility of food products among Gaza wholesalers. Conversely, 32 percent of the shops' owners reported receiving their orders within one or two days.

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 hours per day. In fact, while none of the responding shops indicated having access to electricity through the electricity network, all shops explained having access to electricity through other sources as shown in Figure 3. Solar panels were the most frequently mentioned source of energy, followed using generators. Few shops (4.5%) highlighted the use of batteries and other sources of energy.

Figure 3: Shops' energy sources (percent of shops per energy source)



Interviewed shops are experiencing a significant shortage of basic food items, as 66 percent of shops indicating that the food items have been depleted for the past two weeks. Additionally, 29 percent of the available food items are in short supply, lasting no more than a week. This underscores the urgent need to resume traffic of commercial goods to meet the volumes of commodities required. On another note, there is a significant uprising in consumer goods prices of more than 30 percent, as reported by 41 percent of shops' owners.

Figure 4: Stocks change

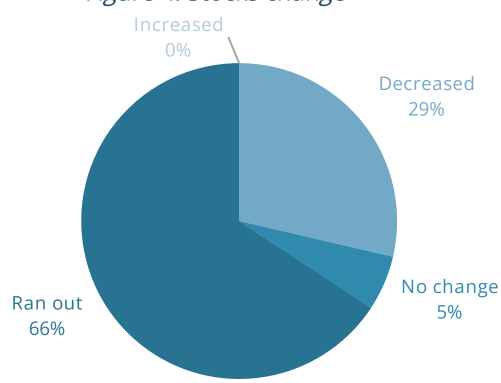
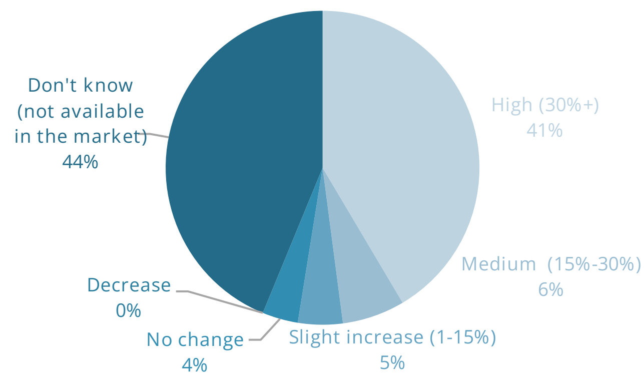


Figure 5: Price change



As essential food items are vanishing from retail shelves, people are turning to severe coping mechanisms to manage with the lack of food including the transition to unconventional dietary choices and significant deviations from habitual eating patterns. During the reporting period, many food items appeared to be very close to be completely exhausted from shops in Gaza. All responding shops reported running out of stocks of eggs, while wheat flour and dairy have been reported out of stock from 95 percent of the shops. Mineral water, pulses, canned food, and rice were available in less than 45 percent of the responding shops while. vegetable oils and vegetables were available in just 54 and 45 percent of the responding shops, respectively. Non-food items (NFIs) were the most abundant, as they were available in almost all the surveyed shops.

Furthermore, the availability of stock for the majority of the food commodities appears to be very limited, lasting two weeks or less. Mineral water and fresh vegetables were the only exceptions, with some shops reporting having stocks that can last for more than one month. Non-food items and vegetables appear to be available in relatively larger amounts (27.3% of shops having stocks for at least three weeks) at the time of the survey, however, NFIs are also depleting in Gaza, as 77.3 percent of shops reported declining stocks, while 18 percent of the respondents reported declining stocks of vegetables.

Figure 6: Changes to food stocks of key commodities at contracted shops as of 18 December (percent of respondents)

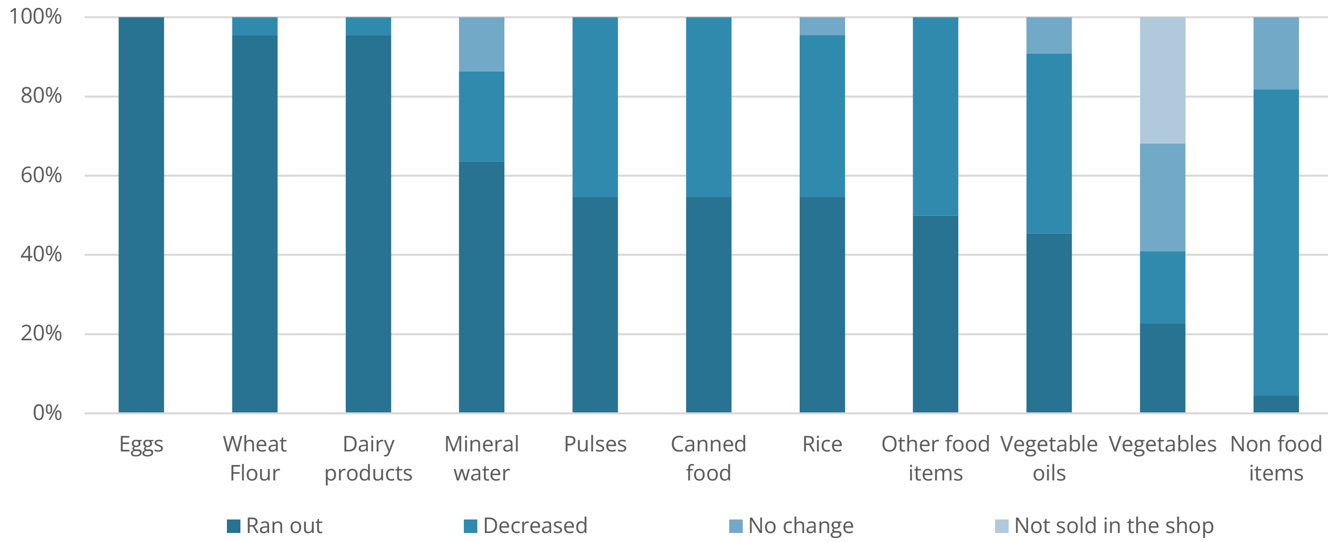
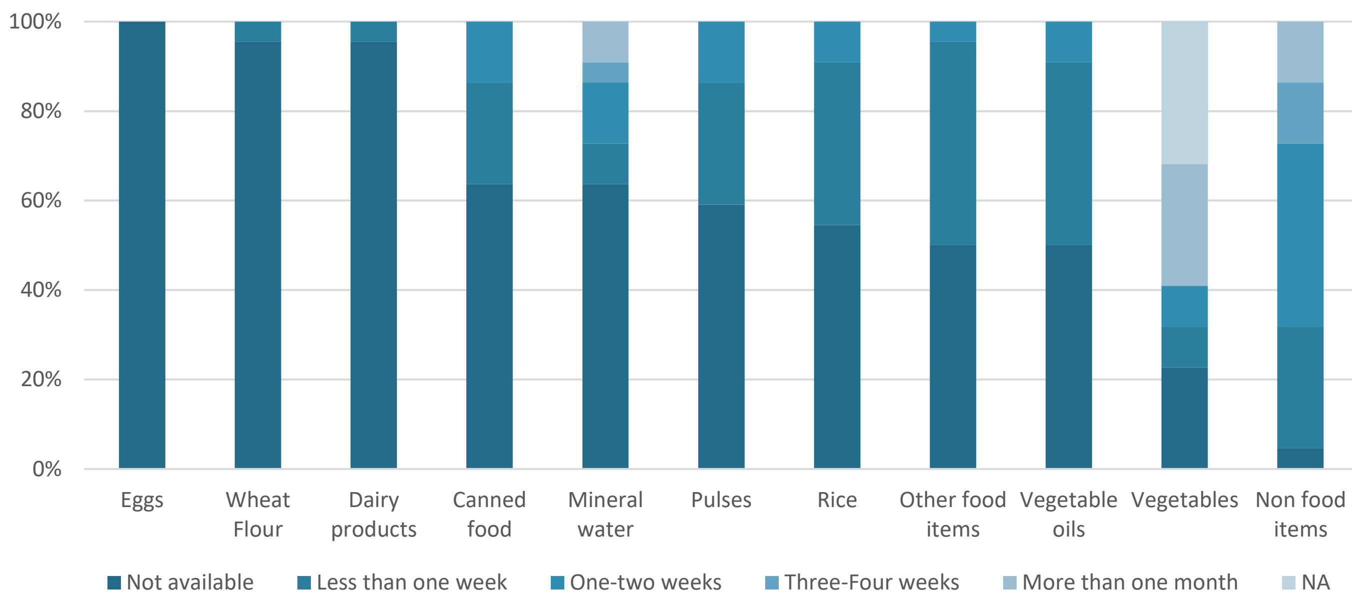


Figure 7: Stocks availability of key commodities at contracted shops as of 18 December (percent of respondents)



FOOD PRICES IN GAZA STRIP

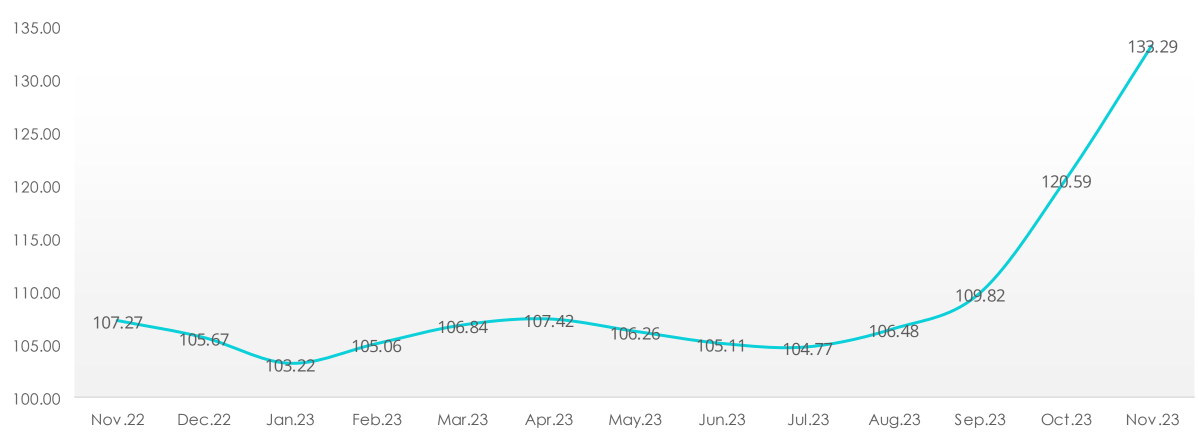
According to the Palestinian Central Bureau of Statistics (PCBS), there has been a significant increase in the consumer price index (CPI) of 32 percent since the onset of the conflict. The CPI for food and soft drinks has increased by 21 percent. These figures mark the highest recorded increases in the Gaza Strip. Unofficial sources and on-the-ground observations suggest that the actual price escalation may be even greater than the one officially reported. Furthermore, the purchasing power of the population in Gaza Strip has witnessed a decline of 25 percent, with an 11 percent reduction in the first month of the conflict and an additional 16 percent decrease in the second month of the conflict.[5]

Table 2: Inflation rates (September 2023 vs November

Category	Inflation since the beginning of the conflict (%)
Headline Inflation	32.5
Food and non-alcoholic beverages inflation	21.4
Eggs	125.9
Wheat flour	115.1
Rice	3.2
Chicken	34.2
Vegetable oil	21.3
Salt	66.7
Potatoes	118.6
Tomatoes	13.3
Cooking Gas	431.5
Diesel	101.7
Gasoline	133.6

Source: PCBS

Figure 8: Food and soft drinks CPI in Gaza Strip (November 2022-2023)



[5] PCBS: The Consumer Price Index During November 11/2023

WFP CONTACTS

Mr. Samer AbdelJaber, Representative and Country Director
Samer.Abdeljaber@wfp.org

Mr. Salah Lahham, VAM Officer, CO
Salah.Lahham@wfp.org

Mrs. Eliana Favari, Head of VAM, RBC
Eliana.Favari@wfp.org

Prepared by the WFP Palestine Vulnerability Analysis and Mapping (VAM) Unit.

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