

Palestine

Overview: The lack of a clear political horizon towards peace and reconciliation creates an unsustainable economic situation. Even though donor aid had increased government-funded services and fueled consumption-driven growth during 2007 to 2012, this growth model has proved unsustainable. Donor support has significantly declined in recent years and, naturally, aid cannot sustainably make up for inadequate private investment, constrained by weak investor confidence due to the ongoing restrictions and the lack of political progress. Recovering slowly from the recession of 2014, the growth rate is projected to hover around 3.5 % in the medium term.

The 2014 war in Gaza created a humanitarian crisis and impacted the economy which continues to suffer to this day. More than 2,100 Palestinians died during the hostilities and a third of the population got internally displaced. Economic losses amounted to US\$1.7 billion. At the current pace of recovery, Gaza's economy is not expected to rebound to its pre-war level until 2018.

In 2016, unemployment rates reached 27% despite the Government of Israel's efforts to increase the number of work permits for Palestinians. Unemployment rates are higher in Gaza, at 42%, and youth unemployment is at 58%. Although nearly 80% of Gaza's residents receive some form of aid, poverty is very high.

The current decline could be reversed in an environment where sustainable, private sector-led growth is fostered coupled with a commitment of ongoing financial support from the international community. A dynamic private sector can generate the sustainable growth needed, however, restrictions put in place by the Government of Israel continue to stand in the way of potential private investment. Access to Gaza remains highly controlled, and much of Area C, which makes up 60% of the West Bank, is inaccessible to Palestinians.

Source: <http://www.worldbank.org/en/country/westbankandgaza/overview>



Basic Facts

Region	Population
West Bank	2,568,555 ^[118]
East Jerusalem	192,800 ^[119]
Gaza Strip	1,657,155 ^[120]

Name	Population (2007) ^[121]	Area (km ²)	Density ^[122]
West Bank	2,369,700	5,671	417.86
Gaza Strip	1,416,539	360	3934.83
Total	3,786,239	6,031	627.80

[Gross domestic product](#): 11.26 billion USD (2012) [World Bank](#)

[GDP per capita](#): 2,782.91 USD (2012) [World Bank](#)

[Gross national income](#): 21.43 billion PPP dollars (2012) [World Bank](#)

[GNI per capita](#): 5,300 PPP dollars (2012) [World Bank](#)

[Internet users](#): 46.6% of the population (2013) [World Bank](#)

[GDP growth rate](#): -4.4% annual change (2013) [World Bank](#)