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PALESTINE ECONOMIC POLICY
RESEARCH INSTITUTE (MAS)

Palestine Economic Update

January 2026

Key Messages :

- Israel has continued to withhold the clearance revenues due to the PA for eight consecutive months now, forcing it to maintain partial salary payments while arrears and public debt continue to rise. External budget support remains insufficient to avert a deeper fiscal crisis, while the PA is exposed to additional pressure from Israeli lawsuits that could lead to further revenue deductions.
- In 2025, the Palestinian economy recorded around 4% GDP growth (driven by a fragile recovery in the West Bank alongside continued contraction in the Gaza Strip), yet output remained 24% below its 2023 level, reflecting severe economic losses and deep structural fragility. Forecasts for 2026 point to baseline growth of 4.1–4.5%, though outcomes remain highly contingent on political developments and the trajectory of reconstruction efforts.
- Against the backdrop of the surplus shekel crisis and looming correspondent-banking risks, the PMA intensifies high-level international engagement and proceeds with domestic reforms.
- In late 2025, the Ministry of Labour launched the AI-powered JobMatch platform to improve job matching and address skills mismatches. However, with unemployment reaching 78% in Gaza and 28% in the West Bank, meaningful labour market recovery remains contingent on easing Israeli restrictions, initiating reconstruction and creating viable alternatives to jobs lost in Israel.

This publication is published with the support
of Palestine For Development



1. PA Fiscal Update

Israel has continued to withhold the clearance revenues it collects on behalf of the Palestinian National Authority's (PA) for the eighth consecutive month, further deepening fiscal insolvency. On 12 January, the PA paid 60% of October salaries to approximately 172,000 public-sector employees, with a minimum payment of ILS 2,000.¹ The PA's regular monthly wage bill is estimated at around ILS 690m, accounting for roughly half of total public expenditure. This figure rises to over ILS 1bn when approximately 119,000 retirees and quasi-salary beneficiaries are included.

With Israel withholding for such a prolonged period the entirety of clearance revenues, which account for about 68% of total public revenues, combined with an adverse economic environment that constrains the expansion of local tax collection, the PA's ability to continue paying partial salaries has become contingent on the availability of external budget support and financing from local banks.

In the first eleven months of 2025, clearance revenues increased by 5.3% on an accrual basis compared to the same period in 2024, reaching ILS 9.5bn.² Nevertheless, funds actually expended to the PA declined by 6.9%, to ILS 5.9bn. Of this amount, only ILS 1.95bn was transferred to the PA between January and May 2025, with the remainder unilaterally deducted by Israel under net lending (ILS 3.9bn), including amounts charged to the PA to cover debts of private providers.

Withheld clearance revenues after deductions amounted to ILS 3.6bn in the first eleven months of 2025, representing a 34% increase compared to 2024. This is in addition to the ILS 5.8bn withheld between 2021 and 2024. In the absence of alternative financing sources to close this gap, the PA has been forced to rely on additional bank borrowing, continue paying partial salaries and accumulate further arrears to suppliers and employees. By November 2025, accumulated arrears had reached ILS 15.1bn, reflecting a 26% increase compared to November 2024 and a staggering 180% increase since November 2021. These arrears are not reflected in official public debt figures. Meanwhile, borrowing from local banks increased by 10% since November 2024 and by 46% since November 2021, reaching ILS 9.7bn.

Table 1: Public Revenues, Expenditures, Financing and Debt (Accrual Basis), January–November 2023–2025 (Million ILS)

Item	Jan–Nov 2023	Jan–Oct 2024	Jan–Oct 2025
Total Revenues	16496.9	13174.8	14075.2
Clearance Revenues	10988.7	9010.1	9490.6
Tax Revenues	3701.6	2800.1	2939.9
Non-Tax Revenues	1512.4	1171.1	1401.9
Earmarked Receipts	445.9	341.1	339.4
Tax Refunds (-)	151.6	147.7	96.6
Total Expenditures	16778.3	16475.6	16123.7

¹ <https://www.bnews.ps/ar/node/26827>

² <https://pmof.ps/documents/accounts/monthly/2025/>

Item	Jan–Nov 2023	Jan–Oct 2024	Jan–Oct 2025
Wages & Salaries	7646.9	7632.5	7627.1
Social Contributions	750.4	764.2	767.4
Consumption of Goods and Services	2812.7	2409.4	2603.1
Transfer Expenditures	2781.3	2688.3	2314.7
Other Expenditures	1068.1	1267.9	1334.2
Net Lending	1273	1372.2	1137.8
Earmarked Payments	445.9	341.1	339.4
Development Expenditure	1214.3	892.2	736.3
Balance before grants & financing	-1495.7	-4193	-2784.7
Budget Support	755.2	2307.8	1626.8
Development Financing	414.2	438.5	436.3
Net Lending from Local Banks	-1222.1	1037.2	917.7
Net Accumulation of Expenditure Arrears	4603	4801.8	5145.9
Withheld Clearance Revenues	-1555.6	-2694	-3609.4
Good, Services and Development Arrears	-1610.7	-1801.2	-1801.2
Public Debt*	12,724.32	15,295.36	15,766.35
USD/ILS Exchange Rate	3.4	3.67	3.7

*Public debt is converted using exchange rates that differ from those applied in the preparation of the public budget: 3.68 in 2023, 3.65 in 2024, and 3.26 in 2025.

Despite the launch of the Emergency Coalition for the Financial Sustainability of the Palestinian Authority in September 2025,³ through which member states pledged a total of \$200m over 12 months,⁴ and intensified PA efforts to secure additional budget support,⁵ the latest available data show a 29.5% decline in total budget support in the first eleven months of 2025 compared to the corresponding period in 2024, reaching ILS 1.6bn. These efforts included a recent visit by the Minister of Finance and Planning, Estephan Salameh, to Spain, where discussions focused on mobilising additional resources through the Coalition and expanding the donor base to include other countries.⁶

In December 2025, Salameh stressed that the fiscal crisis is political in nature, noting that external budget support is insufficient to resolve it and that there is no substitute for

the withheld clearance revenues. He further stated to local media: “There is no prospect of resolving the clearance revenues file in the near future, and despite the PA’s efforts and international pressure, no results have been achieved so far.”⁷ If this situation persists much longer, the PA risks reaching a point where it will be unable even to pay delayed partial salaries, let alone sustain the provision of basic public services.⁸

1.1 Renewed Financial Pressure from Israel

On 12 December 2025, The Phoenix Holdings, one of Israel’s largest insurance and financial groups, filed a lawsuit before the Jerusalem District Court against the PA, seeking compensation of NIS 550m.⁹ The company alleges that the PA bears responsibility for damages resulting from the theft of approximately 6,000 vehicles

3 <https://reliefweb.int/report/occupied-palestinian-territory/>

4 <https://www.bnews.ps/ar/node/26877>
<https://www.aliqtisadi.ps/ar/Article/107914/>

5 <https://www.wafa.ps/news/2026/1/7/>
<https://www.wafa.ps/Pages/Details/136269>

6 <https://www.aliqtisadi.ps/ar/Article/107914/>

7 <https://www.bnews.ps/ar/node/26632>

8 See the December 2025 issue of the Palestine Economic Update for a detailed account of the ramifications of the PA’s fiscal crisis: <https://mas.ps/publications/13472.html>

9 https://www.calcalist.co.il/local_news/article/sk7w4dfbbl

inside Israel between 2018 and 2025 and their subsequent transfer to areas under PA jurisdiction.

In its filing, Phoenix claims that the PA is in breach of its obligations under the Oslo Accords, incorporated into Israeli law, particularly with respect to the protection of Israeli property. The lawsuit further alleges that the PA has failed to prevent, and in some cases has cooperated with, networks involved in vehicle theft. In parallel, Phoenix submitted a request for a temporary seizure order on PA funds held by the Israeli authorities, aimed at securing the enforcement of any future court ruling.

This marks the second lawsuit of its kind in less than a year.¹⁰ In 2025, Menora Mivtachim Holdings, another major Israeli insurance and financial company, filed a similar claim against the PA, seeking NIS 250m in compensation.

Salameh revealed that a total of 380 lawsuits have been filed against the PA before Israeli courts.¹¹ He warned that, should rulings be issued in favour of the Israeli plaintiffs, potential compensation claims could reach nearly NIS 20bn. In previous years, Israel made deductions from clearance revenues based on Israeli court rulings and decisions by its Ministry of Finance. These lawsuits may serve as a new legal channel for intensifying economic pressure on the PA, facilitating further deductions from clearance revenues.

2. Economic Performance in 2025 and Forecasts for 2026

At the end of December 2025, the Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) released their economic estimates for 2025

and forecasts for 2026.¹² The data indicate that real GDP grew by around 4% in 2025 compared to 2024, driven by a 4.4% increase in the West Bank, while Gaza contracted by about 8.7%. However, this growth followed a severe cumulative downturn, leaving GDP roughly 24% below its 2023 level (13% in the West Bank and 84% in Gaza). This underscores the failure to return to pre-war levels and the continued fragility of the recovery path under ongoing adversities and restrictions.

On the production side, most economic activities recorded only marginal increases in 2025, insufficient to signal a recovery, with output levels below their 2023 levels. Construction remains 41% below its 2023 level (29% in the West Bank and 99% in Gaza), industry 25% lower (21% and 82%, respectively), services 25% lower (12% and 82%), and agriculture 18% lower (stable in the West Bank but down 92% in Gaza). These figures highlight the structural fragility of the Palestinian economy and its heavy reliance on shock-prone service sectors, while productive sectors account for only about 19% of total output. As a result, recovery prospects and job creation remain limited amid continued restrictions on movement and trade, withheld clearance revenues, shrinking external income sources and insufficient external support. In Gaza in particular, the data reflect the disintegration of the traditional economic base and the dominance of relief-oriented service activities.

On the demand side, total consumption fell by around 24% compared to 2023 (12% in the West Bank and 81% in Gaza), driven by soaring unemployment and erosion of real incomes. The unemployment rate reached approximately 46% in 2025, with 78% in Gaza and 28% in the West Bank,

¹⁰ <https://www.wasla.news/19269>

¹¹ <https://www.maannews.net/news/2152352.html>

¹² [PCBS Economic Forecasts 2026](#)
[PMA Economic Forecasts 2026](#)

despite a slight improvement in the West Bank compared to 2024 (31.4%). This reflects the near paralysis of economic activity in the Gaza Strip, while the West Bank economy demonstrates a weak capacity to generate new jobs.

The chronic trade deficit widened in 2025 to \$5.3bn (at 2015 prices), as consumption-fuelled imports rose by 18% to \$7.9bn and exports by 20% to \$2.9bn. Nonetheless, the deficit remained about 12% below its 2023 level due to a 17% decline in imports driven by weakened purchasing power, while exports exceeded their 2023 level by around 5%. Inflationary pressures intensified, with the Palestine-wide consumer price index rising by about 11% in 2025 compared to 2024, driven by a sharp increase in Gaza (22%), despite a slight decline in the West Bank (0.13%).

Overall, the 2025 economic indicators do not point to any green shoots of recovery. Instead, the economy appears to have stabilised at a reduced level of activity. This fragile stability is a direct outcome of the collapse of economic activity in Gaza, declining investment and persistent movement and trade restrictions, leaving 2025 as a weak starting point for the outlook in 2026.

2.1 Forecasts for 2026

Estimates by the PMA and the PCBS using different modelling methodologies provide a useful range of projections for the coming year's performance. They suggest that the Palestinian economy could grow between 4.1% and 4.5% in 2026 under the baseline scenario, which assumes the continuation of current political and economic conditions without a major improvement or broad deterioration.¹³ This growth is expected to be driven by a 2.7%–3.7% increase in total

consumption, while investment remains weak due to persistent uncertainty and a narrow recovery. Unemployment is projected to decline slightly to 43.1%, compared to 45.8% in 2025.

Alternative scenarios indicate that the 2026 outlook is highly sensitive to political developments, particularly the trajectory of the ceasefire and reconstruction, with PMA and PCBS providing estimates for different national accounts aggregates, not always in tune with each other.

- Recovery and reconstruction scenario** assumes a wide range of positive developments: halt to the war on Gaza, the launch of externally financed reconstruction, easing of movement and trade restrictions, release of withheld clearance revenues, increased external budget support and credit facilities, and a gradual resumption of economic activity in both Gaza and the West Bank. These dynamics would improve output, consumption and public revenues. However, a recent MAS publication suggests that such gains would remain reconstruction-led rather than structurally transformative unless embedded in a long-term development strategy.¹⁴
- Pessimistic scenario** assumes continued political and economic deterioration: driven by the failure to consolidate a ceasefire, ongoing Israeli military aggressions, tightened restrictions, full withholding of clearance revenues, declining public revenues, erosion of the productive base, contracting investment, minimal external aid and intensified Israeli pressures on the banking sector. All of which would lead to a deeper contraction and a prolonged economic crisis in 2026.

¹³ Ibid

¹⁴ <https://mas.ps/en/publications/12969.html?utm>

Table 2: PCBS and PMA Economic Forecasts for 2026

Scenario	Baseline		Recovery and Reconstruction		Pessimistic	
	PCBS	PMA	PCBS	PMA	PCBS	PMA
(%) Real GDP Growth	4.1%	4.5%	15.0%	9.9%	-4.2%	-1.4%
(%) Per Capita GDP Growth	1.8%	6.7%	12.5%	7.4%	-6.3%	-5.7%
(%) Change in Gross Consumption	3.7%	2.7%	10.6%	9.8%	-2.5%	-5.2%
(%) Change in Gross Investment	-	7.1%	-	27.1%	-	-39.5%
(%) Unemployment Rate	43.1%	43.0%	41.8%	38.0%	-47.8%	-49.0%
(%) Change in Agriculture Value Added	6.4%	-	4.8%	-	-20.2%	-
(%) Change in Construction Value Added	23.2%	-	51.2%	-	-3.2%	-
(%) Change in Industrial Activity Value Added	6.5%	-	3.2%	-	-8.2%	-
(%) Change in Services Value Added	1.2%	-	2.1%	-	-1.3%	-
(%) Change in Imports	-	10%	-	14.6%	-	-4.5%
(%) Change in Exports	-	4.0%	-	18.6%	-	-27.4%

3. PMA Efforts to Maintain Financial Stability

Amid the ongoing surplus shekel crisis and the approaching expiry of the indemnity that allows Israeli banks to maintain correspondent banking relationships with Palestinian banks, extended in December 2025 for only two months until 12 February 2026, the Palestine Monetary Authority (PMA), in cooperation with the UN Special Coordinator's Office, convened a high-level policy dialogue on 26 January 2026.¹⁵ The meeting brought together 16 ambassadors, representatives from 27 countries and several international financial institutions.

The discussion focused on mounting risks to Palestinian financial stability, particularly the shekel surplus, uncertainty surrounding correspondent banking relationships and Israel's continued withholding of clearance revenues. Participants also discussed mechanisms for coordinating international support to ensure the continuity of banking services in both the West Bank and Gaza. PMA Governor Yahya Shunnar emphasised that the Palestinian banking sector has

¹⁵ [PMA Mobilises International Support | PMA](#)

maintained resilience and stability despite exceptional challenges, stressing that mobilising international support to address the shekel surplus and secure the release of withheld clearance revenues is essential for economic recovery and for enabling the banking sector to support growth and reconstruction. He further underscored the need to fully empower the PMA's supervisory role, strengthen effective oversight and reinforce anti-money laundering frameworks to safeguard the integrity and unity of the financial system and mitigate systemic risks.

3.1 Law on Reducing Cash Usage

On 8 December 2025, the PMA convened a broad-based policy dialogue to discuss the draft Law on Reducing Cash Usage, which was released for public consultation in October.¹⁶ The meeting brought together representatives from government ministries and public institutions, the banking sector, economic, financial, and legal sectors, as well as civil society organisations and experts. According to the PMA, the draft law addresses structural risks stemming from cash use in large transactions, including transparency gaps, tax evasion, high handling costs and

¹⁶ [PMA Convenes a Broad-Based Policy Dialogue to Discuss](#)

its role in deepening the surplus shekel dilemma.¹⁷ It targets transactions above NIS 20,000, without affecting daily cash use or constraining economic activity.

The dialogue was structured around three consecutive sessions addressing the legal framework and consistency of the draft law with existing legislation, the expected economic and financial impacts and the readiness of the required technical infrastructure, and the digital transformation agenda, with a focus on the role of public and financial institutions in developing an advanced digital payments ecosystem.

Participants' interventions highlighted practical implementation challenges and resulted in several key recommendations, most notably adopting a gradual approach to implementation that accounts for sectoral differences, reviewing cash transaction thresholds in line with the nature of economic activities, and accelerating the implementation of the National Financial Inclusion Strategy. Additional recommendations included reducing fees associated with electronic payment instruments, providing affordable and user-friendly digital solutions, strengthening financial data protection, maintaining banking confidentiality, enhancing digital infrastructure readiness, and launching a national awareness and training programme targeting merchants, citizens and digitally excluded groups.

On 18 December 2025, the PMA announced that it had completed the technical and legal revisions to the draft law after reviewing and integrating public feedback.¹⁸ It also prepared the explanatory memorandum, legislative policy note, legislative needs assessment, and a phased implementation timeline, in

preparation for submitting the final draft to the Council of Ministers. In addition, it is preparing a comprehensive communication and awareness plan to promote digital financial literacy and encourage the use of electronic payment methods.

3.2 National Financial Inclusion Committee

On 22 December 2025, the National Committee for Financial Inclusion, a high-level body established in 2017 to oversee the National Financial Inclusion Strategy (NFIS) 2018–2025, was reconstituted with its membership expanded to include the Ministry of Women's Affairs and the Ministry of Telecommunications and Digital Economy.¹⁹ Building on the first NFIS implementation plan (2018–2025), the committee will develop a new implementation action plan for 2026–2028, aimed at broadening financial inclusion across all segments of society, with a focus on women, youth, micro, small and medium enterprises and low-income groups. The new plan also aims to support financial and technological innovation, strengthen financial services infrastructure, and enhance consumer protection, while accounting for Palestine's specific economic and social context.

According to PMA data, in 2024, around 50.1% of adults held at least one bank account, while 10% had at least one loan.²⁰ Reflecting PMA-led digitalisation efforts and accelerated shifts following the Israeli war on Gaza, the use of digital financial services has increased markedly. The share of adults holding at least one account with digital payment service providers rose to 30% in 2024, up from 21% in 2023 and 14% in 2022. However, a persistent gender gap remains. In 2023, 34% of adult women held at least one bank account compared to 68% of men, while 12% of women held an electronic

¹⁷ See the November 2025 issue of the PEU for further details.: <https://mas.ps/publications/13428.html>

¹⁸ [PMA Completes Revisions to the Draft Law on Reducing Cash Usage | PMA](#)

¹⁹ [Reconstitution of the NCFI and Preparation of a New Implementation Plan | PMA](#)

²⁰ [Financial Inclusion Data and Indicators | PMA](#)

payment account versus 28% of men.

4. National Job-matching Platform

At the end of 2025, the Ministry of Labour launched the national job-matching platform (JobMatch) in partnership with the Belgian Development Agency (Enable) and with EU funding.²¹ The platform aims to improve labour market efficiency and access to employment by matching labour supply and demand, helping to curb high unemployment levels.

Powered by AI, JobMatch seeks to establish a comprehensive digital labour market system by aggregating vacancies from around 42,745 employers and matching them with a database of 554,768 registered job seekers through an advanced matching engine. Its scope extends beyond the domestic market to include international and remote job opportunities through external partnerships.

The platform is also expected to play a strategic role in providing government institutions with detailed labour market analytics and evidence-based indicators, supporting policymaking and guiding training and employment programmes in line with market needs.²² In addition, JobMatch promotes horizontal job matching, aligning workers' educational backgrounds with job requirements, to address chronic issues such as graduate unemployment, low productivity and skills mismatches.

To strengthen its database, the Ministry of Labour established strategic partnerships in 2025 with Palestinian universities and vocational training institutions across the public and private sectors, and signed four agreements with major job portals, enabling coverage of around 95% of job advertisements in Palestine, with ongoing efforts to integrate all public-sector vacancies into the platform.

²¹ <https://mol.pna.ps/news/1380>

²² <https://jobmatch.ps/about-platform>

4.1 Record-High Unemployment Rates

Even before the Israeli war on Gaza, unemployment had been one of the most persistent structural problems facing the Palestinian economy. By the end of 2022, the unemployment rate in Palestine stood at around 24.4% (13.1% in the West Bank and 45.3% in Gaza), placing it among the highest globally.²³ By comparison, the global unemployment rate was about 5.3%, around 10% in Arab countries, and 9.1% in the Middle East and North Africa (MENA) region.²⁴

This chronic unemployment is largely driven by the Israeli occupation, its restrictive policies, control over resources and coercive measures.²⁵ These have produced deep structural distortions in the Palestinian economy, particularly the weakening of productive sectors such as agriculture and industry, alongside excessive dependence on the Israeli economy. As a result, the productive base has remained constrained, and the economy has been unable to absorb new entrants into the labour market.

Since the outbreak of the war on Gaza, the unemployment crisis has worsened dramatically, reaching unprecedented levels. In Gaza, widespread destruction has effectively dismantled the economy in its conventional sense, reducing activity to survival and relief efforts. Recent estimates suggest that unemployment reached around 78% in 2025, with regular labour force surveys extremely difficult to conduct under catastrophic conditions.²⁶

In the West Bank, economic conditions have also deteriorated sharply. Israeli

²³ <https://www.pcbs.gov.ps/Downloads/book2658.pdf>

²⁴ <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS>

²⁵ <https://unctad.org/system/files/official-document/n.pdf>

²⁶ Given the extensive destruction caused by the Israeli aggression, standard labour force indicators no longer adequately capture labour market realities in the Gaza Strip.

military operations, particularly in northern governorates, have caused extensive damage to infrastructure and private property.²⁷ Hundreds of checkpoints, roadblocks and gates have severely restricted the movement of people and goods, resulting in daily losses estimated in the millions of shekels and partial paralysis of inter-governorate trade and services.²⁸ Moreover, since the start of the war, the Israeli government has imposed an almost complete ban on Palestinian access to the Israeli labour market. This, alongside the adversities of the war, led to the sudden loss of 203,300 jobs (between Q3 and Q4 2023) in the West Bank, a sharp decline in labour income from Israel, and a direct contraction in domestic consumption, intensifying competition over already scarce local job opportunities. These pressures were compounded by increased deductions from (and the later full suspension of) clearance revenue transfers, further undermining the already limited PA capacity to provide emergency support to affected households and maintain basic services such as health and education.²⁹

Against this backdrop, and within an economy that was already fragile before the war, the capacity of the local labour market to absorb the unemployed has weakened further, leading to declining living standards and rising poverty. By the third quarter of 2025, the number of employed workers from the West Bank was still 137.1 thousand lower than in the third quarter of 2023, including 127.7 thousand jobs previously in Israel and settlements, and 9.4 thousand jobs in the local West Bank market. Accordingly, despite a slight improvement in unemployment rates in the West Bank since the onset of the war, unemployment remains at record-high levels (see Figure 1).

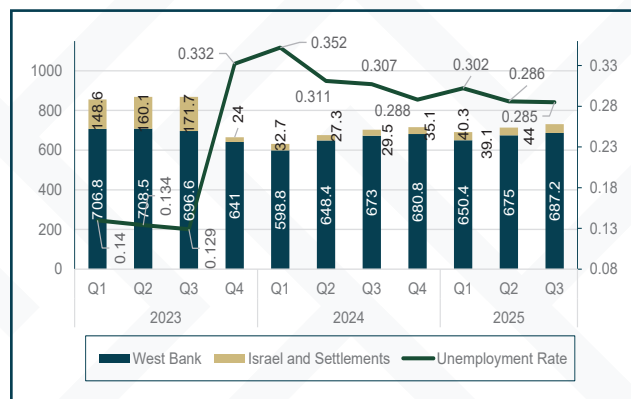
27 <https://mas.ps/publications/12838.html>

28 <https://mas.ps/news/12336.html>

29 <https://mas.ps/publications/13472.html>

With most former workers in Israel unable to secure alternative employment locally, and with limited prospects for their return amid Israel's policy of reducing reliance on Palestinian labour, household economic conditions continue to deteriorate.³⁰

Figure 1: Number of employed workers from the West Bank (thousand workers) by place of employment and the unemployment rate among labour force participants in the West Bank, Q1 2023–Q3 2025



5. December Trading

The AI-Quds Index rose by 3.6% in December 2024, closing at 619.7 points on the final trading day of the month.³¹ Trading activity increased sharply, with 31.5m shares exchanged at a total value of \$117.5m, up 464% in volume and 803% in value compared to November. Around half of the total trading value was driven by a single transaction, in which Padico Holding (PADICO) sold its stake in Palestine Industrial Investment Company (PIIC) for approximately \$56m.³² Even after excluding this transaction, the Palestine Exchange recorded a notable increase in trading activity during December.

Despite weak economic conditions in 2025, the AI-Quds Index rose by 24.3% compared to its end-2024 level, recouping most of the losses recorded since the onset of the war

30 https://gisha.org/UserFiles/File/Back_to_work_report_ENG.pdf

31 <https://www.pex.ps/bulletins>

32 [PADICO Sells its Share in PIIC | PADICO](https://www.pex.ps/bulletins)

on Gaza. Trading activity increased during the year, with 209.8m shares exchanged at a total value of \$383.2m, up 109% in volume and 133% in value year-on-year. Market capitalisation expanded by \$862.8m to reach \$4.9bn, representing a 21.1% annual increase.

During 2025, the Palestine Exchange recorded four new share issuances totalling approximately 44.2m shares, with a combined value of about \$51.7m.³³ These included a \$30m public secondary offering by Arab Palestinian Investment Company (APIC), a \$6m public secondary offering by Palestine Islamic Bank, and two private placements by Bank of Palestine covering around 8.2m shares, valued at approximately \$12.7m, including share premium.

6. Recent MAS Work

6.1 Status Update- Nov 2025: Rapid Capacity Assessment of Gaza Strip's Municipalities

On 28 January 2026, the Palestine Economic Policy Research Institute (MAS) convened a workshop to present findings from a rapid assessment of municipal capacities and war-related damage across all 25 municipalities in the Gaza Strip.³⁴ The assessment provides a snapshot of operational conditions, urgent needs and recovery costs to inform immediate life-saving interventions and municipality-led recovery planning.³⁵

The assessment finds a near-total collapse of municipal governance. Physical destruction is extensive, with estimated recovery costs of \$4.12bn across 18 critical service sectors. Core infrastructure has been devastated, including nearly 9,627 km of roads and over 3,400 km of water and sewage networks,

³³ <https://www.pex.ps/ar/news/news-23-2/>

³⁴ https://mcusercontent.com/Agenda_Eng_01.pdf

³⁵ https://mcusercontent.com/Abstract_Gaza_E.pdf

while more than 90% of municipal buildings and public facilities destroyed. Human capital losses are severe, with municipal staffing reduced by 42%, widespread casualties and remaining staff largely operating without salaries, equipment or functional workspaces. Financially, municipalities have lost almost all revenue, with estimated losses of \$162.75m, effectively eliminating operating budgets. In this vacuum, local committees have emerged as essential volunteer service providers, though without sustainable coordination or institutional support.

The report recommends a phased recovery: immediate restoration of basic municipal functions, medium-term rehabilitation of infrastructure and institutional capacity and long-term reconstruction centred on sustainable urban systems and socio-economic recovery. It stresses that recovery will fail unless municipalities regain minimum planning and implementation capacity, and that reconstruction must be municipally led, community anchored and institutionally grounded, rebuilding governance alongside physical infrastructure.

6.2 Women's Economic Empowerment in the Private Sector: Women's Representation and Participation in Decision-Making Positions as a Necessary Tool

MAS recently published a comprehensive study commissioned by the Palestinian Working Woman Society for Development (PWWSD) to promote social justice and gender equality in Palestine.³⁶ The study examines women's economic empowerment, focusing on women's participation in the labour market, informal employment and unpaid care work, representation in decision-making positions, women's

³⁶ <https://mas.ps/publications/13447.html>

entrepreneurship and economic violence. Based on the findings, MAS developed four policy papers addressing the study's core themes and presenting targeted policy recommendations.

The first paper highlights the severe underrepresentation of women in Palestinian chambers of commerce and industry, where women constitute less than 4% of members and 1.8% of board positions.³⁷ The low level of participation is driven by poor quality and sustainability of services, social and partisan political pressures and the high financial requirements for candidacy (JOD 1,000 annually). The paper recommends financial incentives, legal reforms including a 40% gender quota, and awareness campaigns to increase women's participation and leadership.

The second paper focuses on women's exclusion from leadership and decision-making roles in private sector firms, despite supportive legal frameworks.³⁸ It identifies structural barriers such as patriarchal norms, economic violence, and the glass ceiling, and calls for targeted awareness campaigns (especially for men), leadership capacity-building, gender-inclusive organisational reforms, binding legal measures such as a 40% quota, and supportive training, advisory services, and collective representation for women in the private sector.

The third paper addresses institutional economic violence in the private sector, noting that while 66.3% of employed women work in the private sector, only 25% have formal contracts.³⁹ The findings show that women often turn to informal work for flexibility, but this exposes them to exploitation, insecurity and rights violations, while their exclusion from male-dominated

decision-making undermines equality-oriented internal policies. It recommends redistributing unpaid care burdens by implementing the new Education Law to establish public childcare facilities, or by providing financial incentives to the private sector and NGOs to deliver these services. It also calls for strengthening protections and improving oversight of working women's rights, and designing training programmes to raise men's awareness of the importance of women's work and economic participation.

The fourth paper examines women's entrepreneurship, highlighting low participation rates (11.6% of new businesses) and concentration in the informal sector.⁴⁰ The paper urges the Ministry of National Economy to formalise and support women-led businesses through simplified registration, targeted incentives, tailored services and financial literacy. It also calls on the private sector to adopt gender-responsive financing, expand women's leadership, ease access to development loans and partner with women's organisations to advance financial inclusion.

³⁷ <https://mas.ps/publications/13431.html>

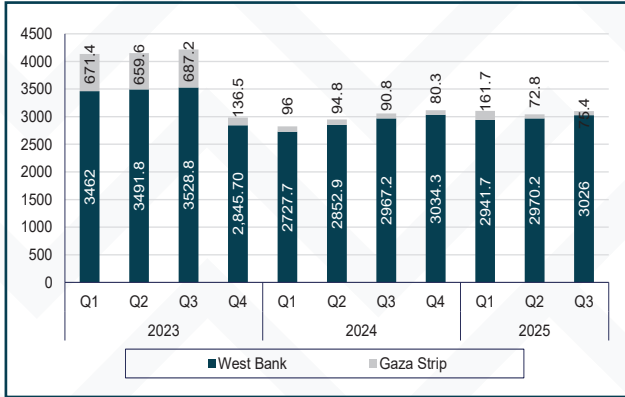
³⁸ <https://mas.ps/publications/13433.html>

³⁹ <https://mas.ps/publications/13435.html>

⁴⁰ <https://mas.ps/publications/13437.html>

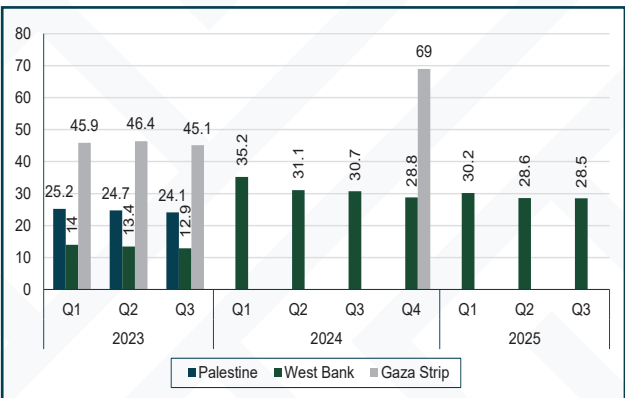
Gross Domestic Product

Quarterly Real GDP (million USD in 2015 prices) in Palestine by Region Q1 2023 - Q2 2025



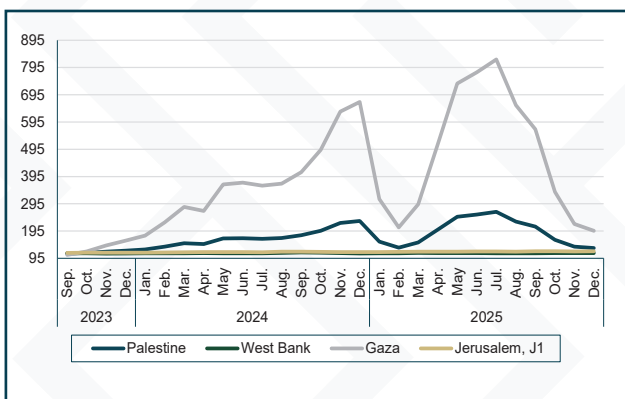
Unemployment

Quarterly Unemployment (%) in Palestine by Region Q1 2023 - Q3 2025



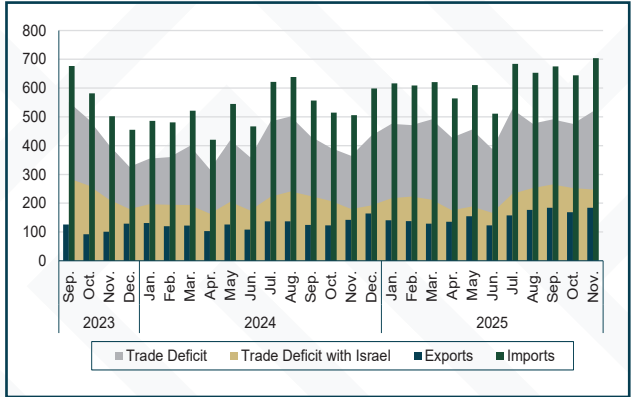
Inflation

Monthly Consumer Price Index (Base year = 2018) in Palestine by Region September 2023 - December 2025



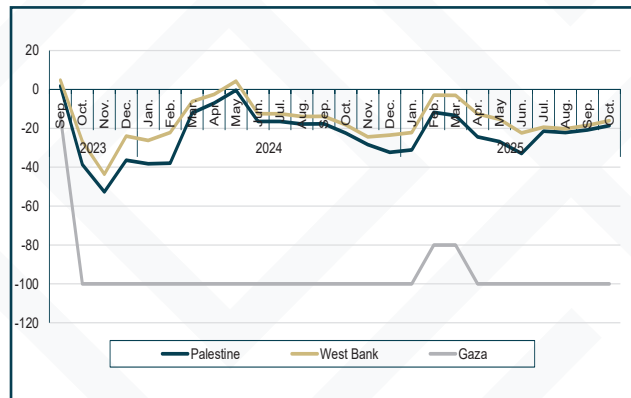
Trade

Monthly Export, Imports, Trade Deficit and Trade Deficit with Israel (million USD) in Palestine, September 2023 - November 2025



PMA Business Cycle Index

Monthly Palestine Monetary Authority Business Cycle Index September 2023 - October 2025



Banking

Monthly Customer Deposits and Credit Facilities (million USD) in Palestine September 2023 - November 2025

