

**Al Mezan Center for Human Rights**

**Report on  
Israel's Decision to Suspend Gaza's Customs Code**



**July 2007**

# **Report on Israel's Decision to Suspend Gaza's Customs Code**

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## **1. English version introduction:**

This report was drafted in July 2007; less than one month after the taking over of the Palestinian National Authority's installations in Gaza by Hamas, and directly after Israel's decision to suspend the custom code allotted for Gaza in previous agreements between Israel and the Palestine Liberation Organization (PLO).

The data provided by the report were precise at the time when it was published. But some of the data and information have changed. In particular, the decision investigated by this report simultaneously by the continued closure and sanctioning of Gaza by Israel have caused greater damage to the population. The economic situation has significantly regressed since July 2007 with no exports leaving the Strip and a limited number of goods allowed into it. Gaza's industry has almost completely shut down and the vast majority of its workers have been laid off. This has added to the seriously high rates of poverty and unemployment recorded in this report.

Later in October 2007, the Government of Israel decided to take new measures by which it cuts down the fuel and electricity supplies to Gaza. the stated justification has been the continued firing of projectiles at targets inside Israel, along the Gaza border, and especially at the town of Sderot. Human rights NGOs in the Occupied Palestinian Territories and Israel petitioned against these measures citing the prohibition by international law of such forms of collective punishment of Gaza's civilians. Nonetheless, the Israeli High Court upheld the government's decision regarding fuel cuts. The Court has not yet (as of 5 January 2008) decided on the intended electricity cuts.

An important final note is that this report was drafted and published in Arabic. This is a translation of the original version. Therefore, almost all of the references and citations were drawn from Arabic sources. The footnotes in this version are only a translation of those in the original Arabic version.

## **2. Introduction**

This report is a study in response to the Israeli decision to suspend Gaza's customs code. This decision has had a serious impact on the economic conditions in Gaza and on fundamental human rights of the Gazan population. It brought about graver human rights violations, in particular, of economic, social and cultural rights in the Gaza Strip, and this report aims to outline certain aspects of these violations and give recommendations on urgent actions to be taken in this regard.

The population of the Gaza Strip is currently living in an exceptionally dire situation, due to the deterioration of economic and social conditions. The population density in

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the Gaza Strip is classified as among the highest in the world,<sup>1</sup> and the rising rates of unemployment and poverty have reached unprecedented levels. The suffering of Gazans has been aggravated by the internal strife and political instability. On a continual and daily basis, they are being subjected to violations of their civil, political, social, economic, and cultural rights.

The right to freedom of movement is one of the fundamental rights that Gazans are being deprived of, through restrictions on movement to and from the Gaza Strip enforced by the Israeli Occupation Forces (IOF). Of particular concern is the ongoing Israeli closure of the Rafah Crossing between Egypt and the Gaza Strip, which is currently the only outlet for Gazans to access the outside world.

Apart from exceptional cases with extreme humanitarian character, the vast majority of Gazans have been denied access to the West Bank. In reality for Palestinians, movement between the West Bank to the Gaza Strip and vice versa has become more difficult than traveling to any other place in the world.

In fact, restrictions on freedom of movement of Gazans also include limitations on economic activities. The Israeli authorities have intentionally hindered, through 40 years of occupation, all efforts towards reviving and developing the economy of the Gaza Strip by 'deliberate, systematic deconstruction of an indigenous economy by a dominant power'<sup>2</sup>

This is clearly illustrated by the statistics on commercial trade between the Gaza Strip and Israel. In 2004, Israeli imports to the Gaza Strip had reached \$1,748 million and constituted over 73% of total imports, while Gazan exports to Israel had reached \$281 million, representing approximately 90% of total exports.<sup>3</sup> The fact that most external trade has been with Israel demonstrates the extent to which the Gazan economy depends almost entirely on Israel. Moreover, Israel has oriented and invested the Palestinian economy for its own interests by imposing restrictions on trade and insisting on maintaining full control over the flow of trade from and into Gaza.

The dependency of Gaza's economy on Israel is a natural result of the economic policies adopted by Israel since the beginning of its occupation of the Palestinian Territories. To give a few examples, prior to the establishment of the Palestinian National Authority (PNA) in 1994, Israel's Civil Administration frequently refused to give license to small industries in Gaza. There have also been limitations on purchase of fuel and other materials, while other restrictions determined with whom Palestinians can trade with. The arbitrary Israeli measures during the Second Intifada (since September 2000) should not be considered separately from their wider political context and objectives. During this intifada, the Israeli military targeted the main body of Gaza's economy by destroying factories and workshops, destroying the

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<sup>1</sup> The population density in the Gaza Strip is estimated at 4,107 people per km.<sup>2</sup> According to the Palestinian Central Bureau of Statistics (PCBS), on 15 June 2007, the population of the estimated Gaza Strip was 1,499,000, people. The area of the Gaza Strip is/ 365 km<sup>2</sup>.

<sup>2</sup> Michael Jansen, a review of "The Gaza Strip: The Political Economy of De-Development", Sara Roy, Washington, The Institute for Palestine Studies 1995; the review available at <http://desip.igc.org/UndevelopingGaza.html>.

<sup>3</sup> According to the PCBS's main indicators for external commerce in 2004, the exports of the value Gaza Strip were estimated at million \$312.7; of which million \$281 were exports to Israel. The value of the Strip's imports was estimated at million \$2,373; of which million \$1,784 from Israel.

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infrastructure that is necessary for industry and economic development, and imposing severe restrictions on the movement of people and goods. In line with such policies vis-à-vis the Gaza Strip, Israel decided on 21 June 2007 to suspend Gaza's customs code, which, essentially, constitutes an elimination of Gaza from the economic map. According to this decision, Gazan businessmen and traders are prevented from exporting or importing goods and raw materials via Israel's ports. Details about this decision and its implications will be outlined in this report.

### **3. The economic situation in the Gaza Strip under siege and closure**

The Gaza Strip is connected to the outside world through five main crossing points: Al Muntar (Karni), Nahal Ouz, Erez (in the north of the Gaza Strip), Sufa, and Rafah (both in the south of the Strip). A new crossing is Kerem Shalom commercial crossing, which was opened by Israel after the Agreement on Movement and Access (AMA), signed by Israel and the Palestinian National Authority (PNA) on 15 November 2005; just two months after Israel's unilateral implementation of the disengagement plan. Karni Crossing, on the eastern border of the Gaza Strip, is constitutes Gaza's vein for Gazans' subsistence, since it is the only access point for food and basic goods, including medicines, to enter the Gaza Strip. Karni is also the only outlet for Gaza's exports to access the outside world. The frequent closure of all Gaza crossings, but particularly Karni, has aggravated the economic situation in the Gaza Strip. The economy further collapsed after the expansion of the sanctions against Gaza. While sanctions have been imposed on the PNA, after Hamas had won the legislative elections on 25 January 2006, they were significantly expanded in 2007 to turn into a full prohibition of people's movement and exports, and a severe limitation of imports.

The unemployment rate in the Gaza Strip has reached 35%<sup>4</sup>. According to a report issued by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the percentage of Gazan families living under the poverty line (less than \$2 per day), reached 79% during the second half of 2006.<sup>5</sup> The Development Studies Institute indicates that today this number has reached over 87%.<sup>6</sup> A study conducted by the Palestinian Center for Public Opinion shows that four families out of five, representing over 80% of Gazan inhabitants, have suffered from a drop in income during the year under closure and sanctions, following Hamas' victory in the legislative elections.<sup>7</sup> About 76.5% of Palestinians described the economic situation in the Occupied Palestinian Territories (OPT), in general, as bad.<sup>8</sup> About 80% of the population in the Gaza Strip has become dependent on humanitarian aid provided by the World Food Program and the UNRWA.<sup>9</sup> Further, the frequent closure of all the crossings has had negative impacts on the private sector which is on the verge of total collapse. According to Mr. Ali Al Hayyik, the general-secretary of the Coordinating

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<sup>4</sup> A statement by Dr Lu'oai Shabana, Director of the PCBS, to the Palestinian News Agency WAFA, 30 April 2007

<sup>5</sup> UN OCHA, Gaza Situation Report, 12 July 2006.

<sup>6</sup> Al Jazeera Net: <http://www.aljazeera.net/news/archive/archive?ArchiveId=1035566>

<sup>7</sup> Al Jazeera Net <http://www.aljazeera.net/NR/exeres/EE31C081-7472-4F01-A8BB-4523AF78FD89.htm>

<sup>8</sup> The Palestinian Center for Public Opinion, Poll No.175, 2 August 2006.

<sup>9</sup> The World Food Program website, at <http://www.wfp.org/arabic/?ModuleID=129&Key=316>; last accessed on 22 June 2007.

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Council for the Private Sector, over 80% of factories in the Gaza Strip already been closed down due to the closure and lack of available materials<sup>10</sup>.

On 20 June 2007, the World Food Program and the Industrial Federation of Gaza have warned that food and basic goods, such as sugar, cooking oil, rice and flour, could be expected to run out within two weeks if the closure continues. In addition, the price of flour had already increased by about 40% and sales have increased by 350%;<sup>11</sup> owing to widespread fears of expected shortage.

Other reports by the UN agencies warned that UNRWA's flour stocks could run out within days and other nutritional goods provided by international humanitarian organizations could run out within a week unless goods are allowed to pass into the Gaza Strip<sup>12</sup>.

Adalah, the Legal Center for Arab Minority Rights in Israel, petitioned to the Israeli High Court on 25 June 2007 demanding immediate opening of Karni Crossing. The petition noted that, according to the AMA, Israeli authorities must allow the entry of 400 trucks of commercial goods into the Gaza Strip per day. On 21 June 2007, Israel allowed the entry of ten trucks carrying flour and cooking oil donated by Jordan. Another twenty trucks, carrying food, were allowed to enter Gaza over a period of two weeks. In its petition, Adalah asserted that such quantities did not correspond to those agreed in the AMA and did not adequately meet the minimum needs of the Gazan population.<sup>13</sup>

### **4. The Israeli decision to suspend Gaza's customs code**

On 21 June 2007, the Israeli Government decided to suspend Gaza's customs code.<sup>14</sup> Effectively, this means that the Israeli Tax Authority has deleted Gaza's customs code from the economic map. The customs code is used to categorize, at Israeli ports, the imports directed to the Gaza Strip. Without this code, Gaza cannot receive any imports from abroad. Israel has also instructed that no imports, except humanitarian aid, are allowed to enter Gaza.<sup>15</sup>

This decision was made following the Hamas take over by force of security apparatuses and the presidential compound in the Gaza Strip on 14 June 2007. In response to Hamas' military action, Palestinian President Mahmoud Abbas declared the Gaza Strip as a rebellious entity and issued a decree announcing a state of emergency in the OPT. In addition, he dismissed the national unity government led by

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<sup>10</sup> The Palestinian daily paper Al Ayyam: a published interview with Mr. Ali Al Hayyik, Secretary-General of Coordination Council for the Private Sector, 28 June 2007.

<sup>11</sup> See Adalah, the Legal Center for Arab Minority Rights in Israel, on a joint petition demanding opening of Karni crossing, [Adalah Demands that S.Ct. Order Immediate Opening of Karni Crossing: Closure of the Crossing Breaches International and Israeli Law](#); 25 June 2007.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> According to the Israel Radio (Arabic), 21 June 2007. The news was reaffirmed by sources in the Palestinian Ministry of National Economy and other sources in the Chamber of Commerce of Gaza.

<sup>15</sup> Commercial Closure: Deleting Gaza's Economy from the Map, a rapport issued by Gisha: Center for the Legal Protection of Freedom of Movement, July 2007.

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Mr. Ismail Hanniyeh and assigned Mr. Salam Fayyad the task of forming an emergency government.

Israel has already threatened in the past to separate the Gaza Strip from the joint custom package, after the Israeli unilateral disengagement from the Strip in September 2005.<sup>16</sup> At that time, Israel closed all of Gaza's crossings and insisted that the Rafah Crossing be removed and replaced with a new Crossing; the Kerem Shalom Crossing. As mentioned earlier in this report, the decision to suspend Gaza's customs code fits into the Israeli policies vis-à-vis the Gaza Strip; policies that have for years had closure and isolation at their core. It is believed that the pretexts currently provided by Israel in this regard, which are essentially based on a loose definition of security, are groundless.

### **5. The implications of the suspension of Gaza's customs code on the economic and social conditions in the Gaza Strip**

The "customs code" is a digital code which is registered in computers of the Israeli Department of Customs & Value Added Tax (VAT). This code organizes the customs clearance of Gaza's goods and the other related measures. According to article 13 in the Customs Tariff, the Israeli Department of Customs and VAT approved two digital codes for the 'territories controlled by the PNA': digital code No. 3 for the West Bank, and digital code No. 1 for the Gaza Strip,<sup>17</sup> taking into account the fact that the PNA-controlled territories are included in the Israeli customs package; not separate from it.

The Paris Protocol on Economic Relations between Israel and the PLO, signed in 1994, provides that "[T]he valuation for custom purposes will be based upon the GATT 1994 agreement as of the date it will be introduced in Israel, and until then—on the Brussels Definition of Valuation (BDV) system. The classification of goods is based on the principles of “the Harmonized Commodity Description and Coding System.”<sup>18</sup> The Protocol therefore obliges the PNA to follow certain custom rules within the Israeli customs system. The Gaza strip, which is part of what referred to as PNA-controlled territory, cannot therefore function outside this system.

Therefore, the suspension of the Gaza customs code will render businessmen unable to import or export, as without such a code goods destined for Gaza cannot be cleared at Israeli ports. This decision is expected to have serious implications on the economic sector, the living conditions, and on economic, social and cultural rights (ESCR) in the Gaza Strip. These expected negative impacts include the following:

1- Expected severe shortages of basic goods such as food, medicines, and medical equipment; some of which have already been depleted in the Gaza Strip.

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<sup>16</sup> Al Mezan Center Human Rights: a workshop on the custom package after the Israeli unilateral disengagement from the Gaza Strip, in September 2005 (available in Arabic only).

<sup>17</sup> Interview with Mr. Abdul Hakim Hassuna, Director of Dilta Company for Shipping and Customs Clearance, Gaza, 2 July 2007.

<sup>18</sup> Paris Protocol on Economic Relations between the Government of the State of Israel and the PLO, 29 April 1994; available online at <http://www.israel-mfa.gov.il/MFA/Peace%20Process/Guide%20to%20the%20Peace%20Process/Gaza-Jericho%20Agreement%20Annex%20IV%20-%20Economic%20Protocol>, last accessed on 21 July 2007.

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2- Expected increase in the prices of imported goods, due to the complicated measures imposed required to bring them into the Gaza Strip. The new situation implies that, when reaching the Israeli ports, cargo will be cleared under the digital code of the West Bank, and will be stored in the West Bank until it can be shipped to the Gaza Strip.<sup>19</sup> This will cause Gazan importers to suspend the import of some goods and increase prices of others, due to the increased costs of storage and shipment.

3- Many factories in the Gaza Strip, are expected to suspend their operations as a result of the serious shortage of raw materials. The cost of many materials has already increased to such an extent that production is no longer profitable for businessmen;<sup>20</sup> as revenues no longer cover costs of production. Raw materials are also expected to take more time to enter Gaza. Under such a degree of uncertainty, many industries are expected to close.

4- Over 2,000 Gazan importers<sup>21</sup> are expected to suffer losses due to accumulated storage fees at Israeli ports, where containers are kept by Israeli authorities while Karni Crossing is closed. For example, importers are charged an amount of NIS 6,230 (approximately \$1,400) per container for four weeks of storage at Ashdod Port, which is the main access port for cargo destined for Gaza. The fees include NIS 80 storage fee per day, and NIS 55 ground storage fee per day. The ground storage fee increases to NIS 120 per day in the second week, NIS 175 per day in the third week, and NIS 220 per day in the fourth week.<sup>22</sup> In addition, the transportation cost of cargo from Israeli ports to Karni Crossing is expected to increase by almost 400% (from NIS 4,000 to NIS 15,000) due to the Israeli cancellation of the Gaza customs code.<sup>23</sup> Moreover, it is expected that importers will suffer additional losses as they will be compelled to sell their goods in the West Bank, which requires redirection of goods, extra transportation costs and heavy competition.

5- The financial situation of Gazan businessmen is expected to be so severely affected that they will be unable to secure financial liquidity and to meet obligations, such as repaying bank loans, to financial and credit institutions.

6- As a consequence to the previous point, in addition to material losses Gazan importers risk a negative impact on their reputation, due to the possible incompliance by their financial obligations.

7- Many Gazans are concerned about the sustenance of their source of income as many companies, workshops and factories are expected to suspend operations due to the lack of raw materials and insufficient revenues.

8- Commercial agents in the Gaza Strip working with international companies, are also expected to sustain grave losses. As a result of the Israeli decision to suspend the Gaza customs code, such agents are unable to comply with their contracts with such

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<sup>19</sup> Interview with Dr Mui'n Rajab, lecturer of Economics, Al Azhar University, Gaza, 26 June 2007.

<sup>20</sup> Interview with Mr. Youssif Sha'at, the Regional Director of the Palestinian Shipping Council, Gaza, 26 June 2007.

<sup>21</sup> According to the Gaza Chamber of Commerce.

<sup>22</sup> Supra, Interview with Mr Abdul Hakim Hassuna, n. 17.

<sup>23</sup> Ibid.



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companies, which require importing of products. Therefore, these companies are expected to reduce the number of, or limit the size of, such agencies' contracts.

9- The competitive capacity of Palestinian products in international markets is expected to decline, as many factories which depend on imported raw materials have suspended operations.

10- The decision to suspend Gaza's customs code will force Gazan businessmen to import through Israeli mediators. This will deprive the PNA of the revenues from customs and VAT which it imposes on imported goods. This may also contribute to reducing the PNA's capacity to meet its financial obligations, thus increasing further its dependency on international financial aid and humanitarian assistance.

As a result of the closure of Karni Crossing from 9 June 2007 to 26 June 2007, about 950 containers of goods destined to the Gaza Strip, accumulated at Ashdod Port, according to the Governor of Gaza City and the president of its chamber of commerce; Dr Muhammad Al Kudwa.<sup>24</sup> Sources in the chamber of commerce indicated that the number of containers increased progressively by 60 containers per day, which is additional to the accumulation of goods that took place during the period of closure that preceded Israel's suspension of the Gaza customs code.<sup>25</sup> Considerable quantities of these goods passed their expiry date or were damaged, in particular perishable foodstuffs, due to long exposure to sun and inadequate storage methods.

In an attempt to overcome this crisis, the PNA has proposed a temporary solution, according to which the imports accumulated at Ashdod Port should be brought in and marketed in the West Bank.<sup>26</sup> For Gazan importers, however, this proposed solution will engender serious losses, as they will be compelled to pay extra shipment and storage fees. Further, imports will need to be reassessed to respond to the market and competition demands in the West Bank.<sup>27</sup> If Israel continues to implement its recent decision on Gaza's customs code, even in case of the opening of the Karni Crossing, Gazan businessmen have no other choice but to clear their imports under the West Bank's code (No 3). Goods will thus be shipped from Israeli ports to the West Bank, and then from there to the Gaza Strip. This solution is unreasonable and impractical, given the difficult conditions in the West Bank, which is divided by about 537 Israeli checkpoints, according to an OCHA report.<sup>28</sup> The trucks carrying goods would be stopped and checked at many checkpoints, causing goods to be damaged or perished and/or to arrive late, in addition to the increased cost paid by importers for shipments and storages.<sup>29</sup>

It is worth noting that the imports that are included under List (A1) in the Paris Protocol (goods that are locally produced in Jordan, Egypt, and other Arab countries)<sup>30</sup> cannot be redirected from the Gaza Strip to the West Bank or vice a

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<sup>24</sup> The Palestinian daily newspaper, Al Ayyam, 27 June 2007.

<sup>25</sup> Ibid.

<sup>26</sup> Supra, Interview with Mr. Youssif Sha'at, n. 20.

<sup>27</sup> Ibid.

<sup>28</sup> UN OCHA, Movement and Access (AMA) Report No 38, 11 May 2007.

<sup>29</sup> Ibid, Interview with Mr. Abdul Hakim Hassuna, n. 17.

<sup>30</sup> Article 3(2) in the Paris Protocol; see supra n. 20.

versa, as Gaza's code is already registered on the importation license in the place of origin, so it can not be replaced by the West Bank's code.<sup>31</sup>

### **6. Testimonies given by some Gazan businessmen regarding the impacts of the Israeli decision to suspend Gaza's customs code, on the economic sector:**

- ❖ Mr. Ahmed Abu Eidah, owner of Al Qimma Trade Company, in Gaza, said: "we have sustained grave losses due to this decision and the prolonged closure of the Karni Crossing by Israel. We are charged storage and ground fees as long as the cargo is held at Ashdod Port." He added "we can not continue to work under such circumstances as the flow of capital has been seriously disturbed or even stopped. For businessmen, the goods that have accumulated at Ashdod Port are considered as frozen money. We annulled orders for imports that we had already sent to foreign suppliers, particularly after the banks suspended the opening of new accounts for Gazan businessmen under the regime of sanctions. Actually, the transfer of goods to the West Bank will cause us serious losses."
- ❖ (F.H), owner of a trade company in Gaza, said "we have six containers of school stationery and coffee at Ashdod Port. The storage and ground fees imposed upon these containers have accumulated since 15 June 2007 until now. Owing to the Israeli decision to suspend Gaza's customs code, we can not enter our imports into Gaza and we can not meet our obligations vis-à-vis the banks by paying the scheduled installments. Usually, we pay the banks' installments from the revenues of these goods. Moreover, we have suspended all the import orders, which we have already sent."
- ❖ Mr. Hussam Hassouna- Company of Bashir As-Siksik and Partners- said "the company owns one of the biggest Plastic factories in the OPT. It produces plastic tubes. The factory has suspended the production process as a result of the shortage of raw materials. It's storage is about to run out. The company's administration refused the entry of its imports that have accumulated at Ashdod Port into the West Bank, because they consist of raw materials that are mainly used for manufacturing requirements and cannot be sold there."
- ❖ In his testimony, Mr. Hatim Urabi Al Banna, the director of Medical Systems Company in Gaza, mentioned "we have four truckloads which have been held in an Israeli airport pending shipment to Gaza through Karni Crossing. These trucks carry medical equipment, and laboratory test materials, which are used to examine Hepatitis patients, as well as about 80 evaporation appliances necessary to treat Asthma patients. All this equipment has been imported for Ard Al-Ensan Charity. Also, the cargo contains surgical threads, ordered by the Palestinian Ministry of Health." He added that "the Israeli decision regarding Gaza's customs code adds to the abusive measures and the restrictions we face when dealing with the Israeli Ministry of Health which

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<sup>31</sup> Interview with Mr. Ahmed Saleem Abu Eidah, owner of Al Qimma trade Company; Gaza, 2 July 2007.

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usually retards the issuance of licenses necessary for us, intentionally. As a result of this decision, we have suspended all import orders".

Despite the many fears regarding negative impacts of the suspension of Gaza's customs code by Israel, on the economic conditions in the Gaza Strip, Palestinian economic experts<sup>32</sup> assert that this decision does not mean a *full* suspension of the flow of goods from and to the Gaza Strip. In spite of the additional restrictions resulting from the suspension of Gaza's customs code, the flow of goods will continue through Palestinian or Israeli mediators. They add that, in principle, there should not be exaggerated concerns regarding the availability and flow of basic goods and food supplies into the Gaza Strip. However, it is possible that the prices of such goods will dramatically increase - a matter which depends on the complexity and duration of the procedures followed when entering such goods into Gaza and the quantity of such goods. No further elaborate information is yet available in this regard, but the coming few months will show how deep the implications are.

Some people have expressed concern that the Israeli decision is a first step towards an increased economic siege on the Gaza Strip. Yet, others believe that this stage is exceptional and only temporary. Those expect that it is unlikely that the situation, albeit difficult, will not reach a dead end, meaning the full suspension of all external commerce activities. In all cases, however, all reasonable precautions must be taken<sup>33</sup>.

## 7. Recommendations

This report attempts to show that the implications of the Israeli decision to suspend Gaza's customs code, which came under continued closure of all of the Strip's crossings, particularly Karni, represents a serious violation of the Gazans' human rights; especially ESCR, including the rights to life, food, an adequate standard of living, and access to health services and work. Other human rights are expected to be indirectly violated owing to the lack of materials essential for their fulfillment; such as the case of education and water.

The continued deterioration in the living conditions and the unprecedented high rates of unemployment and poverty in the Gaza Strip show that the economic situation is so grave that it cannot withstand further restrictions or punitive measures such as the decision under question. In this regard, Al Mezan Center for Human Rights calls upon:

- The PNA to reject the decision under question and other punitive measures that render paralyzed the Palestinian economic activity. Those constitute breaches of the agreements signed between the Israeli and the Palestinian parties. Moreover, the PNA should mobilize the international community in

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<sup>32</sup> Supra, Interview with Dr Mui'n Rajab, n. 19.

<sup>33</sup> Ibid.

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order to exert pressure on Israel to revoke this decision, given its devastating impacts on human rights situation in the OPT, particularly the Gaza Strip.

- The donor states and Israel to end the regime of economic siege and sanctions imposed on the Gaza Strip and the West Bank. This regime has generated negative impacts on civilians' life and wellbeing, including their access to food, water and health services, and has increased the rates of the poverty and reduced international humanitarian aid to the Palestinian people, as mentioned in a joint report issued by the World Food Program and the United Nations Food and Agriculture Organization, in February 2007.<sup>34</sup>
- The international community and organizations to exert pressure on Israel to open Gaza's border crossings for the movement of goods and persons, to evade Gaza an imminent humanitarian crisis.
- The international community to remind Israel, as occupying power, of, and pressure it to comply with, its duty to uphold its obligations under the International Humanitarian Law (IHL), vis-à-vis Palestinian civilians, by providing them with lifesaving materials and other needs.
- The PNA to start considering alternative solutions to facilitate the flow of goods from and to the Gaza Strip, including a proposal to export and import through the Egyptian Port of Port Said, and to reactivate the economic agreements with Egypt<sup>35</sup>, notably as those are allowed by the 1994- Paris Protocol between the PLO and Israel, despite its disadvantages.
- The PNA to take all the necessary measures to the maximum of its ability to protect Gazan businessmen, particularly commercial agents, and to compensate them for the losses they have suffered as a result of the custom code suspension.

After the Oslo Agreement which was signed in 1993, Israel has adopted policies that have practically enforcing a geographic separation between the Gaza Strip and the West Bank, through an increase of checkpoints and other restrictions that hinder the Palestinians' freedom of movement. The Palestinians (with a few exceptional cases) have been denied the right to free movement between the Gaza Strip and the West Bank and vice versa. The suspension of the custom code only adds to these restrictions, but is a step that is particularly harmful for Gaza's people as it has a series of immediate consequences.

The Palestinians' internal conflict and disparity have created conditions that allowed for the existence of measures that could destroy their economy and affect their legitimate strife for their internationally recognized rights. This conflict must stop without delay.

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<sup>34</sup> The World Food program, a report by the UN in which it which WFP and FAO warn about Palestinians' inability to access adequate food, 22 February 2007, available online at <http://www.wfp.org/arabic/?ModuleID=129&Key=264>; last accessed on 21 July 2007.

<sup>35</sup> Supra, Interview with Dr Mui'n Rajab, N. 19.

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The recent internal clashes that ended in Hamas' *de facto* control over the Gaza Strip have created an environment that allowed Israel to further undermine the PNA in the OPT. Israel suspended Gaza's customs code and expressed intentions to keep under its full control, and further restrict access and movement of goods and persons from and to Gaza. Also relevant is Israel's declaration of the Gaza Strip as a 'hostile entity'; thus paving the way to expand the punitive measures against it and its population. The decision under question proves that Israel persists in evading its responsibilities vis-à-vis the civilians of the Gaza Strip, particularly after the implementation of the 2005 unilateral disengagement plan. These measures support the belief that Gaza will see greater human rights violations from the part of IOF in the near future.

As long Israel's control over the Gaza Strip, including its borders, crossings, air space and territorial water, continues, Israel is under a clear responsibility to uphold its obligations as an occupying power, under the International Law, vis-à-vis the civilian population of Gaza. This includes, among other obligations, ensuring the flow of food and medical supplies into the Strip adequately and continually. The decision to close all crossings and to prohibit Gaza's exports and imports by suspending its customs code is therefore clearly contrary to these obligations, and constitutes a breach of IHL. It also constitutes a form of collective punishment which is prohibited by the Fourth Geneva Convention Relative to the Protection of Civilian Persons in Time of War. Such a decision deprives the inhabitants of the Gaza Strip of their right to a minimum adequate standard of life with dignity for Gazans, and must be challenged and stopped.

In reality, such punitive measures will render Palestinians' lives extremely complex and unbearable. It is imperative that the international community upholds its legal and moral obligations and intervenes, immediately and effectively, to protect Palestinian civilians and prevent further breached of IHL by Israel.