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**Economic Losses and Damage
to Infrastructure in Nablus and
Jenin since the Start of the Israeli
Aggression Against the
Gaza Strip and West Bank**

Economic Losses and Damage to Infrastructure in Nablus and Jenin since the Start of the Israeli Aggression Against the Gaza Strip and West Bank

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Foreword

The purpose of this summary (the tenth in a series of economic summaries on the Gaza war) is to document the economic dimensions of Israel's aggression against Palestine and its people. It does not examine the relief, policies, financing, and institutions required to meet the consequences of this economic catastrophe, which are both numerous and enormous. Rather, through these briefings, MAS seeks to assist the Palestinian (and international public) in following events, while urging decision-makers and relevant national institutions (government, private sector, and civil society) to initiate an intensive, much-needed, and long-awaited cooperative effort to mobilize Palestinian economic and social assets across the country, uniting this with the support and participation of the Palestinian diaspora overseas. There appears no credible alternative to such an approach in the face of the current situation, to confront what may be coming, and to prepare to take advantage of any opportunities to realize a transition from the ruins of Israel's war machine to a new phase - one of construction and restoration of the crumbling Palestinian economy.

1. Introduction

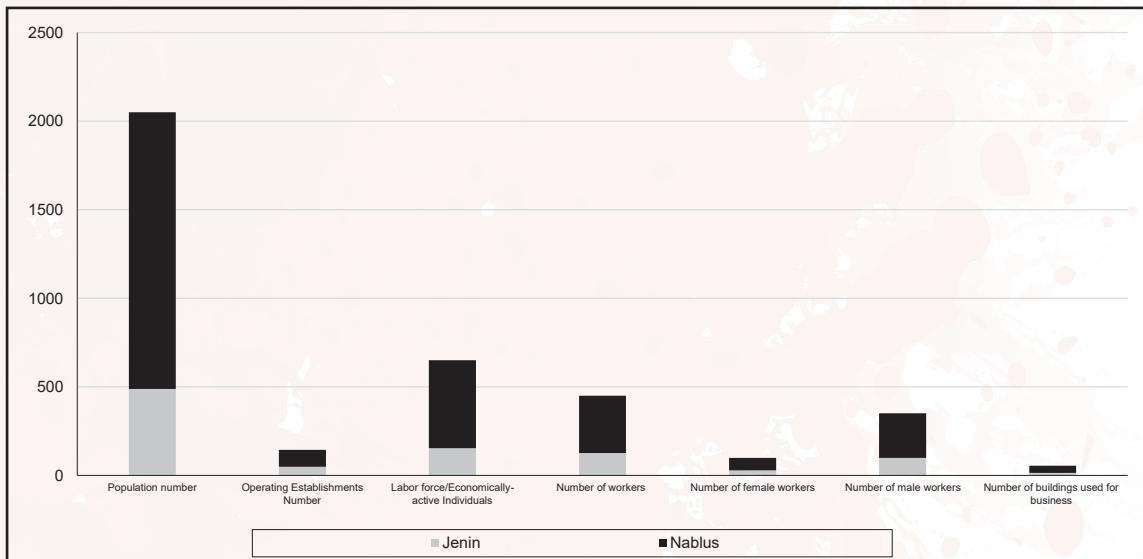
Since the start of Israel's aggression on the Gaza Strip and the West Bank, the majority of economic activities declined to their lowest recorded levels across all governorates of the occupied Palestinian territories (oPt). This aggression represents a violent repetition (and concrete embodiment) of the destructive practices of the occupation, which have continued unabated for decades, distorting the Palestinian economy and making it more vulnerable to shocks, such as the aggression that commenced in October 2023. The economy and essential components of human life are being destroyed in the Gaza Strip. Meanwhile, in the West Bank, the situation continues to worsen as a result of strict occupation policies towards Palestinian cities and villages, in addition to settler violence, leading to a major disruption in various economic activities across a number of cities and their environs: Jenin, Tubas, Nablus, Tulkarem, and Jericho.

Since its first days, the War on Gaza coincided with aggression against the West Bank, as the Israeli occupation besieged Palestinian cities and villages and surrounded them with more military checkpoints, of various types and sizes. Their number rose from 567 checkpoints on October 7 (77 major checkpoints, 490 military outposts, as well as sand barriers, cement barriers, and iron gates), to about 700 checkpoints today. This has been accompanied by an increase in the frequency of incursions and military operations, especially in the cities of Nablus and Jenin, leading to a significant decline in economic activities, especially retail and tourism (hotels and restaurants), both of which are considered economic backbones of the two cities.¹

Nablus and Jenin are the largest cities (and governorates) in the northern West Bank in terms of area and population. Under normal circumstances, their economies are active, especially with the influx of thousands of Palestinians from across the Green Line every week for shopping and university studies. According to Figure 1, the two cities include about 14,395 operating establishments, employing about 45,005 workers (35,121 male and 9,884 female). The combined total population of both cities is 204,977.

¹ <https://www.arij.org/ar/latest-ar/road-westbank-in-gaza-war-ar/>

Figure 1: Select Demographic and Economic Indicators for Nablus and Jenin (2017)



Source: Palestinian Central Bureau of Statistics (PCBS), 2017 General Census of Population, Housing, and Establishments.

2. Jenin City and Refugee Camp

The city of Jenin, the largest in its namesake governorate, is a scale economy relative to the size of its population, estimated (in mid-2023) at approximately 55,933 people (about 15.8% of the total population of the governorate). This is due to the natural characteristics and economic advantages of the city, featuring a diverse array of economic and human resources across several sectors: education, professional services and handicrafts.² It is further helped by its proximity to commercial crossings on the Green Line, where citizens have the opportunity to work within or outside the city's borders. It is also the location of choice for numerous private, civil and governmental organizations, reaching almost 5,000 establishments. It is a major destination for shoppers from across the Green Line, greatly boosting the city's economy, as well as the governorate overall.³

Concerning resource availability and economic advantages, the Jenin governorate is one of the largest in terms of cultivated agricultural area, accounting for 26% of all cultivated lands in Palestine, equivalent to 281,200 dunums. It is distinguished by its open markets, attractive to both citizens from nearby Palestinian villages and cities, especially in the northern West Bank, as well as shoppers from across the Green Line. The latter account for 85% of purchasing activity in the governorate, according to the estimates of the Jenin Chamber of Commerce and Industry.⁴

In 2017, the number of operating establishments in the city of Jenin reached approximately 4,800 (about 5.5% are located in the city's refugee camp). 82.6% of economically-active individuals within this city (numbering 15,353 individuals) work at these establishments. This highlights the fact that most citizens work at the institutions and establishments located within the city, partly explaining Jenin's relatively low unemployment rate, at less than 13%.⁵

² https://www.pcbs.gov.ps/statisticsIndicatorsTables.aspx?lang=ar&table_id=695

³ <https://www.jenincci.org/home/435.html> (Jenin Chamber of Commerce and Industry)

⁴ <https://www.jenincci.org/home/435.html> (Jenin Chamber of Commerce and Industry)

⁵ Economically-active individuals (or labor force): All individuals of working age (age 15 and over). They are included in employment and unemployment figures. The unemployment rate in Jenin in 2017 stood at only 12.8%.

Jenin’s refugee camp does not stand in isolation from the economic and political conditions prevalent in the city. The camp is located within the boundaries of the jurisdictional area of Jenin Municipality, covering (just under) half a square-kilometer, with a population of 10,214 (in 2017). The percentage of economically-active individuals in the camp is similar to that prevailing in the city. However, only 15.5% work at facilities inside the camp, compared to 82.6% at facilities inside the city. This highlights the camp’s state of economic and social marginalization, lacking the capacity to absorb local labor given successive military incursions across the past three years, and weaknesses in the economic capabilities of businesses located inside the camp (see Table 1).

Table 1: The Economies of Jenin City and Refugee Camp Before the War (2017 Data)

Indicator	Jenin city	Jenin camp	Index ratio for Jenin camp compared to Jenin city
Population	48,821	10,214	21%
Number of operating establishments*	4827	266	5.5%
Labor force (economically-active individuals)	15,353	2989	19.5%
Number of employees at establishments	12,689	464	3.7%
Number of female employees	2789	136	4.9%
Number of male employees	9,900	328	3.3%
Number of buildings used for businesses	1438	228	15.9%
Average housing density **	1.2	1.5	125.0%
Percentage of economically-active individuals	47.9%	44.9%	
Percentage of employees at establishments	82.6%	15.5%	

* Establishments operating in the private, civil-society sectors and public sectors

**Average population density: Average number of people per room within a residential unit

Source: PCBS, 2017 General Census of Population, Housing and Establishments

Jenin (and its refugee camp) is the most active Palestinian city in terms of escalating resistance against the Israeli occupation, which has continuously conducted aggression and collective punishment against the governorate and the camp in recent years, especially since six Palestinian prisoners originating from Jenin managed to escape from Gilboa prison on September 6, 2021. The city and its camp witnessed extensive military incursions even before the October 7 war kicked off. For example, in July 2023, the city and the camp were subjected to the most violent military incursion since 2002 in the West Bank, in which aerial bombardment was used (for the first time since the first Intifada). The occupation coined this the “House and Garden” operation, while the resistance called it the “Battle of Jenin’s Pain”.

This campaign resulted in economic losses across various sectors, ranging between USD 18-20 million, where USD 12 million amounted to total damages to private and public buildings, USD

3.5 million for the road network and USD 3 million in damage to the infrastructure and the water network.⁶ It also led to the complete or partial damage of nearly 80% of the camp's buildings, while the main water and electricity networks were almost completely destroyed. Three hospitals inside the city were targeted, leading to the displacement of thousands of citizens to other areas across the city, as well as the relocation of industry and trade, and the cessation of services. It also prevented the entry of goods, given the closure of the Jalameh checkpoint.⁷

The city has not recovered from the heavy losses caused by this aggression. When the war on the Gaza Strip commenced, this aggression extensively affected the Jenin Governorate, its camp, and its civil and economic facilities. As is the case in all cities in the northern West Bank, this led to the closure and disruption of numerous economic establishments and services, resulting from the weakness of citizens' purchasing power, and the fact that internal, Palestinian tourism refrained from entering the governorate, as a result of the closing of checkpoints between it and other cities. All this led to economic establishments in the city alone incurring monthly losses estimated at approximately USD 24 million, according to the Jenin Chamber of Commerce and Industry.⁸

The increase in the frequency of raids on the city and its camp, the accompanying sabotage and destruction of property and infrastructure, the loss of jobs in Israel for Palestinian labor, and the decline in spending by the Palestinian Authority and its employees (given the withholding of clearance funds by the Israeli government), all led to a decline in monthly sales and revenues compared to before the Gaza War, affecting about 95.8% of establishments. Therefore, 91% of industrial facilities suffered from a decline in productive capacity (see Figure 2).

Additionally, the value of losses exceeds the city's ability to cover the USD 20 million rehabilitation required for restoring destroyed infrastructure since the start of the War on Gaza at the end of 2023. Moreover, 5.9% of facilities were directly damaged (in whole or in part) by the occupation forces' attacks.⁹ Other losses include (since the beginning of 2024) the destruction of more major and secondary roads (amounting to more than 21 streets), as well as the sabotage of citizens' property and vehicles, while damaging street vendors' fruit and vegetable stalls and markets (see Table 2).

In addition, the sudden and continuous repetition of aggression has led to a decline in the sales of basic commodities within the city by 65%, given citizens' fear of visiting markets and their weak purchasing power. This led to a decline in the income levels of business owners and further increased their financial burden, given additional expenses caused by stricter restrictions imposed by the Israeli occupation on the entry of goods and their inspection, exposing many such goods to damage. Moreover, given the spread of the occupation's checkpoints between the cities of the West Bank, other alternative routes need to be used that are not suitable for vehicular movement. This forced many to consider selling goods at lower prices, given their need for immediate liquidity to pay their financial obligations. Others closed their businesses, selling both their goods and capital (see Table 2).¹⁰

6 <https://wafa.ps/Pages/Details/74684>

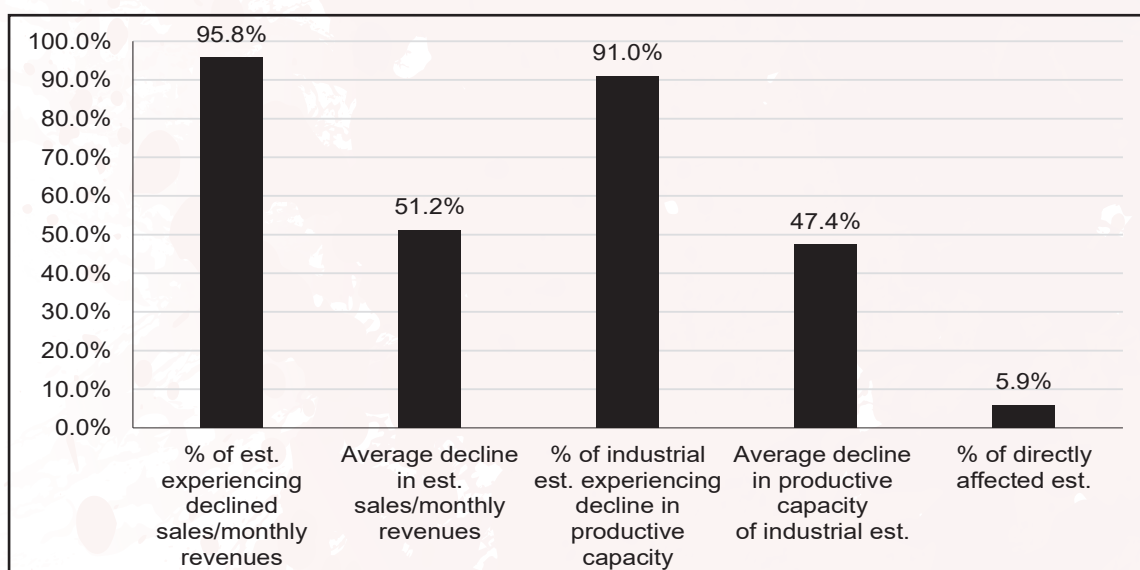
7 <https://2u.pw/3l2mkZM>

8 <https://www.wafa.ps/Pages/Details/85190>

9 <https://2u.pw/jAwyKio>

10 Interviews with shop-owners in the city of Jenin on January 16, 2024.

Figure 2: Select Economic Indicators for the City of Jenin since the Start of the War on Gaza (%)



Source: Ministry of National Economy, 2024. "Performance of economic establishments in the West Bank during the Israeli aggression on the Gaza Strip".

Table 2: Losses Incurred by Jenin City and Camp since the start of the Gaza War

Indicator	Estimate
Losses from the destruction of infrastructure and roads in the city and the camp (July 2023)	USD 6.5 million
Monthly losses due to the closure of Jalama checkpoint	USD 24 million
Losses from the destruction of infrastructure and roads in the city and the camp during Q4 2023	USD 6 million
Decrease in commodity sales	60%
Destroyed (main and secondary) roads	21 roads

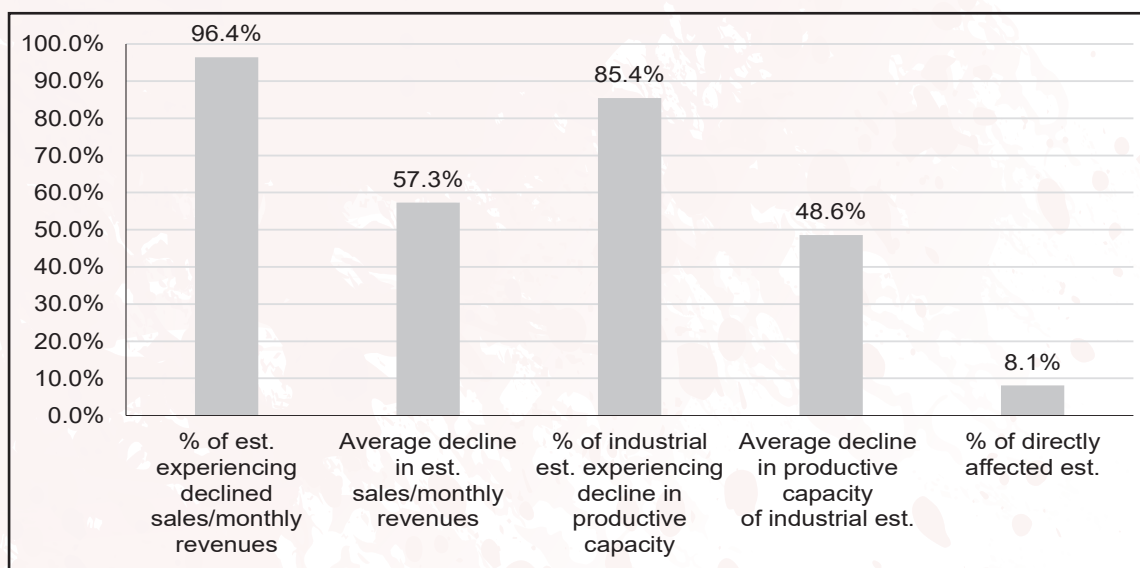
Source: Data published by official authorities and news outlets, in addition to interviews with shop-owners from Jenin.

3. Nablus and the Town of Huwara

The city of Nablus, with a population of 156,156 (according to the 2017 General Census of Population, Housing and Establishments) has been directly affected economically since the start of the war on Gaza, as with the remaining cities in the West Bank. The occupation's barriers, iron gates and checkpoints at all entrances and exits to the city, in addition to the closing of some roads with sand barriers, disrupts public and commercial transportation between the city and other West Bank governorates. Raids on the city and its camps continued throughout the war, with a negative impact on the basic components of economic activities, causing the obstruction of local commercial, industrial activity and services, covering about 9,568 establishments employing approximately 32,316 workers (see Figure 1).

As is the case with Jenin and its camp, since October 7 the city of Nablus and its camps have been subjected to a large-scale military and economic siege, with continuous aggression that led to dozens of deaths and the almost complete cessation of movement to and from the city. The city and its camps also witness daily incursions affecting the movement of citizens and school students inside the city. From an economic standpoint, the city of Nablus, the economic capital of the northern West Bank, is facing a significant decline across various economic sectors. It was once bustling with an active movement of shoppers and visitors from inside and outside the governorate, especially from Palestinians across the Green Line. An-Najah National University closed its campus and switched to e-learning for 25,000 students, about 20% of whom are local Palestinian students, constituting an important part of economic demand in the city, especially restaurants, transportation and real estate. Since the beginning of the war (which has now lasted more than 100 days), purchasing power has declined by 90%, while 96% of establishments in the city have witnessed a decline in monthly sales and revenues (see Figure 3).

Figure 3: Distribution of Select Economic Indicators for Nablus since the Start of the Gaza War



Source: Ministry of National Economy, 2024. "Performance of economic establishments in the West Bank during the Israeli aggression on the Gaza Strip".

The town of Huwara (the southern entrance to the city of Nablus) is the main artery connecting the cities of the northern West Bank to the central and southern regions. This town, with 486 economic establishments (services, vehicles repair, foodstuffs, restaurants, and meat trades), has been the most severely affected in economic and social terms, as a result of aggressions that have continued unabated for more than a year, whether from the Israeli occupation and/or settler groups. Note that the commercial and service establishments in the town are centered on the main avenue, not only serving the local population, but also neighboring villages and Palestinian drivers commuting between the northern and central West Bank on a daily basis.

Before October 7, in 2023 Huwara was subjected to a wave of attacks from settler militias who burnt down commercial and residential shops and vandalized property, in what was considered internationally a dangerous escalation, with calls for concern given the

occupation's plans to expand its territory and further suffocate the already narrow Palestinian economic space. The cost of this aggressive attack was estimated at millions of dollars (according to an estimate by the Mayor of Huwara, total losses since the beginning of 2023 have reached more than NIS 18 million).¹¹

The percentage of economically-active individuals in Huwara registered 43.7%. Within this cohort, 90.6% work at the 486 local establishments. When comparing the town of Huwara with the city of Nablus, it amounts to only 4% of the city's population, number of establishments, and employees. However, Huwara is of great economic importance to local residents as it represents a major services and commercial center for commuters (see Table 3), in addition to important political and demographic dimensions. It is on the 'front line' of attacks by settlers from surrounding settlements, who seek to confiscate more village lands (from surrounding villages as well) for settlement expansion.

Table 3: Economic Indicators for Nablus and Hawara Before the start of the War on Gaza

Indicator	Nablus	Huwara	Index ratio for Huwara compared to Nablus
Population	156,156	6650	4.3%
Number of operating establishments*	9,568	486	5.1%
Labor force (economically-active individuals)	49,637	1843	3.7%
Number of employees at establishments	32,316	1110	3.4%
Number of female employees	25,221	999	4.0%
Number of male employees	7,095	111	1.6%
Number of buildings used for businesses	4,064	288	7.1%
Average housing density **	1.2	1.2	-
Percentage of economically-active individuals	47.5%	90.6%	-
Percentage of employees at establishments	90.8%	43.7%	-

* Establishments operating in the private, civil society and public sectors.

**Average population density: Average number of people per room within a residential unit

Source: PCBS, 2017 General Census of Population, Housing and Establishments

The intensity of the occupation's violence and settler attacks has increased since the war on Gaza commenced on October 7, as the town was completely closed to Palestinian thru-traffic. The majority of economic establishments were forced to close their doors, while the movement of the town's population, numbering about 6,650, was completely restricted.¹² These conditions reflect the low levels of income for both employers and workers, in addition to losses resulting from perished food supplies, estimated at 80% of goods available at these stores. In addition, the level of monthly income declined by an estimated 80% for the owners of small and medium enterprises, as a result of the decline in purchasing power of more than 85% of citizens. Moreover, the operational costs of establishments are inconsistent with revenues that exceed it many times over, forcing

¹¹ <https://wafa.ps/Pages/Details/66901>

¹² <https://www.aljazeera.net/ebusiness/2023/11/21/>

certain shop-owners to vacate their shops, or shut down completely due to the size of their losses (especially new establishments). Financial obligations, bounced checks and bank transactions have become a major burden on business owners, given their inability to pay their financial obligations resulting from the cessation of employment in the oPt, and the consequent crisis in paying wages. Merchants were unable to break-even in the face of all these financial challenges (see Table 4).¹³

Table 4: Losses in Huwara Since the Start of the War on Gaza (%)

Indicator	Percent (%)
Decline in purchasing power	85%
Damage to goods	80%
Decline in monthly revenues	80%
Number of establishments that completely closed	3%

Source: Interviews with groups of shop and enterprise owners in Huwara.

4. Conclusion

It is evident from the examples cited above that given the devastating economic impact of Israeli aggression across all the oPt, from Jenin in the north to Rafah in the south, we have entered into a comprehensive economic crisis that has lasted for nearly four months and appears to have no imminent end. There is a combination of (more or less) devastating impacts from one region to another, given the decline in the purchasing power of laborers formerly working in Israel, as well as civil servants. This is compounded by closures that hinder commercial activity as well as agricultural and industrial production in the least severe cases, combined with significant physical destruction in the worst cases.

The city of Tulkarem was not spared, with the widespread destruction of infrastructure and housing, especially in Nour Shams refugee camp. The tourist and agricultural city of Jericho is also witnessing a major economic slowdown, as a result of tight Israeli closures that have almost halted the movement of visitors and residents from Jerusalem and from across the Green Line, who in recent years have become a major driver of housing and tourism expansion in the city. As for the governorates of the southern West Bank, which did not witness devastating Israeli military incursions, the city of Bethlehem, which relies almost entirely on tourism, lost all anticipated revenues for the peak season of 2023, while tourism activity is not expected to return until the next season (spring and summer of 2024). Similarly, the city of Hebron, the largest economic hub in Palestine, and the governorate overall, suffer from a significant decline in income from the loss of work in Israel, and from the siege of surrounding Palestinian rural areas by the Israeli army and settler militias.

It can be discerned from the above that all of Palestine is targeted by this ongoing aggression - every city and governorate, as well as every economic sector and social class, without distinction between citizens, be they armed or not. The rhetoric of the extremist Israeli government reduces and dehumanizes all Palestinians as “terrorists, Nazis and their supporters”. Even

¹³ Interviews with groups of shop and enterprise owners in *Huwara* Main Hawara Street) on 01/16/2024.

in the unlikely event of a ceasefire, attacks by the Israeli army and settlers will not stop, as they have become the norm since the Palestinian uprising of 2021. If the occupation's aggressions and physical restrictions do not cease, these will result in the complete collapse of the remnants of the Palestinian economy, depriving the Palestinians of any hope that they can enjoy the freedom to build their national economy for their independent state.

Therefore, moving forward it is necessary to conduct a comprehensive and in-depth diagnosis of differentiated local impacts across various communities, regions, and vital productive sectors, in order to develop a preliminary vision for relief, reconstruction, and recovery planning targeting the most at-risk areas. This has to take into account the need for a common set of policies and guidelines for various regions and sectors that require urgent intervention before total collapse. "Building and resilience" are no longer titles for national economic action as they have been for over a decade now. Rather, today we enter a new stage of "confrontation and subsistence," or what is also known as a "war economy" for countries engaged in such a level of hostilities. This usually requires exceptional and emergency measures to save a country.