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REPORT ON UNCTAD'S ASSISTANCE TO THE PALESTINIAN PEOPLE

Prepared by the UNCTAD secretariat

Corrigendum

Replace page 1 of document TD/B/49/9 by the attached text.

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Executive summary

The intensification in 2002 of the crisis in the occupied Palestinian territory and the recurrent border closures of the West Bank and Gaza have resulted in precipitous declines in national income, destruction of public and private sector infrastructure, and widespread disruption of Palestinian economy activity for much of the year. In the eighteen months since October 2000, the Palestinian economy has lost the equivalent of over half of its annual gross domestic product, unemployment has increased threefold, and poverty has risen substantially, with more than two-thirds of Palestinian households living below the poverty line. The Palestinian economy is now set on a path of “de-development”, with serious ramifications for its public finances, trade balance, saving-investment gap and social services. The situation in the occupied territory is a telling example of “complex humanitarian emergencies”, where vulnerability is great and the impact on the productive capacity, institutional infrastructure and the economy as a whole is severe. This economic and humanitarian crisis is once more forcing the Palestinian Authority into heavy dependence on donor support for maintaining its basic activities, while diverting attention from long-term development goals and activities.

The realities on the ground have imposed new priorities, which require promoting dynamic synergies between rehabilitation, reconstruction and strategic development needs. This framework will guide UNCTAD's technical assistance programme in the short and medium term. Despite increasing difficulties in the provision of technical assistance, UNCTAD was able to initiate a new research project in 2002, while also achieving concrete progress on five other capacity-building projects. In consultation with Palestine, the secretariat is examining possibilities of initiating targeted technical assistance in new areas: food security and commodity trade; trade logistics and facilitation; trade promotion; trade policy and preferential market access; and investment promotion.

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