

Shortage in the pipeline

The ongoing shortages of cooking gas in Gaza may soon have a much larger impact in the coming weeks as a huge bottleneck of cooking gas cylinders lie waiting to be refilled and benzine imported from Egypt through the tunnels is being sold to Libya.

Until last week, a broken fuel pump at the Israeli side of Kerem Shalom crossing was reported to be the main cause of the cooking gas shortage. Reportedly broken



since 11 May, the pump has now been repaired. However, the Palestinian Petroleum Corporation and PalTrade, which monitors the crossing, report that the pipeline at Kerem Shalom can still only carry up to a maximum of 200 tons of cooking gas per day. Actual amounts of cooking gas being transferred, however, remain far below the pipeline's reported capacity. Of the 1,750 tons of cooking gas estimated to be needed weekly, Oxfam calculates that weekly supply has remained below 40 per cent four weeks in a row.

Out of 28 gas stations that sell cooking gas in the Gaza Strip, only between 10 and 15 are partially operational as the shortage forces them to work on a rationing system. Gas station owners and distributors told Oxfam that due to the rationing system, customers wanting to refill their cooking gas cylinders could face a waiting period of more than a month.

In contrast with liquid fuel which can enter easily from Egypt through pipelines built into the tunnels beneath the border between Gaza and Egypt, cooking gas cannot be safely imported through the tunnels, except for a few cylinders at a time.

"If we need at least 300 tons of gas a day, that would work out to 16,000 cylinders per day, when a tunnel can import a maximum of 100 cylinders a day, and at great safety risks," Dr. Mahmoud al Khuzandar, Vice President of the Gas Station Owners Association explained.

Al Khuzandar said that regional events were also adding new fuel shortages, as liquid fuel (such as the low quality benzine used to run Gaza's power plant) usually supplied regularly from the tunnels is now being sold to Libya at better prices.

"Since the problems escalated in Libya, the amounts of benzine 80 coming to Gaza started decreasing. Now it's less than 40,000 litres per day, when the need is over 200,000 litres. Libyans are paying much more for the same fuel," explained Khuzandar.

"Five years of closure has left many people impoverished and unemployed. Many Gazans can not afford the high prices and this will affect all sectors – industries, agriculture, transport – everything will be affected. This is going to also impact on electricity generation because the power plant is running on car fuel, and people will have to start shutting down their generators."

1. Headlines

- **Mortars/rockets/casualties/incursions:** There were reports this week of the Israeli military carrying out 1 airstrike and 1 incursion across the perimeter into Gaza this week. Last week, there was a report of the Israeli military carrying out 1 incursion across the perimeter into Gaza.

There were reports this week that Palestinian armed groups fired 1 home made rocket (HMR) and 1 mortar towards Israel. No rockets or mortars were reported to have been fired the week before.

There were no reports of injuries or fatalities amongst Palestinian civilians this week or last week.

No injuries or fatalities were reported amongst Palestinian militants this week or last week.

There were no reports of casualties or injuries to Israeli civilians or soldiers this week or the week before.

- **Fishermen:** There was 1 incident of an Israeli naval vessel opening fire on Palestinian fishermen reported this week, with no injuries reported. There were 2 reports of Israeli naval vessels opening fire on Palestinian fishermen the week before.

Since January 2009, Israeli naval forces have restricted the access of Palestinian fishing boats to three nautical miles from the coast; in practice, access is sometimes restricted to as little as one nautical mile, banning access to around 85% of Gaza's fishing water. In 2010, the annual fishing catch from Gaza decreased by 45% as compared to the 2008 fishing catch before fishing space was restricted to three nautical miles.

- **Tunnel related fatalities:** There were no tunnel related fatalities or injuries reported this week or last week.

In 2010, 43 Palestinian workers, including 5 children, reportedly died in tunnel related accidents and another 88, including 1 child, were reportedly injured.

- **Palestinians in the access restricted area (the so-called "buffer zone"):** There were no reports of the Israeli military opening fire on civilians in the access restricted area this week or last week.

In 2000, Israel first imposed a 150 metre-wide security 'buffer' within Gaza's perimeter. In certain areas along the northern and eastern perimeters, this official buffer extends up to 500 metres into Gaza. In practice, Israel restricts access to agricultural land up to 1,000-1,500 metres from the fence, which accounts for more than 30% of Gaza's agricultural land and a significant number of water wells. Most of the Gaza Strip's animal production is also concentrated in this area.

- **Rafah border crossing:** The Rafah border crossing was open 6 out of 7 days this week, with reports of 2,968 Palestinians entering Gaza from Egypt, 3,384 Palestinians leaving Gaza for Egypt, and 312 denied entry to Egypt. Last week, the Rafah border crossing was also open 6 days with reports of 2,898 Palestinians entering Gaza from Egypt, 2,237 Palestinians leaving Gaza for Egypt, and 161 Palestinians denied entry to Egypt.

On May 28, 2011, the Egyptian authorities announced that they had permanently opened Rafah border crossing for the movement of people between Gaza and Egypt. During the first official week of opening, Egyptian officials had reported being overwhelmed by the volume of Palestinians from Gaza attempting to use Rafah border crossing, which had resulted in some delays. Hamas officials had also reported that the Egyptian procedures for transferring travelers from one side to the other were not clear.

Since then, there have been reports that Palestinians using Rafah border crossing still need to obtain an Israeli security clearance before being able to cross into Egypt. This policy would negate prior Egyptian announcements that no restrictions on the use of Rafah border crossing would apply to women, children, or men over the age 40, and that only men between the ages of 18 and 40 would need security clearance before traveling to Egypt.

Although Rafah border crossing does not ease movement restrictions between Gaza, Israel, and the West Bank, a full and consistent opening of Rafah border crossing would offer Palestinians in Gaza an opportunity to travel abroad for higher education opportunities, medical treatment, or to take a personal holiday.

After Israel's withdrawal from Gaza in 2005, the Palestinian Authority was made responsible for running the Palestinian side of the Rafah border crossing, with the European Union Border Assistance Mission (EUBAM) designated to monitor both Palestinian and Egyptian management of the border crossing. However, citing security concerns, Israel ordered the crossing closed in 2006. As the Israeli blockade of the Gaza Strip officially started in 2007, Egyptian officials kept the Rafah border crossing closed. Since the border crossing has remained closed, only the limited movement of people- foreign passport holders and Palestinians from Gaza who have been cleared by Israeli security- has been allowed.

An estimated 500 people rely on the Rafah border crossing every month to reach scheduled or ongoing medical treatment in Egypt or abroad.

- **Power plant and electricity supply:** There were no reports of additional disruptions to power supplies in Gaza due to blockade related issues or Israeli military activity this week or last week.

Since January 5th, Gaza's power plant has not placed an order for industrial fuel to be transferred from Israel. The fuel for Gaza's power plant is now being supplied through the tunnels underneath the Gaza-Egypt border in the form of Egyptian diesel, at a much lower price than the industrial fuel supplied from Israel.

OCHA estimates that the power plant is buying between 300,000 and 400,000 litres of diesel from the tunnels every day. In addition to what is procured daily from the tunnels, the power plant in Gaza now reportedly has a back up supply of fuel, capable of running the plant at an output of 60 Mw for one month.

- **Cooking gas:** 610 tons of cooking gas reportedly entered Gaza this week via the Kerem Shalom crossing, as compared to 602 tons of cooking gas reported to have entered Gaza the week before. The 610 tons of cooking gas entering Gaza this week represent 34 percent of the 1,750 tons of cooking gas needed weekly. The overall cooking gas shortage has been a main concern for humanitarian agencies since November 2009. Cooking gas cannot safely be transported through the tunnels beneath the Gaza-Egypt border as it is highly combustible and requires a special pipeline to transport in bulk. The one tunnel equipped with a cooking gas pipeline was reportedly destroyed in an Israeli airstrike in December 2010. Although this tunnel

started functioning again in February, it was damaged soon after and is now used irregularly to transport limited quantities of cooking gas. The Gas Station Owner's Association has indicated that of the 28 gas stations that supply cooking gas, only between 10 and 15 are operational due to the overall shortage. As gas stations are unable to meet the local demand for cooking gas, a rationing system remains in place.

- **Diesel/petrol:** No diesel or benzine was reported to have been delivered to the private sector this week or last week. A near total ban on fuel imports for public sale was put in place by the Government of Israel in October 2008. Around 600,000 litres of diesel and 200,000 litres of petrol for public sale are reported to enter Gaza every day through tunnels under the Gaza-Egypt border (OCHA, January 2011).
- **Exports:** No exports were reported to have left Gaza this week or the week before. Since 2007, and despite Israeli government promises this past December to make additional efforts to increase exports from Gaza, exports have to date been entirely agricultural in nature, contributing to the de-development of Gaza's private sector. According to UNRWA calculations, before the blockade, 90 percent of garments, 76 percent of furniture products and 20 percent of food products produced in Gaza were marketed to the West Bank and Israel.

The limited exports now leaving Gaza are allowed as a result of an agreement between Israel and the Netherlands permitting limited exports of seasonal agricultural items. The agreement resumed on 28 November 2010.

**Pre-blockade weekly average (490 truckloads) is calculated on the daily average of all truckloads that exited Gaza between January 2005 and mid June 2007, before Israel's imposition of the blockade.*

- **Truckloads of supplies:** Kerem Shalom crossing was open 5 out of 7 days this week, with reports of 1,269 truckloads of supplies entering Gaza, which represents 45 percent of the pre-blockade weekly average.** Last week, Kerem Shalom crossing was also open 5 out of 7 days with reports of 1,182 truckloads of supplies entering Gaza, representing 42 percent of the pre-blockade weekly average.

Following the permanent closure of Karni crossing in early March, Kerem Shalom is now the sole permanent crossing through which goods enter Gaza. While Karni could accommodate up to 1,000 trucks a day, Kerem Shalom can only accommodate around 250 trucks per day. UNRWA has referred to the Kerem Shalom crossing, located in the deep south of Gaza, as an inefficient bottleneck that adds 20 percent in transport and labor costs to the price of humanitarian goods. Kerem Shalom crossing is also not equipped to handle the bulk transfer of large quantities of wheat and animal feed, while Karni is.

Kerem Shalom crossing is also not yet equipped to handle the bulk transfer of construction materials. While the Sufa crossing was initially opened temporarily to allow for the transfer of construction materials (aggregates) to humanitarian agencies involved in building projects, such as UNRWA, USAID, and UNDP, the Sufa crossing has now remained closed since March 30th. Although aggregates are now being transferred under a back-to-back system at Kerem Shalom, the quantity of aggregates being transferred is not enough to make up for past shortages and delays. As a result, rehabilitation and building projects are still behind schedule.

While imports remain limited, and raw materials severely restricted, exports remain banned almost entirely except for limited truckloads of strawberries, carnations and cherry tomatoes exported to the Netherlands. As a result, the scale of economic activity remains heavily

This update is compiled by Oxfam International from the best available information drawn from reliable international sources. Some of the information is preliminary and may be updated in subsequent reports.

dependent on local demand in Gaza, which in turn is constrained by the low purchasing power of the population and the relatively small size of the local market. Until crossings are fully opened for export, the impact of the easing of the blockade on unemployment, poverty and food insecurity rates remains limited.

***Pre-blockade weekly average (2,807 truckloads) is calculated based on the monthly average of all truckloads that entered during the first five months of 2007, before Israel's imposition of the blockade.*

2. Humanitarian trucks (week):

Truck originator	Total for week 19- 25 June
Bulk grains (human and animal)	134
Aggregates (for UNRWA, USAID, and UNDP)	171
UNRWA	148
WFP	9
Water Utility	52
ICRC	5
Ministry of Health	9
Electric Company	3
Commercial	738
Total trucks for the week	1269
Percentage of pre blockade average (first 5 months of 2007)	45 %

This update is compiled by **Oxfam International** from the best available information drawn from reliable international sources. Some of the information is preliminary and may be updated in subsequent reports.

3. Fuel deliveries (week)

		Diesel	Petrol	Cooking Gas
19- 25 June		0	0	602 MT
	Percentage of need *	0		34 %
Previous week		0	0	400 MT
* Fuel association 2006 estimates - ** Imports of diesel and petrol for the general public and public sector in Gaza were exceptionally authorized on 6 occasions since October 2008				

Request* of Industrial Fuel to the Power Plant via Israel (week):

Industrial diesel from Israel	Previous week	19- 25 June
0	0	0
Percentage of amount required to operate at maximum supply capacity of 80 MW		0%

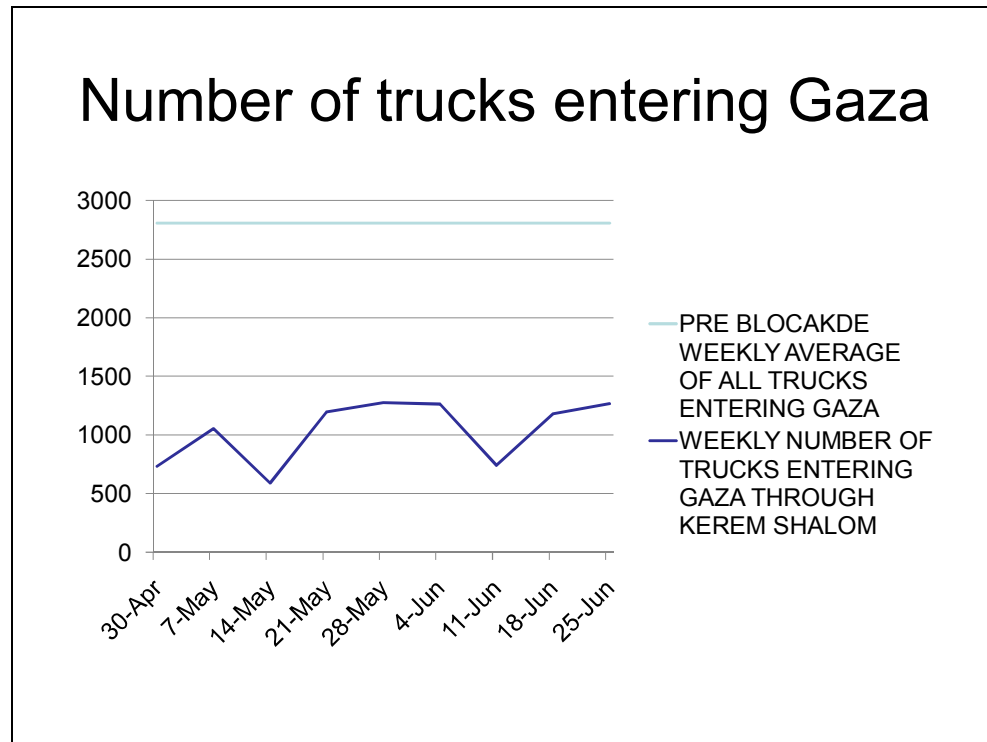
Estimates of fuel supplied to the power plant from the tunnels

Diesel from the tunnels beneath the Gaza-Egypt border	Previous week	19- 25 June
	2.1- 2.8 million litres**	2.1- 2.8 million litres**
Percentage of amount required to operate at maximum supply of 80 MW	60-80%	60-80%

*The power plant has not requested any industrial fuel to be transferred from Israel since January 5, 2011

**based on OCHA estimates of 300,000- 400,000 litres of diesel per day

4. Charts



5. Contact information

Willow Heske, OI OPTI Media Lead: +972 (0) 59 71 33 646
or +972 (0) 54 63 95 002 – willow.heske@oxfamnovib.nl

Karl Schembri, Communication Officer: +972 (0) 59 89 10 981 – kschembri@oxfam.org.uk