

# WFP Palestine Monthly Market Dashboard January 2022



## Highlights

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

In the West Bank, in January 2022, the prices of lentils, chickpeas, and corn oil decreased slightly compared with December 2021 prices. Wheat flour prices increased by 2.86% compared to the previous month. **West Bank tomato prices showed the highest monthly increase—rising by 41.92% in January** reaching NIS 4.87 per Kg. Potato prices increased by 3.70% over the month.<sup>1</sup>

In the Gaza Strip, tomato prices had the highest price increase from December to January rising by 83.25% reaching NIS 2.84 per Kg. Lentils, chickpeas, and potato prices decreased slightly, while corn oil experienced a slight increase in January. When compared to January 2021, the prices of **wheat flour, lentils, corn oil, and tomato prices experienced notable increases from one year ago of 12.15%, 10.05%, 31.52%, and 81.84% respectively.**

The increase in vegetable prices can be explained by the extremely cold weather conditions in Palestine in January and its impact on the cultivation. Prices are expected to stabilize in the coming weeks.

The price of Excellent gasoline 95, one of the most commonly used fuels in Palestine, stabilized in January 2022 compared to December 2021 but is still 14.58% more expensive than in January 2021.

The average value of **WFP food ration prices was 9.17% higher than January 2021** and decreased slightly by 0.22% from December 2021 reaching USD 9.81 per ration in January 2022.

The Consumer Price Index (inflation rate) increased by 0.67% from December 2021 to January 2022, and the Food CPI increased by 1.99%. **Compared to one year ago, the CPI and Food CPI increased by 2.67% and 6.58% respectively.** When compared to neighboring countries in January, Jordan's year on year inflation rate reached 2.46%<sup>2</sup>, Egypt's inflation rate reached 8.00%<sup>3</sup>, and Israel's inflation rate reached 3.10%<sup>4</sup>.

According to WFP Palestine's field observation, 73% in West Bank, and 69% in Gaza Strip of the shops contracted by WFP for its Cash-Based Transfers (CBT) programme reported **no change in the number of customers** since October. 92% of the shops in the West Bank and 100% of the shops in the Gaza Strip reported that they have **sufficient stocks of basic commodities for at least 3 months.**

Globally, the **FAO Food Price Index (FFPI) rose 19.5% since January 2021**, averaging 135.7 points in January 2022, up 1.1% from last month. By food categories: **Vegetable Oils Price Index was up 4.2% compared to the previous month** averaging 185.9 points in January. **Cereal Price Index rose 12.5% above the January 2021 level** averaging 140.6 points in January which was a 0.1% increase compared to December 2021. **The Dairy Price Index marked the fifth consecutive monthly increase** averaging 132.1 points in January, up 2.4% from December 2021, and placing the index 18.7% above its value in the same month last year.

### The impact of Russia-Ukraine conflict on global and local economy

The conflict between Russia-Ukraine has had an immediate impact on the global economy. Brent crude, the global benchmark for oil prices, **Brent crude oil reached the highest price since 2014 at \$105.79, European wheat futures jumped 20% to a record price,** and global stocks markets have tumbled.

Locally, **Ukraine accounts for 32% of imported wheat flour into Palestine**, with Israel being the largest source (43%). The conflict is expected to directly impact Palestine's supply conditions forcing Palestinian importers to find substitutes to fill the supply gap which will likely push wheat prices up. According to the Ministry of National Economy, **Palestine yearly consumption of wheat is 600 thousand tons**, and the current wheat flour stocks in Palestine **will cover normal demand for 3 months.** As a direct impact of the crisis **wheat flour prices in Gaza increased by NIS 5 and reached NIS 95 per 50 Kg.** Additionally, the **Ukraine accounts for 37%, and 14% of imported sunflower and maize (corn) oil respectively.**

In summary, the conflict between Russia-Ukraine will have a significant impact on commodity prices and supply both globally and locally. The scale and scope of this impact will depend greatly on the duration of the conflict.

Banner photo: WFP/Nour Hammad

<sup>1</sup> The Palestinian Central Bureau of Statistics (PCBS)

<sup>2</sup> Department of statistics, Jordan

<sup>3</sup> Central Agency for Public Mobilization and Statistics, Egypt

<sup>4</sup> Bank of Israel



## January events: implications & potential impact

Ongoing demonstrations were held in Hebron and other cities in West Bank against the price increase in commodities. Also, Palestinian truck drivers demonstrated and went on strike protesting fuel price increases: **Excellent gasoline 95 increased by 2%** compared to January and reached NIS 6.33 per liter, and **diesel increased by 3%** reaching NIS 5.65 per liter, which is mainly used for heating and heavy equipment (**both the highest levels since November 2018**).

The PA has formed a committee that includes the ministers of finance, national economy, and the head of the Central Bureau of Statistics. The committee will study and follow up on the issue of rising prices in the local and international markets, monitor the price increases, and stabilize prices at acceptable levels to protect the poorest and the most vulnerable Palestinians.

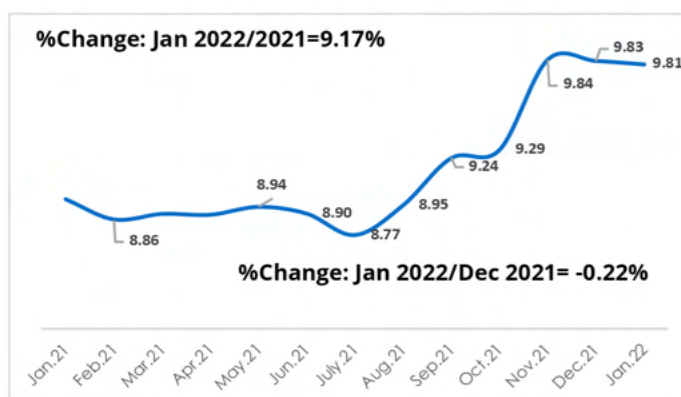
Following a meeting held on February 23, 2022, in the Hebron Chamber of Commerce and Industry between the Minister of National Economy and the Minister of Finance with the businessmen and traders on the rise in prices in Palestine, the following points were agreed upon:

- o **Reduce Value Added Tax (VAT) to 5% on locally produced goods and food items** (the current rate of VAT is 16%).
- o **Reduce shipping costs** on raw materials and commodities so that the price of basic food basket is reduced.
- o Conduct a study on **subsidizing fuel prices** to ensure the fairness of the subsidy.
- o Recommend a **reduction of the value-added tax by 1%** to 15% instead of 16% leading to a reduction in prices.
- o Activate the **price-setting committee** by the ministries of economy, finance, and chambers of commerce, and assist consumer protection officials in monitoring and controlling the market, to reflect on the Palestinian consumer.
- o Agree **not to impose a purchase tax on locally produced products**.
- o Mobilize the **chambers of commerce and the private sector**, in cooperation with citizens, to support the Ministry of National Economy and the Ministry of Finance to control the prices in the market.
- o During the meeting, participants also discussed several files that have a positive impact on Palestinian citizens, including reviewing the prices of telecommunications and the internet and working to reduce them, eliminating duplication of paying tax on profession licenses, and studying reducing prices of medicine.

## PRICE TRENDS

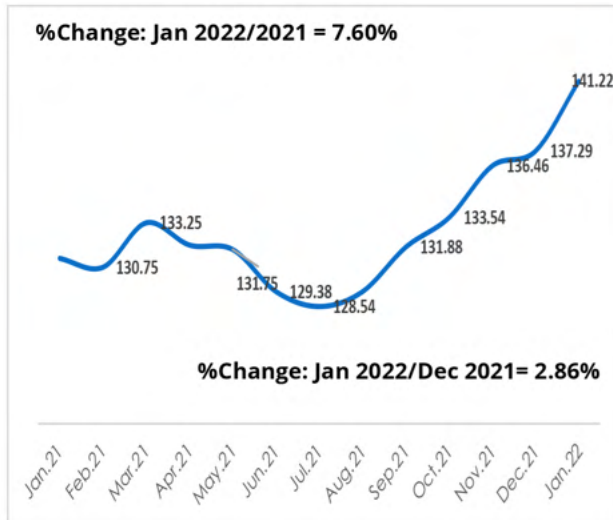
### WFP Rations

Monthly Average of WFP Rations (\$) Per Capita

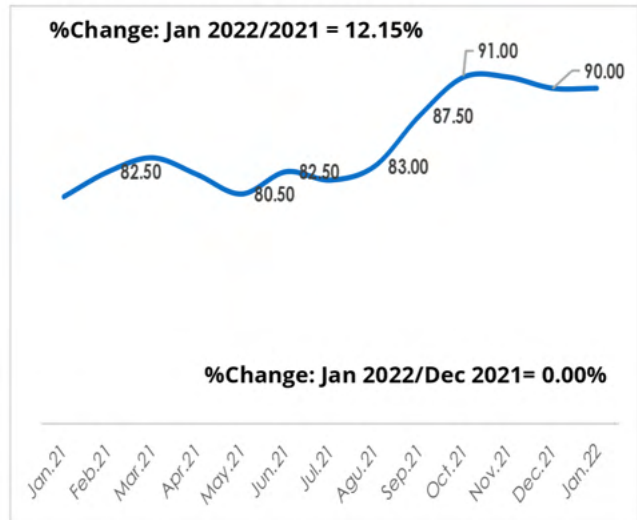


## Commodities

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



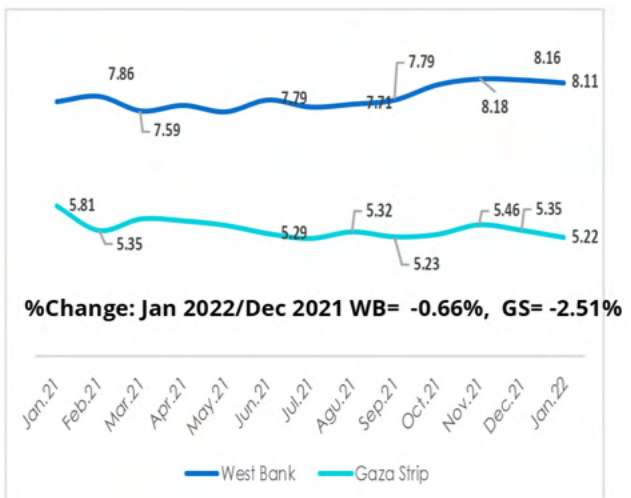
**Local Wheat Flour-Gaza Strip – (NIS/50Kg)**



**Lentils – (NIS/Kg)**

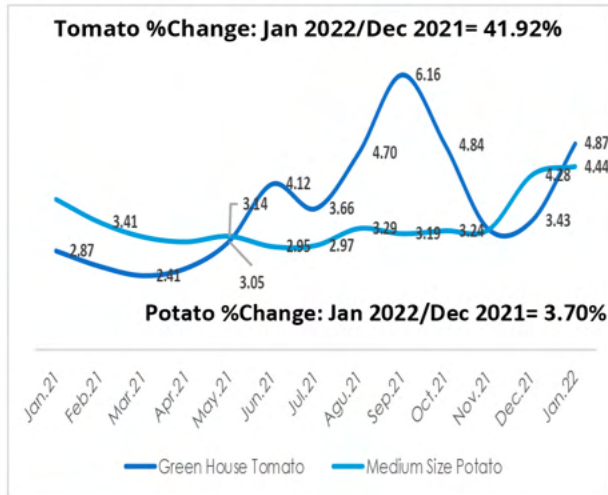


**Chickpeas (Hummos) – (NIS/Kg)**

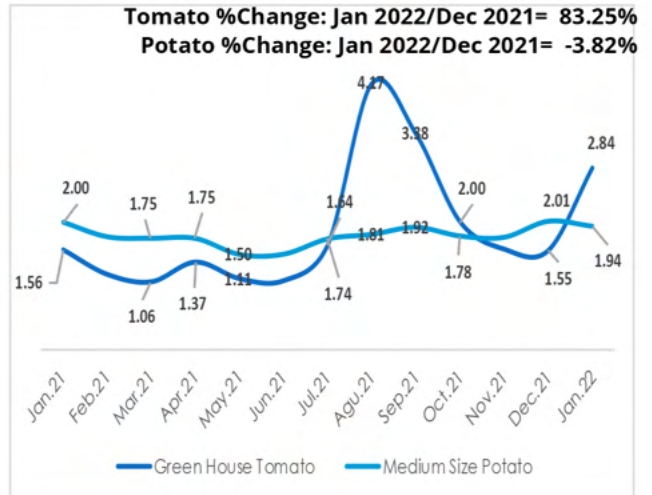


## Commodities (cont'd)

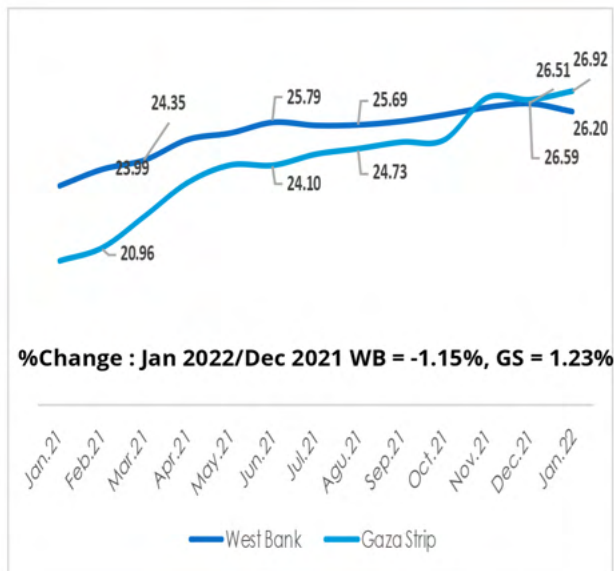
**Vegetables-West Bank – (NIS/Kg)**



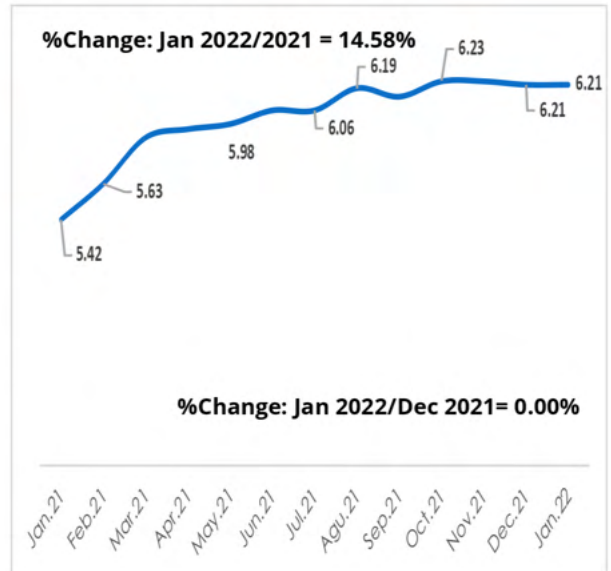
**Vegetables-Gaza Strip – (NIS/Kg)**



**Corn Oil (Corn Oil)– (NIS/3L)**



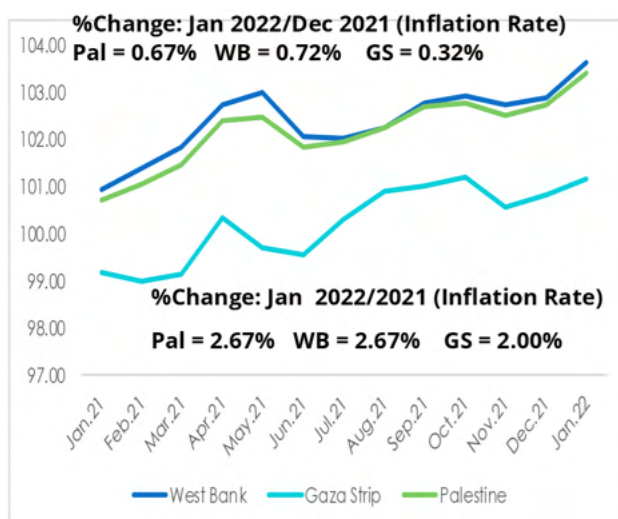
**Excellent Gasoline 95 – (NIS/Kg)**



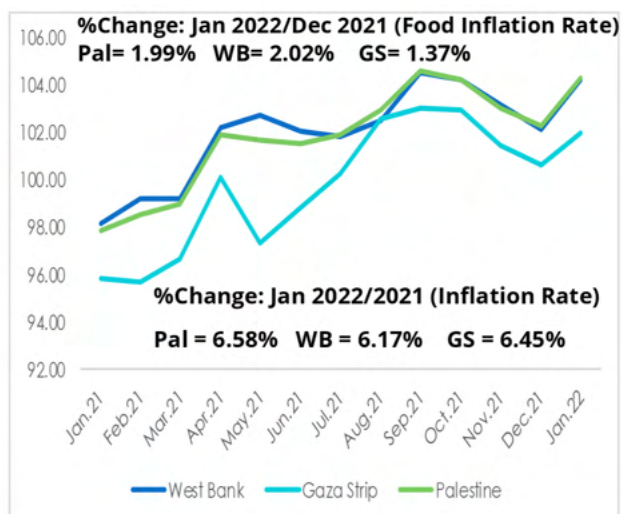


## Consumer Price Index (CPI)

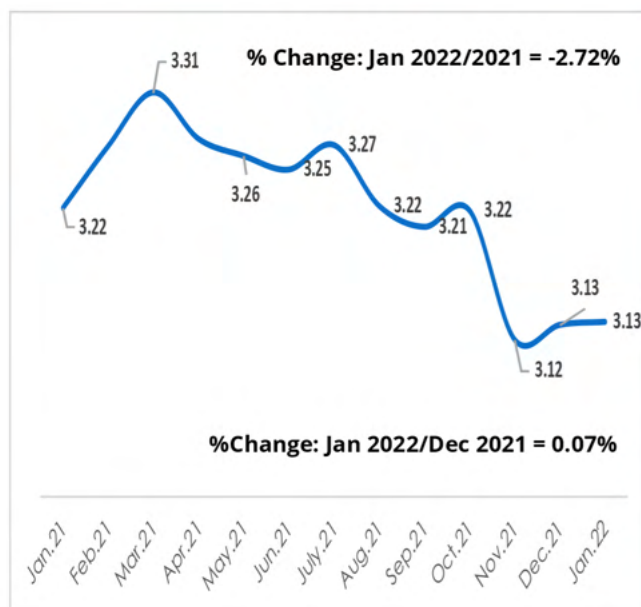
### Overall Consumer Price Index



### Food & Soft Drinks CPI



## Exchange Rate (NIS/\$)



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## WFP Ration Items Prices: tracking trends

### Price fluctuation in a year: January 2021—2022











Food	Region	2021 (NIS)	2022 (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	131.25	141.22	↑ 7.6
	Gaza (local wheat flour, 50 kg)	80.25	90.00	↑ 12.1
Corn oil (3L)	West Bank	23.36	26.20	↑ 12.2
	Gaza	20.47	26.92	↑ 31.5
Chickpeas (kg)	West Bank	7.76	8.11	↑ 4.5
	Gaza	5.81	5.22	↓ -10.2
Lentils (kg)	West Bank	6.64	7.06	↑ 6.4
	Gaza Strip	5.11	5.63	↑ 10.1
White table salt (kg)	West Bank	1.79	1.91	↑ 6.8
	Gaza Strip	1.17	1.50	↑ 28.6



Bottom photo: WFP/Nour Hammad

## WFP Ration Items Prices: tracking trends

Price fluctuation in a month: December 2021 -January 2022

Food	Region	Dec 2021 (NIS)	Jan 2022 (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	137.29	141.22	 2.9
	Gaza (local wheat flour, 50 kg)	90.00	90.00	 0.0
Corn oil (3L)	West Bank	26.51	26.20	 -1.1
	Gaza	26.59	26.92	 1.2
Chickpeas (kg)	West Bank	8.16	8.11	 -0.7
	Gaza	5.35	5.22	 -2.5
Lentils (kg)	West Bank	7.12	7.06	 -0.9
	Gaza Strip	5.89	5.63	 -4.5
White table salt (kg)	West Bank	1.76	1.91	 8.2
	Gaza Strip	1.44	1.50	 3.8