WFP PALESTINE

World Food Programme

SAVING LIVES CHANGING LIVES

# GAZA MARKET MONITORING

## FLASH UPDATE #7

01 March 2024

## KEY FINDINGS

- Overall, multifaceted challenges facing markets in the Gaza Strip, including shortages of basic food items, reliance on informal channels for supplies, and selling of humanitarian assistance. Addressing these challenges requires comprehensive interventions to facilitate the flow of commercial goods into the Gaza Strip, while also ensuring equitable access to essential commodities for all people.

- The report reveals that a significant number of shops have shifted from formal to informal status, with reasons including damage to the shop, displacement of shop owners and employees, and inability to replenish stocks.

- A concerning trend identified in the survey is the rise of reselling humanitarian aid delivered to Gazan households in the market, particularly within the informal street vendors

- Both formal and informal shops face shortages in basic food items, with over half of all shops reporting a decrease in food stocks and a notable portion indicating complete depletion of all their stocks. The shortage extends to essential items such as eggs, dairy products, vegetable oil, vegetables, rice, and pulses, highlighting the severity of the situation.

- The Palestinian Central Bureau of Statistics (PCBS) reports a 65.7 percent increase in the Consumer Price Index (CPI)1 since the conflict's onset. Specifically, the CPI for food has witnessed a notable rise of 104.6 percent. For example, wheat flour prices have increased by 979 percent, salt prices by 467 percent, and vegetable oil prices by 198 percent. The increase in food prices has significantly diminished the purchasing power of the population in Gaza Strip.

[1] CPI is a statistical tool used to measure the average changes in the prices of goods and services that households consume during two different periods: one called the base period and the other called the comparison period.

## INTRODUCTION

*Situation Overview*

The ongoing escalation of hostilities in the Gaza Strip, marked by continued airstrikes, military ground operations with no essential goods entering Gaza in 5 months, are all factors that severely impact the availability of any essential items while causing severe damage to basic civilian infrastructure and delivery of services. This has resulted in a serious deterioration of living conditions and health outcomes for Gazans at an unprecedent scale. 1.7 million Palestinians have been internally displaced within Gaza[2], many of whom have been displaced multiple times with Rafah becoming overcrowded with 75percent of the population (1.5 million) residing there.[3]

Reports indicate that 2.2 million people in Gaza are food insecure, with 577,000 people reaching IPC level 5 (catastrophe) between 8 December 2023 and 7 February 2024.[4] Families are increasingly struggling to provide food for their children leading to a rising risk of hunger-related deaths, particularly in northern Gaza. The Global Nutrition Cluster has observed a significant increase in malnutrition among children, pregnant women, and breastfeeding mothers in the Gaza Strip. The situation is particularly dire in northern Gaza, where screening at internally displaced people (IDP) shelters and health centers in January revealed that 1 in 6 children under the age of two (15.6 percent) were acutely malnourished, marking an unprecedented decline in nutritional status within a population over just three months. In comparison, 5 percent of children under the age of two in Rafah were found to be acutely malnourished.[5]

## FOOD AVAILABILITY IN GAZA STRIP

*Movement of Trucks into the Gaza Strip*

From the beginning of the conflict till 24 February 2024, a total of 12,612 trucks, both humanitarian and commercial, entered Gaza. Of these, 11,782 trucks (representing 93 percent) were humanitarian aid, while 830 trucks (7 percent) were private sector cargo. The daily average of trucks entering Gaza since the onset of the conflict is 90, which is only 18% of what entered prior to the crisis with 500 trucks per day. Out of these 90 trucks, 60 trucks on average carried food items, a considerable decrease from the pre-crisis figure of 150 trucks carrying food daily[6]. From 21 October to 24 February, a total of 11,782 humanitarian trucks entered Gaza. Among these, 65 percent transported food items, while 21 percent carried non-food items, 9 percent transported medical supplies, and 5 percent had mixed cargo.[7] The decline in truck entries into Gaza during the conflict is attributed to the restrictions imposed at the crossings, affecting the entry of both humanitarian and commercial trucks.

*Table 1: Total Trucks entering Gaza*

| | Total trucks | Food trucks |
|---|---|---|
| **Jan-Sep 2023 Daily Average** | 500 | 150 |
| **7 Oct – 24 Feb Total** | 12,612 | 8,415 |
| **7 Oct – 24 Feb Daily Average** | 90 | 60 |

[2] Hostilities in the Gaza Strip and Israel - reported impact | Day 138

[3] UNRWA Situation Report #76 on the situation in the Gaza Strip and the West Bank, including East Jerusalem

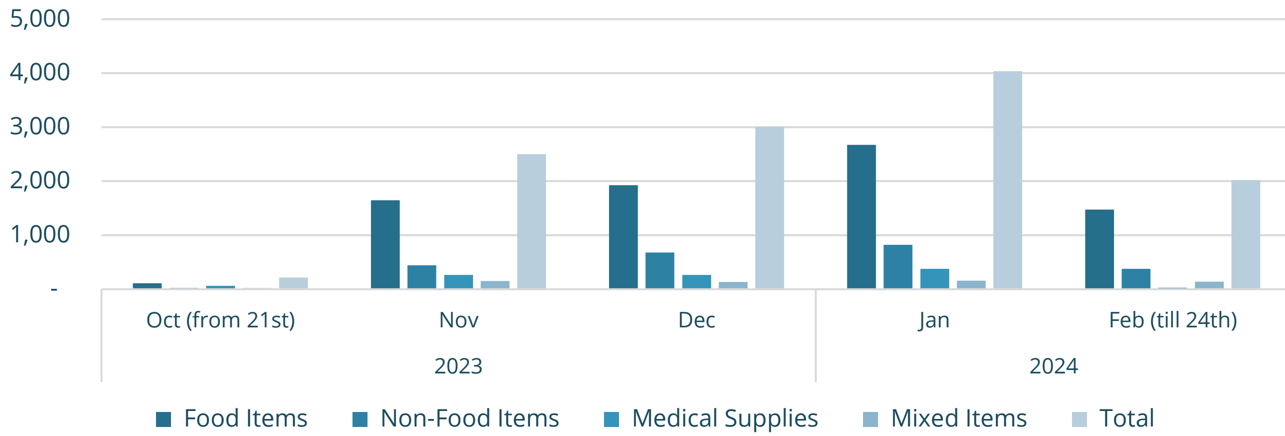
[4] Gaza Strip: Acute Food Insecurity Situation for 24 November - 7 December 2023 and Projection for 8 December 2023 - 7 February 2024

[5] Hostilities in the Gaza Strip and Israel | Flash Update #123

[6] UNRWA: Gaza Supplies and Dispatch Tracking and WFP Palestine VAM team analysis

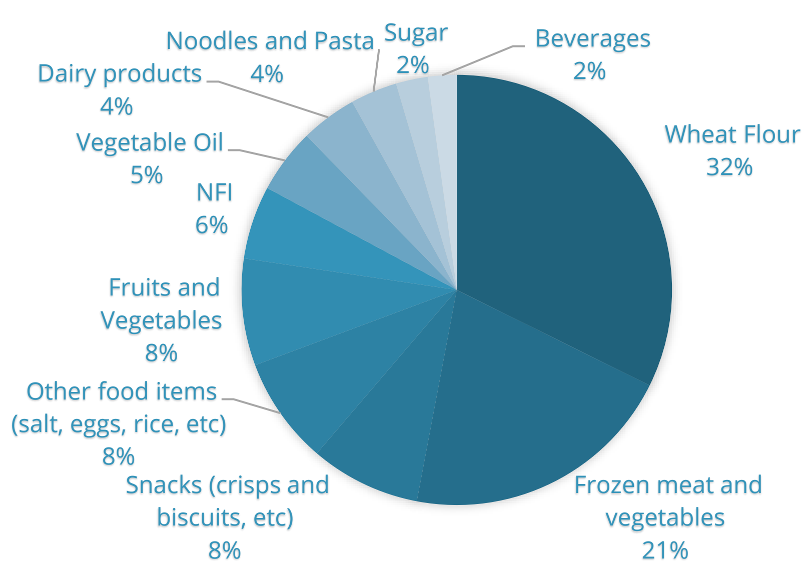
[7] UNRWA: Gaza Supplies and Dispatch Tracking

*Figure 1: The distribution of humanitarian trucks entered Gaza Strip 7 Oct 2023-17 Feb 2024*




Since 8 December 2023, commercial trucks have begun entering Gaza. As of 24 February 2024, a total of 830 commercial trucks an average of 6 trucks per day have entered (i.e., seven percent of total trucks entering the region), with 95 percent of them carrying food and the remaining 5 percent carrying non-food items. Among these trucks, 32 percent were loaded with wheat flour, while 21 percent carried frozen meat and vegetables.[8] Before the crisis around 450 commercial trucks entered daily.

*Figure 2: The distribution of commercial trucks entered Gaza Strip 8 Dec 2023-24 Feb 2024*



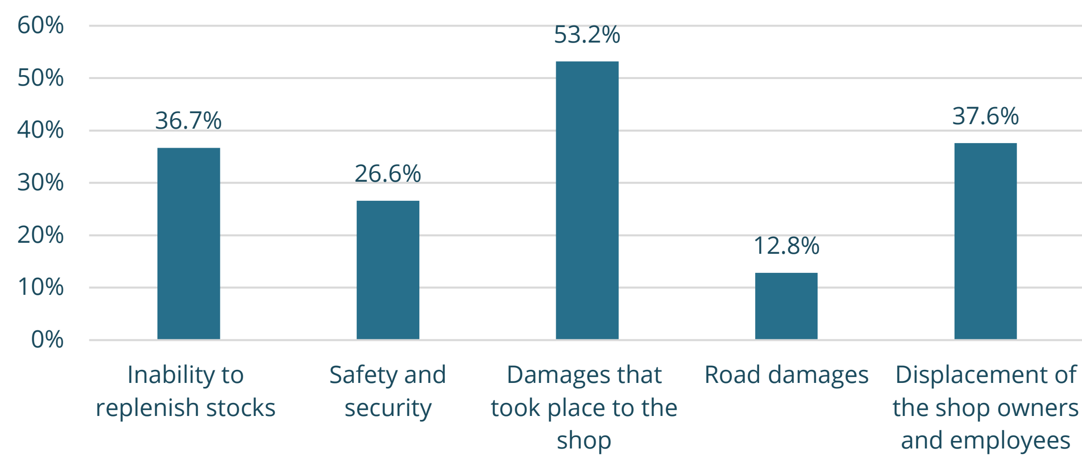

[8] UNRWA: Gaza Supplies and Dispatch Tracking and WFP Palestine VAM team analysis

*Food Availability in Formal and Informal Shops*

Between 7 -15 February 2024, WFP conducted a survey that collected 476 responses from formal shops and street vendors[9] in Deir Al Balah (43 percent) and Rafah (57 percent). 31 percent of the respondents were formal shops while 69 percent represented informal street vendors. This survey aimed to understand the situation of the market in both governorates. The survey shows that the market is predominantly operated by informal **market vendors** who typically sell a small variety of commodities in the street, while **very few formal shops are operating.** While formal shops tend to sell a wider variety of commodities, informal vendors typically specialize in the sale of few items, generally foods with more durability, such as canned foods, rice, pulses, and other food items, whereas very few offer vegetables, wheat flour, eggs, bottled water, dairy, and non-food items. While formal shops typically offer a wider variety of food items, the less durable foods are also the least abundant items in formal shops too.

A third of the surveyed informal street vendors explained that they previously worked at formal shops, however, have shut down their shops and resorted to the sale of some items in informal markets. The most frequently mentioned reasons for the movement to the informal market are the damage that took place to the shop (53%), displacement of the shop owners and employees (38%), and the inability to replenish stocks (37%).

*Figure 3: Reasons of transitions of formal shops to informal street vendors.*




Given the significant and prolonged shortages in food entering the Gaza strip and the challenges related to the communication with wholesalers and movement of goods to shops, there are indicators of exchange of humanitarian aid delivered to Gazan households in the market, especially by informal vendors, as **87 percent of surveyed informal shops** and **71 percent of surveyed formal shops reported restocking items through the purchase of goods from households**. On the other hand, just **20 and 16 percent of formal and informal shops, respectively, used wholesalers to replenish their stocks.**

The shops interviewed reported facing significant shortage of basic food items, with 51 percent of formal shops and 49 percent of informal shops reporting a decrease in their food stocks. **Moreover, 23 percent of formal shops and 20 percent of informal shops indicated that their food stocks had completely run out.** Additionally, 55 percent of formal shops and 61 percent of informal shops highlighted that the available food items are in short supply, lasting no more than a week. Most of the surveyed shops reported running out of eggs and dairy products, along with decreases in other main food items such as vegetable oil, vegetables, rice, and pulses. On the other hand, wheat flour and canned foods appear to be more abundant and more frequently replenished by both formal and informal shops. This further indicates the

[9] Individuals informally selling foods and NFIs in public spaces mainly in the street, without having a permanent built-up structure.

circulation of humanitarian assistance (which is typically in the form of those two items), which is further supporting the lowering of their prices.

*Figure 4: Changes to food stocks of key commodities at formal and informal shops as of 15 February (percent of respondents)*

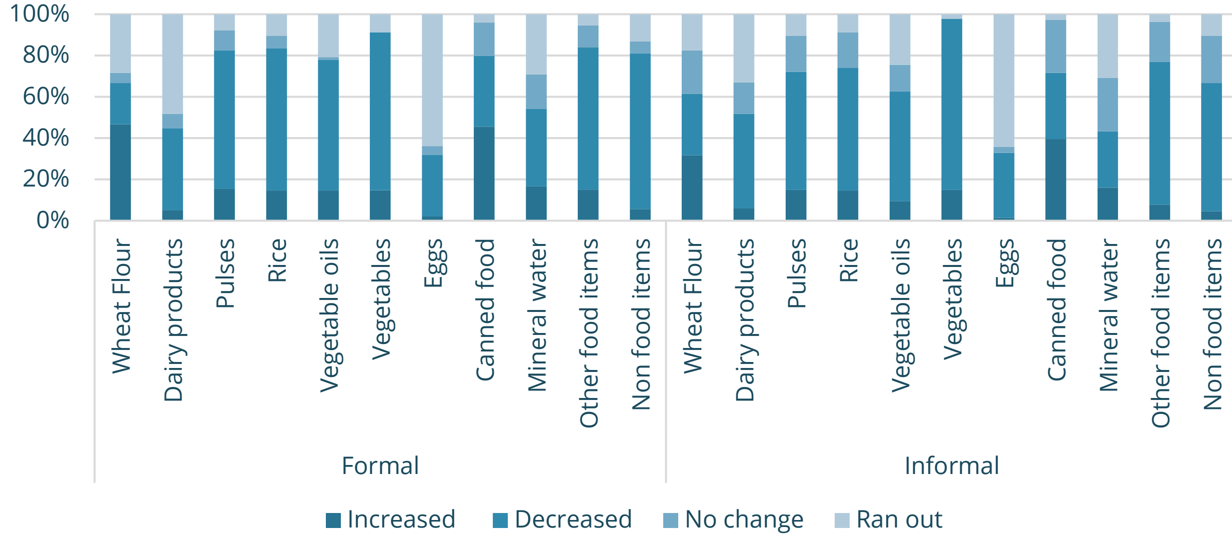
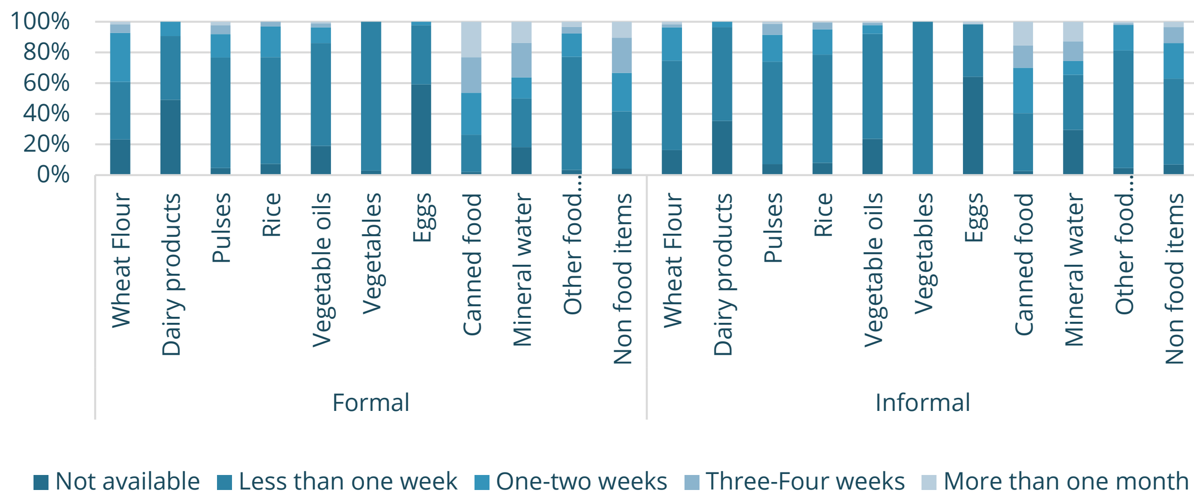



*Figure 5: Stocks availability of key commodities at formal and informal shops as of 15 February (percent of respondents)*



The market environment mirrors the current difficulties that the Gaza Strip is experiencing at all levels, which is characterized by overcrowding, scarcity of goods, and high prices, particularly noticeable in staple items such as onions, eggs, oil, and wheat flour. Despite efforts to adapt, such as selling only canned food or adjusting pricing for specific items like Egyptian rice, the overall situation remains dire. Consumers and sellers alike grapple with the harsh realities of a market in turmoil, exacerbated by factors such as the inability of commercial trucks to enter, displacement, scarcity of basic materials, and reliance on the informal market for goods. These challenges emphasize the critical necessity for comprehensive interventions aimed at enabling private sector cargo to enter Gaza Strip, thereby addressing both the scarcity of food and the prevailing issue of high prices.

### PRICES IN GAZA STRIP

According to the Palestinian Central Bureau of Statistics (PCBS), annual food inflation in Gaza **reached 118 percent** in January 2024[10]. Also, food CPI also rose by **104.6 percent** in January 2024 compared to September 2023, one month before the conflict started.[11] Similarly, annual headline inflation in Gaza rose to 73 percent in January 2024. These rates are some of the highest in the region.

*Figure 7: Food CPI in Gaza Strip Jan 2023-Jan 2024*

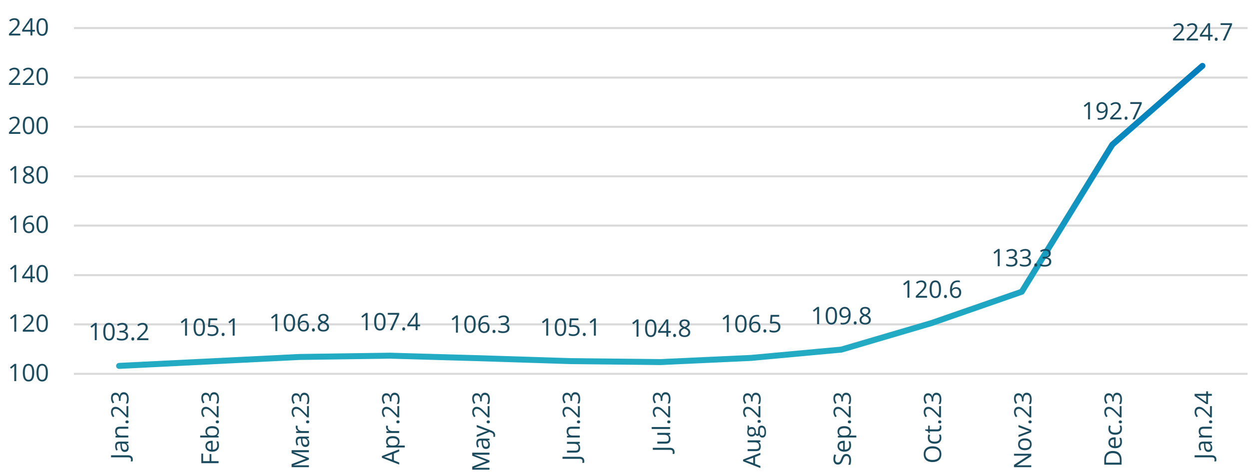



*Table 3: Food and headline inflation (Y-o-Y, percent)[12]*

| Country/Region | Food Inflation | | | | | Headline Inflation | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 |
| Lebanon | 239 | 218 | 220 | 208 | 181 | 209 | 215 | 212 | 192 | 177 |
| Syria | 190 | 162 | 144 | 126 | - | - | - | - | - | - |
| Gaza | 3 | 11 | 24 | 82 | 118 | 3 | 15 | 36 | 54 | 73 |
| Türkiye | 75 | 72 | 67 | 72 | 70 | 62 | 61 | 62 | 65 | 65 |

[10] The annual rate of food inflation is the price of the total food basket in a given month compared with its price in the same month one year previously.
[11] PCBS
[12] Trading economics

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Egypt** | 74 | 71 | 64 | 61 | 48 | 38 | 36 | 35 | 34 | 30 |
| **Iran** | 38 | 36 | 36 | 41 | 39 | 40 | 39 | 39 | 40 | 39 |
| **Palestine** | 6 | 7 | 10 | 25 | 33 | 5 | 7 | 11 | 15 | 19 |
| **Tunisia** | 14 | 13 | 12 | 12 | 12 | 9 | 9 | 8 | 8 | 8 |
| **Algeria** | 14 | 11 | 12 | 10 | - | 10 | 8 | 9 | 8 | - |
| **West Bank** | 7 | 6 | 5 | 6 | 7 | 6 | 5 | 5 | 5 | 5 |
| **Moldova** | 8 | 6 | 5 | 5 | 4 | 9 | 6 | 6 | 4 | 5 |
| **Iraq** | 4 | 5 | 4 | 4 | - | 4 | 4 | 4 | 4 | - |
| **Ukraine** | 6 | 3 | 3 | 4 | 4 | 7 | 5 | 5 | 5 | 5 |
| **Jordan** | 1 | 1 | 2 | 2 | - | 1 | 1 | 1 | 2 | 2 |
| **Libya** | 3 | 3 | 3 | - | - | 2 | 2 | 2 | - | - |
| **Armenia** | -3 | -3 | -3 | -5 | -6 | 0 | 0 | -1 | -1 | -1 |

Food prices in the Gaza Strip are witnessing a significant increase, with the limited food items available in the market being sold at **unprecedentedly inflated prices.** The prices are constantly fluctuating, largely dependent on the availability of items from the limited commercial cargo entering Gaza or from households selling goods to street vendors.

*Table 3: Prices of selected food items (September 2023 - February 2024)*

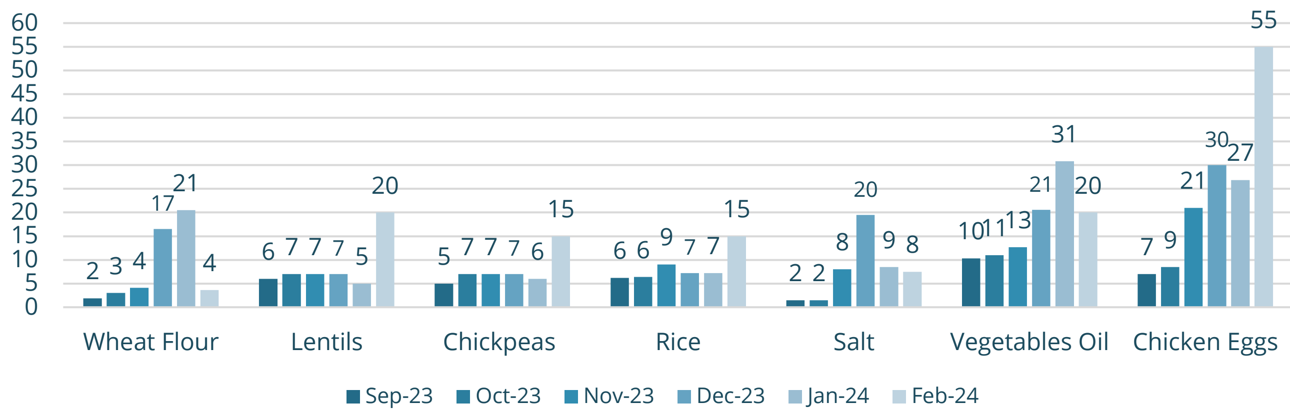
| | | Prices (NIS) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Item** | **Unit** | Sep-23 (pre-conflict) | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | **% change (Feb 24/Sep 23)** | **% change (Feb/Jan 24)** |
| **Wheat flour** | 50 KG | 95 | 150 | 204 | 825 | 1025 | 180 | 89% | -82% |
| **Milk** | 1 Liter | 7 | 7 | 16 | 12 | 12 | 10 | 43% | -17% |
| **Lentils** | 1 KG | 6 | 7 | 7 | 7 | 5 | 20 | 233% | 300% |
| **Chickpeas** | 1 KG | 5 | 7 | 7 | 7 | 6 | 15 | 200% | 150% |
| **Rice** | 25 KG | 155 | 160 | 226 | 180 | 180 | 375 | 142% | 108% |
| **Sugar** | 1 KG | 4 | 4 | 7 | 12 | 19 | 40 | 900% | 111% |
| **Salt** | 1 KG | 2 | 2 | 8 | 20 | 9 | 8 | 400% | -12% |
| **Vegetable oil** | 3 Liter | 31 | 33 | 38 | 62 | 93 | 60 | 94% | -35% |
| **Tomatoes** | 1 KG | 4 | 6 | 4 | 4 | 5 | 7 | 100% | 40% |
| **Potatoes** | 1 KG | 3 | 4 | 8 | 13 | 10 | 7 | 180% | -26% |
| **Onion** | 1 KG | 3 | 5 | 4 | 5 | 19 | 55 | 1733% | 189% |
| **Chicken eggs** | Carton/ 2 KG | 14 | 17 | 42 | 60 | 54 | 110 | 686% | 105% |
| **Canned meat** | 400 G | 7 | N/A | N/A | N/A | N/A | 4 | -43% | - |
| **Canned beans** | 400 G | 4 | N/A | N/A | N/A | N/A | 1 | -75% | - |

Source: PCBS and WFP market monitoring in Rafah and Deir Al Balah Governorates

In February 2024, compared to September 2023, certain items experienced substantial price increases, with onions leading at 1733 percent, followed by sugar at 900 percent, chicken eggs at 686 percent, and salt at 400 percent. However, there is slight evidence indicating the beginning of stabilization in prices for some commodities, and even a reversal of price increases for others. For instance, the prices of wheat flour and vegetable oil significantly dropped compared to

January 2024 by 82 and 35 percent, respectively. Observation from Gaza suggests that the drop in prices of these items is attributed to the relative availability of these items in the market compared to other food items. [13]

*Figure 8: Prices trends per 1 KG (per 1 Liter for Vegetable Oil) of selected Food items in Gaza Strip Sep 2023-Feb 2024*




[13] PCBS and WFP market monitoring survey

## WFP CONTACTS

**Mr. Matthew Hollingworth, Representative and Country Director**
Matthew.Hollingworth@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.

vam | food security analysis