

MARKET MONITOR – GAZA

WFP Palestine/ Food Security Analysis
September 2024

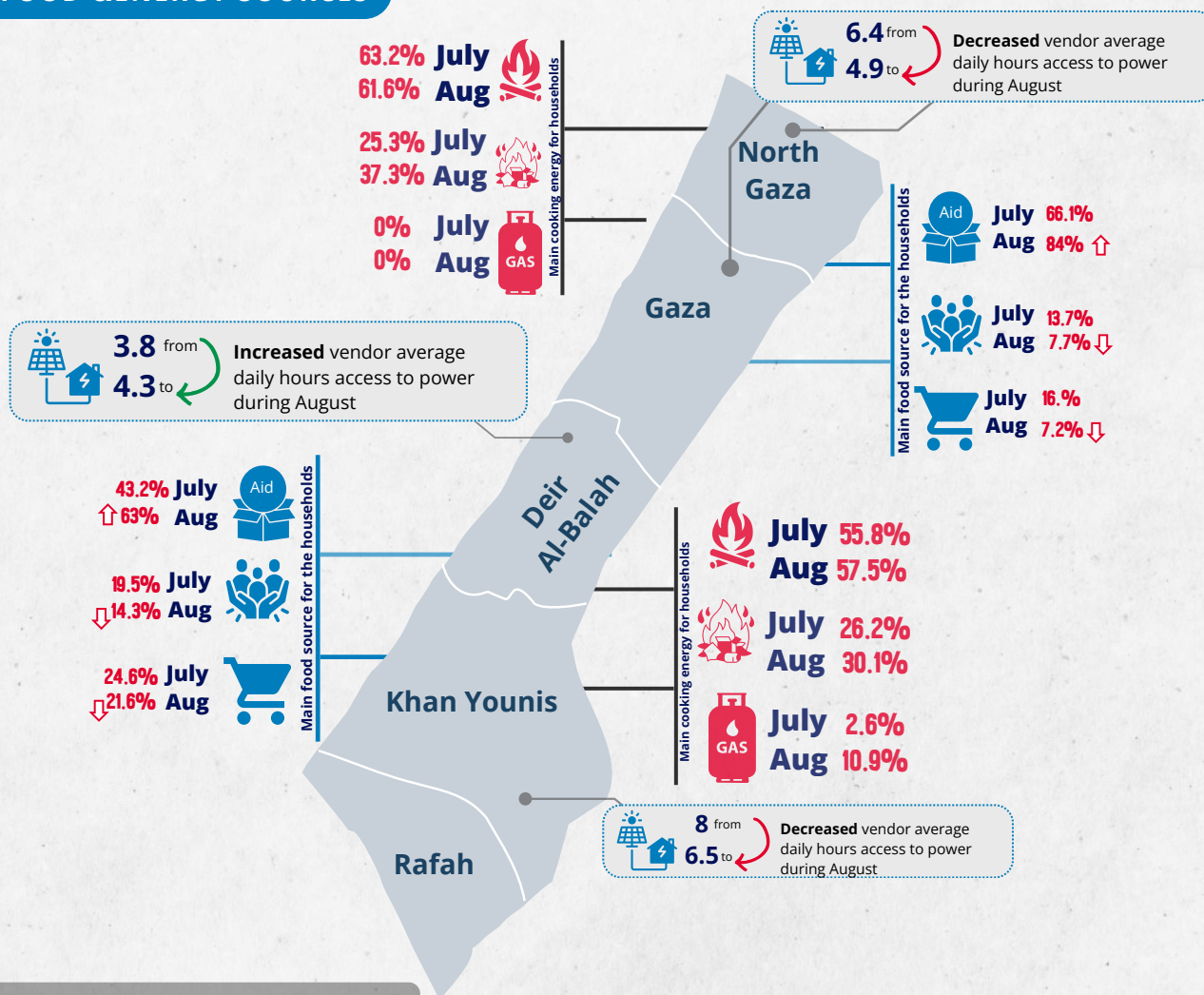
OVERVIEW

Building on the August 2024 Market Monitor Gaza report, this brief report **highlights key developments in the Gaza market over the past three weeks**. Despite ongoing challenges, notable shifts in market dynamics have emerged. This report focuses on important changes in commodity availability, price fluctuations, market accessibility, household consumption patterns, and cooking energy sources.

KEY FINDINGS

- Poor food diversity among the population in the Gaza Strip.
- The rapid increase in firewood prices, coupled with the limited availability of gas, is pushing more people into energy poverty.
- Humanitarian assistance continues to be the main source of food for households in the Gaza Strip.
- In the northern governorates, wheat flour and canned food are the only food items readily available in the market.
- In Deir Al-Balah and Khan Yunis, wheat flour, canned food, rice, pulses, and vegetable oil remain available. However, there is a moderate shortage of vegetables and eggs, and dairy products are in severe shortage.
- More than half of the population in the Gaza Strip is facing difficulties accessing markets.
- The formal banking system's limited infrastructure worsens the issue, as there are currently no operational ATMs in Gaza compared to 91 before the conflict.

MAIN FOOD & ENERGY SOURCES



MAP KEY

- Humanitarian aid
- Assistance from friends & family
- Market
- Firewood
- Waste burning
- Cooking gas
- Electricity (regardless of the source)

FOOD AVAILABILITY



DAILY AVERAGE TRUCKS HUMANITARIAN & COMMERCIAL **154** since the onset of conflict **31%** of pre-conflict average 500 trucks/day

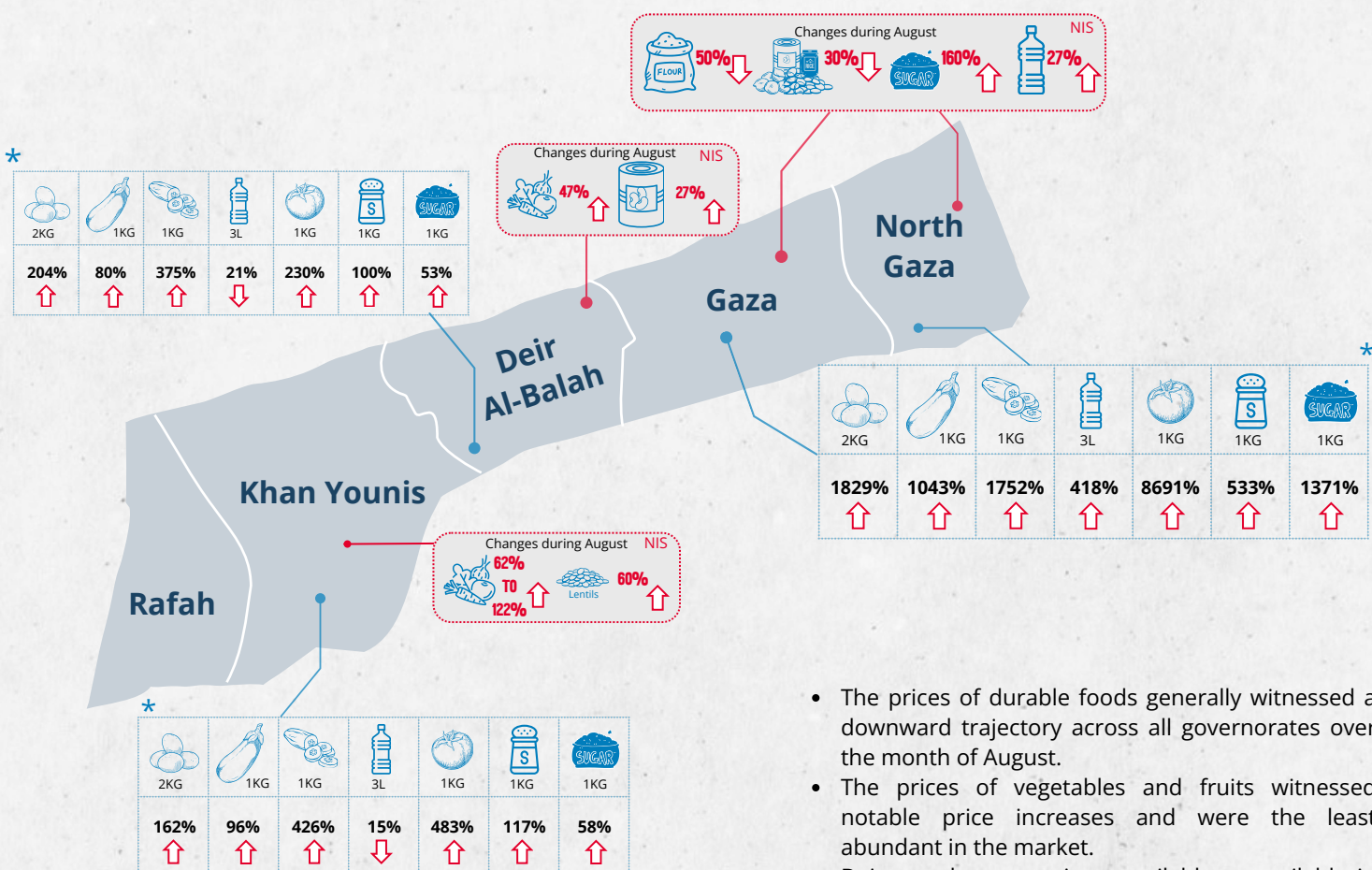


TOTAL HUMANITARIAN TRUCKS **26,052** since the onset of the conflict until Aug 26



OF COMMERCIAL TRUCKS, THE HIGHEST AVERAGE RECORDED IS **124** which is recorded in August 2024

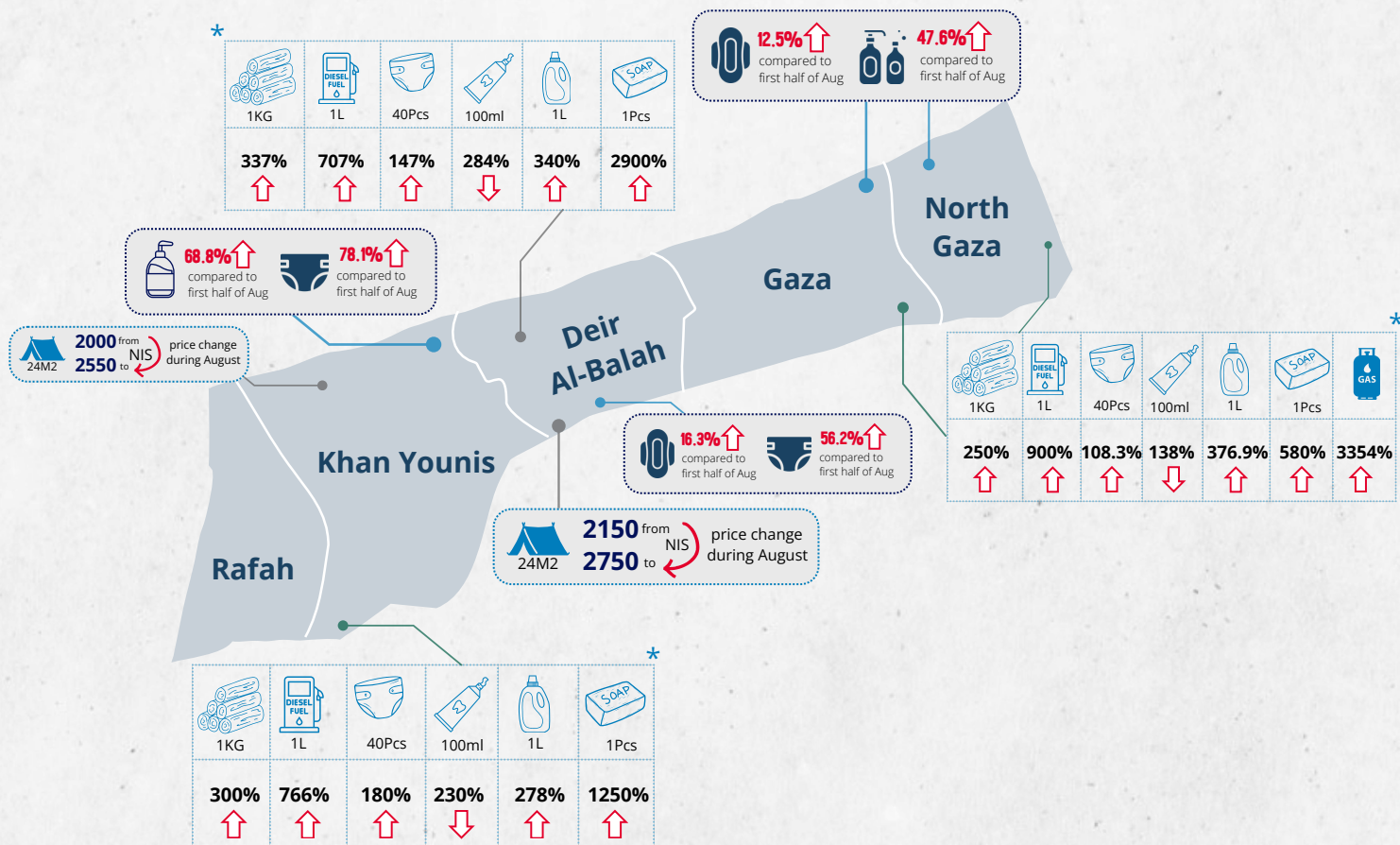
PRICE CHANGES FOR FOOD ITEMS



- The prices of durable foods generally witnessed a downward trajectory across all governorates over the month of August.
- The prices of vegetables and fruits witnessed notable price increases and were the least abundant in the market.
- Dairy products remain unavailable or available in very limited quantities in the market.

* Compared to pre-conflict prices

PRICE CHANGES FOR NON-FOOD ITEMS



- Northern Governorates:** In August, non-food item prices spiked, compared to September 2023, wood prices rose 250%, sanitary pads 125%, and laundry detergent 47.6%.
- Deir Al-Balah:** Prices increased moderately, with wood rising 6.1% during August and 337% from September 2023. Hygiene items saw major increases: sanitary pads were up 16.3%, and baby diapers had the highest jump at 56.2%.
- Khan Younis:** Wood prices fell by 16.7% in late August but remained 300% higher than pre-conflict levels. Diesel dropped by 30.8%, while baby diapers surged 78.1%, and hand soap prices saw the highest rise at 68.8%.

* Compared to pre-conflict prices

MAP KEY

- Tents
- Diapers
- Firewood
- Toothpaste
- cleaning products
- Sanitary pads

ACCESS TO THE MARKET

Many households are suffering from the inaccessibility of markets to more than half the population of the Gaza Strip. This was reported by nearly half of the surveyed households in North Gaza, two-thirds of those in Gaza City, and 57% of households in each of Deir Al-Balah and Khan Younis.

The primary challenge to market access is the high cost of transportation, compounded by a lack of money and soaring prices. These challenges are further exacerbating food insecurity, as people struggle not only with the availability of goods but also with the affordability of reaching markets to purchase essential items. This highlights the interconnected nature of financial constraints, market access, and food security in Gaza Strip.

CASH AND LIQUIDITY

In the Gaza Strip, liquidity and cash accessibility have reached critical levels, primarily due to the ongoing conflict and the breakdown of law and order. No official physical cash has been delivered to Gaza since the beginning of the conflict, further exacerbating the situation. Access to cash has become increasingly difficult, with intermediaries charging high commissions for transactions. The formal banking system's limited infrastructure worsens the issue, as there are currently no operational ATMs in Gaza compared to 91 before the conflict. This leaves humanitarian aid recipients and salaried workers struggling to access their funds. Cash outflow from Gaza to Egypt, along with losses and hoarding for barter, continue to deplete liquidity.

To address these challenges, the Palestinian Monetary Authority (PMA) has launched an instant payments and transfer system known as Buraq, designed to facilitate transactions between banks and payment service companies. This system aims to help Gazans meet their financial obligations and conduct transactions electronically, though the overall financial situation remains dire.

RISING DEPENDENCE ON FIREWOOD IN GAZA AMID SEVERE GAS SHORTAGES

Prior to the conflict, cooking gas was the primary fuel used by households. However, as its scarcity grows throughout the region following the conflict, reliance on firewood increases notably. Before the escalation of the conflict, firewood availability in the market was limited, and was sold at very low prices (between 0.2-1 NIS per kg).

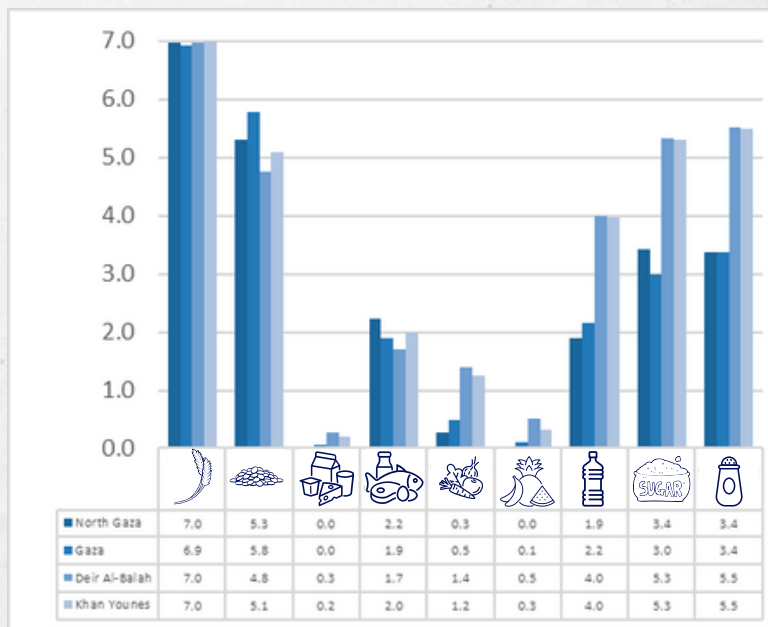
As demand for alternative energy sources for cooking increased, firewood became more abundant in the market, which is sourced from the remains of demolished houses, furniture, and electricity poles explaining the appearance of other materials, such as MDF wood, in the market. Furthermore, the price of firewood rose significantly throughout the region. In North Gaza, firewood is currently sold at prices ranging from 3 to 6 NIS per kg, while in Deir Al-Balah and Khan Younis, they are sold at prices ranging from 2 to 3 NIS.

The shift to firewood comes at a heavy cost for households, both financially and environmentally. The rapid increase in firewood prices, coupled with the limited availability of gas, is pushing more people into energy poverty. Overall, the high reliance on firewood in the Gaza Strip underscores the worsening humanitarian situation. Without immediate intervention to restore gas supplies or provide alternative energy sources, the reliance on firewood will continue to grow.

FOOD DIVERSITY

- Poor food diversity among the population in the Gaza Strip.
- There were no prominent changes in household consumption of main food groups between July and August across all governorates.
- Consumption of dairy products continued to be absent in Gaza and North Gaza, and very low in Deir Al-Balah and Khan Younis.
- Fruits and vegetables consumption is nearly non-existent in North Gaza and Gaza and remains extremely low in Deir Al-Balah and Khan Younis.
- On the other hand, consumption of cereals and tubers continued to be strong thanks to the availability of wheat flour in the market and their low prices.
- Meanwhile, consumption of pulses remained moderate, with an increase observed in Gaza and North Gaza in August compared to July.

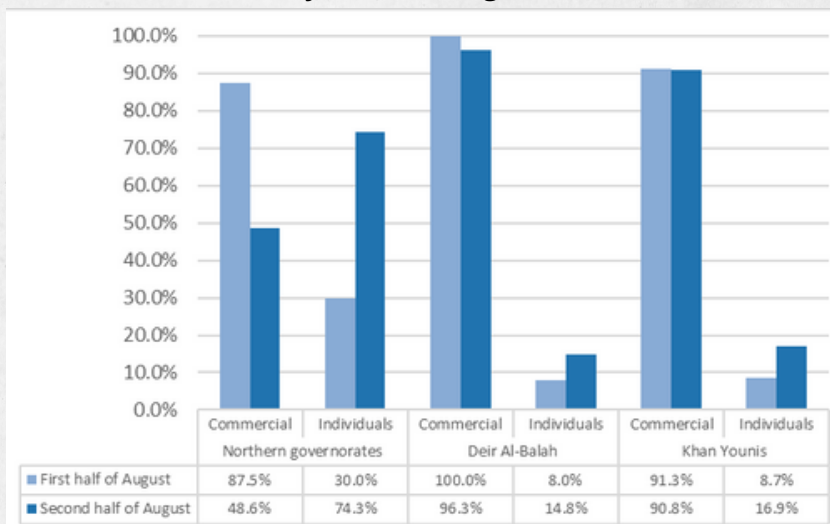
Average consumption (day/week) for each food group



FOOD AVAILABILITY IN FORMAL AND INFORMAL SHOPS & RESTOCKING

- In the northern governorates, vendors' reliance on commercial traders decreased in the second half of August compared to the first half, relying more on purchasing households' assistance.
- In the southern governorates, food sourcing patterns remained unchanged.
- In the northern governorates, wheat flour and canned food are the only food items readily available in the market. Dairy products are completely unavailable, while vegetables, fruits, eggs, and vegetable oil are in severe shortage and priced very high. Other food items, such as pulses and rice, are moderately available.
- In Deir Al-Balah and Khan Younis, wheat flour, canned food, rice, pulses, and vegetable oil remain available. However, there is a moderate shortage of vegetables and eggs, and dairy products are in severe shortage.

Market functionality and sourcing of food commodities.



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