



## Unraveling the closure of Gaza:

### What has and hasn't changed since the Cabinet decision and what are the implications?

July 5, 2010

On Sunday, June 20, 2010 Israel's Security Cabinet issued a six-point plan to facilitate access for civilian goods entering Gaza and expand economic activity, following three years of near hermetic closure of the Strip and in the wake of international criticism of restrictive access policies. In the following paper, Gisha assesses the Cabinet's plan and the situation on the ground in Gaza in the weeks following the Cabinet decision.

#### What has changed thus far: A snapshot

##### *Promised*

According to the Cabinet decision, Israel has indicated an intention to:

- Allow all goods into Gaza save for a list of banned goods to be published today;
- Expand capability of current crossings. Later statements indicate an intention to raise capacity to 250 truckloads per day at Kerem Shalom, including fuel trucks, and the equivalent of 120 truckloads of aggregates per day at the conveyer belt currently operating at the otherwise closed Karni Crossing;
- To better facilitate the entrance of construction materials for Palestinian Authority-approved projects under international supervision, and;
- Streamline access procedures for humanitarian cases and employees of international organizations.

##### *Implementation until now*

There has been a moderate rise in the volume of trucks entering Gaza. The ban on consumer goods entering Gaza appears to be lifted, and Gaza residents are now receiving previously banned items such as ketchup, chocolate, and children's toys. However, restrictions continue to apply to items that could be used for industry and manufacturing and on goods with no apparent security correlation. In that sense, despite the promise of facilitating economic activity in Gaza, there does not yet appear to be a change in the policy of inflicting "economic warfare" on Gaza by preventing entry of goods necessary for production. Textiles, industrial-sized buckets of margarine, and other raw materials are still banned.

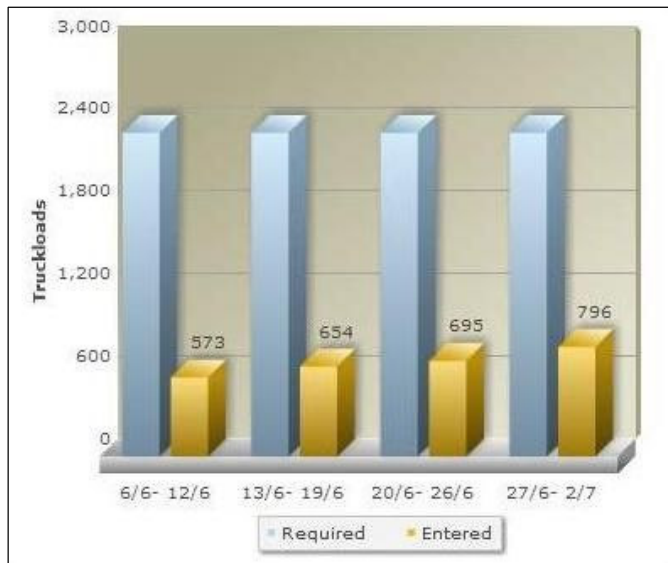
*What is missing from the Cabinet decision?*

- The Cabinet decision makes no mention of allowing **export**;
- It is not clear how the current operational capacity of the crossings, as Israel is allowing them to operate, can meet demand;
- Movement of people remains **limited to "humanitarian"** cases and employees of international organizations, and;
- All indications point to continued and **severe movement restrictions between Gaza and the West Bank** for the purposes of trade and reaching work, training opportunities, study, and family.

### Statistics in context: June 20 – July 4, 2010

The past two weeks have seen a moderate rise in the number and types of consumer items entering the Strip, though not a substantial change in movement as compared with needs or what was being imported into Gaza before the closure. New items entering Gaza include spices, paper, and perfume.

During the week of June 20th, 695 trucks of goods entered Gaza, and in the week of June 27th, 796 trucks entered Gaza, compared with approximately 2,400 per week prior to the closure and representing approximately 30% of need. According to Raed Fattouh, Palestinian crossings liaison official, despite the promise to allow all "civilian goods" into the Strip, merchants continue to be prevented from importing raw materials for industry, such as industrial margarine, glucose, and packaging boxes.



No truckloads of exports have left Gaza.

Weekly movement of trucks compared with needs.

Source: Gaza Gateway

[www.gazagateway.org](http://www.gazagateway.org)

### Comparison with need for access

**Import:** Over the past three years, an average of 2,328 trucks of goods have entered the Gaza Strip per month, compared with approximately 10,400 trucks monthly before the closure in 2005. These figures do not include fuel and cooking gas, now entering via truckload at Kerem Shalom Crossing following the closure of the Nahal Oz fuel terminal in early 2010. (See below for more on how this impacts capacity at the crossing).

**Export:** The 2005 Agreement on Movement and Access, signed by Israel and the PA, sets targets for exports from Gaza at 400 trucks per day. In 2005, at a time when Karni Crossing was still functioning but subject to frequent closures, approximately 70 trucks per day exited the Strip. In contrast, in the three years since Karni was closed, 259 truckloads of exports in total have been

allowed out of the Gaza Strip, which is less than what Gaza residents were exporting in four days when Karni was open for export.

### **Capacity at the crossings: Can the terminals in their current operational capacity meet the expected increase in movement?**

A question raised by the recent indication of a change in the closure policy is how the crossings, in their current operational capacity, can accommodate an increase in the movement of goods to Gaza. Kerem Shalom Crossing, in the south of Gaza, is the only crossing for goods operating at or near its capacity. In the last six months, the largest number of trucks to cross Kerem Shalom in a single day was 146 trucks of goods plus 18 truckloads of fuel (164 trucks in total). As of 2010, traffic has been diverted from the Nahal Oz fuel terminal to Kerem Shalom, where fuel and gas now enter via truckloads. To accommodate the monthly need for industrial diesel and cooking gas, 615 truckloads of fuel would be required, although on average, only 273 trucks have been going through monthly because of funding disputes between Hamas and the PA and supply restrictions imposed by Israel. These additional truckloads overburden the crossing and could be substituted with other products if Israel were to re-open Nahal Oz.

Karni Crossing, in the north, which has the capacity to accommodate approximately 800 trucks of import and export per day, is closed for truck access, and only its grain conveyor belt is being used twice weekly to bring in the equivalent of 680 truckloads per month of gravel, animal feed, and other aggregates. It is not clear that more of these kinds of items are in demand. Israel has also closed Sufa Crossing, which had been used to transfer construction materials.

In other words: Even if Israel could increase import capacity at Kerem Shalom to 250 truckloads per day, and even if the promised 120 truckloads worth of aggregates at the Karni conveyor belt would be responsive to the needs of Gaza residents – capacity would still be limited to 70% of pre-2007 levels for import only. This does not take into account the estimated tens of thousands of truckloads of construction materials necessary to repair damage from the war and accommodate for natural growth and hundreds of additional trucks per month that would be necessary if the tunnels were closed and Gaza residents resumed buying gasoline (petrol) and regular diesel from Israel.

### **Economic recovery without export?**

Critical manufacturing sectors in Gaza, such as the furniture, clothing and textile, and food production sectors, are dependent upon revenues acquired by selling their goods outside the Strip. These sectors in the past employed up to 45,000 workers, supporting an estimated 315,000 people, including those dependent on the workers' salaries. At least 40% of the goods produced by the furniture sector, 70% of the goods produced by the clothing and textile industry and 20% of the goods produced by the food sector were sold outside of Gaza. These and other important industries have been heavily hit by the closure, especially because of the ban on the entrance of raw materials and spare parts and the ban on export. Access to West Bank markets was in the past an important source of income for Gaza manufacturers, second only to Israel; in the past, approximately 25% of goods sold outside the Strip were sold in the West Bank.

Since 2008, Israel has severed banking ties with Gaza, making it extremely difficult to transfer money to the Gaza Strip through legitimate means. Any realistic revitalization of the export sector would require restoring banking ties or finding a suitable alternative.

## **Dual use goods**

Today Israel plans to release a "negative" list of items that will be prevented from entering the Gaza Strip. Restrictions on the transfer of dual use goods to the Palestinian territory have been guided until now by the Directive on Defense Export Control (Monitored Dual Use Equipment Transferred to the Territories under PA Responsibility, 2008), a 56-item list which incorporates but also expands upon the internationally-recognized Wassenaar Arrangement. The list includes certain pipes, vehicles and communication equipment, however, it does not include cement, industrial quantity food products, or fishing nets – goods that have recently been prevented from entering the Strip – as these are not considered to have a military use. While ample quantities of cement currently enter Gaza via the tunnels, most international organizations are prevented from purchasing it for reconstruction projects by their internal regulations.

Current "regulation" of construction materials for selected international projects raises concerns about delays that would turn the promise of allowing reconstruction into a dead letter. For example, it took nine months of negotiations to get approval for entrance of items to finish construction on some 151 housing facilities that were already 85% complete on the eve of the closure in June 2007. Imagine how long it would take to negotiate the entrance of materials needed for the reconstruction of thousands of homes and other buildings destroyed during the war or needed to accommodate natural growth.

## **Movement of people and Gaza-West Bank access**

The Cabinet decision pledges to "streamline the policy of permitting the entry and exit of people for humanitarian and medical reasons and that of employees of international aid organizations that are recognized by the GOI [Government of Israel]. As conditions improve, Israel will consider additional ways to facilitate the movement of people to and from Gaza". Over the past two weeks, Gisha has continued to receive rejections of its applications on behalf of residents of Gaza seeking to travel to reach academic opportunities and to visit sick family members, not based on security concerns but rather because their requests "don't meet the criteria for travel". Judging from the approvals received for permit requests, the criteria would seem to include urgent medical cases, VIPs, foreigners and other limited exceptions.

In the summer of 2000, for example, approximately 26,000 Palestinian workers crossed into Israel each day via the Erez terminal in the north of Gaza. Over the past two weeks an average of 95 people per day crossed at the terminal. Movement between Gaza and the West Bank is especially limited, with travel banned in all but the most exceptional cases.

Limitations on movement are applied not because of security claims against any particular individual but rather as part of a deliberate policy to restrict travel as a means of applying pressure on the Hamas regime and, also, in order to separate Gaza from the West Bank. At a time when Israel is indicating that it now sees its policy regarding Gaza access as one designed to protect concrete security concerns, it is not clear why it continues to restrict the passage of persons against whom it makes no security claim.

Gisha's interactive media tool, "Safe Passage", provides additional information about the restrictions on travel between Gaza and the West Bank. See [www.spg.org.il](http://www.spg.org.il).

## **What is needed to actually unravel the closure of Gaza?**

Since 2007, Israel's policy towards the Gaza Strip has been one of "economic warfare" – allowing in what is deemed to be the minimum for the survival of the civilian population, while banning access and movement required to facilitate dignified work and normal life. Despite a welcome expansion of the lists of items allowed into the Strip, as of today, there appears to be no change to the policy of restricting movement not because of concrete security concerns, but rather pursuant to political motivations. It would appear that the ban on the import of raw materials, on export, and severe restrictions on movement of people, including between the two areas of the Palestinian territory, remain in place.

The international law of occupation requires Israel to allow the free movement of people and goods into and out of the Gaza Strip, subject only to individual security checks.

In order to actually unravel the closure of Gaza, Gisha recommends that Israel:

- Ensure that operational capacity at the crossings meets demand;
- Facilitate export, noting the commitment in the AMA to allow 400 truckloads of export per day;
- Allow the entry of raw materials;
- Allow the unrestricted entry of construction materials, subject only to security checks of shipments;
- Restore severed banking ties, and;
- Allow the free movement of people into and out of Gaza, subject only to individual security checks.