



World Food Programme

SAVING LIVES
CHANGING LIVES

WFP Palestine Monthly Market Dashboard



Highlights

The monthly market dashboard presents price trends for staple commodities and cash crops most consumed by Palestinians.

In the West Bank, in December 2021, the prices of chickpeas and lentils decreased by 0.23% and 0.78% respectively compared with November prices. Wheat flour and vegetable oil prices increased slightly by 0.61 and 0.55% respectively, **West Bank potato prices showed the highest monthly increase—rising by 31.15% in December** reaching NIS 4.28 per Kg. Tomato prices increased by 4.99% in over the month.¹

In the **Gaza Strip, potato prices had the highest price increase from November to December rising by 14.17%** reaching NIS 2.01 per Kg. Wheat flour, chickpeas, corn oil, and tomato prices decreased slightly, while lentils experienced a slight increase in December. When compared to December 2020, the prices of **wheat flour, lentils, and corn oil experienced notable increases of 14.29%, 20.45%, and 32.25% respectively.**

Excellent gasoline 95, one of the most commonly used fuels in Palestine, decreased slightly by 0.32% compared to November, but is still 16.29% more expensive than in December 2020.

The average value of **WFP food ration prices were 9.67% higher than December 2020**, and decreased slightly by 0.08% from November to December 2021 reaching USD 9.83 per ration.

The Consumer Price Index (inflation rate) increased by 0.21% from November to December, while the Food CPI decreased by 0.79%. **Comparing to one year ago, the CPI and Food CPI increased by 1.30% and 1.60% respectively.** When compared to neighboring countries in December, Jordan's year on year inflation rate reached 2.40%², Egypt's inflation rate reached 6.50%³, and Israel's inflation rate reached 2.40%⁴.

The next pages of this dashboard visualize these trends.

Banner photo: WFP/Nour Hammad

December 2021

Page 1

International price increases and ensuring appropriate support to food security

Commodities and food prices are increasing globally. The increases have been seen in the local Palestinian markets since the beginning of October 2021. The Palestinian Authority has noted of the increases and taken necessary **steps to monitor and ensure traders maintain current prices.**

Following the application of the sugar and environmental taxes in Palestine, sugar-sweetened beverage prices are expected to increase in February. Additionally, according to local manufacturers, **prices of dairy product are expected to increase due to the additional taxes and input costs, such as plastics.**

The FAO Food Price Index (FFPI) averaged 133.7 points in December, down 1.2% from November, but 23.1% higher than December 2020. For 2021 as whole, the FFPI averaged 125.7 points, which is 27.6 points (28.1%) higher 2020. **In 2021, the FFP index reached the highest figure in a decade.** By food categories: food oils experienced an average price jump of 66% last year reaching their highest level on record; grains rose by 27%, hitting the highest level since 2012; corn soared by 44%; and, wheat rose 31%. The increases can be explained deterioration in supply conditions such as COVID-19 impacts and shipping availability, the robust demand for staple commodities which outstripped supply, and the continuous increase in energy prices.

Regular price monitoring will be critical to protect the poorest and most vulnerable households from rapid price increases.

Useful interventions may include increasing social assistance transfer values, enhancing social safety net coverage, supporting traders, and augmenting food security and social safety net programmes.

¹ The Palestinian Central Bureau of Statistics (PCBS)

² Department of statistics, Jordan

³ Central Agency for Public Mobilization and Statistics, Egypt

⁴ Bank of Israel

The Performance of the Palestinian Economic and the Consumer Price Index in 2021

According to preliminary estimates by the Palestine Monetary Authority (PMA) and The Palestinian Central Bureau of Statistics (PCBS), the Palestinian economy has gradually recovered from its downturn and **expanded by 6% driven by the improvement in the level of aggregate demand, consumption, and investment, leading to an increase in GDP per capita by 3.5%**.⁵ This economy still has not recovered to pre-pandemic levels. The Palestinian economy is expected to grow further by 3% in 2022 compared to 2021.

The average overall consumer prices index in Palestine recorded an **increase of 1.24% during 2021 compared with 2020** driven by the increase in shipping cost and the raw materials. The main driver for this increase was the **rise in prices of the CPI transportation group by 4.39%, which accounted for 14.26% of the consumer basket**, where gasoline prices increased by 12.05%, and diesel increased by 8.62%. The prices of the housing, water, electricity, gas, and other fuels CPI group increased by 3.65%, which represented 9.06% of the consumer basket, with the actual rent of housing increased by 10.51%, and gas by 5.92%. **The prices of the food and non-alcoholic beverages group increased by only 0.86%, which represented 28.15% of the consumer basket**, where the prices of vegetable oils increased by 8.68%, the prices of fresh chicken by 6.72%, the prices of sugar substitutes and other sugars by 3.95%, and the fresh meat prices by 3.25%, on the other hand, potato prices decreased by 9.60%, dried vegetables by 8.19%, eggs by 5.39%, fresh vegetables by 2.02%, and rice by 1.73%.

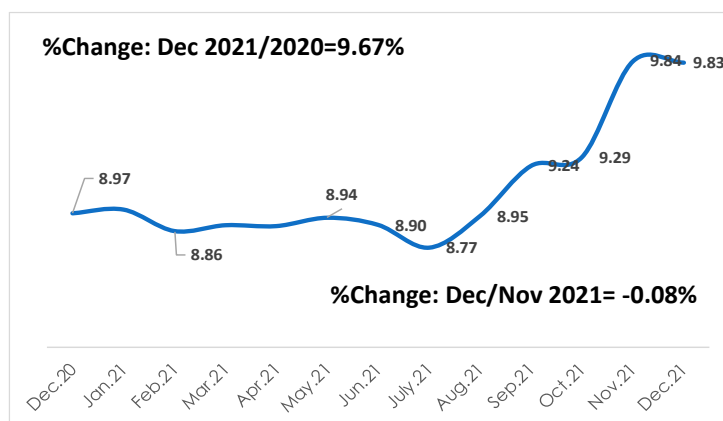
The Palestinian Authority (PA) fiscal deficit challenges remain, driven by limited budget support. For the second consecutive month, **the PA only paid 80% of full civil servant salaries in December 2021**⁶. The PA is the largest single employer in Palestine and these measures **continue to affect 140,000 people receiving PA salaries** and impact the Palestinian people and the economy because civil servants are considered the main drivers for the Palestinian market.

The PMA, the governing body for financial institutions and banks in Palestine, has ordered banks to continue to only deduct 50% of the monthly loan payments for all PA employees to mitigate the impact of these measures on the Palestinian business cycle. The impact of the PA fiscal challenges and the expected price increases on the Palestinian economy has been noted in the markets as people tend to save and borrow to cope with these challenges and prepare for future uncertainty.

PRICE TRENDS

WFP Rations

Monthly Average of WFP Rations (\$) Per Capita

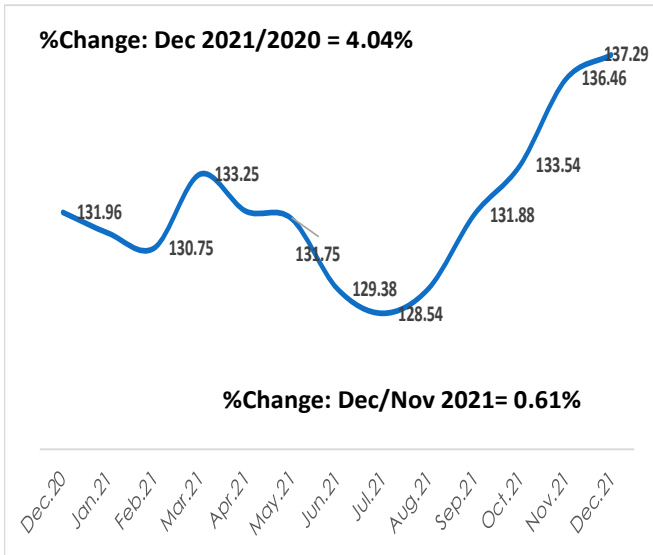


⁵ Palestinian Monetary Authority (PMA)

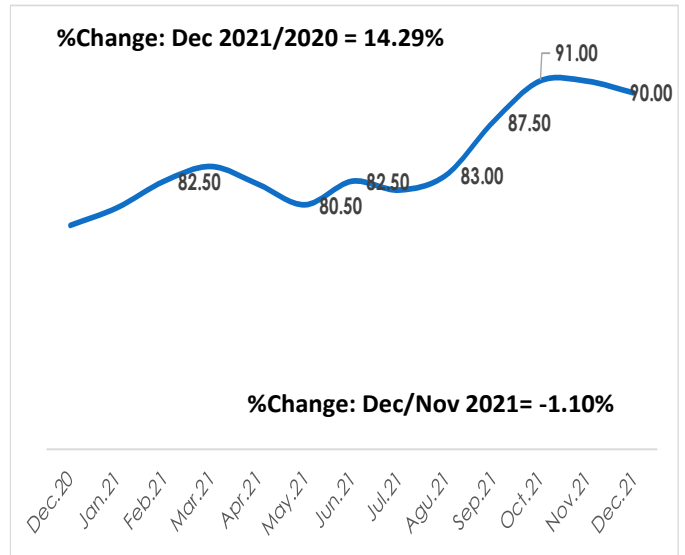
⁶ Ministry of Finance, and Planning, Palestine

Commodities

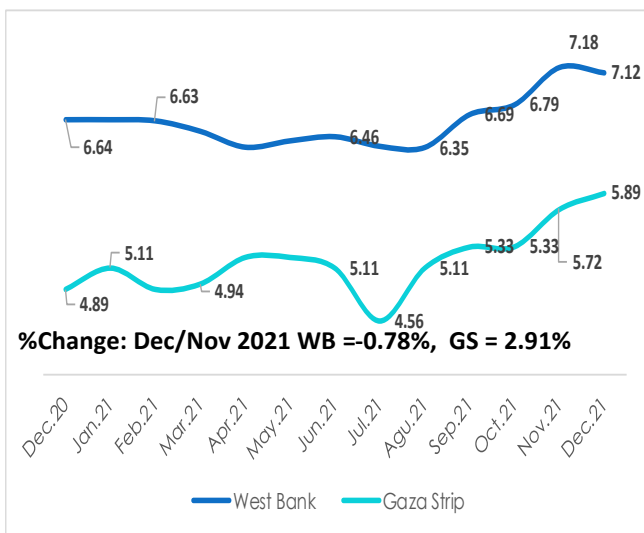
Haifa Wheat Flour-West Bank – (NIS/60Kg)



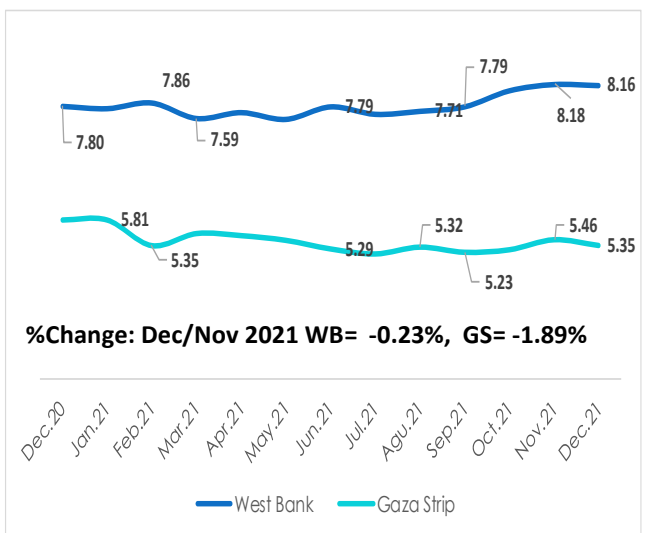
Local Wheat Flour-Gaza Strip – (NIS/50Kg)



Lentils – (NIS/Kg)

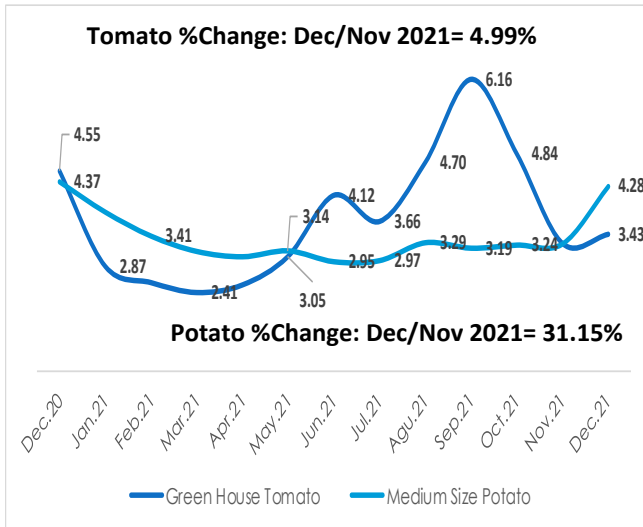


Chickpeas (Hummos) – (NIS/Kg)

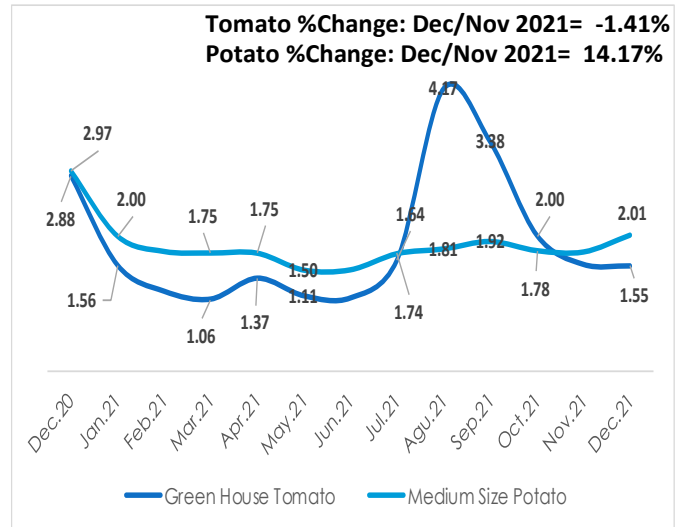


Commodities (cont'd)

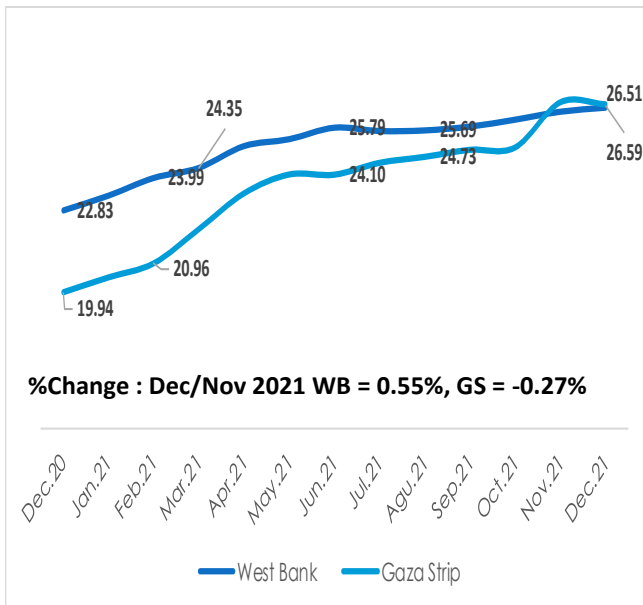
Vegetables-West Bank – (NIS/Kg)



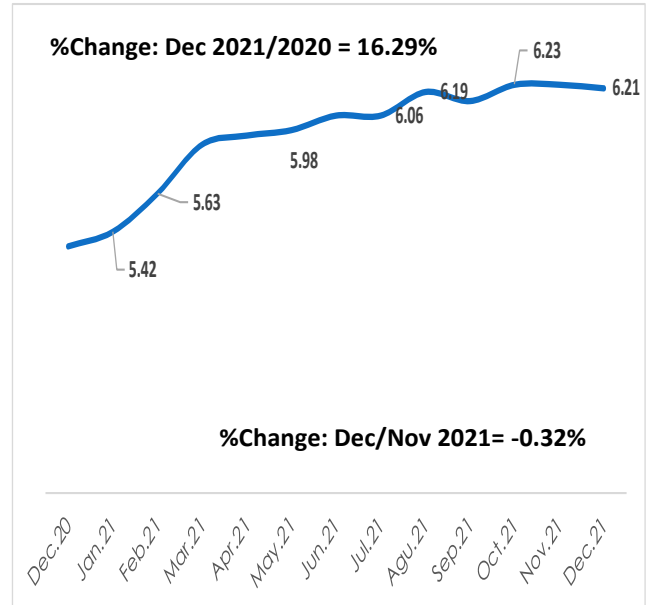
Vegetables-Gaza Strip – (NIS/Kg)



Corn Oil (Corn Oil)– (NIS/3L)

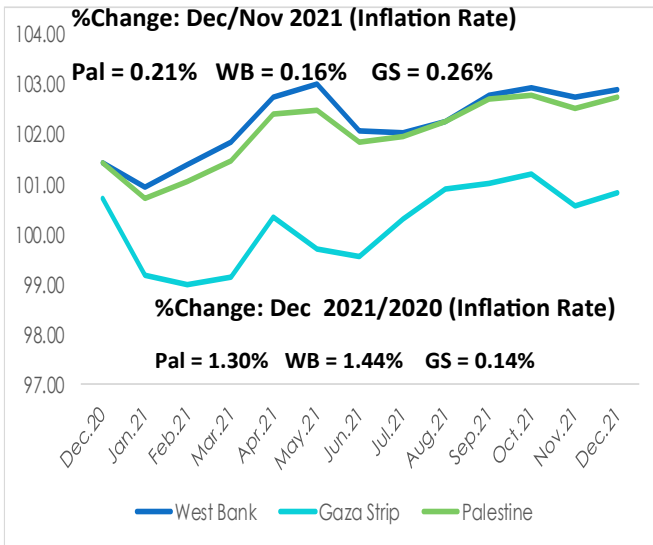


Excellent Gasoline 95 – (NIS/Kg)

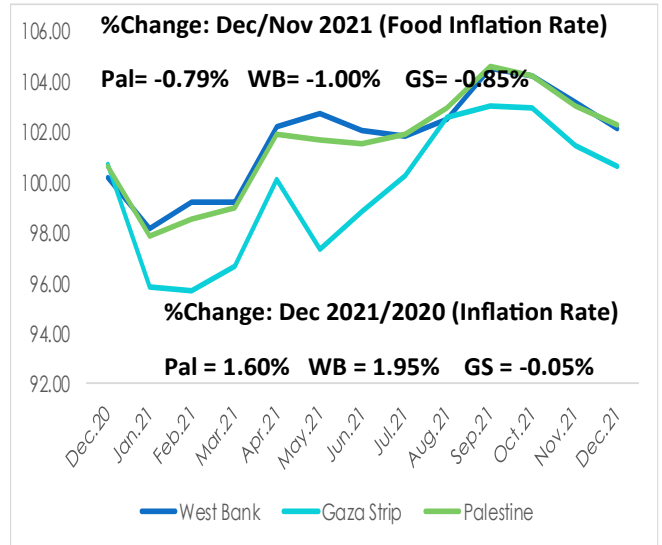


Consumer Price Index (CPI)

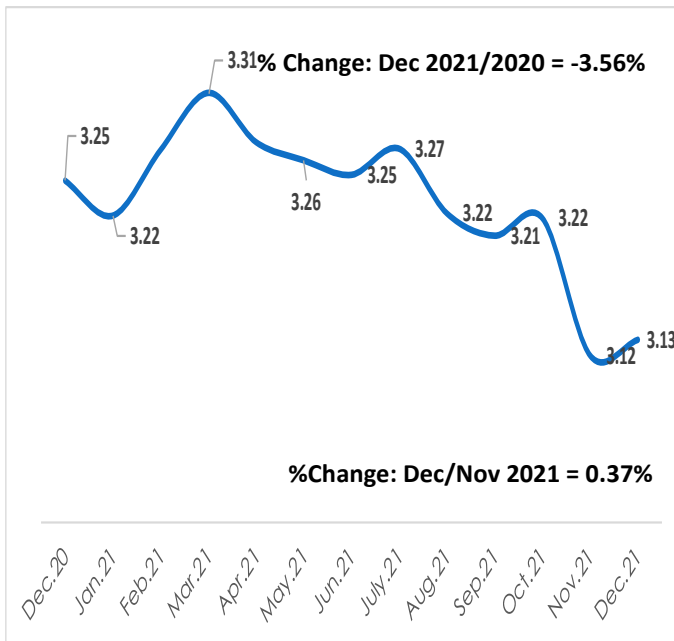
Overall Consumer Price Index



Food & Soft Drinks CPI



Exchange Rate (NIS/\$)



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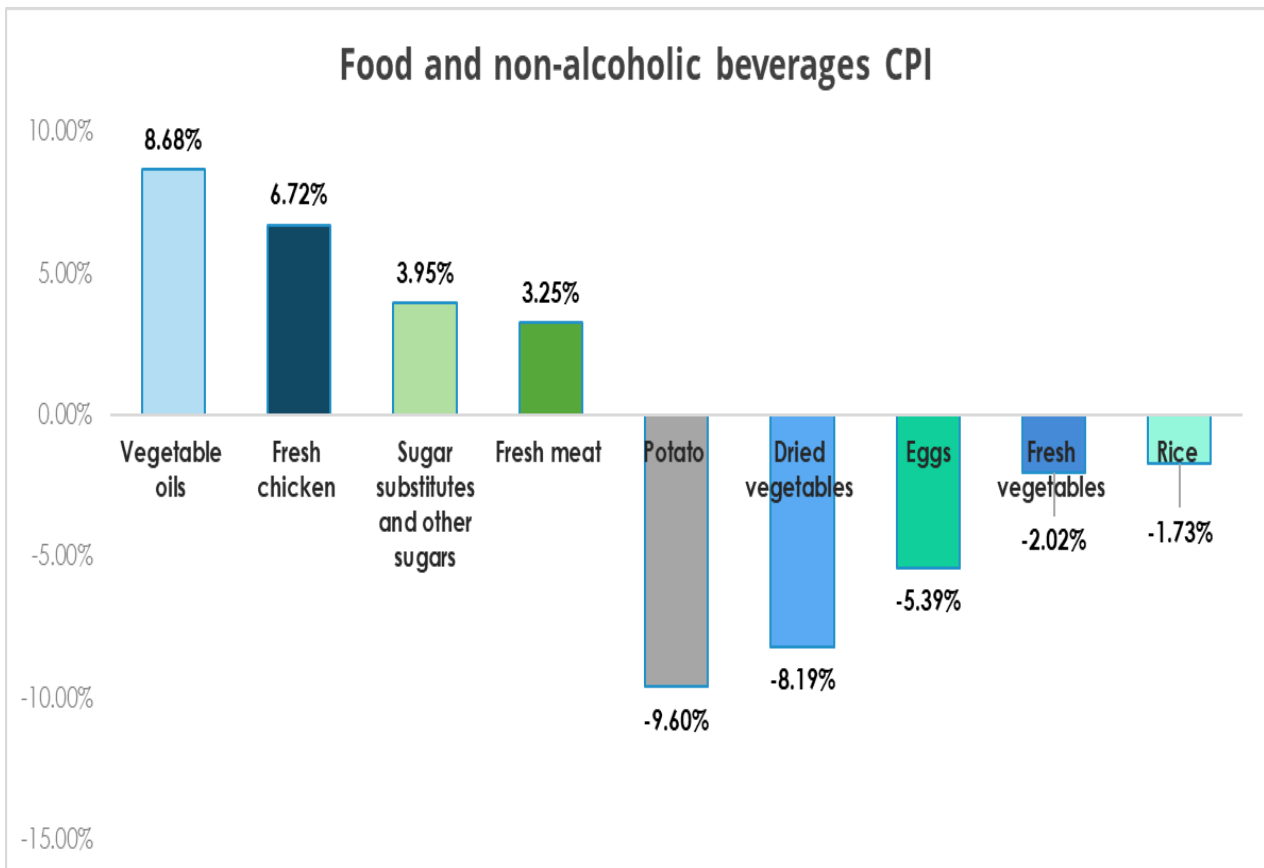
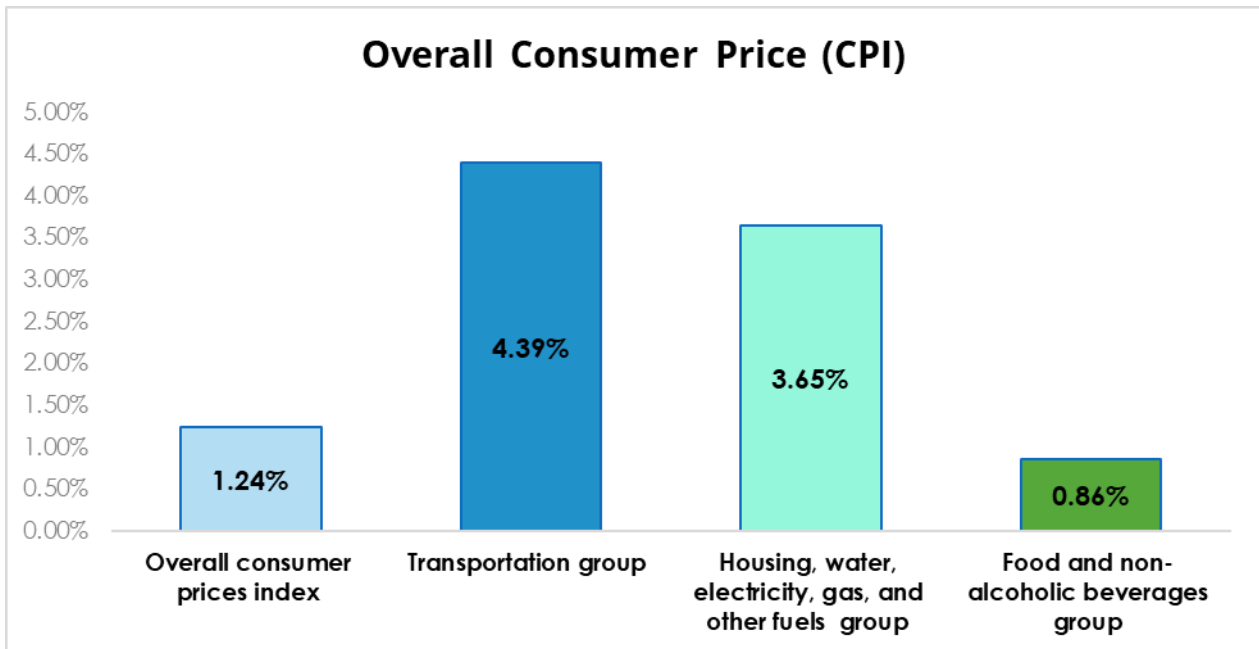
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Consumer Price Index: 2020 - 2021



WFP Ration Items Prices: tracking trends

Price fluctuation in a year: December 2020—2021

Food	Region	2020 (NIS)	2021 (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	131.96	137.29	↑ 4.0
	Gaza (local wheat flour, 50 kg)	78.75	90.00	↑ 14.3
Corn oil (3L)	West Bank	22.83	26.51	↑ 16.1
	Gaza	19.94	26.59	↑ 33.3
Chickpeas (kg)	West Bank	7.80	8.16	↑ 4.6
	Gaza	5.81	5.35	↓ -7.9
Lentils (kg)	West Bank	6.64	7.12	↑ 7.3
	Gaza Strip	4.89	5.89	↑ 20.5
White table salt (kg)	West Bank	1.76	1.76	↔ 0.0
	Gaza Strip	1.17	1.44	↑ 23.8



Bottom photo: WFP/Nour Hammad

WFP Ration Items Prices: tracking trends

Price fluctuation in a month: November-December 2021

Food	Region	Nov (NIS)	Dec (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	136.46	137.29	0.6
	Gaza (local wheat flour, 50 kg)	91.00	90.00	-1.1
Corn oil (3L)	West Bank	26.36	26.51	0.6
	Gaza	26.66	26.59	-0.3
Chickpeas (kg)	West Bank	8.18	8.16	-0.2
	Gaza	5.46	5.35	-1.9
Lentils (kg)	West Bank	7.18	7.12	-0.8
	Gaza Strip	5.72	5.89	2.9
White table salt (kg)	West Bank	1.77	1.76	-0.3
	Gaza Strip	1.39	1.44	4.0