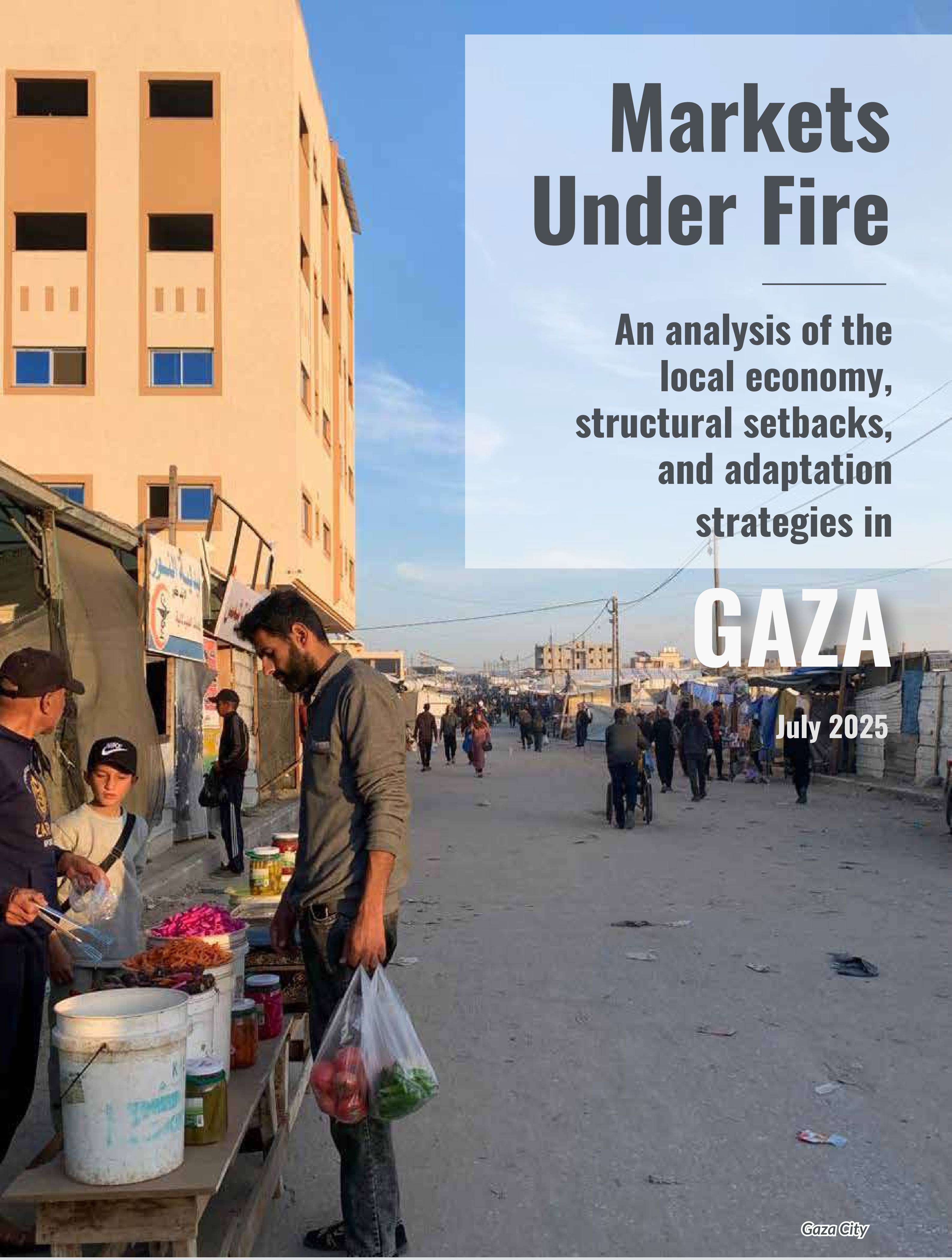
Markets Under Fire

An analysis of the local economy, structural setbacks, and adaptation strategies in

GAZA

July 2025



Gaza City

Save the Children

CRS CATHOLIC RELIEF SERVICES

MERCY CORPS

INTRODUCTION

Save the Children, Mercy Corps, and Catholic Relief Services conducted the Phase II Joint Market Assessment to expand upon the initial rapid market assessment completed in August–September 2024. Led by Save the Children, this second phase focuses on deepening understanding of the current state of Gaza's markets, from consumer access to trader dynamics and producer capacity. As three of the main cash actors in Gaza, the agencies aimed at filling critical information gaps and complement quantitative data with qualitative insights.

The assessment explores how market systems are functioning under pressure, how livelihoods (both traditional and emerging) are adapting, and how consumers, traders, and producers are navigating constraints.

The objective is also to support humanitarian actors identify and prioritize interventions for cash and market-based programming.

The primary objective of this second-phase study is threefold:

- **To update the previous cash feasibility[1] analysis using a value chain lens across the producer–trader–consumer spectrum,**
- **To assess the potential for market-based interventions to support the supply chain of essential goods and services in Gaza,**
- **To identify opportunities to promote food production and income-generating activities.**

In particular, the assessment aims to:

- Understand the current availability, accessibility, and affordability of key commodities in Gaza from the perspective of consumers, traders, and producers
- Assess households and market actors coping and adaptation strategies.
- Identify gaps and bottlenecks along the supply and value chain of food and other critical items and explore whether local solutions exist to address market constraints imposed on Gaza markets and to support livelihoods and income generating activities in Gaza.
- Analyze safety and access of the population to markets and to essential goods.
- Examine the main income sources and roles of different market actors in supplying and accessing basic necessities and services.
- Explore the feasibility and design considerations for cash and other market-based and livelihoods assistance.

Acknowledgements

This paper was jointly prepared by the operational and technical teams of Save the Children (SC), Catholic Relief Services (CRS), and Mercy Corps (MC), with SC leading coordination, tools development and drafting the report. Data collection was conducted by SC, CRS and MC, while Bayader and Save Youth Future Society (SC's local partners) played a key role in organizing Focus Group Discussions. The analysis, review, and proofreading were carried out by SC, CRS, and MC.

We extend our sincere gratitude to all the households who accepted to respond to our surveys, to business owners, farmers, traders and other market actors for their collaboration and critical insights and recommendations as well with experts and institutions who generously shared their knowledge, as well as to the peer organizations and colleagues whose insights and feedback enriched this work. Above all, we are deeply thankful to the affected communities for sharing their experiences and challenge.

1. Gaza rapid market assessment - August 2024 (link)

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EXECUTIVE SUMMARY

1. Context and Systemic Constraints

Destruction of urban and agricultural areas :
The crisis in Gaza is fundamentally structural. Widespread destruction of roads, buildings, and essential infrastructure has severely disrupted market activity and livelihoods. Around 70% of structures are damaged[1], and key urban areas are largely non-functional. Over 86% of Gaza is now under Israeli-militarized zone[2], fragmenting previously integrated market systems and making key market hubs inaccessible. Agricultural land is devastated, with 83% of cropland damaged or inaccessible[3]. The food system has collapsed due to blockade, destruction of productive assets, and looting. Around 95% of farmland is either damaged or inaccessible[4]. Livestock numbers have declined as fodder costs have forced premature slaughter.

Humanitarian and commercial access:
Access for both humanitarian and commercial goods remains extremely restricted. Key crossings are closed or operate at very limited capacity. Fuel shortages have crippled logistics and essential services. These man-made systemic constraints drastically reduce the supply of food, fuel, and basic commodities, including those from humanitarian organizations.

Liquidity:
The critical cash liquidity challenges identified in the current assessment are not new, but rather confirm and deepen the findings from the 2024 market assessment. The previous year's data already pointed to a multi-faceted liquidity crisis, highlighting the issues of diminished purchasing power among consumers, a shortage of usable physical currency, and severe capital constraints limiting suppliers' ability to restock. This trend has persisted, leading humanitarian actors to increasingly use e-wallets and mobile transfers for cash assistance. However, these remain only partial solutions due to Gaza's cash-based economy, recurrent power and network outages, and the enforced isolation of its financial system - pushing the rise of citizen-led price monitoring platforms and informal practices like bartering and peer-to-peer exchanges to cope with market volatility and limited liquidity.

Market structure and regulatory environment : Formal regulation has collapsed under blockade and conflict. Oversight is extremely limited, with growing market dominance by a few large actors, severe inflation and price fluctuations, and reduced competition. This environment exacerbates inequality and undermines market integrity. The absence of security, law and order and predictable access fragments the market, fuels speculation and leaves space for price manipulation.

Food insecurity:
Food consumption, dietary diversity, and access have all sharply deteriorated. As of June 2025, 79% of households had poor food consumption scores, and 98% relied on extreme coping strategies like meal skipping and portion reduction. Some staples have risen over 3,000% in price. Households continue to depend on markets but face severe supply shortages and unaffordable prices.

1. UNOSAT - Gaza Strip Comprehensive Damage Assessment - April 2025 (link)
2. UNOCHA - Reported impact snaphot - July 2025 (link)
3. UNOSAT FAO - Damage to cropland due to the conflict in the Gaza Strip - April 2025 (link)
4. UNOSAT FAO - Land availability for cultivation in Gaza strip- April 2025 (link)

2. Livelihoods Linked to Basic Needs

Energy and power:
Energy access in Gaza has collapsed. With the grid down and no consequent fuel entry between March-June 2025, households and businesses rely on unreliable and hazardous alternatives: car batteries, firewood, solar panels, and burning plastic. Most households receive under four hours of electricity per day. Solar systems are prohibitively expensive and composed mostly of second-hand parts. Technicians lack the tools and parts needed for repair. FGDs with business owners and farmers emphasized the need to subsidize off-grid systems and invest in technical capacity, especially for food production, irrigation, refrigeration, and communal kitchens.

Communication and transportation :
Formal communication systems are severely damaged. Informal solutions such as mobile helpdesks, internet cafés, and widespread phone repairs have emerged. Transport faces critical challenges: extreme fuel shortages, high costs, and lack of parts (e.g., tires cost up to $17,000). Vehicles run on improvised fuels that damage engines. Public transport is nearly non-existent and relies on donkey carts.


Khan Younis sea road

Agriculture :
Production has dropped by over 80% since the conflict began. Farmers face land destruction, displacement, input shortages, and extreme costs. Adaptation strategies include home gardens, seed bank use, off-season planting. Farmers urgently need productive assets, seeds, fertilizers, irrigation tools, electricity access, and market linkages. Solar irrigation, debt relief.

Emerging livelihoods :
The collapse of formal employment has driven a surge in informal, survival-focused jobs: mobile charging stations, food stalls, phone repair, plastic fuel production, queuing for aid, setting up tents, etc. Women are increasingly engaged in home-based work such as textile repair and food processing. These strategies are precarious, sometimes hazardous, and deeply limited by the liquidity crisis.

Role of humanitarian actors :
Humanitarian sector has become a central pillar of Gaza's economy, now serving as one of the primary sources of income for much of the population. In addition to large-scale cash transfers, some are implementing market-based interventions and livelihood activities aimed at stimulating local production, supporting small businesses, and preserving some economic activity. These efforts not only help maintain household purchasing power but also generate a multiplier effect across the local economy by injecting cash and sustaining market linkage. However, the majority of aid trucks currently entering Gaza reportedly come via the w distribution under the Gaza Humanitarian Foundation (GHF)[4,5]. According to public reports, GHF distribution locations are highly insecure and have been linked with the death of over 500 individuals and injuries to more than 5,000 others.

4. AMNESTY INTERNATIONAL - Israel and US-backed Gaza Humanitarian Foundation is an illegitimate and inhumane aid scheme that risks violating international law- May 2025 (link)
5. ACLED - Violence around aid distribution in Gaza surges as Israel's campaign continues despite the Israel-Iran escalation - June 2025 (link)

3. Market Actors: Producers and Traders

Market actors' adaptation: main challenges :
Traders overwhelmingly report high operating costs (65%) as their main challenge, followed by delays in importing goods (12%), military restrictions (5%), infrastructure limitations, and regulatory barriers. These disrupt supply chains, increase expenses, and reduce market efficiency.

Market &ctors' adaptation: sources of supply:
Humanitarian assistance and GHF militarized distributions are now the primary sources of many goods. Commercial imports remain extremely limited. Local production is minimal due to land access issues, input shortages, and lack of capital. Traders rely on informal, temporary suppliers and are increasingly reluctant to disclose sources due to competition and market volatility.

Market actors' adaptation: supply capacity :
Stock levels are critically low: only 25% of in-demand items are available, with figures dropping to 10% in some areas. Over 40% of traders are unsure whether they can restock, and few have capacity to respond to increased demand. Supply chains remain fragile and highly unpredictable.

Availability of goods :
Only 3% of households reported total unavailability of goods, but 93% indicated that most items were only partially or under very limited availability. Food is now the most commonly missing category, marking a sharp deterioration compared to the previous year.

Prices analysis :
Nearly all households (98%) report significant price increases, far surpassing 2024 levels. Field data shows severe volatility: staple prices (e.g. flour, sugar) have increased by hundreds or thousands of percent, and can fluctuate hourly in response to rumors, aid deliveries, or market disruption.

4. Households: Food Security, Access to Markets, and Preference

Food security:
Food insecurity is widespread and worsening. As noted above, 79% of households have poor food consumption scores, and 98% are relying on extreme coping strategies. Cereal, sugar, oil, and pulses are consumed in reduced quantities, while protein-rich and perishable foods are nearly absent.

Market access:
Markets remain physically accessible to most households, including women. However, economic barriers (especially high prices and lack of availability) have worsened significantly. Insecurity, theft, and poor disability access also limit safe and dignified access, particularly in northern areas.

Cash preferences and payment modalities:
Cash remains the preferred assistance modality. Despite worsening market conditions, few households expressed a preference for in-kind aid. Cash is also the primary means of transaction between traders. E-wallets are increasingly used to purchase basic goods, particularly food. Households are generally comfortable using digital payments when they are functional. Cash assistance remains the only uninterrupted and at scale humanitarian intervention since the beginning of the war, providing a lifeline for the population.

Protection considerations:
Protection risks remain acute across Gaza, with children facing injury, emotional distress, and increased pressure to work. Cash assistance has played a protective role, helping some families keep children out of the labor force. Women and persons with disabilities continue to face significant barriers due to insecurity, poor infrastructure, and exclusion from key information channels. Insecurity during aid access remains a concern, especially in areas facing intense hostilities.

1. These findings are based solely on the visual and field observations of our enumerators and should therefore be interpreted with appropriate caution.
2. The purposive sampling methodology have favoured more "established" / formal shops than the current number.
3. Please note that the overall average figures are indicative rather than statistically robust, as the sample sizes vary by governorate and the data is based solely on declarative responses from market enumerators. That said, the current overall average (69) is significantly lower than in the past (303), reflecting a marked (more than fourfold) decline in the reported average number of daily customers.

Comparison of governorates across key figures

Governorate	Khan Younis	Deir al-Balah	Gaza	Overall average - July 2025	*Overall average - Aug. 2024*
Observed level of destruction of markets by enumerators [1]	Partially to extensively damaged	Partially damaged	Severely damaged	-	-
% of most "in-demand" product currently not in stock, as per traders	74%	47%	90%	75%	*61%*
% of traders who have changed location in the last 30 days[2]	24%	7%	2%	13%	*9%*
% traders "very likely" or "likely" to move in the foreseeable future[2]	29%	0%	7%	16%	*20%*
% of traders "very unlikely" or "unlikely" to be able to continue running their business[2]	10%	19%	32%	19%	*9%*
Price trend over the last 30 days	-43%	+20%	-22%	-	-
Average number of customers per day on average, per trader[3]	75	85	46	69	303
Trend in # of customers in the last 30 days, according to traders	↑↓	↓	↓	-	-

Note on current situation (as of 23th July 2025)

As we publish this report, Gaza's markets have been closed for seven consecutive days due to the ongoing blockade and the near-total halt in the entry of both humanitarian and commercial goods. This has left people without access to flour, bread, or other essential food items. Staff testimonies reflect the growing desperation: "I do not have flour at home anymore, but I'm afraid to go out due to shooting. I keep asking online for flour because markets have become dangerous." "My children are crying. We have a bit of flour left to cook today, but we don't know what we'll eat tomorrow." "Today we are all hungry."

On July 20, half of Deir El Balah was placed under new displacement orders. World Central Kitchen suspended hot meal distributions due to a lack of supplies. Meanwhile, a high number of civilians continue to be killed during militarized food distributions under the Gaza Humanitarian Foundation. Between July 17 and 23, 21 children died from hunger, according to hospital reports (link).

In response, on July 23, 111 NGOs and human rights organizations, including Save the Children and Mercy Corps, issued an urgent appeal for an immediate ceasefire and unfettered humanitarian access, warning that "aid workers are now joining the same food lines, risking being shot just to feed their families," and that "mass starvation is spreading" across Gaza. (link)

Despite the rapidly evolving situation, the analysis presented in this assessment remains highly relevant. The objective of this report is not to provide real-time price monitoring, but rather to offer a deeper understanding of how Gaza's markets function under pressure, the structural drivers of market disruption, and the adaptation strategies of consumers, traders, and producers. While recent events have led to further deterioration, particularly in access, availability, and affordability, the underlying systems, constraints, and behaviors explored in this study are expected to persist. Even in the event of a ceasefire or increased entry of goods, these dynamics are unlikely to change substantially in the immediate term.

RECOMMENDATIONS

Based on the findings of this report, SC, CRS, and MC recommend providing emergency market-based support across the value chain. This should include multipurpose cash transfers to households to stimulate consumption; cash grants to producers and market actors to support continued production of essential goods; and targeted support for agricultural inputs, land rehabilitation, and improved market access for crisis-affected farmers to restore supply capacity. These interventions are essential for reviving local production, reinforcing disrupted food systems, and improving food security and dietary diversity among vulnerable populations.

Advocacy

Advocacy to improve cash availability

Engage with relevant authorities and financial actors to restore the flow of physical currency into Gaza.

Support humanitarian actors in negotiating mechanisms for the secure entry of banknotes.

Advocacy for entry of goods

Advocate for the consistent entry of essential humanitarian and commercial goods.

Advocate for the distribution of humanitarian goods upholding humanitarian standards.

Advocate for safe zones for markets.

Prioritize the entry of fuel, food staples, medical items, and production inputs to stabilize supply chains and support basic services.

Operational

Scale up cash to stimulate demand and help reduce prices

Continue expanding multi-purpose cash transfers to increase household purchasing power and help normalize market demand while continuing to support the digitalization of Gaza economy.

Design cash programs that are flexible, inclusive, and responsive to market functionality and protection considerations.

Integrate cash with market recovery interventions to reduce price volatility and supply gaps.

Continue conducting regular joint inter-agency market analysis to inform cash and market-based interventions that support access to basic needs, food security and diversity, emergency livelihoods restoration, and early recovery.

Explore alternative cash modalities such as vouchers and bank to bank transfers and continue investing in digital transfers such as e-wallets.

Programmatic

Strengthen local production

Provide asset replacement and repair support to producers (e.g., tools, inputs, energy solutions) directly linked to the production of essential goods and services.

Facilitate debt relief or financial assistance to enable producers to resume operations.

Offer technical assistance or light infrastructure inputs to support the resilience of key local value chains linked to essential needs.

Improve linkages between producers and consumers

Support digital and in-person platforms that connect producers, traders, and consumers in safe and accessible marketplaces.

Engage with citizen-led information tools (e.g., price-monitoring groups) to promote transparent market exchanges.

Link beneficiary households with beneficiary farmers to access more affordable food.

Promote Home-Based/ subsistence livelihoods for food diversification

Launch support programs for household-level food production (e.g., vertical gardens, seed kits) to improve dietary diversity.

Integrate training and resources for women-led home-based enterprises to generate income under displacement conditions.

Support alternative livelihoods

Identify and fund emerging livelihoods (e.g., phone charging stations, cash repair services, remote freelance work) with business grants and trainings.

Develop flexible livelihood support packages that are adaptable to frequent displacement and infrastructure disruption.

FGD with farmers, Khan Younis

Deir Al Balah central market

METHODOLOGY

SC, MC and CRS conducted the Phase II Joint Market Assessment to build on the initial rapid market assessment carried out in August–September 2024.[1]

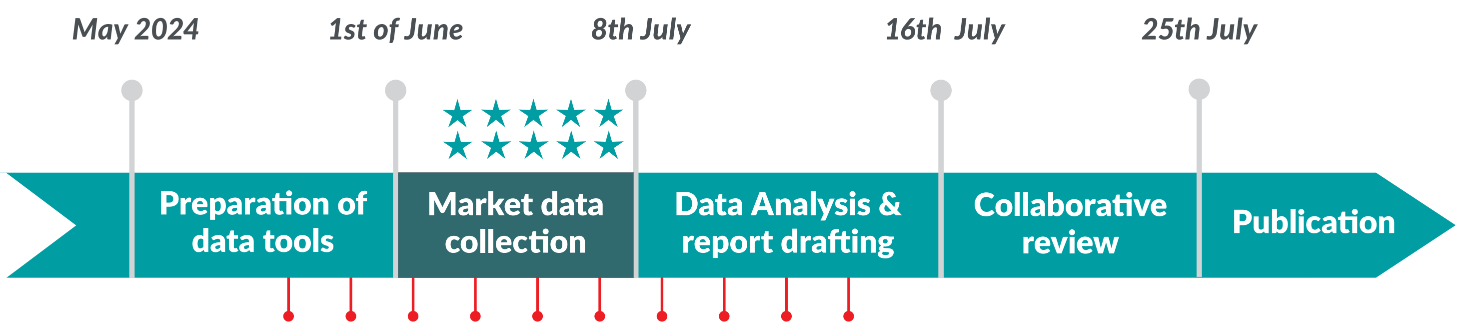
This second phase, completed between June and July 2025, deepens the analysis of market dynamics in Gaza, with a focus on how key goods and services circulate through the producer–trader–consumer spectrum, and how value chains are adapting under crisis conditions, especially after the closure of Gaza's borders to humanitarian and commercial goods on March 2, 2025, and the ceasefire collapse on March 18, 2025. The assessment focuses on the functionality, accessibility, and safety of markets, as well as the feasibility of cash and market-based programming.

Due to evolving displacement orders, the assessment focused on Gaza City, Khan Younis, and Deir al Balah governorates, which are areas that remain accessible and are currently hosting the majority of the displaced population. North Gaza and Rafah which were assessed in 2024, were excluded from the field activities as they were not accessible to market monitors anymore due to displacement orders.

A mixed-methods approach was applied, combining both qualitative and quantitative data collection:

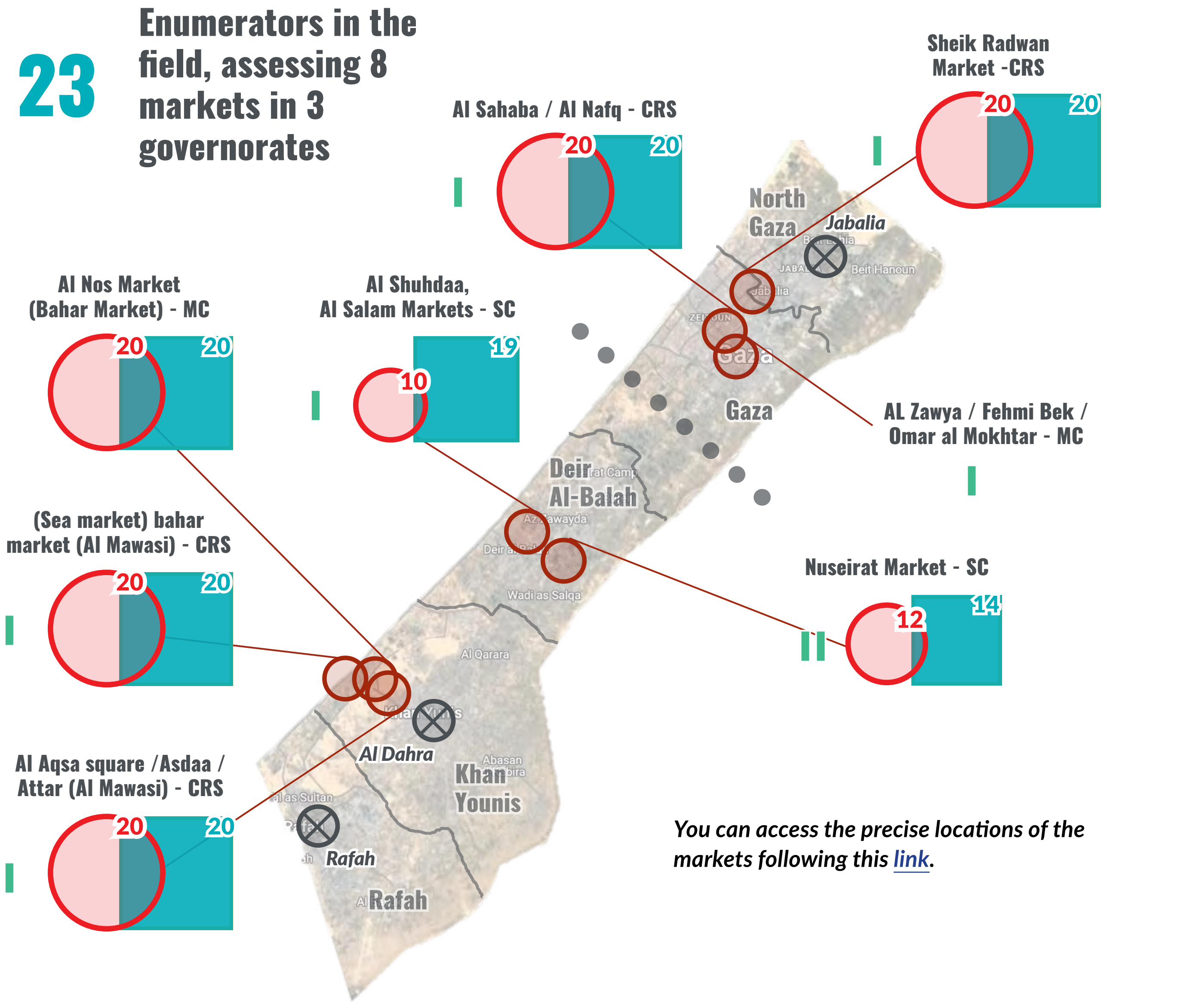
- This included a **desk review** of existing reports on markets, livelihoods, and food security, as well as **structured Key Informant Interviews (KIIs)** with institutions, cluster leads, and subject matter experts.
- To capture household-level perspectives, **remote phone surveys** were conducted to assess market access, safety, availability, and affordability of goods. These were complemented by **in-person field visits** by trained INGO staff to selected market locations, where teams carried out **physical price monitoring** using the Gaza Minimum Expenditure Basket (MEB), conducted **surveys with traders, wholesalers, vendors,** as well as actors engaged in newly emerging wartime livelihoods, and completed **structured market observations** focused on infrastructure, stock levels, and overall functionality.
- To address a key gap in the previous assessment, which focused primarily on consumers and traders, this second phase integrated **Focus Group Discussions (FGDs) with a wider range of market actors,** particularly from the local production side. These included farmers, home-based producers, women-led enterprises, cooperatives, and entrepreneurs in the energy and communication sector, providing critical insights into coping strategies, livelihood disruptions, and how they are navigating the ongoing crisis.
- The combined methodology, based on the **adapted Market Assessment Stoplight Tool (MAST)**[2]**,** enabled a structured review of functionality across commodities and services. This data will help inform programmatic recommendations around cash feasibility, local production support, and market-based programming.
- **Finally, the selection of commodities** for this assessment was primarily based on those included in the Survival Minimum Expenditure Basket SMEB) developed by the Gaza Cash Working Group (CWG). Additional items were included following advices from food, livelihoods, nutrition and shelters advisors.

Study timeline



1. SC, MC and CRS - Gaza Rapid Market assessment 2024 (link)
2. NRC - Stoplight: Rapid Market Assessment Toolkit (link)

Map: Assessed markets and geographic repartition of field interviews



You can access the precise locations of the markets following this link.

Jabalia	Non-studied markets		9	Market observations
Jabalia	Studied markets	★	10	FGDs (see findings page ###)
	138	Market actors interviews	##	Interviews with practicioners, stakeholders, etc..
	138	Market price observations°	1174	Household surveys (from SC PDM data May-July 2025)

Methodological limitations:

- **Security constraints:** Due to ongoing hostilities and access restrictions, Rafah and North Gaza were excluded from the assessment. The scope was therefore limited to Deir al Balah, Khan Younis, and Gaza City, which, while hosting the majority of the displaced population, may not fully represent conditions across the entire Gaza Strip.
- **Purposive sampling:** The assessment relied on purposive sampling to focus on marketplaces that were safely accessible, widely used by IDPs and host communities, and critical to local population. This approach allowed for targeted insights but may have introduced bias, especially as it leaned toward semi-formal and formal vendors, underrepresenting mobile market actors.
- **Self-reported data:** Much of the information gathered from traders and households was self-reported, including data on stock levels, income, prices, and access, food insecurity. These figures may be subject to recall errors or bias, particularly in a highly stressed, resource-scarce environment.
- **Price volatility:** Markets in Gaza are highly unstable. Prices can fluctuate hourly, influenced by various external factors such as rumors, aid distribution schedules, and vendor coordination. This volatility complicates efforts to collect consistent and representative pricing data.
- **Displacement dynamics:** Constant and repeated displacement, due to evolving displacement orders continuously reshapes population distribution, market demand, and supply routes. These dynamics complicate both the planning and interpretation of market assessments, as conditions shift sometimes dramatically even between data collection and reporting.
- **Limited FGD coverage:** All Focus Group Discussions (FGDs) were conducted in Deir al Balah and Khan Younis due to access constraints. While these areas are home to significant portions of the displaced population, the absence of FGDs in Gaza City and northern governorates limits geographic representation.
- **Limitations due to fear of reprisal**: Traders were often reluctant to disclose supplier information, possibly due to fear of competition or concerns over protection risks, limiting visibility into supply chain dynamics.

FGD with Farmers, Deir Al Balah

Trader survey in Nuseirat market

** Key Informant Interviews: semi-structured interviews were conducted with representatives from WFP & Food Security Sector, UNICEF, Chamber of Commerce, MoSD/Gaza Operations Room, REACH, Oxfam, National NGOs*

Focus Groups Discussions (FGDs): Farmers, Seed Banks, Energy Sector, Women Entrepreneurs, Male Entrepreneurs, Comms & Transportation Sector.

National NGOs: CBO Women Programs Center- Rafah, agricultural Development Association- Deir AlBalah, AlJalil Assocation, Spark Association for innovation, Cooperative Society for Agricultural Wealth Development, Mawasi Khan Yunis.

Local partners: Bayader, Safe Youth Future Society (SC's local partners).

Market price observations sample

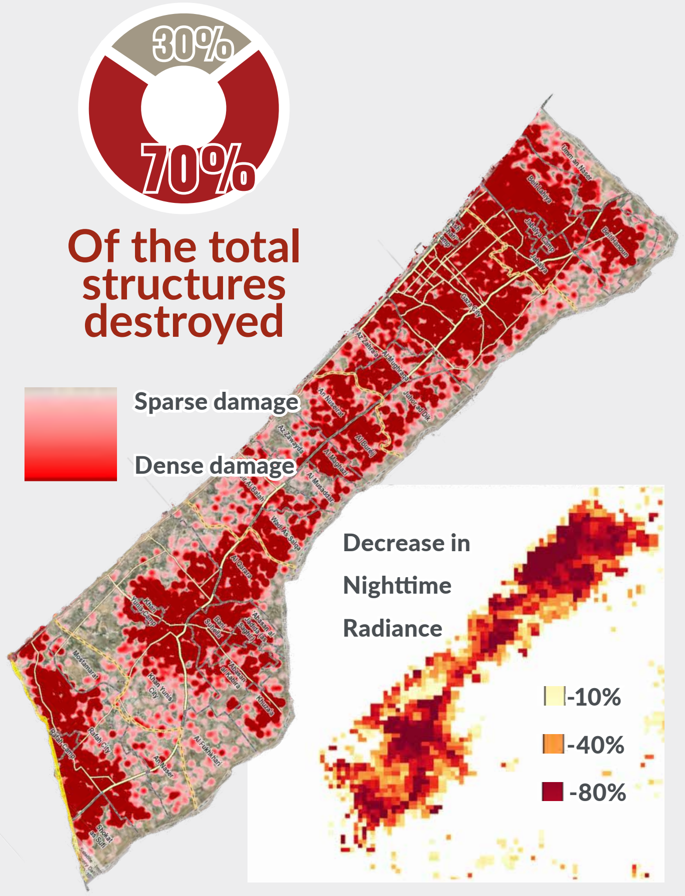
6 Bakeries
2 Butchers
1 Cash conversion agents (money exchange, e-wallet to cash)
2 Communications (sim card seller, internet cafe, internet hotspot)
18 Food and non-food items retailer
1 Gas cylinder refilling store
1 Handicraft (oven clay, tailor)
2 Hardware (construction material)
1 Livestock and Agricultural store
4 Other (describe)
14 Pharmacy
44 Retailer
10 School/stationary store
2 Services providers (bank note repair, tent installer, repair)
9 Supermarket
4 Transportation (tuktuk, donkey cart, bus, car, truck)
3 Wholesaler (food)
7 Wholesaler (other - specify)
6 Power/Energy (firewood, oil/fuel, solar energy)

CHAPTER 1: A MAN-MADE CRISIS

UNDERSTANDING THE STRUCTURAL AND SYSTEMIC BARRIERS TO FOOD SECURITY AND LIVELIHOODS IN GAZA

DESTRUCTION OF URBAN & AGRICULTURAL AREAS

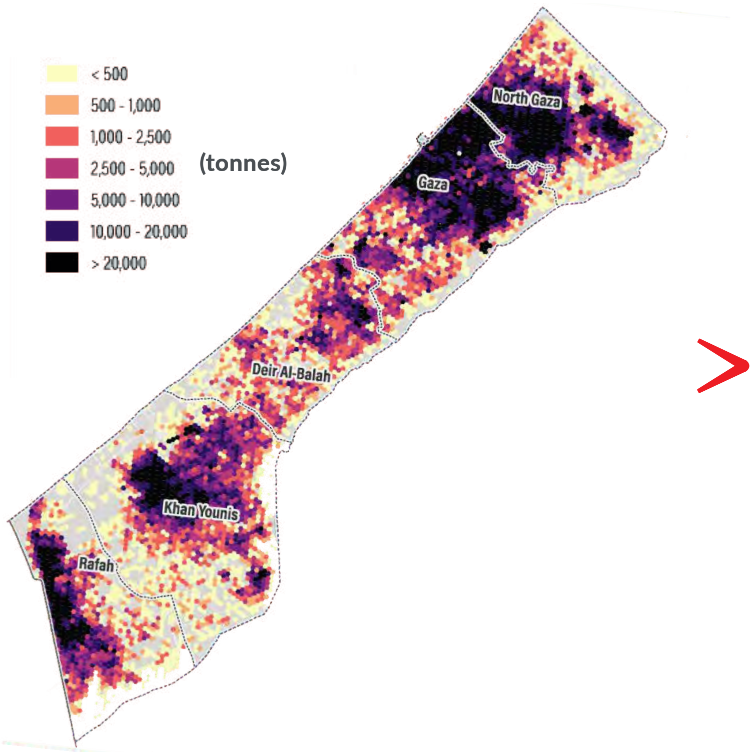
Map: level of building destruction and nightime radiance loss (bottom)



Extensive damage to buildings and infrastructure has been observed all across the Gaza Strip. According to satellite imagery analysis, UNOSAT estimates a total of 258,201 estimated damaged housing units, corresponding to around 70% of the total structures in the Gaza Strip.[1]

This is corroborated by SARI's analysis which compares light emissions between October 2023 and June 2025: when overlaid with UNOSAT's building damage assessments, these zones of radiance loss correspond closely to areas experiencing the highest levels of physical destruction. In areas such as Khan Yunis and Al-Shati, radiance levels have declined by over 85 percent, **indicating a near-total collapse in detectable nighttime activity.**[2]

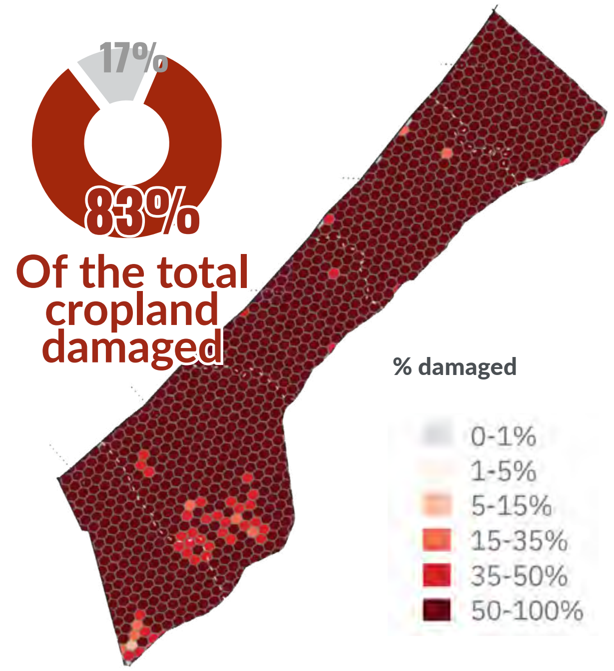
Map: Estimated debris quantities



Beyond the immediate consequences of the destruction—such as the loss of essential infrastructure for daily life, housing, and livelihoods—UN-Habitat reports that the widespread damage **has also generated an immense volume of debris.** Critically, there are few existing or proposed sites for proper debris disposal (see map). This presents a significant challenge for urban infrastructure and mobility, while also posing severe environmental risks due to unmanaged waste and pollution.

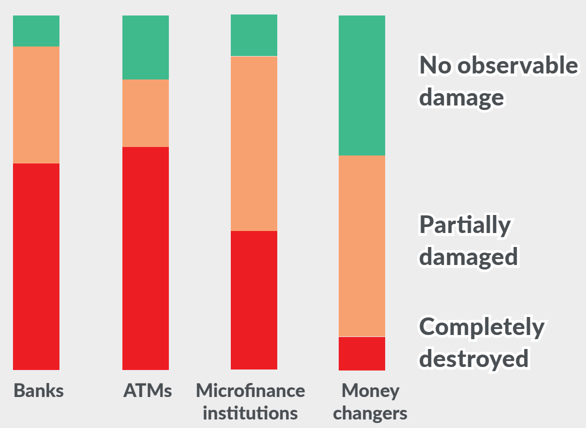
The crisis in Gaza is fundamentally structural: widespread destruction of roads, buildings, and essential infrastructure has severely disrupted market activity and livelihoods. Around 70% of structures are damaged, and key urban areas are largely non-functional. Agricultural land is devastated, with over 80% of cropland damaged or inaccessible. Financial infrastructure—including banks, ATMs, and money transfer agents—has also been heavily impacted, limiting access to cash and formal services. The accumulation of debris and limited disposal capacity further constrain mobility and access. These conditions pose significant challenges to restoring market systems and economic recovery.

Map: level of cropland destruction



The same level of devastation applies to agricultural land. According to a recent FAO report, 78%[4] of cropland in the Gaza Strip is currently inaccessible due to military restrictions, while 83% has sustained damage[5]. As a result, only 5% of cropland—equivalent to just 688 hectares—is presently available for cultivation. The situation is particularly severe in Rafah and the northern governorates, where nearly all cropland is either inaccessible or unusable.

Damages to financial sector physical assets in Gaza



The financial sector in Gaza has been severely impacted by the ongoing war. The majority of banks and ATMs are no longer functional, and physical access to financial services is extremely limited due to both security constraints and infrastructure damage. Banks operate only intermittently, and no new banknotes have entered the territory since the onset of the conflict.

In addition to the operational challenges, **the sector has suffered significant material losses:** over 60% of ATMs and approximately 60% of bank branches have been destroyed or rendered inoperable[6]. Many institutions have lost key assets or been directly damaged. As a result, most financial transactions now rely on microfinance institutions and informal money exchangers, who have become the primary channels for cash circulation.

1. *UNOSAT - Gaza Strip Comprehensive Damage Assessment - April 2025 (link)*
2. *SARI - Mapping Gaza's Infrastructure Collapse Through Satellite Radiance (June 2025 (link)*
3. *UN Habitat -Preliminary Debris Quantification - May 2025 (link)*
4. *UNOSAT FAO -Land availability in the gaza strip - May 2025 (link)*
5. *UNOSAT FAO - Damage to cropland due to the conflict in the Gaza Strip as of 30 April 2025 (link)*
6. *World Bank - Impact of the conflict in the Middle East on the palestinian economy - April 2025 (link)*

Impact on markets and adaptation strategies

Despite the severe destruction of infrastructure—including loss of electricity, storage facilities, and safe physical spaces—markets in Gaza are showing signs of adaptation and resilience. Many formal markets have collapsed, but informal, makeshift setups have emerged in response to displacement and shifting demand. Traders are largely staying in place, ensuring availability of basic items, but critical gaps in power, warehousing and transport limit the availability of goods, especially perishables.

Recent observations from our enumerators reaffirm both the previously documented levels of destruction and our earlier findings from the last market assessment. **The market landscape in Gaza remains heavily impacted by extensive infrastructure damage caused by the conflict, which continues to severely undermine market functionality.**

A consistent theme emerging across nearly all assessed markets is the critical loss of electricity and warehousing capacity. This disruption significantly limits the availability of goods, particularly perishables. **While some markets have collapsed entirely, others persist in ad-hoc of makeshift forms, a new markets are emerging or moving to new locations with population displacement, showing a level of resilience.**

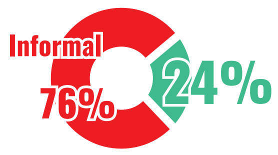
The following key themes have been identified through our recent market observations, particularly regarding the state of core infrastructure:

- **Electricity and Fuel:** The lack of electricity is a universal challenge. The new observations confirm a complete absence of power in the most severely damaged markets, crippling refrigeration and basic operations. This exacerbates the fuel shortages noted in the prior assessment, as generators cannot be relied upon as a substitute.
- **Warehousing and Storage:** The loss of storage capacity is a critical and consistent finding. Most enumerators report that warehouses and storage facilities are either severely damaged, completely destroyed, or non-existent. This directly impacts traders' ability to maintain inventory, leading to shortages and business closures.
- **Buildings and Roads**: Recent reports detail a spectrum of damage, from partially damaged structures to completely destroyed buildings. Unpaved streets and damage from nearby bombings create hazardous conditions, impede access for suppliers and customers, and compound the transportation disruptions noted previously.
- **Water and Sewage:** Damaged sewage systems remain a major issue, with new reports highlighting stagnant water and open sewage in market areas, creating significant public health risks and further degrading the commercial environment.
- **Access and Safety:** Security concerns continue to be a major barrier to access. Many existing markets fall within evacuation zones or are inaccessible due to damage in surrounding areas caused by recent kinetic activity. The uncertainty around future displacement orders further contributes to a persistently volatile environment, severely disrupting commercial

The direct consequence of this infrastructure collapse is the continued and profound disruption of market activity, affecting both commercial operations and physical access:

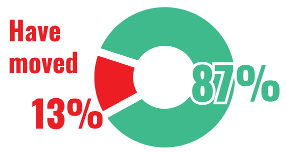
- **Shift to Informal Setups:** The ongoing conflict has triggered a significant shift from formal to informal economic setups in Gaza. Before the hostilities, markets were typically formal, featuring registered traders and structured regulations. Due to the heavy damage sustained by this infrastructure, there has been a collapse of formal markets and a disappearance of established vendors.

This has led to a rise in informal trading, with businesses now operating from makeshift stalls or newly created, rudimentary and mobile market sites. This trend is substantiated by household data, which indicates that 73% of residents now shop at these informal stalls (an increase from 67% in the previous year), while only 26% frequent supermarkets, minimarkets, or pharmacies.



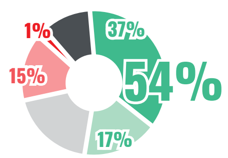
of shops were counted as "formal" by market enumerators

- **Despite the prevailing challenges, traders have demonstrated notable stability:** as a vast majority of them (87%), have not relocated their business in the 30 days preceding the interview.

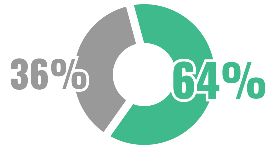


of traders have not moved in the 30 days prior to the interview.

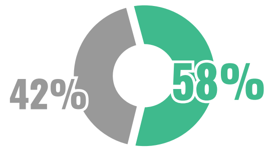
- This present stability is mirrored in their future intentions, with over half (54%) reporting they are "extremely unlikely" or "unlikely" to move in the foreseeable future; however noticeable differences existed between governorates, with only 38% of traders in Khan Younis reporting so.



of traders were "extremely unlikely" or "unlikely" to move in the foreseeable future.



of traders were "extremely likely" or "likely" to continue running their business in the foreseeable future.



of traders were engaged in this business before start of war.

Map: level of Market destruction, estimated number of commerces and level of informality as observed by market enumerators

Al Shuhdaa, Al Salam Markets

Retailer food & NFI	50+
Gas refill station	1-5
Hardware Constr. store	1-5
Livestock Agr. Store	6-10
Pharmacy	15-20
Scrap vendor	1-5
Supermarket	6-10
Wholesaler - food	6-10

≈ 67% informal

Al Sahaba / Al Nafq

Retailer food & NFI	50+
Gas refill station	X
Hardware Constr. store	X
Livestock Agr. Store	X
Pharmacy	6-10
Scrap vendor	X
Supermarket	1-5
Wholesaler - food	X

≈ 83% informal

Sheik Rdwan Market, Al Shatea Camp Market (CG2)

Retailer food & NFI	50+
Gas refill station	X
Hardware Constr. store	X
Livestock Agr. Store	X
Pharmacy	6-10
Scrap vendor	1-5
Supermarket	1-5
Wholesaler - food	X

≈ 82% informal

AL Nos Bahar Market

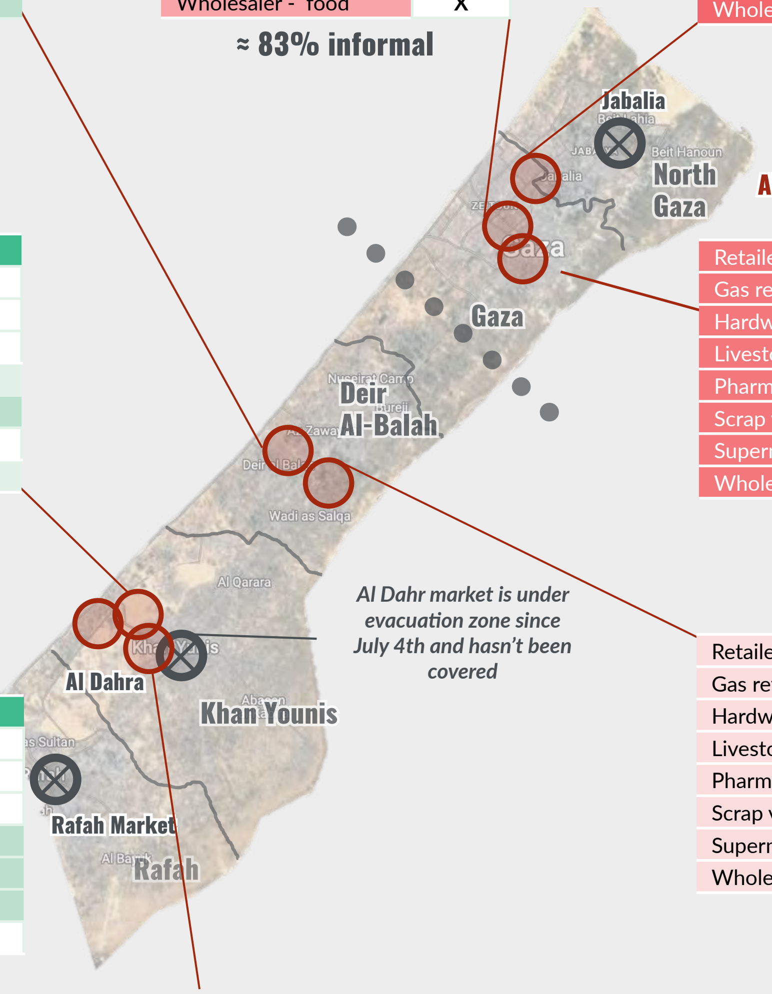
Retailer food & NFI	50+
Gas refill station	X
Hardware Constr. store	X
Livestock Agr. Store	X
Pharmacy	1-5
Scrap vendor	6-10
Supermarket	X
Wholesaler - food	1-5

≈ 93% informal

AL Zawya / Fehmi Bek / Omar al Mokhtar

Retailer food & NFI	50+
Gas refill station	X
Hardware Constr. store	X
Livestock Agr. Store	1-5
Pharmacy	6-10
Scrap vendor	1-5
Supermarket	11-20
Wholesaler - food	X

≈ 60% informal



Al Dahr market is under evacuation zone since July 4th and hasn't been covered

Nuseirat Market

Retailer food & NFI	50+
Gas refill station	1-5
Hardware Constr. store	1-5
Livestock Agr. Store	11-20
Pharmacy	11-20
Scrap vendor	1-5
Supermarket	1-5
Wholesaler - food	11-20

≈ 39% informal

Al Bahar Street Market - Mawasi

Retailer food & NFI	50+
Gas refill station	X
Hardware Constr. store	X
Livestock Agr. Store	X
Pharmacy	6-10
Scrap vendor	6-10
Supermarket	6-10
Wholesaler - food	X

≈ 85% informal

Al Aqsa square /Asdaa /Attar (Al Mawasi Market)

Retailer food & NFI	50+
Gas refill station	X
Hardware Constr. store	X
Livestock Agr. Store	X
Pharmacy	11-20
Scrap vendor	X
Supermarket	X
Wholesaler - food	X

≈ 82% informal

Extensive damage

Severely damaged

Partially damaged

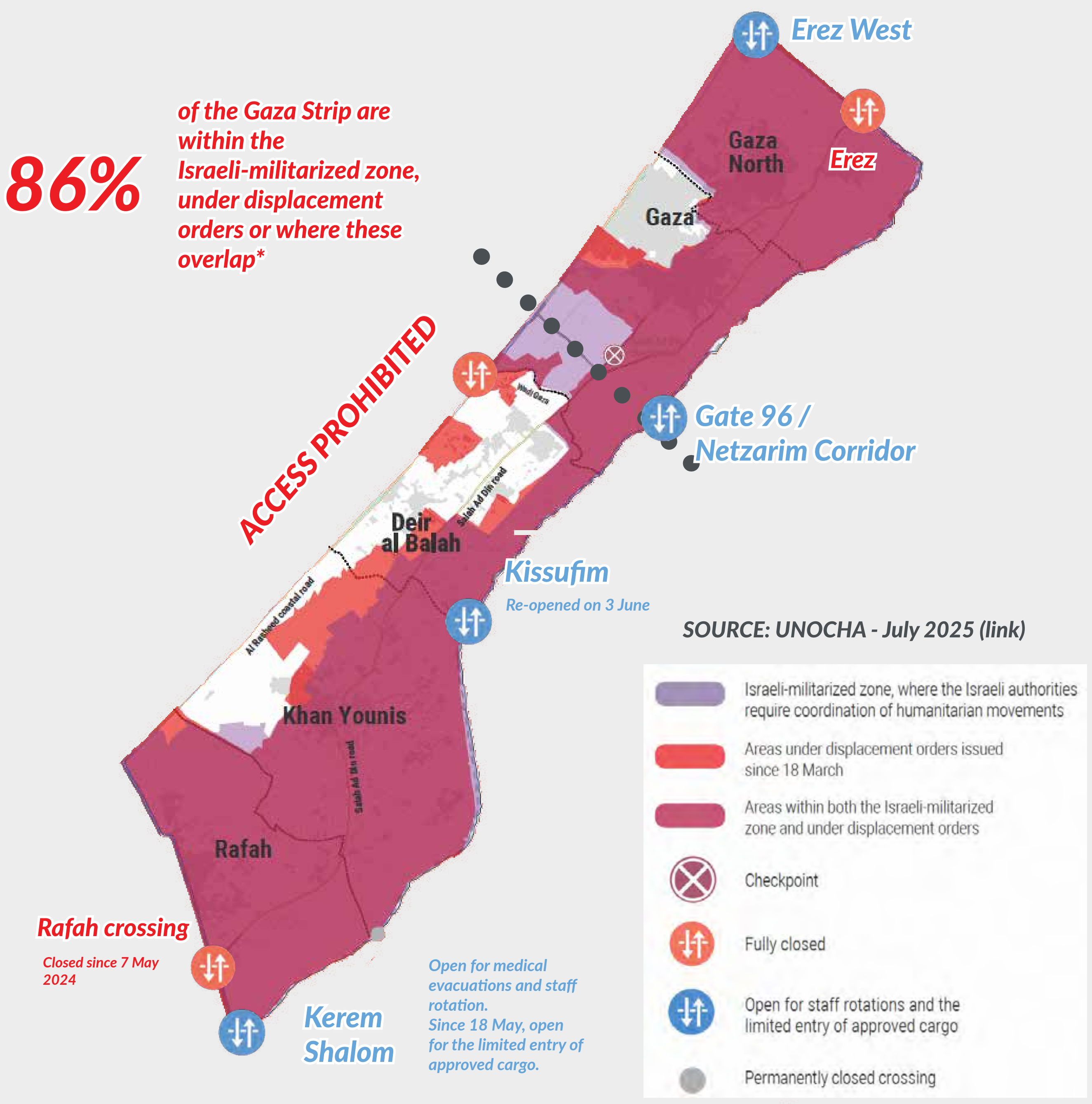
\# Average number of formal + informal shops counted by enumerators

Assessed markets

Non-Assessed markets

HUMANITARIAN & COMMERCIAL ACCESS

Map: current military restrictions, entry points and access*



*As further detailed in the 'note on the current situation' section in the Executive Summary, the situation has evolved since OCHA produced this map. The findings presented here are therefore valid up to mid-July 2025, reflecting conditions at the time of data collection and representing a snapshot in time.

Another systemic challenge that has worsened since the last assessment is the severe restriction of movement for goods and people across the territory. Key crossings remain closed or operate at very limited capacity, while critical fuel shortages have further crippled logistics and essential services. These man-made systemic constraints drastically reduce the supply of food, fuel, and other basic commodities, including from humanitarian organization.

Between 19 May and 9 July 2025, the Logistics Cluster facilitated the offloading of 1,481 humanitarian trucks out of 1,528 authorized by Israeli authorities, averaging approximately **25 trucks per day.** The majority of cargo consisted of food (88%), with health and nutrition items each accounting for 6%, and limited WASH and water treatment supplies comprising the remaining 6%. Limited amounts of hygiene itemswere included from mid-June onward.

Most deliveries entered through the Kerem Shalom crossing, with limited volumes via Ashdod port and the Zikim crossing. The Rafah crossing has remained closed since 7 May, while crossings such as Gate 96 and Kissufim remained non-operational.

Access challenges have significantly intensified after the collapse of the ceasefire on March 18 with new displacement orders, expansion of hostilities and large-scale displacements. In July 2025, over 714,000 people, or a third of Gaza's population, have been displaced over the past three months.[1]

Humanitarian operations have been impacted even during coordinated convoys with incidents of looting and self-distribution, lack of access to storage facilities, and increased logistical risks. At least 107 aid workers have been killed since the start of 2025, including nine in the first week of July, bringing the total to 479 since October 2023, among them 326 UN staff. Due to escalating insecurity, the Logistics Cluster suspended cargo pick-up operations inside Gaza on 3 July. Some limited movements resumed under UN coordination as of 7 July, though access remains extremely fragile and highly restricted.

1. OCHA - Humanitarian Situation Update #302 - July 2025 (link)

Fuel shortages have also become a critical issue. COGAT data indicates no fuel entry into Gaza since March 2025[2]. Although limited contingency stock remains in Rafah for the humanitarian sector, missions to retrieve it have repeatedly been denied, severely constraining humanitarian logistics, food distribution, and access to essential services across the humanitarian system. In parallel, commercial access has remained highly restricted. In June, 29 commercial trucks carrying non-essential goods, such as noodles, chocolate, and cigarettes were permitted entry, reflecting the limited and unpredictable commercial access into the Strip.

Separately, militarized distribution under the GHF began operations on 27 May, launching a large-scale military- backed food distribution initiative. The operation aimed to provide one food box per household every 3.5 days, reportedly reaching a cumulative total of 65 million meals from May 27 to 8 July. The GHF does not release its data; however, based on standard calculations (5 kg per box, 20-ton truck capacity), this would imply approximately 16,250 truckloads amounting to around 378 trucks per day. While distributions have occurred, the scale of reach is not verified.

The system operates on a first-come, first-served basis, with reports indicating that less than 15% of assistance reached Central Gaza, where the majority of the displaced population is concentrated. According to ACLED and the Inter-Cluster Coordination Group (ICCG), **more than 500 people were reportedly killed and over 5,000 injured during militarized distributions during that period**.

2. COGAT - Humanitarian Aid Data - July 2025 (link)

LIQUIDITY

The critical liquidity challenges identified in the current assessment are not new, but rather confirm and deepen the findings from the 2024 market assessment. The previous year's data already pointed to a multi-faceted liquidity crisis, highlighting the issues of diminished purchasing power among consumers, a shortage of usable physical currency, and severe capital constraints limiting suppliers' ability to restock.

Current situation

Gaza is facing a deepening liquidity crisis driven by a combination of structural restrictions, conflict-related destruction, and policy barriers.

Since the escalation in October 2023, Israeli authorities have reportedly blocked the entry of new Israeli shekel banknotes into Gaza, leading to an acute shortage of physical cash. At the same time, extensive damage to banking infrastructure and ATMs has disrupted formal financial services. As a result, banknotes themselves have become a commodity in high demand, fueling a parallel market in which fees to access physical cash ("liquidity fees") can reach as high as 50% of the value withdrawn.

As access to physical cash becomes increasingly restricted, humanitarian actors have turned to digital solutions. E-wallets and mobile payments have been scaled up by several agencies as a workaround, offering a timely and secure way to deliver assistance. However, the digital shift is not without limitations: access to smartphones, electricity, and mobile networks remains unstable, but also not all vendors accept e-wallets, reducing the accessibility of these tools for many households.

The Federation for Palestinian Chambers of Commerce (FPCC) as well as WFP Market Monitor note that this shortage of banknotes **has heavily damaged any market transactions and constrained private sector operations. Payment systems, both formal and informal, have been severely disrupted,** with liquidity problems cited as a leading cause of lost sales and business closures. According to the FPCC and WFP, the primary challenge for many households in accessing essential goods is the lack of enough liquidity to afford such items as prices have sky-rocketed over the course of the war.

Cash liquidity is also a pressing issue for retailers who need access to cash to purchase items and re-stock, impacting market availability and price of items (KIIs). KIIs report that the slow trickle of items, partly due to the inability to re-stock at scale, has also reinforced the perception of hoarding by some vendors as an attempt to drive up prices by creating scarcity.

The fee for receiving foreign remittances or for paying for items using credit cards in Gaza has risen to an all-time high rate of 41-50 percent in June, which is not calculated from the amount you want to withdraw, but from the transfer amount. This de-facto makes the fee 80-100 percent. For example, if a family needs 35 ILS to buy 1 kg of wheat flour, they have to transfer 70 NIS to receive 35 NIS in cash.

In response to the severe liquidity crisis and shortage of usable banknotes, new informal services have appeared in markets in Gaza. One common practice is banknote repair. Small cash repair stalls now operate in high-density areas, offering to fix damaged currency using glue, tape, and pencils. These services are paid and have emerged as a new source of informal income.

Additionally, informal money exchange shops have expanded, facilitating conversions between digital e-wallet balances and cash, or cash-to-cash exchanges, often with significant liquidity fees.

Key issues related to liquidity according to traders:

A critical shortage of cash is paralyzing the local economy.

Traders report a general lack of liquidity, which prevents them from purchasing new goods and sustaining business operations.

This inability to use existing cash directly halts commerce.

Even when traders have money on hand, they cannot restock inventory if their suppliers will not accept the damaged banknotes.

The physical condition of available banknotes presents a major barrier.

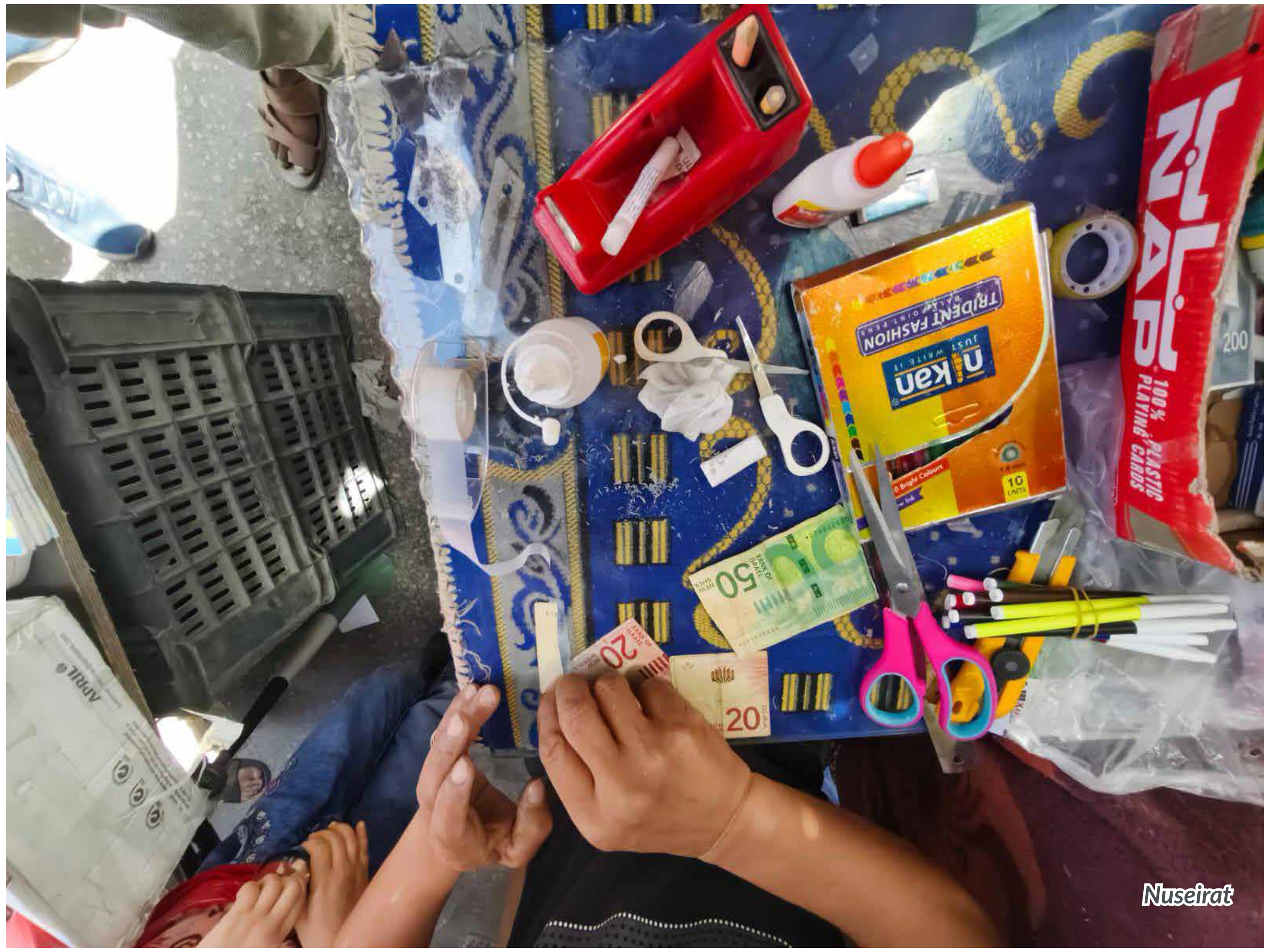
Much of the currency in circulation is described as "worn out" or "damaged," causing other merchants to refuse it and effectively breaking the supply chain.

The problem is intensified by the market's heavy reliance on physical currency.

With electronic payments not being a widely viable alternative, the entire economy is constrained by the scarcity and poor condition of cash.

With limited cash circulating, both suppliers and consumers are trapped in a cycle of reduced activity, leading to a stagnant or declining market environment.

This situation creates a ripple effect, where the lack of liquidity leads to higher prices, lower demand, and further economic instability.


Nuseirat

LIQUIDITY

Alternative solutions

E-WALLET

In response, the Palestinian Monetary Authority has invested in expanding the infrastructure to support adoption of electronic payments. This includes developing the national bill presentment of payment system (E-SADAD), launching the instant payment platform (iBURAQ), and operating the National Switch for ATMs and point-of-sale (POS) terminals. At the same time, Financial Service Providers such as Pal Pay and Jawwal Pay have invested in campaigns and targeted to increase consumer acceptance in using digital payment solutions and reduce reliance on traditional in-branch services.*

As a result, humanitarian actors have expanded the use of digital payment mechanisms, such as e-wallets and mobile transfers, when providing cash assistance. While these offer a practical alternative to physical cash, their effectiveness remains constrained by recurrent electricity cuts, network disruptions, limited smartphone access among users, and the cash-based nature of Gaza's economy. As one farmer noted during the FGD in Khan Younis, "In the end, the economy is cash-based, so every person in the chain, from production to consumer, has to factor in the cost of converting to cash or risk losing value."These digital options remain only a partial solution in a context where the underlying crisis is structural: the enforced isolation of Gaza's financial system and the commodification of cash itself.

BARTERING

Although bartering is not widespread, some initiatives have started to emerge online[1]. In addition, community social media groups have been created to facilitate informal exchange of basic goods, such as furniture, clothes, and hygiene products, between individuals. As reported by the owner of a transportation company in the FGD with male entrepreneurs in Deir al Balah, he prefers to be paid in fuel (made of burnt plastic). Key informants also report that vendors increasingly trade items in their possession with other vendors to help liquidate stocks and access items they are better placed to sell.

1. Facebook group - سوق غزة التجاري - accessed July 2025 (link)
2. Telegram group - أسعار السوق - غزة - (link)
3. Facebook group - أسعار السوق غزة - (link)
4. Facebook group - سوق غزة التجاري (link)

Empty "saj" (bread) shop in Nuseirat, accepting digital payments

*Although 83-85% of the population has active e-wallets (PalPay data) it has not been possible to activate new e-wallets since 4 April due to stricter auditing requirements on KYC regulations

CITIZEN WATCH PRICE MONITORING

In parallel, other citizen-led platforms on Facebook, Telegram[2], and other social media channels have started providing market price monitoring to the public. These platforms regularly share average prices of essential items[3] and monitor the availability of goods entering local markets, but also map shops accepting digital payments, which helps residents make more informed decisions in an extremely volatile context. Other social media platforms[4] are also facilitating direct connections between traders and households, enabling traders to source and resell goods that households are looking to exchange or offload.


أسعار السوق غزة
June 29 at 3:57 PM

أسعار السلع في دير البلح – اليوم
ملاحظة: الطحين المتوفر في السوق غالبًا مبكّت وليس بوزن دقيق
الطحين:30 - 35 شيكل
السيرج:
- عبوة 900 مل: 30 شيكل
- اللتر: 35 شيكل
العدس: 18 - 20 شيكل / كيلو
الرز (حبّة وسط):20 - 25 شيكل / كيلو
بازيلاء حب: 13 شيكل / كيلو
شعرية (400 جم): 9 شيكل
الملح: 7 شيكل
خميرة (450 جم): 60 - 70 شيكل
السكر: مفقود تمامًا
الأسعار قابلة للتغير حسب العرض والطلب وندرة المواد.
نسأل الله الفرج القريب لأهلنا الصامدين.


أسعار السوق غزة
June 16 at 6:13 PM

عاجل | الآن يباع كيس الطحين الـ 25 كيلو ب550 شيكل على دوار جامعة الأقصى غرب مدينة خانيونس

Urgent | Now a bag of flour of 25 kg is sold for 550 shekels on Al-Aqsa University roundabout, west of Khanyounes City

Hide original · Rate this translation

17

Screenshots from "Market Prices Gaza" a citizen-led initiative on Facebook.


Prices of goods in Deir Al Balah - Today
Note: Flour available in the market is mostly dried and not precise weight
Flour: 30 - 35 shekels
The Serge:
- 900 ml package: 30 shekels
- A liter: 35 shekels
Lentils: 18 - 20 shekels / kilo
Rice (medium grain): 20 - 25 shekels / kilo
Love peas: 13 shekels / kilo
Pasta (400 g): 9 shekels
Salt: 7 shekels ج
Yeast (450 g): 60 - 70 shekels
Sugar: completely gone
Prices are subject to change depending on supply, demand and scarcity of materials.
We ask Allah for immediate relief for our patient family.

MARKET STRUCTURE AND REGULATORY ENVIRONMENT

As of July 15th, 86% of the Gaza Strip is within Israeli militarized zones, under displacement orders, or both, including key marketplaces, such as Jabalia and Al Dahra, which have become inaccessible since the last assessment conducted in September 2024. In response, some markets have moved and transferred to new locations, showing a degree of market resilience.

According to the FGDs with community-based organizations (CBOs) and Save the Children local partners, markets in Gaza were previously highly integrated, with each city holding designated market days and goods circulating efficiently between locations. **Since the escalation of hostilities, however, market systems have become extremely fragmented.** Goods now circulate only between Deir al-Balah and Khan Younis, and only when movement is possible. Markets have adapted by becoming mobile, shifting alongside displaced populations and operating continuously to meet urgent needs.

According to the Gaza Operations Room, which is an entity led by the Palestinian Authority, **the market regulation system in Gaza is functioning under extreme distress.** Regulatory mechanisms and institutional oversight have mostly broken down due to the blockade, ongoing hostilities, and the collapse of governance structures. While efforts are made on roadmaps and preparedness plans such as the potential reopening of 100 factories linked to basic needs as soon as a ceasefire is declared, the system is damaged.

Traders operate with little oversight, and in some cases, with direct criticism from the public due to price inflation and speculative behavior. The Gaza Operations Room noted that over 2,000 trader-related infractions were registered through the Palestinian Monetary Authority and the Ministry of National Economy, but enforcement capacity remains limited. Attempts to regulate pricing or implement oversight are constrained by limited access, blockade, insecurity and lack of centralized authority.

In the absence of formal oversight, informal enforcement mechanisms have emerged. So-called "Arrow Units," reportedly affiliated with the de facto authority and operating in civilian clothing, have attempted to regulate market prices. However, their presence is intermittent, as markets are often considered military targets. As a result, any imposed pricing is short-lived: Once the Arrow Unit leaves, the prices go up again.

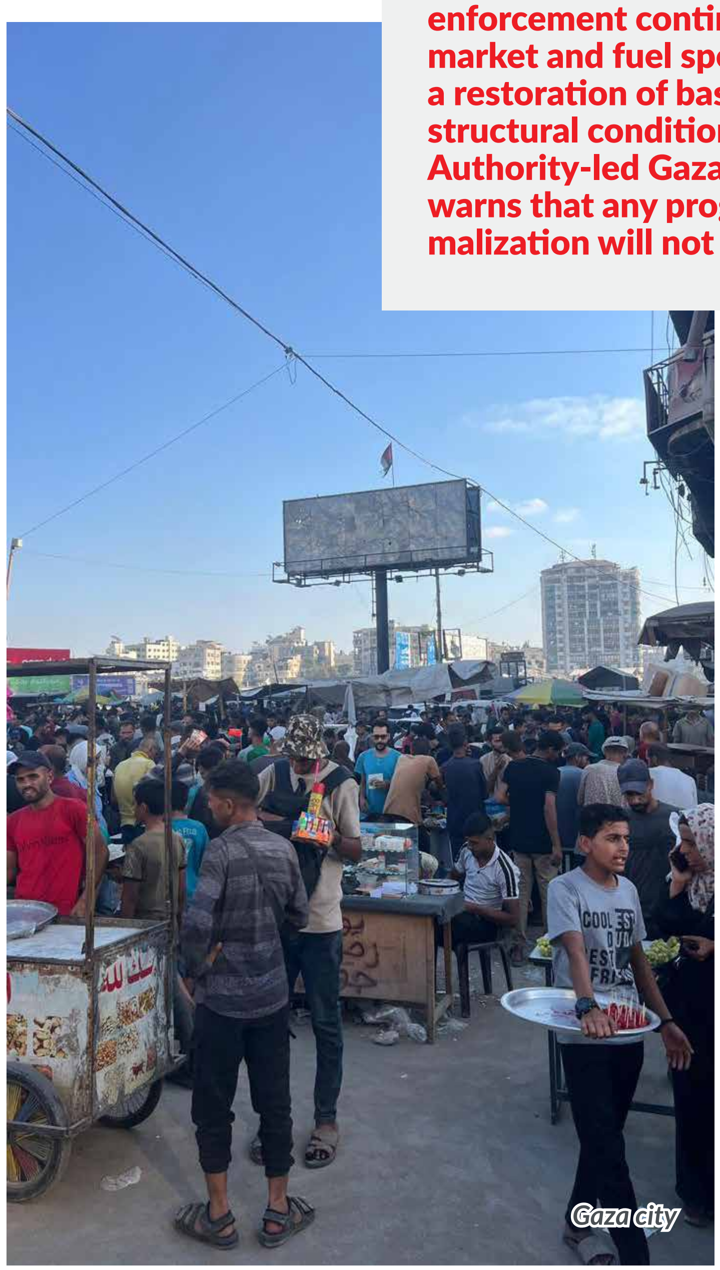
Competition in the market remains limited, with some estimating that less than 10% of official regular merchants are still operating. Many who are now working are new market actors, operating in an informal capacity, some operating on an ad hoc basis when the opportunity presents itself to sell specific goods (KIIs). Market power has been greatly affected as well, characterized in part by a growing gap between large influential market actors and small vendors selling very limited quantities of goods - mostly from mobile daily stalls. When commercial goods are entered, it is largely based on the demand and preference of five large wholesalers. **Some sectors are reportedly effectively monopolized by a small number of actors who subgrant others, such as transportation.**

For all actors, competitiveness is intrinsically linked to sourcing capacity, dependent on flexible and resilient sourcing and trading networks, and access to cash (KIIs - REACH, WFP, UNICEF, COC). Most traders interviewed were reluctant to discuss competitive dynamics or precise insight on market competition, citing fears of losing their strategic advantage or access, further highlighting the sensitivity and opacity surrounding market competition.

Representatives from the Gaza Operations Room emphasized that **the dysfunction is structural.** "The issue is not the traders, but **the lack of rule of law caused by the blockade and the war.** Unless this is dealt with, we are going to expect this—if not worse." They also stressed that prior to the escalation, Gaza had strong financial mechanisms and institutions, but the operating environment under siege has rendered any meaningful regulation nearly impossible.

The Gaza Operations Room highlighted that even limited approvals granted by Israel for aid convoys are often routed through unsafe paths, exposing them to looting and reducing their effectiveness. "The system is set to fail," one official remarked, citing the **extremely limited inflow of both humanitarian aid and even less for commercial goods.**

In the current context, meaningful market oversight and stabilization are severely constrained. The absence of security, predictable access, and legal enforcement continues to fragment the market and fuel speculation. Without a restoration of basic rule of law and structural conditions, the Palestinian Authority-led Gaza Operations Room warns that any progress on market normalization will not be feasible.


Gaza city


Khan Younis

** These factories operate across diverse sectors, including construction and building materials (e.g., concrete blocks, ready-mix concrete, steel), wood and furniture manufacturing, textiles and apparel (ready-made clothing, uniforms, embroidery), food and beverage production (baked goods, dairy, pickles, traditional foods), plastics and paper goods (household items, packaging, printables), advertising and printing services, metal and engineering industries (aluminum, ironworks, fabrication), energy solutions (notably solar), healthcare and personal care products (medications, cleaning supplies), as well as digital services.*

FOOD INSECURITY

Compared to the previous IPC analysis in October 2024, the situation in the Gaza Strip has drastically worsened, evolving into one of the world's most severe food and nutrition crises, primarily driven by conflict.

The food system has effectively collapsed: productive assets have been destroyed, and the blockade has paralyzed domestic food production. Shops are shuttered due to looting and shortages, food prices have soared (wheat flour up by more than 3,000% since late February), and access to cash is critically limited.

Between 1 April and 10 May 2025, **93% of the population (approximately 1.94 million people) were classified in IPC Phase 3 or above**, including nearly 244,000 facing catastrophic food insecurity (IPC Phase 5). **For the period from May to September 2025, the entire population is projected to remain in Crisis or worse (IPC Phase 3+), with Gaza classified in Emergency (IPC Phase 4)[1].** Should the blockade and military operations persist, further deterioration could push food insecurity, malnutrition, and mortality **beyond IPC Phase 5 (Famine) thresholds.**

Further deterioration is evident between Phase I of this Market Assessment (September 2024) and Phase II (June 2025). According to WFP and the Federation of Palestinian Chambers of Commerce, households are reporting increasingly unbalanced diets, with dairy, meat, and vegetables nearly absent.

Bread consumption has dropped from seven to four days a week, and fuel, diesel, and cooking gas remain largely unavailable.

Recent WFP data show food insecurity has exceeded earlier IPC projections. From April to June, poor Food Consumption Scores (FCS) increased sharply across all governorates: in Khan Younis from 41% to 77%, Deir al Balah from 36% to 77%, Gaza City from 39% to 79%, and North Gaza from 45% to 78%. Acceptable consumption scores fell to 1% or less in all areas.

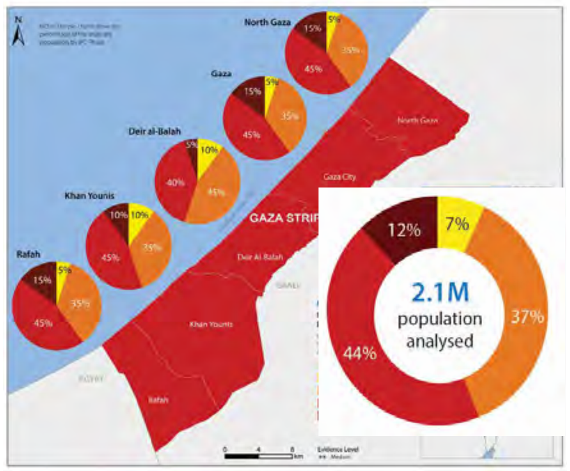
The Household Hunger Scale (HHS) confirms this alarming trend. In April, 6% of households were in Phase 5 (catastrophic hunger); by June, this rose to 23%, and by early July, it reached 26%. Severe hunger (Phase 4) also jumped from 24% to 41%. These figures suggest that several areas may have already crossed IPC Phase 5 thresholds, indicating that the situation is worsening faster than projected.

At the time of the May IPC projections, an estimated 71,000 cases of acute malnutrition among children under five were expected between April 2025 and March 2026 (including 14,100 severe cases), along with nearly 17,000 pregnant and breastfeeding women in need of treatment. In May alone, UNICEF reported 5100 cases of malnutrition.

1. IPC - Gaza strip special debrief May-September 2025 (link)

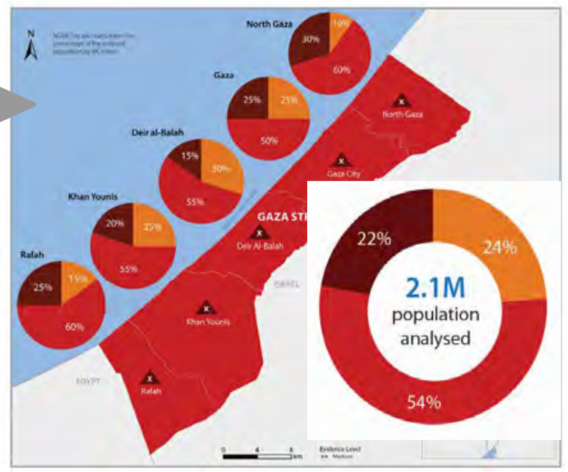
Current acute Food Insecurity (April - May 2025)

93% Of the analyzed population in IPC Phase 3 or above



Projected Acute Food Insecurity (May -September 2025)

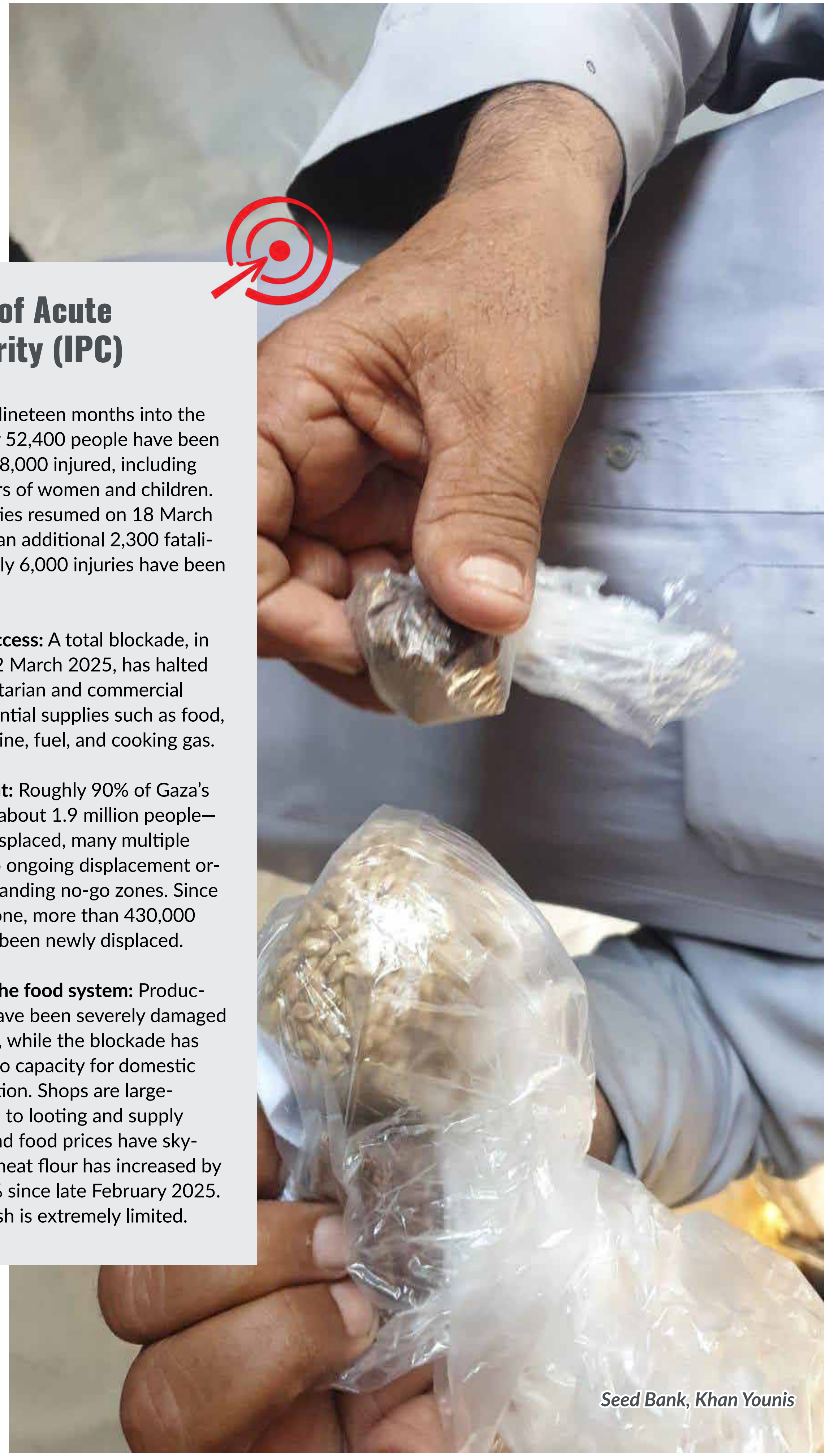
100% Of the analyzed population in IPC Phase 3 or above



2 - Stressed | 3 - Crisis | 4 - Emergency | 5 - Catastrophe

Key Drivers of Acute Food Insecurity (IPC)

- **Hostilities:** Nineteen months into the conflict, over 52,400 people have been killed and 118,000 injured, including large numbers of women and children. Since hostilities resumed on 18 March 2025 alone, an additional 2,300 fatalities and nearly 6,000 injuries have been reported.
- **Restricted access:** A total blockade, in effect since 2 March 2025, has halted both humanitarian and commercial entry of essential supplies such as food, water, medicine, fuel, and cooking gas.
- **Displacement:** Roughly 90% of Gaza's population—about 1.9 million people—have been displaced, many multiple times, due to ongoing displacement orders and expanding no-go zones. Since 18 March alone, more than 430,000 people have been newly displaced.
- **Collapse of the food system:** Productive assets have been severely damaged or destroyed, while the blockade has left little to no capacity for domestic food production. Shops are largely closed due to looting and supply shortages, and food prices have skyrocketed—wheat flour has increased by over 3,000 % since late February 2025. Access to cash is extremely limited.



Seed Bank, Khan Younis

CHAPTER 2: EMERGING LIVELIHOODS

CHALLENGES, ADAPTATION AND OPPORTUNITIES FOR ECONOMIC RECOVERY

ENERGY AND POWER

Energy access in Gaza has collapsed, with most households getting less than four hours of electricity daily. People rely on unreliable solar panels, car batteries, firewood, and shared generators. Solar equipment is costly and mostly second-hand, while technical support and spare parts are scarce.
Humanitarian support is urgently needed to subsidize affordable solar systems, provide key components, and build local repair capacity. Priorities include energy for food production, irrigation, refrigeration, and communal kitchens to sustain livelihoods and survival.

Current situation & Adaptation strategies

Energy access in Gaza has deteriorated to crisis levels, with the population forced to resort to extreme adaptation strategies. Participants of the seven FGDs conducted in Khan Younis and Deir Al Balah with male, women entrepreneurs, farmers, solar panel and communication companies all participants have consistently described the critical role of energy access in daily survival for food preparation, small businesses, water access, and communication. As the formal grid has collapsed and fuel entry has been blocked for over four months, people now rely on solar panels, car batteries, shared generators, and mostly on firewood. **These alternatives are often described as unreliable and insufficient for sustaining basic household or livelihood needs**.

According to the Shelter Cluster and NORCAP's end-2024 report, household electricity consumption has fallen from 200–300 kilowatt-hours per month before October 2023 to under 50 kWh per month. **More than 90% of households report access to electricity for fewer than four hours per day.** In June 2025, the situation was even more critical; a participant of the FGD with male entrepreneurs said, "We used to store and sell gradually, now we must sell whatever we produce the same day. There's no fridge, no power,". A woman entrepreneur shared how she now organizes baking around daylight hours: "I bake during the day when there's sunlight to save the battery. We only power the oven briefly. If the clouds come, we stop."

In multiple FGDs, **producers reported reverting to primitive or manual methods due to lack of power.** "We are cooking on wood again. It's the only thing left," said one woman. Another woman textile entrepreneur explained: "I went back to using my mother's manual sewing machine. It is much slower, but it works without power." Participants in the solar energy FGD noted, "Most batteries are old, power cuts after one hour," and "Solar doesn't work when it's cloudy. We can't charge phones or run lights." One solar technician explained, "We install pannels with what's available, even if it's not ideal. There are no proper tools, and everything is second-hand and patchy."

The cost of solar panels has risen dramatically, with participants stating that a panel previously sold at 250 ILS can now be sold for over 10,000 ILS. "Only international organizations can afford this equipment," noted one provider. Others highlighted the growing difficulty of repairs: "There are no spare parts; if something breaks, it stays broken."

Fuel scarcity has also pushed people into hazardous practices. "We burn plastic to create fuel. It damages our engines, but we have no other choice," one male participant owning a transportation business stated.

Recommendations & Needs

Based on the discussions in the Solar and Energy FGD, participants highlighted that **current energy access is unsustainable without immediate and longer-term intervention**. One of the most urgent needs is expanding access to affordable solar systems with battery storage, particularly off-grid units that can support households and small businesses. The demand for components such as inverters, charge controllers, and batteries is high, but the market is dominated by used and degraded equipment. **Participants emphasized the need for humanitarian actors to subsidize solar installations and coordinate imports.**

In addition to financial support, participants called for investment in local technical capacity. The shortage of trained technicians and spare parts has resulted in gaps. Paid internship for new graduates and creating local repair capacity were mentioned as priorities, depending on improved security. "We are ready to host new workers if the situation improves and we reach a ceasefire," said one energy provider. Participants also suggested **introducing micro-financing or lease-to-own models to make solar energy more accessible** to lower-income users, since most Palestinians from Gaza can no longer afford to purchase them. Finally, several participants recommended prioritizing energy access for food production, irrigation, water pumping, refrigeration, and communal kitchens. These were considered most urgent for sustaining life and livelihoods in Gaza.

Khan Younis, Bahr Market

METHODOLOGY - FGDs

Rising food insecurity across Gaza is compounded by a near collapse of livelihoods. As of May, only 25% of households reported any income access, with median earnings dropping from 800 ILS pre-ceasefire to 300 ILS[1], primarily from daily labour. The unemployment rate has risen to over 80%, and nearly all households now rely on humanitarian assistance. The World Bank reported that poverty across the occupied Palestinian territory, including the West Bank and Gaza, rose from 29% in 2023 to nearly 40% by the end of 2024.[2]

The FPCC further reports that **small enterprises and agricultural producers have been unable to continue operations** due to extensive destruction of greenhouses, poultry farms, and irrigation systems. They highlight widespread labor market disruptions, including the suspension of most employment in manufacturing, construction, and agricultural sectors .

At the same time, Gaza's agricultural capacity is severely constrained. According to FAO (April 2025), just 4.6% of cropland is accessible and cultivable due to displacement orders, while 80.8% has been damaged and 77.8% is now inaccessible[3]. Cropland in Rafah and almost the entire northern region is out of reach due to military interventions, undermining local food production and recovery opportunities.

Save the Children, with the support of local NGOs Bayader and Save Youth Future Society (SYSF), conducted **a series of KIIs and ten FGDs** in Khan Younis and Deir al Balah to better understand how market actors are coping with the ongoing crisis. These included two FGDs with farmers, one with women entrepreneurs engaged in education, home-based livelihoods, sewing, and food production, one with community-based organizations, one with male entrepreneurs working in communications, transportation, and digital payments, one with solar system sector, and one with seed bank cooperatives.

The sectors selected for the FGDs were identified as the most critical, basic needs, and life-saving livelihoods in Gaza, following internal consultations and brainstorming with Save the Children Gaza staff and local NGOs.

1. IMPACT - Longitudinal HH vulnerability assessment - May 2025
2. World Bank - Impact of the conflict in the Middle East on the palestinian economy - April 2025 (link)
3. UNOSAT FAO -Land availability in the gaza strip - May 2025 (link)

COMMUNICATION & TRANSPORTATION

Formal communication infrastructure in Gaza has collapsed, leading to growth in informal services like mobile helpdesks, internet cafés, and phone repair shops. Transport faces severe challenges due to fuel scarcity, exorbitant spare part costs, and reliance on harmful makeshift fuels. Mobility is restricted by limited public transport and unsafe routes. Entrepreneurs report exhausted coping mechanisms and call for urgent liquidity support, improved energy access, and subsidized transport solutions to sustain livelihood.

According to participants in the FGD with male entrepreneurs in Deir al Balah with transportation and communication companies, **the formal communication infrastructure has been severely compromised,** leading to the growth of informal services such as mobile helpdesks, internet cafés, and the resale of internet cards. Phone and mobile accessory repair have become widespread due to the inability to replace damaged items with new ones. One participant, who previously specialized in internet and phone repair, now also assists with e-wallet activations and mobile money services.

The transportation sector has also adapted to meet urgent and shifting needs. Entrepreneurs reported that displaced families now pay by square meter to rent land where they setup their tents, and others offer transportation for furniture, people after displacement orders. The transportation sector faces extreme constraints as spare parts are scarce, a single tire can cost up to $17,000 USD, and fuel is nearly inaccessible. As a result, maintenance is limited to patching rather than replacement, and vehicles are increasingly powered by makeshift fuel, often a mix of cooking oil and burned plastic. One entrepreneur explained, “We mix cooking oil with plastic-based fuel even though it damages the engine” (FGD: Male Entrepreneurs – Comms & Transport).

Participants stressed that there is no longer market competition in the transportation of commercial trucks, with one company dominating subcontracting arrangements and coordinating with Israeli authorities. Lack of public transportation and safe routes has further limited mobility. Participants across both FGDs noted that coping strategies have been exhausted and called for urgent liquidity support, better energy access, and subsidized transportation mechanisms.

One participant summarized the change “We are out of coping strategies. We have been running on those since March and even before.”(FGD: Male Entrepreneurs – Comms & Transport).

AGRICULTURE

Farmers struggle with expensive fertilizers, irrigation issues, and limited market access, often selling through intermediaries. Adaptation includes reactivating seed banks, homemade compost, off-season planting, and small-scale home gardens. Livestock numbers have decreased as fodder costs force slaughter. Farmers urgently need seeds, fertilizers, irrigation, electricity, and market support. Solar irrigation, debt relief, and humanitarian partnerships are key priorities to sustain food production and reduce famine risks.

Current Situation

Prior to the conflict, agriculture in Gaza was a primary livelihood sector, including open-field farming, greenhouses, livestock, and dairy production. Farmers cultivated diverse crops including strawberries, oranges, tomatoes, molokhia, eggplants, leafy greens, peppers, and practiced animal husbandry and fishing (FGD: Farmer 2; FGD: Farmers in DAB/KY). Food production was sufficient to support both consumption and sale, with some farmers operating on a large scale and some for exportation.[1]

Since the war, agricultural output has dramatically reduced. In multiple FGDs, farmers reported at least 50% decrease in productivity due to land destruction, displacement, security concerns, and lack of inputs. One participant stated, "Since the war, we have lost a lot. We produce almost nothing" (FGD: Farmers in DAB/KY). Farmland is either destroyed or occupied by displaced families: "I am hosting displaced people in my chicken area; I cannot raise chickens." Additionally, according to the participants of the Seed Bank FGD in Warara, around 95% of farmland has been destroyed, and 65% is under Israeli control (FGD: Seed Bank).

Electricity cuts and lack of fuel have negatively impacted irrigation, while fertilizer and pesticide shortages have further constrained productivity. "The production of the 1,000 m² cultivated land has decreased by 60% due to limited access to agricultural fertilizers and pesticides" (KII: Greenhouse Farmer). High production costs also impact farmer's ability to produce food: "Preparing one dunum costs 4,000 shekels," and organic fertilizers sourced from Bedouin herders cost 13,000 shekels (FGD: Seed Bank). **Some available farmlands are not used due to production costs as the opportunity cost is too high and risky for farmers to invest in producing more.**

1. *According to FAO, "In terms of local food production, before the conflict, the Gaza Strip had a largely self-sufficient supply of vegetables, dairy, poultry and fish, and produced a large share of its red meat consumption. However, it was heavily dependent on imports to meet domestic demand for cereals and animal feed. Agricultural production was devastated in the early period of the conflict, and the evolution of damage over time has been documented by FAO." (FAO - Food Pipeline Disruption and Declining Food Availabilty in the Gaza Strip, May 2025 (link)*

Adaptation Strategies

Despite constraints, farmers and agricultural cooperatives have adopted local strategies to maintain some levels of production. Some seed banks have been reactivated and expanded. It is the case of a Seed Bank Cooperative in Qarara, Khan Younis, currently serving 38 Farmers. Created in 2016, one of the members of the cooperative said " We are now supporting farmers in Deir al-Balah, Al-Masdar, Qarara, and Bani Suheila even more than pre-war." They preserve crops such as wheat, lentils, spinach, and Swiss chard. "Local wheat is more productive than imported hybrids due to drought and pest resistance" (FGD: Seed Bank).

Adaptation strategies include seed bank policies to focus on production, as such the wheat is distributed only for planting, not for consumption: "Bank policy: wheat is distributed only for planting, not for consumption (bread or Dukkah)."

Farmers use homemade compost from plant residue and rely on manure, ash, and leaves as alternatives to commercial fertilizers (From both Farmers in Khan Younis and Deir Al Balah). Some have reused seeds from previous harvests or used off-season planting to sustain crop cycles. "We are able to produce, but if seedlings are lost, the cost is very high. And it will be reflected on the price for the consumer" (FGD: Farmers in DAB/KY).

In livestock farming, many had to slaughter their animals due to the high cost of fodder. "Fodder was too expensive, so we had to eat our animals" (FGD: Farmers in DAB/KY). Limited poultry are kept for personal use only.

Access to markets remains constrained. Farmers primarily sell to intermediaries due to safety risks: "We are mostly selling to traders. It's safer, but it will reach the customers more expensive" (FGD: Farmers in DAB/KY). Digital payments are not the most viable for farmers due to transaction limits (up to 500 ILS) and high liquidity fees, so they mostly rely on cash. "Farming requires high-capital flows, digital payments are not suitable for farmers" (FGD: Seed Bank).

Recommendations and Needs

Farmers across FGDs consistently highlighted the urgent need for core agricultural inputs, including seeds, fertilizers, irrigation networks, greenhouse materials, and reliable electricity.

Many voiced frustration at being blamed for high food prices, emphasizing that production now comes at unsustainable personal cost and that they are indebted. "Please help the farmers. We want acceptance from all people" (FGD: Farmers in DAB/KY).

Home-based production was widely encouraged as a critical survival strategy: "Every meter planted helps reduce famine risk" (FGD: Seed Bank; FGD: Farmers in DAB/KY), with small garden plots near shelters seen as valuable for improving household food diversity. Participants also stressed the need for market regulation, restored governance, and fairer pricing mechanisms. "There is no more authority to stabilize or rule the market; the only rule is supply and demand" (FGD: Farmers in DAB/KY).

In addition to provision of inputs, farmers also called for **solar-powered irrigation, debt relief,** and stronger collaboration with humanitarian actors to jointly address food insecurity by strengthening local food systems.

Beekeeper, Deir Al Balah

EMERGING LIVELIHOODS

The collapse of formal employment and liquidity crisis have driven Palestinians from Gaza to adapt by creating numerous informal, survival-focused livelihoods strategies such as mobile charging stations, phone repair, small bakeries, and plastic fuel production. Women-led home-based activities like textile repair and food processing have also increased.

The collapse of formal employment and the liquidity crisis have led to the emergence of new livelihoods strategies in Gaza. Palestinians from Gaza have shifted toward service-based roles linked to basic needs and survival, **with a strong reliance on personal adaptation and community networks.** According to participants in the FGD with male entrepreneurs in Deir al Balah, new roles now include operating mobile charging stations, repairing phones and accessories, running small bakeries and washing hubs, and managing digital payment helpdesks. Others have adapted by setting up tented spaces and providing workspace for freelance workers or internet cafés due to limited connectivity and electricity access.

In parallel, the Gaza Market Monitoring Committee of the Cash Working Group identified **over 40 new wartime jobs that have emerged since the beginning of the war.** These include queue sitters for bakeries and aid distribution points, plastic burners producing makeshift fuel, sellers of empty aid bags, second-hand item resellers, banknote repairers, animal-drawn transport drivers, clay oven builders, barrel welders, and mobile SIM hotspot vendors. Women-led activities such as textile repair, clay stove making, and home food processing have also increased.

The FGD with Community Based Organizations also emphasized that the rise in informal employment has coincided with the expansion of services such as solar repair, working hubs with electricity and Wi-Fi, and income-generation programs linked to communication needs.
In the FGD in the Middle Area with male entrepreneurs from transportation, digital payments and communication sector, a participant said : "**Any way to get money became a job**, from cutting or collecting wood, setting up tents, carrying water, waiting on the line."

Banknote repair, Nuseirat

Fire wood seller, Nuseirat

ROLE OF HUMANITARIAN ACTORS

In Gaza, humanitarian aid functions as both a critical survival lifeline and a major economic driver. Cash assistance has been the most consistent large-scale intervention, providing over 750,000 people between January and July 2025 ,with the means to meet basic needs and a sense of dignity despite severe inflation. Beyond direct support, humanitarian agencies stimulate the local economy by creating temporary jobs, funding small businesses, and procuring local services and infrastructure, making them essential economic actors who also help stabilize prices and ensure the feasibility of their own operations. While essential for survival, humanitarian aid can also negatively impact local economies by creating an informal "aid market." This parallel market distorts local commerce by causing unfair competition and price volatility, exposing traders to criminal risks, and fostering a systemic dependency on the humanitarian ecosystem.

Role of humanitarian actors

Humanitarian actors have played a critical role in supporting survival needs through both in-kind assistance and cash distribution. From January to July 2025, over 160,000 households (reaching more than 750,000 individuals) have received cash assistance in Gaza, according to the Cash Working Group. Humanitarian actors have played a dual role: supporting access to basic needs but also providing income generating opportunities. According to representatives from the Gaza Operations Room, cash assistance remains the only uninterrupted and at scale humanitarian intervention since the beginning of the war, providing a lifeline for the population.

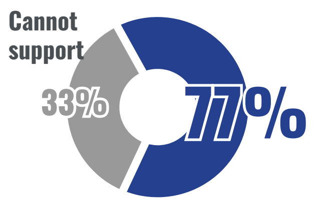
Despite extreme inflation, it continues to be the main modality through which people in Gaza can meet basic needs. Officials emphasized the multidimensional value of cash assistance, noting that beyond enabling survival, it also fosters a sense of dignity, hope. "Cash is one of the only things people have received throughout the conflict. Even with 1,000% inflation, it's a lifeline," one representative stated. They added that when combined with livelihood support, such as cash-for-work, subsidies wage, in kind productive assets it can offer people not only income but also the sense of being part of the community and contribute to healing: "It connects people back to society—it helps people feel useful and dignified."
In addition to in-kind distribution and cash transfers to cover survival needs, some humanitarian agencies provide vocational training and business grants.

Women entrepreneurs described some support for community kitchens and informal education spaces, while CBOs referenced INGO funded vocational training and small income-generation projects targeting women-led businesses and home-based production(FGD: Women Entrepreneurs; FGD: CBO, FGD with Save the Children small business beneficiaries).

Participants across FGDs consistently cited **the humanitarian sector as a major source of temporary income from formal employment to adjacent such as daily workers,** community engagement workers as well as adjacent. In Deir al Balah, male entrepreneurs working as transporters count humanitarian agencies as their clients, along withdisplaced families, including moving furniture and goods for evacuees (FGD: Male Entrepreneurs – Comms & Transport). NGOs also lease storage facilities, warehouses, and apartments, creating temporary rental markets and services.

In the solar sector, NGOs are one of the only actors able to afford inflated prices, facilitating some access to systems and sustaining critical services. However, this purchasing power can drive up market rates if not well coordinated as raised during the FGD with the Solar Sector in Deir Al Balah. NGOs have also helped coordinate imports, purchase assets, and subsidize services, which some private sector actors cannot afford independently. Farmers expressed a need for stronger advocacy and support from humanitarian agencies, including agricultural inputs, energy access, and collaboration for improving food security in the Gaza Strip.

Humanitarian agencies have become essential economic actors, supporting local sourcing, decent work opportunities, entry of goods as well as sustaining basic infrastructure through contracting and procurement. Cash support, in particular, serves as a redistributive and equalizer between individuals which is not based on physical strength or access, where door to door distribution is not feasible. As mentioned during the KII with the Palestinian Authority- Led Gaza Operations room the entry of humanitarian goods helps to reduce prices, and cash assistance through its scale and redistributive role helps keep humanitarian activities safe and feasible.



of traders believe that **humanitarian agencies can help them continue their businesses.** (up from 65% last year).

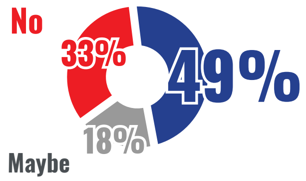
Most commonly reported ways for the humanitarian community to support traders by governorates, according to traders

	Total
Advocacy for ceasefire	33%
Provide grants/funds	26%
Faciliate access to commercial trucks for importing	25%
Provide transportation services	7%
Provide Warehouse	5%
Repairing Roads	1%

No significant differences were observed between governorates. Across all areas, the most commonly cited way for humanitarian actors to support traders was advocacy for a ceasefire (33%). In addition, traders consistently recommended that humanitarian agencies provide grants to help them recover and sustain their businesses (26%). They also emphasized the need for advocacy to facilitate the import and transport of commercial goods—a priority particularly noted in Deir al Balah (14% of traders, compared to a 7% average). Relatedly, some traders also called for support with transportation services more broadly.

Willingness of traders to participate to a voucher program

22% of interviewed traders have already participated in a voucher program.



of interviewed traders reported to be **capable to join a voucher program**, if the opportunity would present itself.

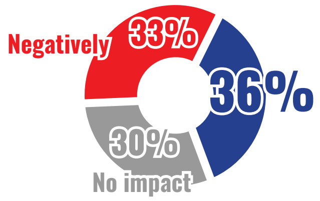
Most traders expressed their willingness and readiness to participate in voucher programs.

If the feedback from traders indicate a general willingness to participate in a voucher program, this willingness is overwhelmingly conditional. The vast majority of traders stipulate that their participation is entirely dependent on fundamental improvements to the market.

The most critical condition, cited repeatedly, is the opening of commercial crossings and the subsequent availability of goods and stable stock. A smaller group expressed unconditional confidence in their ability to join, while very few gave a negative response.

Save the Children Livelihoods Program beneficiary

Impact of humanitarian aid on market actors (from market actors)



36% of traders reported that humanitarian agencies have had a positive impact on their business, while 33% perceived a negative impact, and 30% noted no impact at all.

The feedback from traders highlights the critical role of humanitarian aid. For many, it remains the primary source of goods allowing continued operations under extremely constrained conditions. However, this reliance has also contributed to the emergence of an informal "aid market," which some traders say results in uneven competition, price fluctuations, and, in some instances, humanitarian goods being looted.

Others describe this reliance as simply the new operational context. It is important to understand these dynamics within the broader context of a prolonged blockade, where the entry of commercial goods is non existent. While some humanitarian aid goods continue to enter Gaza through UN-coordinated mechanisms and reportedly via the Gaza Humanitarian Forum (GHF), the lack of transparent data from GHF limits a full understanding of its market impact.

Impact of humanitarian aid, cleaned answers from open-ended question

Positive impacts: aid as a lifeline & market stimulus - 30 mentions

These responses view humanitarian aid as a net positive, primarily because it is the only source of goods in a market cut off from normal imports. It enables business continuity, creates economic activity, and in some cases, lowers the price of specific essential items.

- Enabling business to survive: For many, reselling aid is the only reason they are still in business.
- Providing goods & increasing availability: Aid is credited with bringing essential items back into the market.
- Creating jobs and economic activity: The buying and selling of aid are seen as creating a micro-economy.

Negative impacts: market distortion, risk & volatility - 18 mentions:

These responses focus on the severe negative consequences of a market dominated by informally sold aid. This includes creating unfair competition, unpredictable price swings, and forcing traders to engage with a dangerous black market.

- Price inflation and volatility: The informal aid market is seen as unstable and a cause of price hikes.
- Unfair competition & reduced sales: The availability of free or cheap aid can hurt traders selling similar goods.
- Association with theft, risk, and exploitation: Traders feel exposed to danger and forced to participate in a criminal economy.

Neutral impact: A state of total dependency - 12 mentions

This group of responses describes the situation in a more neutral, factual tone. They don't frame the impact as explicitly good or bad, but rather as an all-encompassing reality: the market is the aid market. Their business model is now entirely dependent on this new ecosystem.

No Impact or irrelevant answers- 22 mentions

A significant number of respondents stated that aid had no impact on their business. This was often because their business is in a sector not covered by aid (e.g., purely commercial imports, specific services) or because they simply had no interaction with it. This category also includes non-answers.

> *"The entry of aid helped stimulate the market, increase sales, and create job opportunities for young people"*
> \- *Traders*

> *"I continue to work because of the aid I buy from people, and because the crossings are closed, there is no import of goods"*
> \- *Traders*

CHAPTER 3: TRADING UNDER FIRE

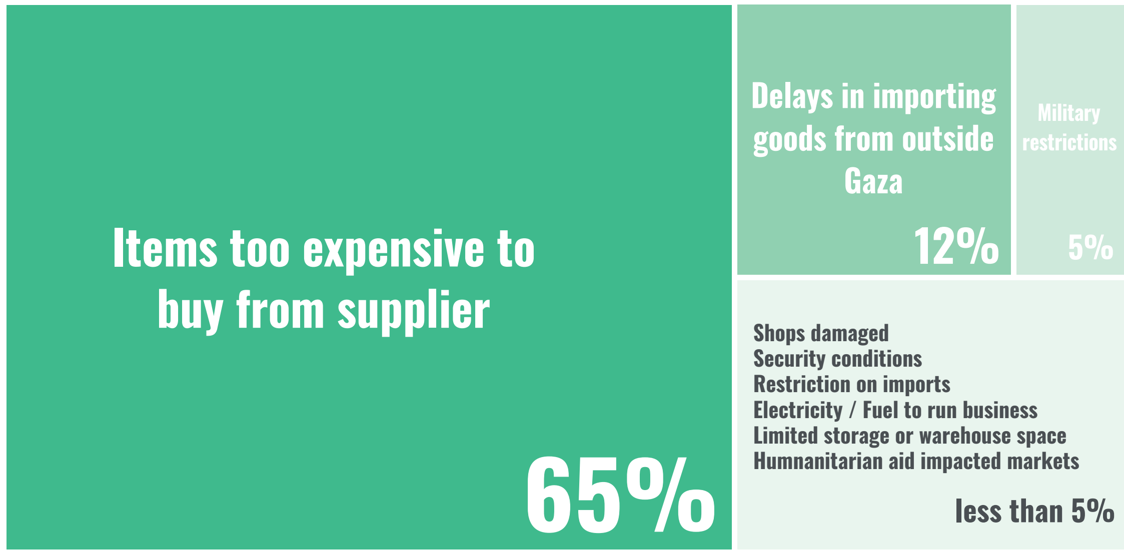
TRADERS CAPACITY AND ADAPTATION STRATEGIES


Save the Children And SYSF Greenhouse Livelihoods project

MARKET ACTORS ADAPTATION: MAIN CHALLENGES

The primary challenge rendering business operations unsustainable for traders is overwhelmingly high operating costs, which stem from a set of interconnected barriers. A fundamental issue is the closure of commercial crossings, which restricts access to supplies and drives scarcity. This scarcity, worsened by exorbitant transportation and coordination fees, makes business prohibitively expensive. Furthermore, a severe liquidity crisis—characterized by a shortage of usable cash and damaged banknotes—often paralyzes the supply chain by preventing traders from completing transactions. Collectively, these factors disrupt market efficiency and ultimately limit both the availability and affordability of goods.

Top challenges reported by market actors to continue their business



Hypermall Nuseirat, closed since the start of the war

In addition to the predefined response options, traders were invited to elaborate further. Three key themes emerged from their input:

> Lack of liquidity and financial instability (30 mentions):

The problem is twofold; with a general lack of cash in the economy, and the physical state of the banknotes. Traders report that the money in circulation is often so “worn out” or “damaged” that other merchants refuse to accept it. This breaks the supply chain, as they cannot purchase new goods even if they have customers. This is corroborated by the overall level of damages caused to the financial sector physical assets in Gaza (link), counting over 90% of Banks and over 80% of ATMs completely or partially damaged. The inability to use digital payments, with sellers demanding cash, exacerbates the crisis. Please go page 24 for a more detailed analysis on liquidity issues.

> Closure of Crossings: (28 mentions):

As in the previous analysis, the closure of commercial crossings remains a foundational challenge. For traders, this means they are cut off from their primary source of goods, raw materials, and medicine. It is the root cause of the scarcity and high prices they are forced to contend with.

> High prices & costs (23 mentions):

This theme encompasses not just the high price of scarce goods, but the entire cost structure of doing business. Traders point to the “crazy rise in prices,” the “high cost of transporting” goods, and having to pay high fees for “coordination” or protection, all of which eliminate any potential for profit and make business unsustainable.

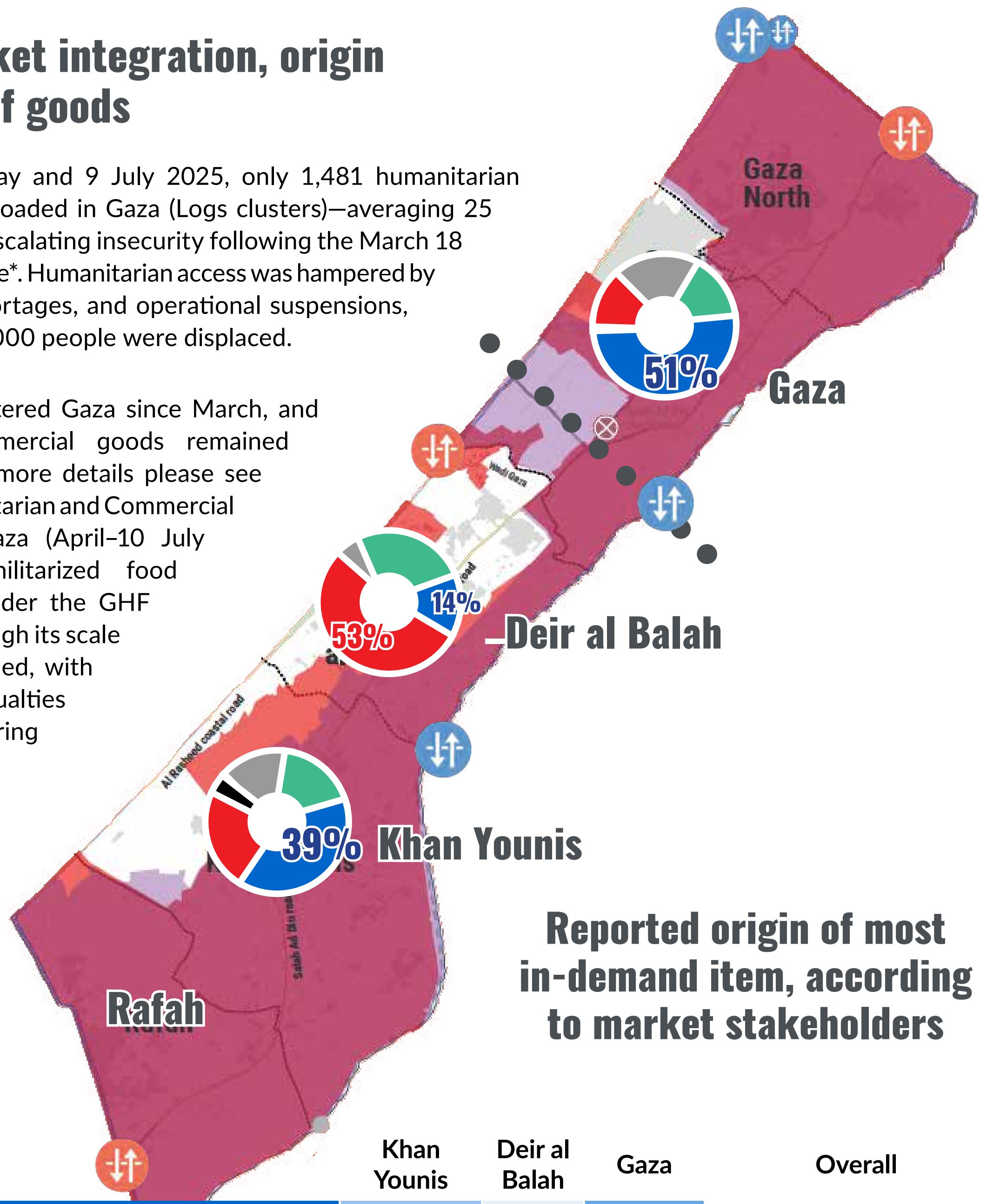
MARKET ACTORS ADAPTATION: SOURCES OF SUPPLY

Interviews with traders confirmed that humanitarian and commercial access to Gaza remained extremely limited, with no fuel deliveries since March. Amid widespread displacement and insecurity, most goods now entering markets originate from humanitarian assistance and militarized distributions under GHF while local production remains minimal due to lack of land access, inputs, and liquidity; traders increasingly rely on informal, temporary suppliers, and many are hesitant to disclose sourcing due to competition and market volatility. These findings are aligned with REACH comprehensive e-wallet Assessment July 2025 analysis which highlights that vendors reported severe shortages in the quantity, variety and quality of goods due to closed crossings and restrictions on commercial imports. With most food stocks on average lasting only a day and non-food items generally reported to last 1-2 weeks, scarcity - compounded by rising transportation costs and challenges, price volatility,and supplier gaps.

Map: Market integration, origin and flow of goods

Between 19 May and 9 July 2025, only 1,481 humanitarian trucks were offloaded in Gaza (Logs clusters)—averaging 25 per day—amid escalating insecurity following the March 18 ceasefire collapse*. Humanitarian access was hampered by looting, fuel shortages, and operational suspensions, while over 714,000 people were displaced.

No fuel has entered Gaza since March, and entry of commercial goods remained anecdotic. (for more details please see section Humanitarian and Commercial Access into Gaza (April–10 July 2025). The militarized food distributions under the GHF in late May, though its scale remains unverified, with significant casualties reported during delivery.



Reported origin of most in-demand item, according to market stakeholders

	Khan Younis	Deir al Balah	Gaza	Overall
Mostly resold humanitarian assistance	39%	14%	51%	39%
Mostly imported	23%	53%	13%	23%
Mostly local (from Gaza)	18%	28%	15%	18%
Mix of the above	15%	6%	21%	16%
I don't know	5%	0%	1%	3%

Changes in sources of supply of most in demand items since the start of the war, % of traders

	Khan Younis	Deir al Balah	Gaza	Overall
More reliance on items brought in via humanitarian assistance	51%	19%	67%	**52%**
More reliance on items produced inside Gaza	29%	36%	22%	**28%**
More reliance on items produced outside Gaza	16%	25%	1%	**12%**
No change	3%	19%	10%	**8%**

Analysis of changes in supply sources since the war began indicates that a majority of traders (52%) now rely more on items from humanitarian assistance. However, this trend shows significant regional variation: the increased reliance is most pronounced in Gaza (67%) and Khan Younis (51%), while minimal in Deir al Balah (19%). Traders in Deir al Balah, conversely, depend more heavily on commercially sourced goods. Their reliance on items produced both inside Gaza (36%) and outside Gaza (25%) is considerably higher than the overall averages of 28% and 12%, respectively.

Due to the near-total blockade of both commercial and humanitarian trucks, most goods entering Gaza originate from humanitarian assistance, with the militarized distributions under the so-called GHF reportedly responsible for the bulk of these items. This is consistent with what is observed by enumerators in local markets, where most external goods are presumed to have arrived through those distributions.

Top 5 "mostly imported" items

Item	Reported as "mostly imported"
Building materials	100%
cooking gas cylinder	100%
Kitchen utensils	100%
Livestock - Other	100%
School supplies	83%

Top 5 "mostly local" items

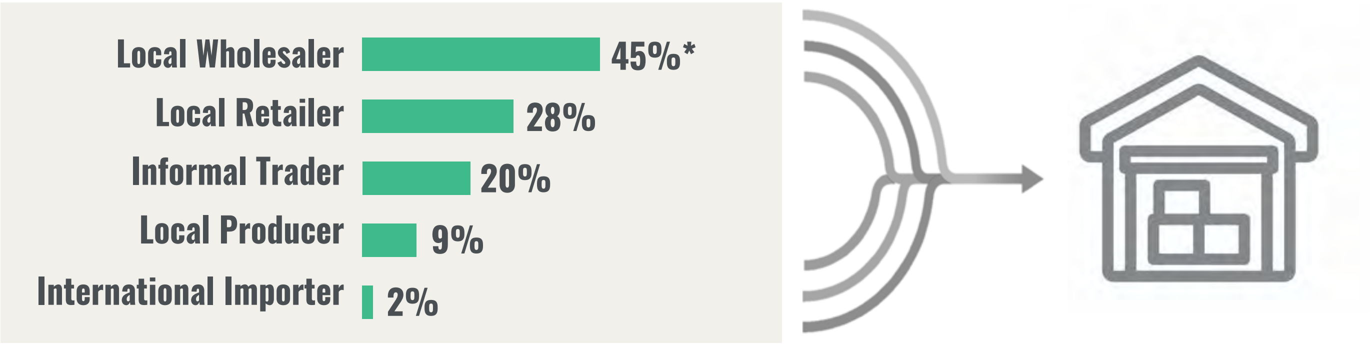
Item	Reported as "mostly local"
Clothing and shoes for adults	100%
Eggs	100%
Meat - Fish	100%
Veg. / Fruits / Leafy Greens	81%
Drinking water	67%

Top 5 "mostly resold humanitarian assistance" items

Item	% of items reported as "mostly resold humanitarian assistance"
Oil/butter	85%
Legumes	85%
Grains/wheat	76%
Dairy Products and Cheese	40%
Sanitary pads	38%

** Footnote from previous page: according to the Chamber of Commerce, 85% of trucks that entered Gaza from 20 May to 14 July were looted, indicating that despite being offloaded, essential goods are likely not to have reached those most in need through organized distributions.*

Most commonly reported sources of supply by traders



This question allowed for multiple responses; as a result, totals may exceed 100%

Local wholesalers supply the majority of traders operating in Gaza, accounting for approximately 50% of reported sources. A significant share of traders also rely on local retailers (25%) and informal traders (16%) to stock their goods.

Local producers, by contrast, appear to play a minimal role in the current supply landscape. As explained in the FGDs, local production remains indeed minimal despite the presence of skills, capacity, and experience among producers. The primary constraints are reduced access to land due to the war, lack of access to productive assets, lack of access to liquidity which prevent farmers and small businesses from resuming or scaling up operations.

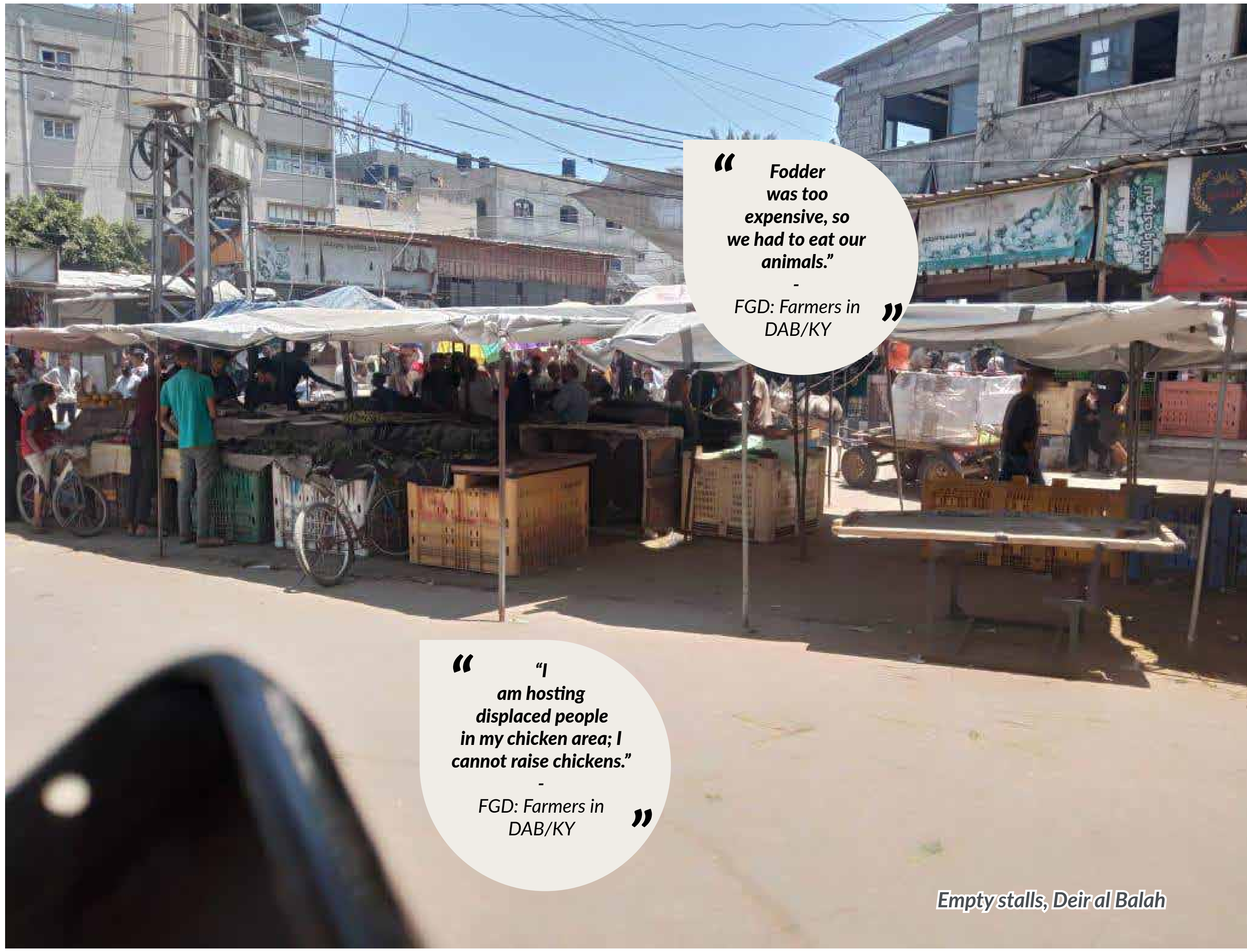
Several respondents indicated that their suppliers are unofficial or temporary, including individuals selling goods in markets or humanitarian aid recipients.

Finally, a few if not the majority of respondents hesitated to answer supply-related questions. Many cited a lack of information, while others explained that their suppliers are unofficial, temporary, or individuals such as market sellers or humanitarian aid recipients, making contact sharing difficult. This reluctance is likely due to concerns about competition, protecting supplier relationships, or fears of being priced out of the market.

“Other” sources of supply reported by traders, cleaned and recategorized:

Resale of humanitarian aid (45 mentions - 17% of total answers)
Includes any mention of buying goods from aid recipients, aid collectors, or vendors. Also includes direct references to aid organizations (e.g., GHF, American aid).

Local community / individuals (5 mentions)
General references to purchasing from other people, citizens, or local community members where aid is not explicitly mentioned.



Empty stalls, Deir al Balah

MARKET ACTORS ADAPTATION: SUPPLY CAPACITY

This chapter draws on interviews with market actors to identify the most in-demand goods and the primary barriers to their availability. **The feedback overwhelmingly points to the closure of commercial crossings as the central cause of all supply chain disruptions,** leading directly to critical scarcity and sharp price increases. Traders' ability to restock is further constrained by a range of secondary challenges, including fuel shortages, damaged infrastructure, liquidity issues, and reliance on unreliable suppliers.

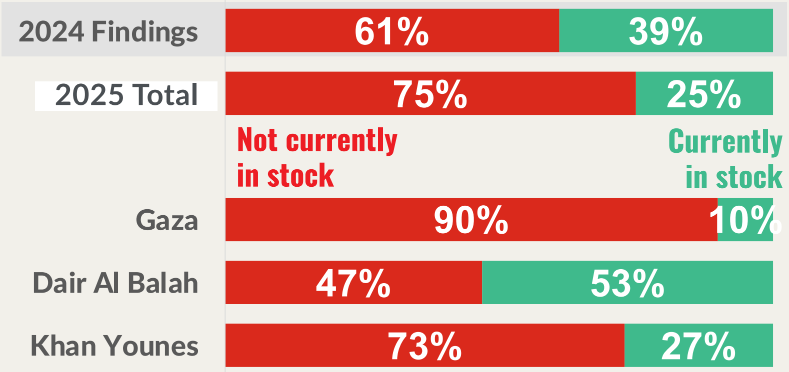
This scarcity is reflected in the specific items reported as most in-demand yet out of stock, with shortages being particularly critical in the Gaza governorate. These items include bedding, building materials, clothing, livestock, dairy products, agricultural inputs, and water storage containers. **Finally, traders unanimously reported a deterioration in the quantity, diversity, and quality of the high-demand items they can actually obtain**.

Current state of stocks, according to trader

According to traders, only 25% of their "most in-demand" product is in stock; with Gaza traders having noticeably less current stock than others (10%). **Access to Gaza is significantly constrained due to its location beyond the Gate 96/ Netzarim corridor, which makes the entry of goods particularly challenging.** Compounding this, much of Gaza remains under displacement orders, further restricting access and movement within the area. As Gaza City also serves as a key supply hub for North Gaza, these combined pressures are placing an even greater strain on already limited resources and

% of most in-need item reported as currently in stock, by traders.

75% of items were reported to not be in stock.



Most commonly reported items for which traders DO NOT currently have stock of.

Overall
- Bedding
- Building materials
- Clothing and shoes for adults
- Livestock
- Milk - Dairy Products and Cheese
- Seeds, tools and other agric. inputs
- Water storage containers

Deir al Balah
- Building materials
- Medicines
- oil/butter

Items having been reported by ALL traders of the governorate as being "not currently in stock"

Khan Younis
- Bedding
- Children's clothing and shoes
- Clothing and shoes for adults
- egg
- Livestock
- Milk - Dairy Products and Cheese
- Seeds, tools and other agric. inputs
- Water storage containers

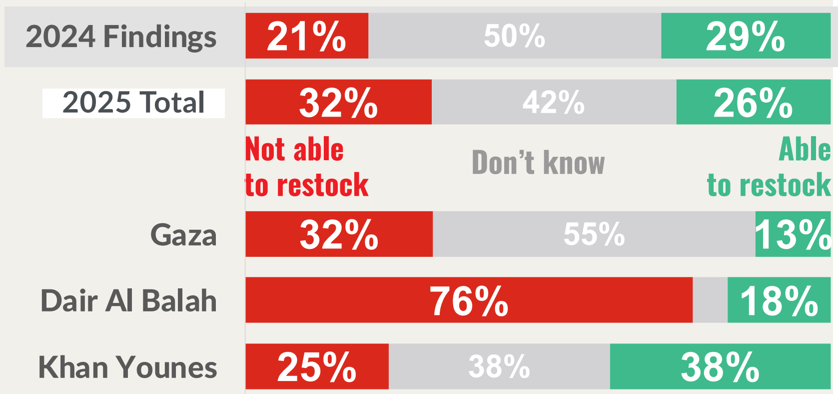
Gaza
- Bedding
- Children's clothing and shoes
- grains/wheat
- Kitchen utensils
- Milk - Dairy Products and Cheese
- Vegetables / Fruits / Leafy Greens
- Water storage containers

Traders' ability to restock

When asked about their ability to restock items that were out of stock, traders reported that 32% of the most in-demand items had been unavailable for four weeks or more. Additionally, for 42% of out-of-stock items, traders were unsure whether they could restock them at all. This high level of uncertainty is concerning and likely harmful to traders. Geographic differences are also evident: in Deir Al Balah, traders reported being able to restock only 18% of the most in-demand items, compared to 38% in Khan Younes.

% of most in-need items that can be restocked (if it wouldn't be in stock), according to traders.

32% were reported to be no longer available



3,6 Days Average reported amount of days needed to restock, according to the sub set of traders who were able to restock.

Most commonly reported items for which more than 50% of traders would NOT be able to restock because the item is no longer available (since 4 weeks or more)

- Building materials
- Medicines
- Bedding
- Children's clothing and shoes
- Sanitary pads
- school supplies

Traders expandability capacity facing an increase in demand:

	Could easily increase my supply	Would increase the price	Would run out / Shortage
Traders response if there were a 50% increase in demand for their "most demanded" product:	17%	26%	54%
Traders response if there were a 100% increase in demand for their "most demanded" product:	12%	22%	64%

These findings point to a further decline in traders' confidence in their ability to restock quickly and adequately; at a level even more concerning than last year.

Most traders are operating with minimal surplus stock, limiting their capacity to respond to a potential 50% increase in demand: only 17% indicated they could easily increase supply, compared to 44% in the previous year.

The situation is even more critical under a hypothetical 100% demand increase, with just 12% of traders able to respond, down from 31% last year, further highlighting the fragility of the current supply chain.

Traders in Deir al Balah stand out as the most confident in their ability to scale up supply (44%) to a hypothetical 100% increase in demand for the "most in-demand product", with the least concern about shortages (still 47%). This is likely due to the fact that Deir El Balah has been designated as a 'humanitarian zone,' with fewer displacement orders compared to other areas in Gaza, and also serves as a central hub for the humanitarian sector, where many agencies are based."

On the other hand, traders in the Gaza governorate were the most concerned about potential shortages, with only 8% being able to increase their supply; and 88% indicating that they would run out of supply in response to increased demand.

Most commonly reported items for which traders would be in shortage / run out of stock if the demand would increase by 100%

With a 100% increase in demand

Item (as reported by traders)	"would be in shortage"
Bedding	100%
Livestock - Other (specify)	100%
Meat - Fish	100%
Medicines	86%
oil/butter	74%
legumes	73%
bath soap	72%
sanitary pads	69%

Change in supply as experienced by traders since the start of war

Comments on the reasons for these changes in supply, according to traders (cleaned open-ended answers)

The feedback from assessed traders overwhelmingly identifies the closure of commercial crossings as the central cause of all other supply chain issues. This primary problem directly leads to a cascade of severe consequences, most notably a critical scarcity of all goods (lack of stock) and a sharp increase in prices. The ongoing war and displacement exacerbate these issues by destroying infrastructure and creating logistical chaos.

Closure of crossing (78 mentions): Respondents see it as the primary bottleneck preventing merchants from importing goods, medicine, agricultural inputs, and other essential items. It is referenced as the direct cause for nearly all other issues listed below.

Scarcity & lack of stock (70 mentions): The direct result of the closed crossings is a severe shortage of goods. Respondents frequently describe stock as "scarce," "non-existent," or "depleted." This applies to everything from food and medicine to fuel and manufacturing materials. Many mention that they cannot store goods and must operate on a day-to-day basis, if items are available at all.

High prices & price volatility (25 mentions): When goods are available, they are consistently described as expensive or "double the price." The high prices are attributed to scarcity, high demand, and the lack of stable supply lines. Several respondents also noted significant price instability, making business planning impossible.

Ongoing war, displacement & destruction (23 mentions): The direct impacts of the war are a major theme. This includes the physical destruction of warehouses, factories, and agricultural land, as well as repeated mass evacuations. These factors disrupt local production, destroy existing stock, and make logistics and storage impossible.

Issues with humanitarian aid (15 mentions) While aid is mentioned as one of the only sources for goods, it is viewed as insufficient and unreliable. Several comments explicitly mention the theft and "looting" of humanitarian aid (likely coming from the US and Israeli backed Gaza Humanitarian Foundation as observed by enumerators in markets), suggesting that it is not reaching its intended recipients or is being siphoned off, further contributing to market instability.

Lack of storage (14 mentions): A secondary but important logistical issue is the inability to store goods. This is due to a combination of factors: the destruction of warehouses, the lack of electricity for refrigeration, and the risk of evacuations, which forces people to abandon any stored items.

Based on this open-ended feedback, critical shortages are also affecting specific, essential product categories. Respondents frequently highlighted the unavailability of health and hygiene products, particularly chronic medications, sanitary pads, and materials for making soap. In terms of food, staples like flour and meat are critically scarce, a problem compounded by a lack of agricultural inputs such as seeds and fertilizers. Furthermore, a depletion of cooking gas has triggered a subsequent shortage of wood and firewood.

PRICES ANALYSIS

Nearly all households (98%) report sharp price increases, up dramatically from last year. This aligns with extreme market volatility, where prices for staples like wheat flour and sugar have surged unpredictably, driven by rumors, aid movements, and supply shocks.

Table: Prices in ILS of selected item in Gaza - price observations (June 2025)*

	Unit	Khan Younis (avg.)	Deir El Balah (avg.)	Gaza (avg.)	Avg. price 30 days ago*	Avg. price	Median price 30 days ago°	Median price	% change in Median prices since August 2024
White Flour Egyptian	25kg	260	68	-	402	183	100	65	+333%
White Flour Humanitarian	25kg	350	70	43	578	272	100	47	+370%
Bread	3kg	41	-	60	38	46	37	46	+820%
Lentils	1kg	26	45	34	43	29	40	32	+60%
Dry Chickpeas	1kg	21	50	24	43	23	40	20	+33%
Rice (short grain)	1kg	32	58	24	49	31	45	22	+10%
Sugar	1kg	270	220	284	231	272	250	280	+460%
Salt	1kg	8	23	12	23	11	20	10	-38%
Corn Oil	1lt	37	110	38	80	42	80	35	+192%
Tomatoes	1kg	68	54	59	37	62	35	62	+170%
Potatoes	1kg	51	88	59	61	57	57	57	+375%
Onion	1kg	350	400	-	160	375	160	375	+6150%
Chicken eggs	½Dz	-	-	285	180	285	180	285	+90%
Canned legumes	400g	11	15	6	12	10	10	10	+400%
Whole chicken (fz)	Pc	-	240	-	175	240	175	240	N/A
Drinking water	1lt	17	8	-	10	15	8	18	+500%
Bath Soap	Pc	13	-	25	11	19	8	15	0%
Baby milk Formula	100g	127	100	-	50	110	50	110	+175%
Gas Canister°°	Pc	-	-	-					-

Price is significantly higher than in other assessed governorates

Price increase in the last 30 days

The situation in Gaza's markets remains critical. According to WFP's June Palestine Market Monitor (11 July), the Khan Younis market was nearly depleted of essential food items, and available supplies were sold at unaffordable prices. Price volatility remains extreme: for example, wheat flour prices peaked at 2,000 NIS per 25 kg before dropping to 875 NIS later in June. Sugar prices increased by over 6,000%, while the overall food component of the MEB rose by 988% in June compared to pre-conflict levels.

Price Volatility

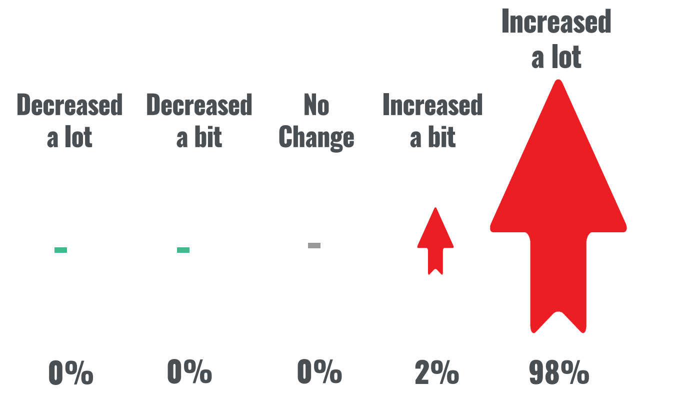
Markets in Gaza continue to face extreme and unpredictable price fluctuations. Prices can shift rapidly—even hourly—impacted by rumors, aid truck movements, commercial truck entry, looting, or the opening of humanitarian sites. For example, on July 17 a kilo of white flour was sold at 90 NIS and 150 NIS on July 18 morning. In a focus group discussion in Khan Younis with female entrepreneurs, a woman running a home-based catering business explained that pasta prices surged when residents began crushing it into flour as a substitute for bread during flour shortages. **Some vendors coordinate pricing in real time based on updates from border crossings or aid distributions,** making it difficult to collect consistent or representative pricing.

Other key staples also reflect dramatic shifts. Sugar (1kg) currently sells at 284 NIS in Gaza, 270 NIS in Khan Younis, and 220 NIS in Deir El Balah, compared to just 4 NIS pre-war, reflecting increases of 5,400% to 7,000%. Lentils (1kg) dropped slightly month-on-month from 43 NIS to 31 NIS, but remained over 400% higher than their 6 NIS pre-war price. White flour (25kg), essential for bread, costs 260 NIS in Khan Younis, compared to 105 NIS pre-war. Tomatoes (1kg) now range from 54–68 NIS, up from 4 NIS, showing a 1,250–1,600% increase. Onions (1kg) rose to 400 NIS in Deir El Balah and 350 NIS in Khan Younis, more than doubling from 160 NIS just 30 days ago, and up from 3 NIS pre-war. Chicken eggs (½ dozen) reached 285 NIS in Gaza, up from 180 NIS last month and just 14 NIS pre-war, a 1,935% increase.

Market fragmentation:

Market access and item availability vary significantly between governorates, underscoring the fragmentation and isolation of local markets, unequal access to supply chains, and differences in proximity to aid distribution points. Bread (3kg) is reported at 60 NIS in Gaza and 41 NIS in Khan Younis, but not available in Deir El Balah. White Flour Egyptian (25kg) sells at 260 NIS in Khan Younis, 68 NIS in Deir El Balah, and is unavailable in Gaza. Corn oil (1L) shows large disparities: 110 NIS in DAB, 38 NIS in Gaza, and 37 NIS in KY, a nearly threefold difference between locations.

Household perception on food prices and affordability :



The perception of food price changes in Gaza is particularly concerning compared to 2024 finding, with 98% of households in June 2025 reporting that prices have increased a lot. Only 52% gave the same response in 2024 and 13% reported "no change." These household perceptions reflect the market reality, where the Minimum Expenditure Basket (MEB) has become almost entirely unaffordable for most of the population.

Footnotes from previous page:

** The average prices presented here differ notably from those cited in the WFP data referenced in the narrative. This discrepancy may be attributed to high price volatility, fluctuating access conditions, and rapid price changes sometimes occurring within hours. Additionally, variations in vendor type may have influenced the results: WFP primarily interviewed larger vendors, whereas our assessment focused on smaller, local vendors.*

° The average and median prices "30 days ago" are based on prices self-reported by traders during the survey. This figure may be subject to recall bias.

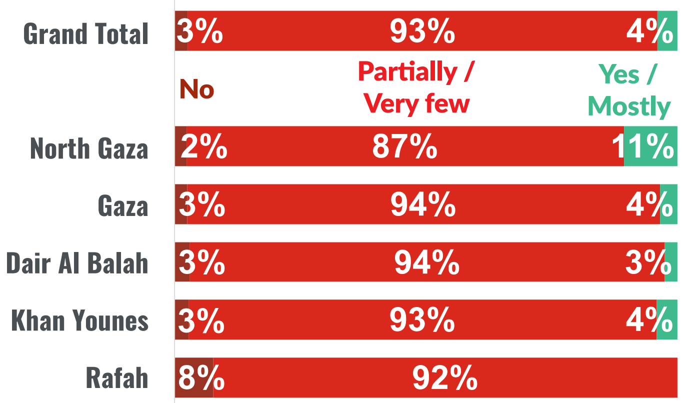
AVAILABILITY OF GOODS

Households' reports on market availability closely mirror traders' perceptions of limited stock capacity. Food is now the most commonly reported missing item from markets (cited by 94% of households)—a sharp shift from last year—signaling a major deterioration in availability and aligning with famine risk projections.

% of households reporting that most goods they need are available in their marketplace.

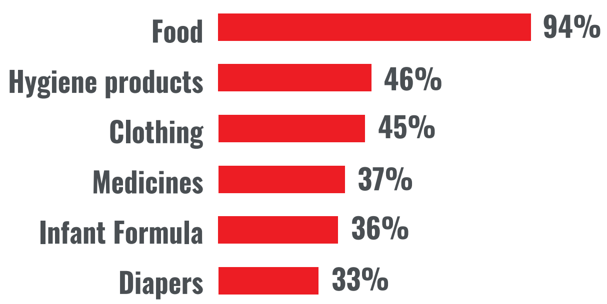
From the household perspective, only 3% indicated that the goods they needed were entirely unavailable in formal or informal markets.

However, compared to last year, the situation has clearly deteriorated: while 68% of households previously reported that most goods were at least partially or very limitedly available, this figure has risen to 93% today. This trend aligns with the above findings, particularly the alarming scarcity of food now reported in markets.



Most commonly reported items that could not be found in markets by households (Save the Children PDM)

These findings are largely consistent with last year's results, with one critical exception: **food has emerged as the most frequently reported item missing from markets**, cited by 94% of households, despite not appearing in the top five last year. This is a highly concerning development and may contribute to the risk of famine projected by the IPC (see page 32).



Items availability as reported by enumerators during market price observations (table on the right)

The availability data highlights a critical shortage of essential goods across Gaza, with disparities between governorates. Staple items such as white flour are virtually inaccessible, found in only 7% of shops in Khan Younis and entirely absent in Gaza. Bread is nearly nonexistent, with just 3% availability in Khan Younis and Gaza and 0 in Deir al Balah. Protein sources such as chicken breasts and eggs are almost entirely unavailable, with eggs appearing in only 4% of Gaza shops and chicken breasts absent everywhere.

Legumes and grains show moderate but still insufficient availability: dry chickpeas were reported by 48% of vendors as being available, while rice (short and long grain) ranging from 39% to 45%. Availability of fresh produce varies with tomatoes, for example, are found in 60% of Deir El Balah markets but only 30% in Khan Younis Onions are particularly scarce, with just 1% average availability, and potatoes remain below 25% across all areas. Non-food essentials are also in crisis: drinking water is available in only 7% of markets, gas canisters are entirely absent, and basic hygiene items like bath soap and baby formula show highly inconsistent presence.

Items availability as reported by enumerators during market price observations

	Khan Younis	Deir El Balah	Gaza	Average "Availability"
White Flour (Egyptian)	7%	29%	0%	7%
White Flour Humanitarian (resold)	37%	29%	14%	28%
Bread (3kg)	3%	0%	3%	3%
Lentils	-	-	-	-
Dry Chickpeas	52%	29%	46%	48%
Rice (short grain)	32%	29%	50%	39%
Rice (long grain)	47%	37%	43%	45%
Sugar	13%	14%	18%	15%
Salt	40%	43%	39%	40%
Corn Oil	45%	14%	50%	44%
Tomatoes	30%	60%	37%	37%
Potatoes	25%	25%	22%	24%
Onion	0%	14%	0%	1%
Chicken eggs	0%	0%	4%	1%
Canned legumes	37%	29%	26%	33%
Whole Chicken (frozen)	0%	25%	0%	8%
Drinking water	10%	14%	0%	7%
Bath Soap	22%	0%	28%	22%
Baby milk Formula	22%	12%	0%	17%
Gas Canister	0%	0%	-	0%

The percentages in this table show the share of vendors who confirmed an item was "available" during field observations. This includes items from humanitarian aid being resold.

The calculation is based only on vendors who are expected to sell that specific item. For example, 7% for White Flour means that only 7 out of 100 vendors who typically sell flour had it in stock.

CHAPTER 4:
VOICES FROM THE FIELD

HOUSEHOLDS PERSPECTIVE ON PRIORITIES, CHALLENGES AND OPPORTUNITIES

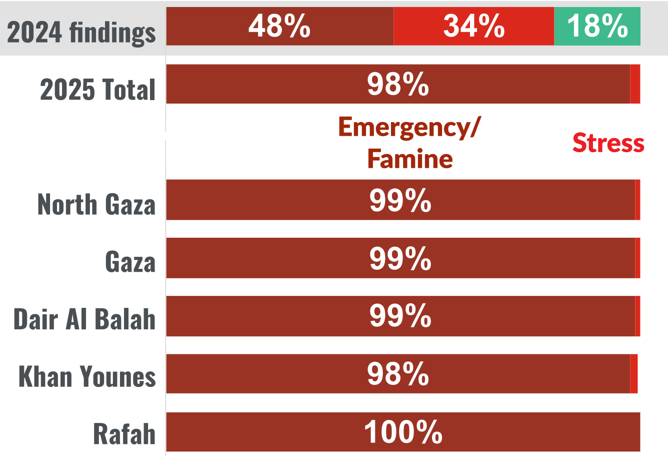
FOOD SECURITY

The IPC findings outlined in page 32 are corroborated by Save the Children's Post-Distribution Monitoring (PDM) data collected in May and June 2025 following cash assistance. The results are deeply concerning, as they confirm a trajectory of worsening food insecurity and nutrition gaps in Gaza, despite humanitarian interventions.

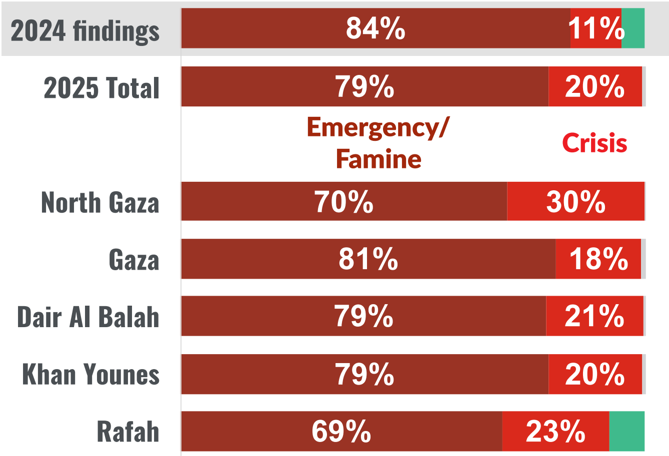
Based on data from 1174 households, the PDMs reveal that while cash assistance is strongly preferred over in-kind support, households face volatile markets, limited supplies, insecurity, and a collapse of essential services under the blockade. The majority of households continue to depend on markets for basic needs, but food availability and affordability remain severely constrained.

Although some of the households receiving more than one transfer from Save the Children reported slight increases in consumption of cereals, vegetables, sugar, and oil in May compared to April 2025, no consumption of fruits, dairy, or protein-rich foods was recorded in either month, flagging nutritional deficiencies. Moreover, between March and April, food group consumption fell dramatically: cereal and tuber consumption dropped from 7 to 4 days per week, pulses from 5 to 2 days, and sugar and oil from 4 to just 1 day.

Reduced Coping Strategies Index (IPC phases)



Food Consumption Score (IPC phases)



Coping strategy data reveal an even more alarming situation. The Reduced Coping Strategy Index (rCSI) shows that families are engaging in extreme behaviors every day of the week to manage food shortages. On average, households reported reducing the number of meals eaten per day and limiting portion sizes for 6.6 and 6.4 days per week respectively. Adults are restricting their own food intake to prioritize children's needs on 6.2 days per week.

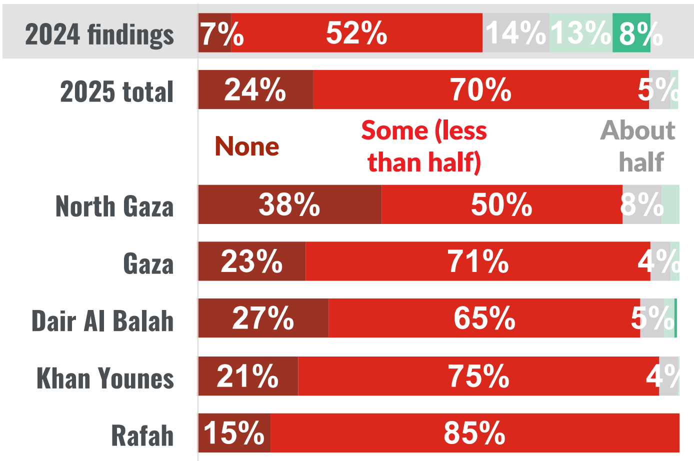
These figures indicate daily reliance on negative coping strategies, confirming that household-level resilience is approaching collapse. Borrowing food or relying on help from relatives occurs far less frequently (2.8 days/week), likely due to community-wide depletion of coping strategies and resources.

PDM data on the Food Consumption Score (FCS) and rCSI further reinforce this analysis. Compared to the 2024 Market Assessment, food insecurity has deteriorated sharply across all governorates. As of June 2025, 79% of households across Gaza reported poor food consumption scores (Emergency/ Famine level), 20% crisis level and only 1% indicating acceptable levels.

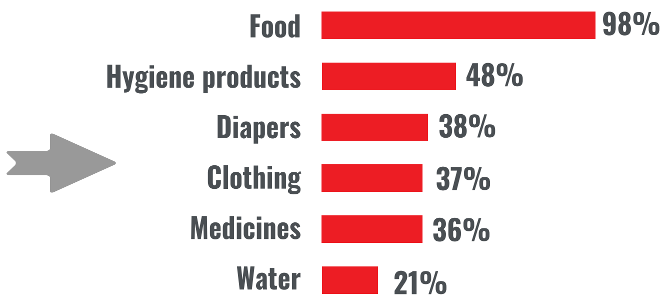
In terms of coping strategies, the rCSI shows that 98% of households are now facing extreme famine-level hunger, with just 2% in crisis and virtually none at acceptable levels, compared to 48%, 34%, and 18% respectively nine months earlier. These figures show a critical regression in food security and nutrition across the Strip in a short time period.

Beyond food access, the most commonly reported unmet needs include food, hygiene products, diapers, clothing, medicines, and water. While cash transfers offer a lifeline, they need to be accompanied by market stabilization, improved access to goods, and sustained humanitarian and commercial goods entry.

Ability of households to satisfy their basic needs, by governorate



Most commonly reported unmet/ unfulfilled needs



Queuing for water

MARKET ACCESS

Households face growing challenges accessing markets, primarily due to high prices and unavailability of goods with insecurity also affecting access in the North. Economic barriers have sharply worsened over the past year, while physical access constraints have become relatively less prominent. Markets remain physically accessible to most people—including women—but safety risks persist, including theft, bombings, and lack of disability access.

Top 5 challenges faced by households to access their marketplace in the last 7 days

Overall

Items needed are too expensive	84%
Items needed are not available	78%
Unable to withdraw cash	42%
Feeling unsafe	33%
Market too far	9%
Lack of transportation	8%

Deir al Balah	Khan Younis	Gaza	North Gaza
Items needed are too expensive	Items needed are too expensive	Items needed are too expensive	Items needed are too expensive
Items needed are not available	Items needed are not available	Items needed are not available	Items needed are not available
Unable to withdraw cash	Unable to withdraw cash	Unable to withdraw cash	Feeling unsafe
Feeling unsafe	Feeling unsafe	Feeling unsafe	Market too far
	Market too far	Market too far	Unable to withdraw cash

For the responses indicating "feeling unsafe," the disaggregation by gender shows no differences between female and male respondents

The data from households collected during Save the Children PDMs indicates the main challenges households face in accessing marketplaces are the high cost (84%) and unavailability (78%) of needed items, which are consistent across all regions. Insecurity is a greater concern in North Gaza, where "feeling unsafe" ranks third. Although less frequently reported, both distance to markets and lack of transportation consistently contribute to persistent physical access constraints across all governorates.

Overall challenges, 2024 market assessment

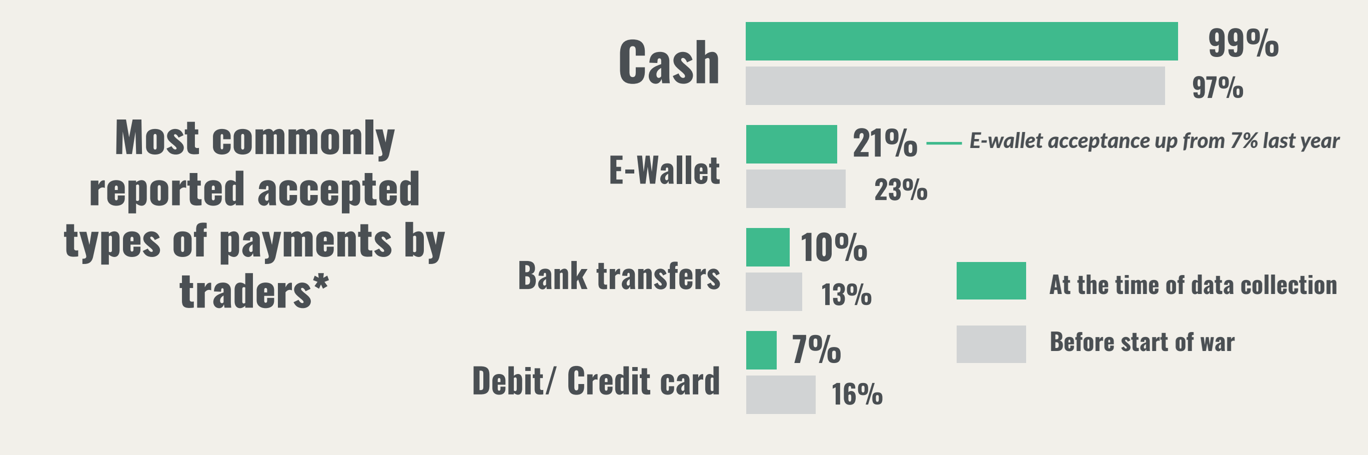
Items needed are too expensive	41%
Feeling unsafe*	30%
Lack of transportation	23%
Road too damaged	18%
Market too far	16%
Not able to withdraw cash	11%

Over the past year, market access challenges have shifted notably, with economic barriers worsening sharply—households citing unaffordable items rose from 41% to 84%, and those unable to withdraw cash from 11% to 42%. In contrast, physical access issues such as damaged roads and limited transportation have become less prominent concerns, likely because the overall security environment remains highly volatile and unchanged—whereas prices have escalated sharply, becoming a more pressing barrier for market access.

According to market observations; Markets remain physically accessible to most of the population, including women. Respondents report that both consumers and traders can generally reach marketplaces, especially in city centers and areas not under evacuation. However, safety concerns persist. Risks include theft, bombings, gang activity, and limited access for persons with disabilities. Market users are demographically diverse—men, women, children, and the elderly. No specific barriers to women's access were reported, though overall insecurity may affect all groups.

CASH PREFERENCE & PAYMENT MODALITIES

Cash remains the most preferred modality of assistance: despite the worsening of the situation, only a minority of households reported preferring in-kind assistance. Cash also remains the primary modality of payment between traders, though e-payments are increasingly used. Households are reportedly comfortable using e-wallets to purchase basic goods, which in their vast majority are food items.

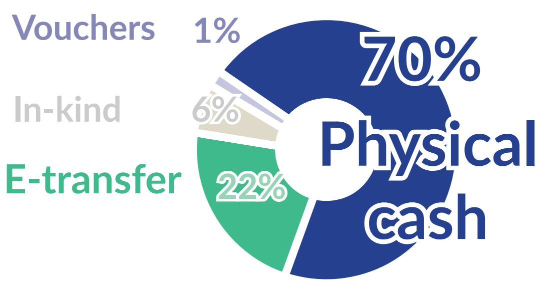


** Since this was a multiple-choice question, it is expected that the total sum of all responses exceeds 100%.*

Cash remains overwhelmingly the most accepted form of payment among suppliers, with all traders indicating it as an accepted payment method. Before the war, cash was the dominant payment method for most traders, a preference driven by high liquidity and fully functioning banks. While the financial system also supported various electronic and voucher-based payments, these methods were not widespread and their use has reportedly diminished since the conflict began. The current commercial / economic / banking environment has introduced new constraints, forcing an even greater, and in some cases exclusive, reliance on cash transactions.

Regarding payment methods, the overwhelming majority of traders (87%) stated they do not charge different prices for cash versus electronic payments. The remaining minority (13%), however, do apply a surcharge for transactions made via credit card, e-wallets, or bank transfer. These traders explained that this premium is necessary to cover the commission fees associated with electronic payments, a cost that can be substantial for the customer.

Household preference for Cash assistance



In the SC PDM questionnaire, households were asked: "If you were to receive emergency assistance for basic needs again under the current circumstances, how would you prefer to receive it?" The majority indicated a preference for cash-based assistance, with 70% favoring physical cash (showing a decrease from 81% last year) and 22% opting for electronic transfers (from 17% last year).

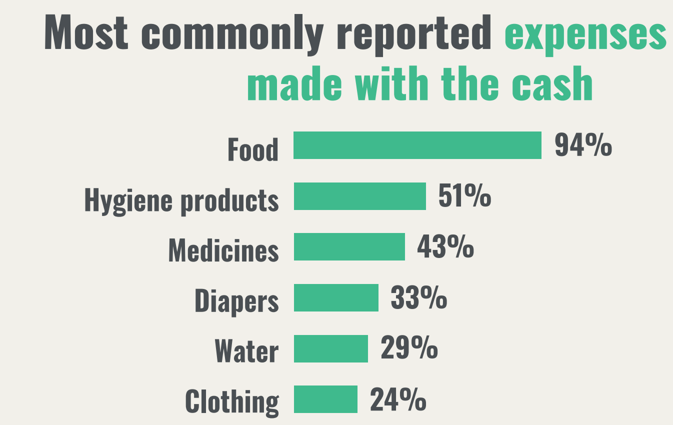
Interestingly, the preference for in-kind assistance (food and NFIs) rose from 0% last year to 6% this year. This might indicate that markets are severely disrupted or have collapsed, leading to an insufficient supply of essential or specific goods, which would make cash less useful. Security concerns also likely contribute to this figure: when people were asked if they felt safe traveling to receive assistance/services, while receiving them, and upon returning home, a combined 10% reported feeling unsafe (6% said "No, not at all" and 4% said "No, not really").

Satisfaction with cash assistance and use of cash (from PDMs)

98% of households are satisfied with the assistance provided (83% "completely", 16% "mostly", while 1% reported "No, not really".

94% reported the assistance to be timely (47% "very timely" and 47% "timely")

89% reported the assistance to have helped them to access any urgent/basic needs or services they needed (87% "partially", 2% "fully" and 11% "no")



While cash remains the preferred form of assistance and is used to meet essential needs, many households are unable to find key items in local markets. This indicates that markets, despite being the primary source for accessing basic goods, are also increasingly unable to supply basic commodities due to limited inflows, high demand, and disrupted supply chains.

Focus on acceptance and use of e-wallet

98% of households reported to be comfortable using e-wallet (including 70% being "very confident")

43% households reported that at least some of the shops they usually visit accept this payment method. 53% reported " a few shops", and only 4% said "almost none".

44% of households noted obstacles for the use of e-wallet.

The primary obstacle, cited by 28% of these users, is the presence of additional fees associated with the service. Another major challenge is the difficulty in finding shops that accept e-wallet payments, which was a barrier for 21% of households. Other notable concerns include practical limitations such as phone battery life (16%) and technical issues of using the ewallet app (10%).

PROTECTION CONSIDERATIONS

Protection risks remain acute across Gaza, with children facing injury, emotional distress, and increased pressure to work. Cash assistance has played a protective role, helping some families keep children out of the labor force. Women and persons with disabilities continue to face significant barriers due to insecurity, poor infrastructure, and exclusion from key information channels. Insecurity during aid access remains a concern, especially in areas facing intense hostilities.

Main protection concerns

A survey of 40 NGOs found that **90% reported heightened protection risks across Gaza[1]**, reflecting the urgent need for safe aid access, protection services, and restored infrastructure. According to the Office of the United Nations High Commissioner for Human Right access to aid distribution is limited by unclear procedures.

Women face both informational and physical barriers. Male-dominated communication platforms like WhatsApp limit their access to timely updates, while insecurity at distribution sites restricts their mobility.

According to UNICEF, 1,309 children were killed and 3,738 injured in the 72 days following the March 2025 ceasefire collapse, as part of over **50,000 child casualties reported since the war began.**

Child protection risks include disrupted education, lack of child-friendly spaces, playing in rubbles and unsafe locations, exposure to explosive remnants of war and critical emotional distress. At least three frontline child protection workers were killed in June from AISHA and MAAN local NGOs. UNICEF notes that "every single child needs mental-health support." Children with disabilities are particularly marginalized, lacking assistive devices and access to basic services. GBV risks are elevated due to inadequate shelter, promiscuity, WASH facilities, and lighting.

Overcrowded conditions and poor infrastructure in informal shelters continue to expose civilians to safety and health risks.

All the above-mentioned risks are augmented by restrictions on movement, repeated displacement, displacement orders, food insecurity and loss of livelihoods.

Safe access to markets & cash assistance

Field observations and household surveys confirm that while traders and consumers continue to access markets, insecurity, damaged infrastructure, and overcrowded conditions severely limit safe and consistent access.

Markets have also become mobile, moving with displaced populations. Physical access remains particularly difficult for vulnerable groups, including persons with disabilities.

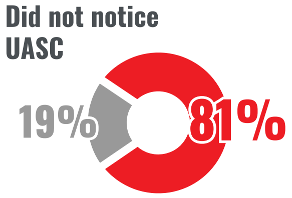
9% of HHs reported **feeling unsafe** at some point during the process of receiving the assistance

According to Save the Children's PDMs, 9% of households reported feeling unsafe during assistance delivery. While 90% felt mostly or completely safe, Rafah stood out with 28% indicating they did not feel safe, likely due to the intense kinetic environment. When asked how to improve safety, most respondents emphasized that no place feels safe in Gaza, **although several suggested reducing the need for movement by bringing assistance closer to where people live**.

From the perspective of market actors, the top priority remains a ceasefire and the reopening of commercial crossings as highlighted in 46 responses. Other key recommendations include establishing **protected market spaces** (30 mentions), **rehabilitating damaged infrastructure** (16), offering **direct financial support to consumers and businesses** (15), and **securing a stable supply of goods** (14).

1. Anera & others - The Edge of erasure - Humanitarian access snapshot : - May 2025 (link)

Children, cash and markets

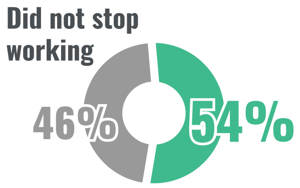


81% of traders noticed **unaccompanied children** coming to shops and purchase items

Enumerators across all governorates consistently reported the presence of children in markets, both as buyers and sellers. Traders also confirmed regularly seeing children in their shops.

This widespread visibility of children in market spaces aligns with findings from the previous year's assessment, which **identified child labor as driven by several intersecting factors: household income loss, death of breadwinner in the household, school closures.**

Save the Children PDM data indicates that the risk of child labor remains high, with 25% of households reporting that a child is either currently working or may soon need to work to support the family.



54% of at-risk HH reported that their children stopped working as a direct result of cash assistance

However, the findings also demonstrate the significant protective impact of cash assistance on reducing child labor. Among households at risk of sending their children to work, 54% reported that their children stopped working after receiving cash support from Save the Children.

> *"Yes, there are a large number of children, both accompanied and unaccompanied, especially since most families have lost their breadwinners and have no one to rely on, so their children buy or sell goods"*
> *- Market observations enumerators*

ANNEX: GEOGRAPHIC FOCUS ON GOVERNORATES AND MARKETS

Bahr Market, Khan Younis

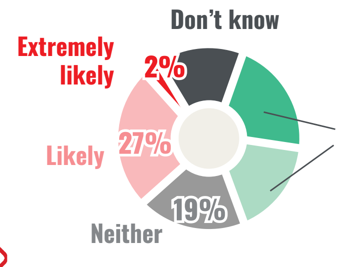
MARKETS CAPACITY: KHAN YOUNIS

Demand trends

75 Customers on average per trader per day

This number has reportedly fluctuated over the past 30 days, with 34 traders reporting an increase and 28 reporting a decrease

Traders movement

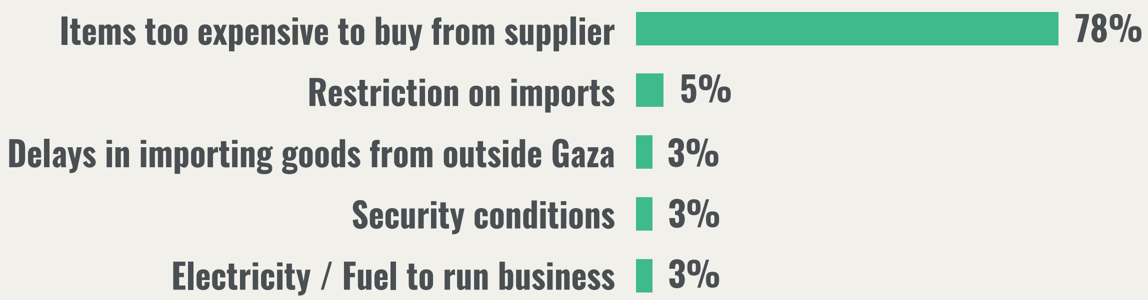


38% of traders reported to be "extremely unlikely" or "unlikely" to move in the foreseeable future* (Vs. 82% in previous market assessment)

24% Reported to have moved location in the 30 days prior to the interview* (9% in previous assessment)

58% of traders were engaged in this business before start of war*

Challenges faced by traders

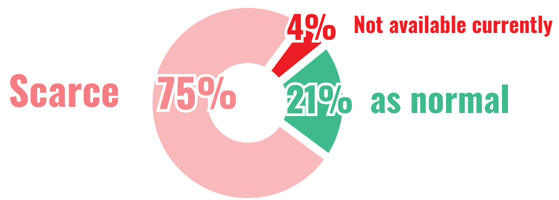


The challenges in Khan Younis are overwhelmingly dominated by a single issue: items being too expensive to buy from suppliers, cited by a significant 78% of traders. This is substantially higher than in the other regions, suggesting a particularly acute cost-related pressure in this market. Other challenges are reported at a much lower frequency.

** The nature of our sampling methodology favored more formal business. This tends to bias the findings highlighted with an asterisk towards more "stable" and more esstablished business.*

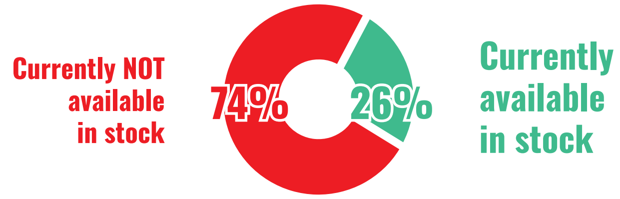
All findings in this double page are at Khan Younis governorate level

OVERALL availability of all items (market observations)



25% "as normal" in the previous market assessment

Current availability of all items in stock (traders interview)



35% "currently available" in the previous market assessment

Availability and prices of key items reported during market prices observation (average for markets assessed in Khan Younis)

- 43%

	Reported as "available" (price observations)*	Observed price 30 days ago	Observed price in markets	Avg. price in Gaza strip
White Flour Egyptian - 1Kg	2%	603	260	*183*
White Flour - Humanitarian	38%	748	350	*272*
Bread	2%	45	41	*46*
Lentils -1kg	-	40	26	*29*
Corn Oil	45%	71	37	*42*
Tomato - 1kg	30%	37	68	*62*
Whole Chicken	0%			*240*
Drinking water	9%	13	17	*15*
Bath Soap	22%	11	13	*19*
Baby milk Formula	22%	57	127	*110*
Gas Canister	0%	-	-	
AVERAGE		181	104	*102*

** Methodological Note: % in the table are calculated over vendors that "commonly sell or are expected to sell the item". The percentages displayed in this table represent the sum of "Yes" answers as reported by market price observers*

Market observations: Al Aqsa square /Asdaa /Attar (Al Mawasi Market)

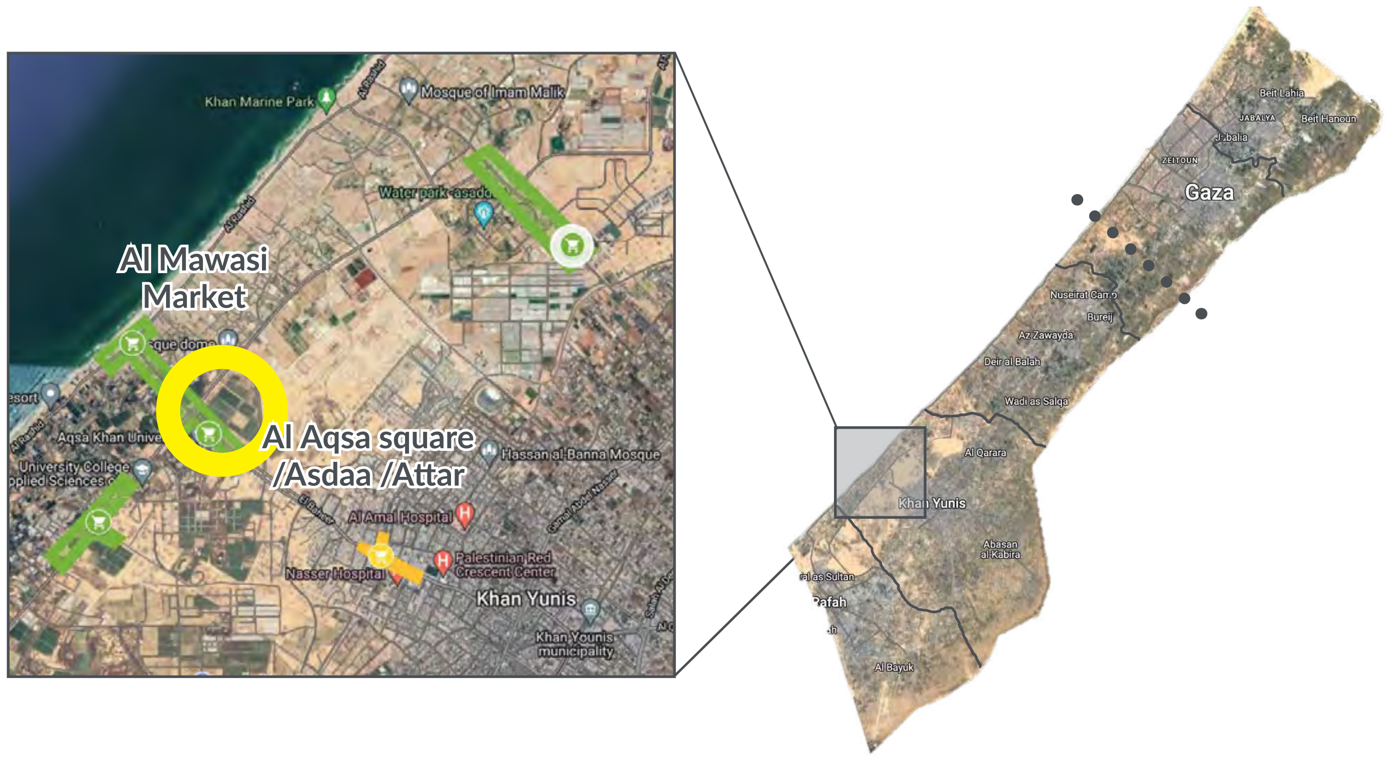
Summary:	Partially operational, highly disrupted The market operates daily with limited diversity and a small number of traders offering mostly fresh food. Despite ongoing activity and broad population access, extensive infrastructure damage, irregular supply flows, and poor accessibility for people with disabilities significantly hinder its overall functionality.
Market size & Frequency	More than 100 stores - Active daily

Marketplace Diversity

Mix of fresh foods, NFI, and some services available, with *18% of formal shops on average*

(# average numbers)	Food and NFI Retailers	Gas refill store	Hardware construction store	Importers	Livestock agric. store	Pharmacy	Scrap vendor	Super-market	Wholesaler food
# of formal shops	6-10	X	X	X	X	1-5	X	X	X
# of Informal shops	50+	X	X	X	X	6-10	X	X	X

Current degree & recent changes of activity	The market operates daily and is relatively active, though limited in diversity, with mostly small traders offering fresh food and few items. Market conditions have remained largely unchanged, as only small and irregular inflows of goods continue to constrain supply and keep the market in a stagnant state.
Damage to infrastructure	The market has suffered extensive infrastructure damage, including the loss of electricity and partial to moderate damage to buildings. Most supermarkets are closed, and no warehouses are visible in the area, significantly limiting the market's functionality and storage capacity.
Market accessi-bility / Safety / Congestion level	The market remains accessible to a diverse population, including men, women, and children, with no observed queues or visible tension. While the market is generally open to all, people with disabilities face significant challenges due to damaged roads and the disorganized layout.
Miscellaneous information	The establishment of two Gaza Humanitarian Foundation (GHF) distribution points in western Khan Younis has led to a noticeable increase in informal trade activity in the vicinity, particularly at the Al Aqsa market. Residents are frequenting these markets to procure flour, dry foods, and other items distributed by the GHF.



Market observations: Al Bahar Street Market - Mawasi

Summary:	Partially operational, slightly disrupted This urban market with over 100 small traders operates daily but offers limited fresh food and essentials. Activity is steady and closely linked to aid deliveries. Despite partial damage to storage and makeshift market structures, it remains accessible and safe for a diverse population, including people with disabilities. Sales are relatively high, partly due to stolen aid items circulating in the market.
Market size & Frequency	More than 100 stores - Active daily

Marketplace Diversity

Mix of fresh foods, NFI, and some services available, with *15% of formal shops on average*

(# average numbers)	Food and NFI Retailers	Gas refill store	Hardware construction store	Importers	Livestock agric. store	Pharmacy	Scrap vendor	Super-market	Wholesaler food
# of formal shops	20-50	X	X	X	X	11-20	X	11-20	11-20
# of Informal shops	200+	X	X	X	X	-	6-10	-	-

Current degree & recent changes of activity	This urban market hosts over 100 small-scale traders and operates daily, but is offering a limited selection of fresh food and essential goods. Current activity is relatively steady, with both traders and consumers present, though overall availability remains constrained. Market dynamics are directly influenced by the volume and frequency of aid injections, which drive both supply levels and consumer purchasing behaviour.
Damage to infrastructure	Infrastructure has been partially damaged, particularly storage areas, with the main supermarket now operating from a makeshift structure of tarpaulins and wood. Despite these constraints, the market remains accessible and safe for both consumers and vendors, with continued supply and selling activities observed
Market accessi-bility / Safety / Congestion level	The market is accessed by a diverse population encompassing all ages and genders. Shops operate without queues or tensions, and unaccompanied children are observed in the area. Facilities are accessible to everyone, including individuals with disabilities.
Miscellaneous information	Sales activity is relatively high, driven in part by the influx of stolen aid items circulating within the market.

Market observations: Al Nos St. market

Summary:	Partially operational, limited disruption (newly established) **This urban market, newly established after the war, operates daily with over 100 small-scale traders offering a limited selection of fresh food and essential goods. Activity remains steady with diverse consumers and vendors, mainly adult males and some children sellers, and no significant tensions or queues. Market supply and purchasing patterns are closely linked to the volume and timing of aid deliveries.**
Market size & Frequency	More than 100 stores - Active daily

Marketplace Diversity

Mix of fresh foods, NFI, and some services available with *7% of formal shops on average*

(# average numbers)	Food and NFI Retailers	Gas refill store	Hardware construction store	Importers	Livestock agric. store	Pharmacy	Scrap vendor	Super-market	Wholesaler food
# of formal shops	1-5	X	X	X	X	1-5	X	X	1-5
# of Informal shops	100+	X	X	X	X	X	6-10	X	X

Current degree & recent changes of activity	This urban market hosts over 100 small-scale traders and operates daily, but is offering a limited selection of fresh food and essential goods. Current activity is relatively steady, with both traders and consumers present, though overall availability remains constrained. Market dynamics are directly influenced by the volume and frequency of aid injections, which drive both supply levels and consumer purchasing behaviour.
Damage to infrastructure	There is no fundamental damage to infrastructure as the market was newly established following the war.
Market accessi-bility / Safety / Congestion level	Access to the market is generally open to all individuals, including both consumers and vendors, with a diverse population predominantly consisting of adult males. Some children are also present as sellers. There are gatherings around sellers of basic goods such as flour, cooking oil, and rice, but no widespread queues or tensions are noted.
Miscellaneous information	Prior to October 7, Al Nos Street in western Khan Younis was a residential road in a largely agricultural area. Following mass displacement, the street transformed into a crowded, informal market for refugees. Ongoing shelling has since damaged the road and surrounding buildings.

MARKETS CAPACITY: DEIR EL BALAH

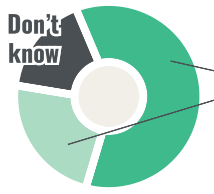
All findings in this double page are at Deir al Balah governorate level

Demand trends

85 Customers on average per trader per day

This number has reportedly decreased for the majority of traders (22), versus 9 traders reporting an increase.

Traders movement



84% of traders reported to be "extremely unlikely" or "unlikely" to move in the foreseeable future* (Vs. 82% in previous market assessment)

7% Reported to have moved location in the 30 days prior to the interview* (9% in previous assessment)

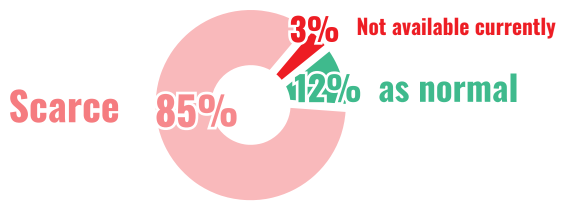
54% of traders were engaged in this business before start of war *

Challenges faced by traders

In Deir al Balah, while the primary issue remains high supplier costs (52%), traders report a more varied mix of secondary challenges compared to Khan Younis. Notably, they cite issues with delays in importing goods (16%), military restrictions (13%), and damaged shops (13%) at significant levels.

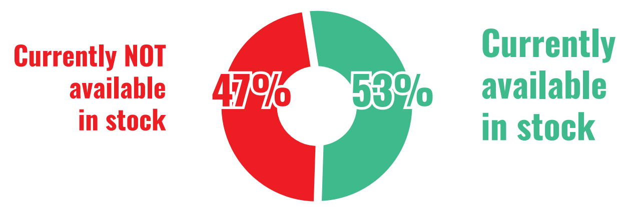
** The nature of our sampling methodology favored more formal business. This tends to bias the findings highlighted with an asterisk towards more "stable" and more esstablished business.*

OVERALL availability of all items (market observations)



63% "as normal" in the previous market assessment

Current availability of all items in stock (traders interview)



Availability and prices of key items reported during market prices observation (average for markets assessed in Deir al Balah)

+ 20%

	Reported as "available" (price observations)*	Observed price 30 days ago	Observed price in markets	Avg. price in Gaza strip
White Flour Egyptian - 1Kg	0%	100	68	*183*
White Flour - Humanitarian	29%	95	70	*272*
Bread	0%	-	-	*46*
Lentils -1kg	-	35	45	*29*
Corn Oil	14%	65	110	*42*
Tomato - 1kg	60%	33	54	*62*
Whole Chicken	0%			*240*
Drinking water	14%	4	8	*15*
Bath Soap	0%	-	-	*19*
Baby milk Formula	12%	45	100	*110*
Gas Canister	0%			
AVERAGE		54	65	*102*

** Methodological Note: % in the table are calculated over vendors that "commonly sell or are expected to sell the item". The percentages displayed in this table represent the sum of "Yes" answers as reported by market price observers*

Market observations: Al Shuhdaa and Al Salam Markets

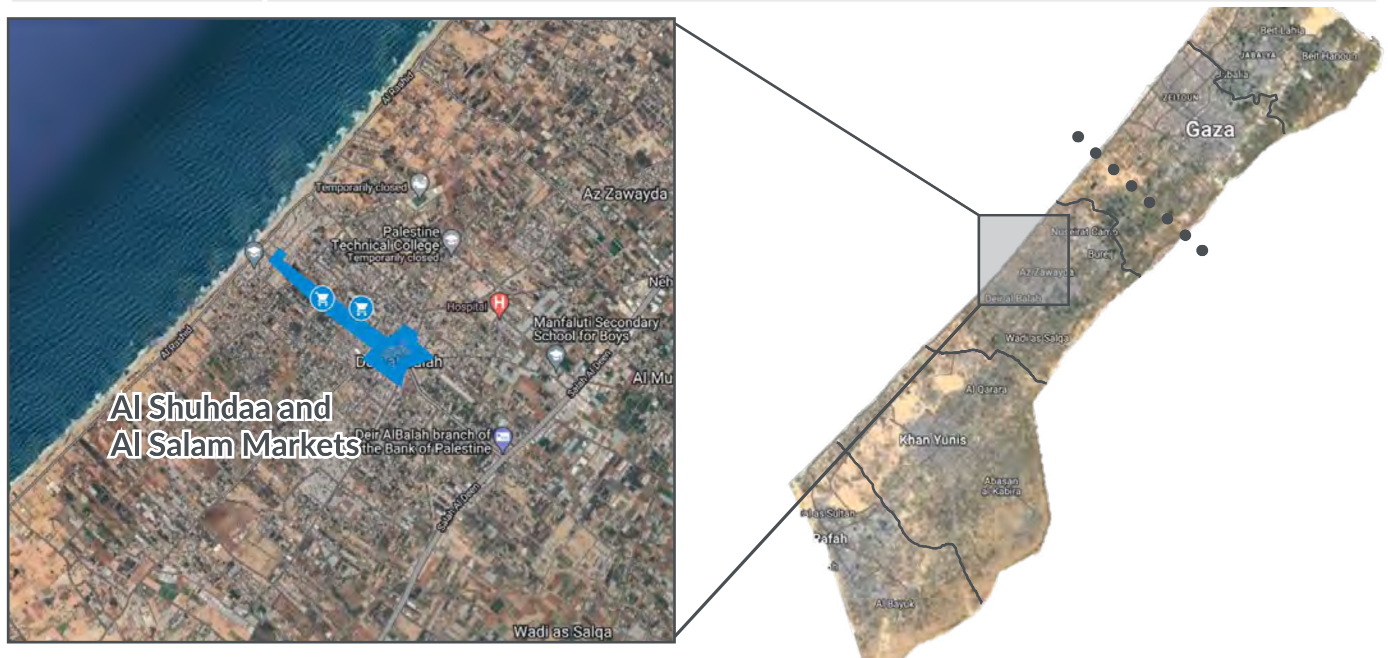
Summary:	**Functioning, but significantly disrupted** The market operates daily with over 100 shops offering a mix of goods and services, including wholesalers and supermarkets, but remains slow and partially functional due to limited trader presence, partial infrastructure damage, insecurity, poor accessibility, and growing tension linked to high prices, scarce liquidity, and deteriorated currency.
Market size & Frequency	More than 100 stores - Daily

Marketplace Diversity, number of shops

Mix of goods and services, with wholesalers and supermarkets present, with *33% of formal shops on average*

(# average numbers)	Food and NFI Retailers	Gas refill store	Hardware construction store	Importers	Livestock ag. store	Pharmacy	Scrap vendor	Super-market	Wholesaler food
# of formal shops	11-20	X	1-5	X	1-5	11-20	X	11-20	11-20
# of Informal shops	21-50	1-5	X	X	6-10	50+	1-5	1-5	21-50

Current degree & recent changes of activity	The market remains slow, with limited traders and few available items. A slight increase in activity has been noted recently, primarily due to the resale of aid distributed by the GHF Foundation. However, overall purchasing activity remains low. High prices, limited cash liquidity, a shortage of vendors accepting cash, and scarce goods continue to restrict consumer demand.
Damage to infrastructure	Some market-related infrastructure has sustained partial damage, particularly affecting electricity supply and food storage facilities. These disruptions limit the functionality of market operations and contribute to reduced availability and preservation of goods.
Market accessibility / Safety / Congestion level	Access to the market is partially possible for the general population, including both men and women across a wide age range, with a notable presence of children. However, the market environment is unsafe due to ongoing conflict and widespread theft. Traders face significant risks, including targeted attacks on supply trucks by armed gangs, which limits their ability to bring in goods. Market access is not adapted for people with disabilities. Queues are observed in some shops, accompanied by noticeable tension. This is largely driven by high prices, limited cash availability, and the poor physical condition of the currency in circulation.
Miscellaneous	Central Markets in Deir Al Balah are considered the safest and the rare ones where formal markets still exist. High number of informal pharmacy is explained by the number of street vendors/stalls selling small amount of medicines. Markets is very crowded but stalls are almost empty. Children are seen buying and selling goods.



Market observations: Nuseirat Market

Summary:	**Partially operational, moderatey disrupted** This urban market of over 100 stores operates daily and offers a diverse range of goods and services. Activity is moderate, though recent declines in supply and rising prices have affected purchasing. While the market remains accessible and relatively safe, nearby bombings and broader infrastructure damage have somewhat limited access and functionality. The area sees a mix of consumers, including some unaccompanied children, and shops are generally accessible to most, though with some limitations.
Market size & Frequency	More than 100 stores - Daily

Marketplace Diversity, number of shops

Mix of goods and services, with wholesalers and supermarkets present, with *61% of formal shops on average*

(# average numbers)	Food and NFI Retailers	Gas refill store	Hardware construction store	Importers	Livestock ag. store	Pharmacy	Scrap vendor	Super-market	Wholesaler food
# of formal shops	21-50	1-5	1-5	X	6-10	6-10	6-10	11-20	X
# of Informal shops	21-50	1-5	1-5	X	6-10	6-10	6-10	6-10	X

Current degree & recent changes of activity	This urban market, with over 100 stores including wholesalers and supermarkets, operates daily and offers a diverse mix of goods and services. Market activity is moderate to thriving, with both traders and customers present. Over the past one to two weeks, goods have slightly decreased and prices have risen, affecting purchasing behaviour. Consumer activity remains dependent on availability and cost.
Damage to infrastructure	The market has been affected by infrastructure damage, including nearby bombings that impact the surrounding environment. While the market itself remains operational, the broader area has experienced damage that may affect access, safety, and overall functionality.
Market accessi-bility / Safety / Congestion level	The market remains accessible to both consumers and vendors, though access appears somewhat limited. It is considered relatively safe, despite nearby bombings, with no visible tensions or queues. A limited number of children are present, including some unaccompanied, and shops appear broadly accessible to people of different ages and abilities, though to a lesser extent.
Miscellaneous	Nuseirat Market is one of the biggest and historical markets of Gaza. While before the war most of the shops were formal, today the majority of them are informal shops, stalls and street vendors. Children are seen cutting wood, selling and buying good.

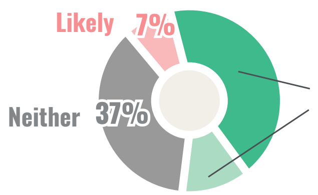
MARKET CAPACITY: GAZA

Demand trends

46 Customers on average per trader per day

This number has reportedly decreased for the majority of traders (29), versus 10 traders reporting an increase and 2 reporting no change.

Traders movement



56% of traders reported to be "extremely unlikely" or "unlikely" to move in the foreseable future*
(Vs. 76% in previous market assessment)

2% Reported to have moved location in the 30 days prior to the interview* (6% in previous assessment)

61% of traders were engaged in this business before start of war *

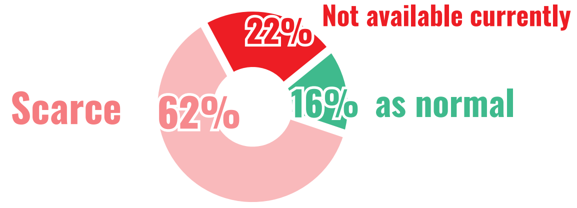
Challenges faced by traders

While high supplier costs are also the main challenge in Gaza (54%), the region distinguishes itself with the highest reported rate of delays in importing goods from outside the area (24%). Additionally, it is the only region where a notable percentage of stakeholders (10%) reported a lack of access to finance, capital, or credit.

** The nature of our sampling methodology favored more formal business. This tends to bias the findings highlighted with an asterisk towards more "stable" and more esstablished business.*

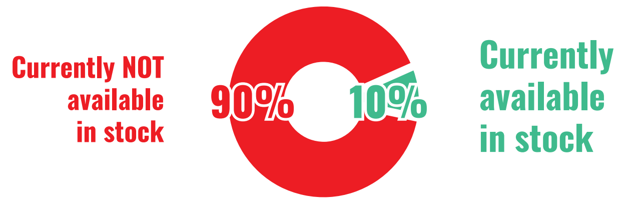
All findings in this double page are at Gaza governorate level

Availability of goods - as observed in market observations



37% "as normal" in the previous market assessment

Availaibility of goods, as reported by traders in markets



52% "available" in the previous market assessment

The Gaza governorate shows a disproportionately high percentage of traders unable to stock their most in-demand items when compared to other governorates

Availability and prices of key items reported during market prices observation (average for markets assessed in Gaza)

- 22%

	Reported as "available" (price observations)*	Observed price 30 days ago	Observed price in markets	Avg. price in Gaza strip
White Flour Egyptian - 1Kg	0%	95	43	*183*
White Flour - Humanitarian	14%	30	60	*272*
Bread	3%	53	34	*46*
Lentils -1kg	-	95	38	*29*
Corn Oil	50%	53	34	*42*
Tomato - 1kg	37%	38	59	*62*
Whole Chicken	0%	-	-	*240*
Drinking water	0%	-	-	*15*
Bath Soap	28%	11	25	*19*
Baby milk Formula	0%	-	-	*110*
Gas Canister	-			
AVERAGE		54	42	*102*

** Methodological Note: % in the table are calculated over vendors that "commonly sell or are expected to sell the item". The percentages displayed in this table represent the sum of "Yes" answers as reported by market price observers*

Market observations: Al Zawya, Fehmi Bek and Omar al Mokhtar Markets

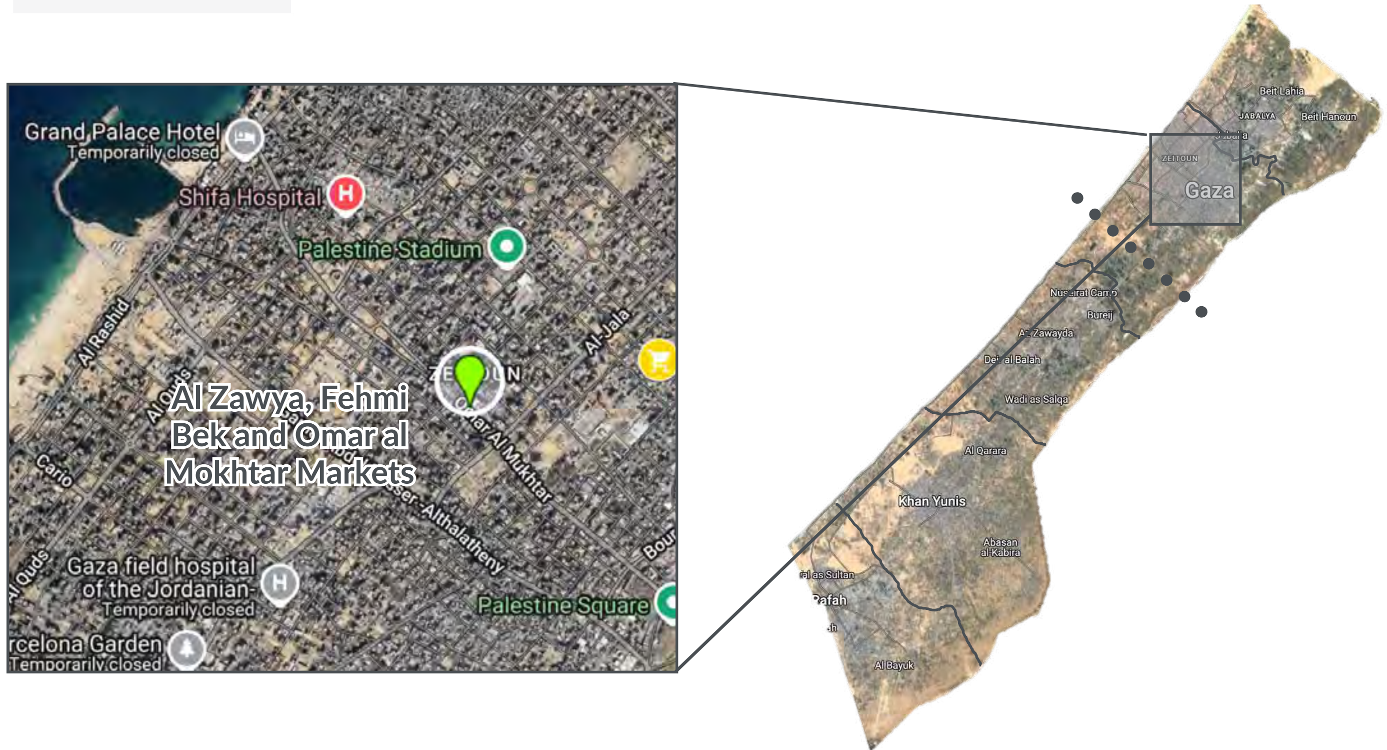
Summary:	**Functioning, but disrupted** **The market, comprising 20–100 shops and offering a mix of fresh food, NFIs, and services, operates daily and remains vibrant, with active trader and customer presence despite rising prices and limited imports. While accessible to all segments of the population, including children and the elderly, severe infrastructure damage and ongoing security risks—such as potential bombings—significantly affect the safety and overall stability of the market**
Market size & Frequency	20-100 stores - Active daily

Marketplace Diversity, number of shops

Quite limited with a relatively small number of traders / retailers, with *40% of formal shops on average*

(# average numbers)	Food and NFI Retailers	Gas refill store	Hardware construction store	Importers	Livestock ag. store	Pharmacy	Scrap vendor	Super-market	Wholesaler food
# of formal shops	21-50	X	X	X	X	1-5	1-5	1-5	X
# of Informal shops	50+	X	X	X	1-5	1-5	1-5	11-20	X

Current degree & recent changes of activity	The market is currently thriving with strong trader and customer presence, though recent disruptions in imports and aid have driven up prices and strained supply. Purchasing is taking place, but only to some extent, likely constrained by affordability.
Damage to infrastructure	The market infrastructure is severely damaged, with unpaved streets, a complete power outage, stagnant water and sewage issues, and significant damage to warehouses, storage facilities, and buildings—all of which severely impact safe access and market operations.
Market accessibility / Safety / Congestion level	The market is accessible to men, women, children (including unaccompanied child sellers), and the elderly, and shops are generally open to all. However, the environment is not fully safe due to the risk of bombings targeting gatherings, vehicles, and civilian infrastructure, posing a constant threat to both consumers and traders. There are no queues or visible tension observed at the shops.
Miscellaneous	Data collection in the Gaza market was initially postponed pending an improvement in the security situation. However, due to timeline constraints and limited team capacity, the data collection for Gaza has been canceled.



Market observations: Al Sahaba + Al Nafq (Al Shaba Street) markets

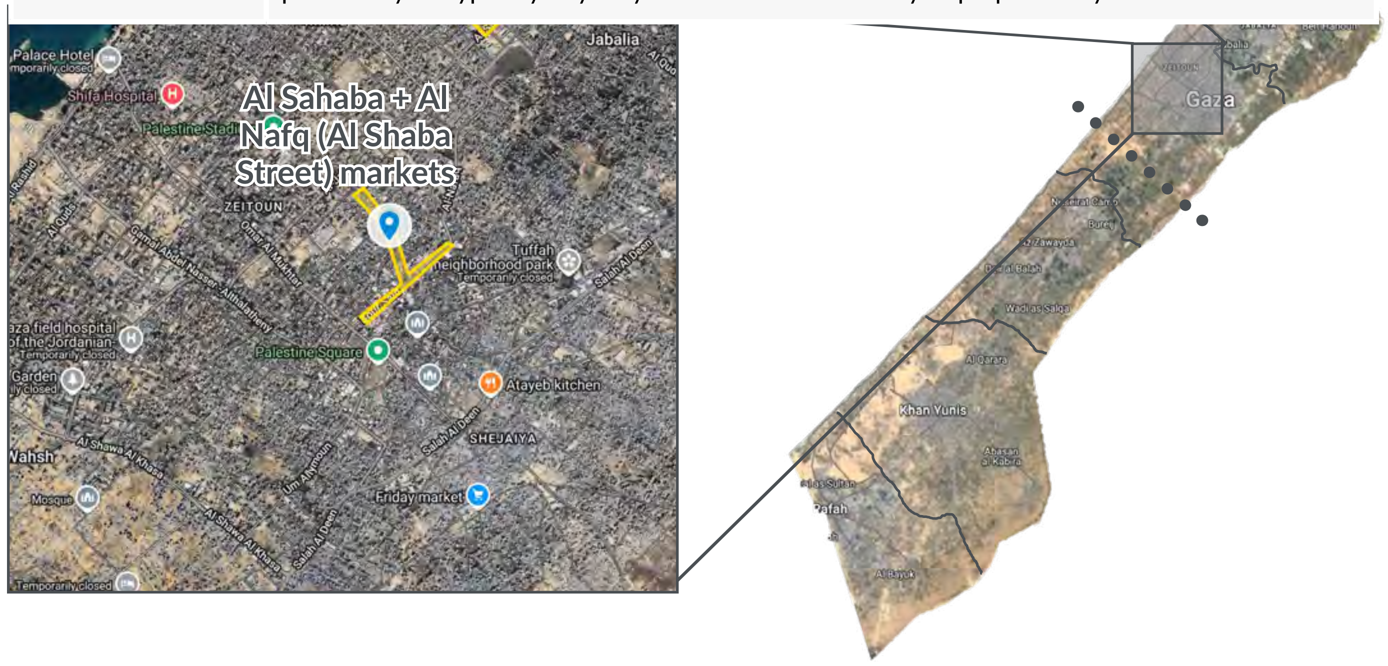
Summary:	**Functioning, but highly disrupted** **The market is highly disrupted. This urban market operates daily with moderate activity. While some aid has slightly boosted trading, purchasing remains low due to material shortages, poverty, and limited liquidity. Infrastructure is partially damaged, with no electricity, sewage, or warehouse facilities, though the market remains generally accessible to all population groups with no reported congestion or visible tension.**
Market size & Frequency	More than 100 stores - Active daily

Marketplace Diversity, number of shops

Goods, services and some supermarkets with *17% of formal shops on average*

(# average numbers)	Food and NFI Retailers	Gas refill store	Hardware construction store	Importers	Livestock ag. store	Pharmacy	Scrap vendor	Super-market	Wholesaler food
# of formal shops	6-10	X	X	X	X	6-10	X	6-10	X
# of Informal shops	100+	X	X	X	X	X	X	X	X

Current degree & recent changes of activity	The market operates daily and shows a moderate level of activity, with some traders present but limited availability of goods. A slight increase in activity has been noted recently, driven by the arrival of aid. However, purchasing remains low due to persistent material shortages, widespread poverty, and limited liquidity.
Damage to infrastructure	Market infrastructure is partially to severely damaged, with critical services such as electricity and sewage completely unavailable. There are also no functioning warehouses, which significantly hampers storage capacity and the overall efficiency of market operations.
Market accessibility / Safety / Congestion level	The market, located in the city center, remains somewhat accessible to both consumers and vendors. It is frequented by a broad segment of the population, including children, and is generally accessible to people of all ages and backgrounds, including those with disabilities. However, the overall safety situation is not clearly defined. There are no queues or tension at most shops.
Miscellaneous	Al Sahaba Market has emerged as the primary informal marketplace in Gaza following the evacuation of Al-Zawiya Market in June 2025. It accommodates a large number of retail vendors, many of whom are not professional traders but individuals selling portions of the humanitarian assistance they receive in order to access cash for other essential needs. Market supply is currently limited to goods distributed through humanitarian aid, with no commercial products available. A small quantity of vegetables is present but sold at prohibitively high prices. Buyers typically buy only the minimum necessary to prepare daily meals.



Market observations: Map: Sheik Redwan Market, Al Shatea Camp Market

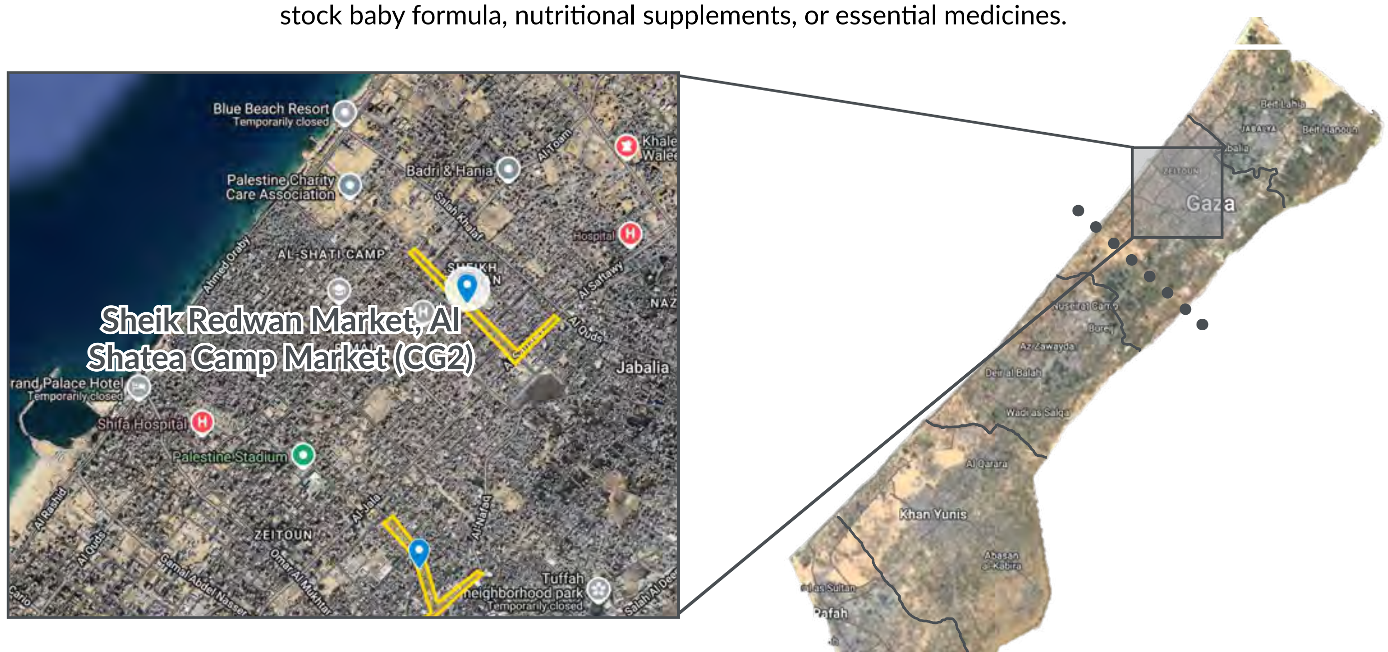
Summary:	**Partially operational, significantly distrupted.** **This urban market with over 100 stores operates daily, offering a limited range of fresh food, NFIs, and basic services. Despite severe infrastructure damage and many shops remaining closed, it remains accessible and safe for a diverse population. Market activity has increased recently due to aid deliveries, which also affect the availability of staple goods. Fresh food variety is limited and essential medicines and baby formula are largely unavailable. The market functions without tension, supported by many vendors selling similar products.**
Market size & Frequency	More than 100 stores - Active daily

Marketplace Diversity

Mix of fresh foods, NFI, and some services available; with *18% of formal shops on average*

(# average numbers)	Food and NFI Retailers	Gas refill store	Hardware construction store	Importers	Livestock agric. store	Pharmacy	Scrap vendor	Super-market	Wholesaler food
# of formal shops	21-50	X	X	X	X	6-10	1-5	1-5	X
# of Informal shops	50+	X	X	X	X	1-5	1-5	X	X

Current degree & recent changes of activity	This is an urban market, with over 100 stores, and operates daily. It offers a mix of fresh food, NFIs, and some services. Activity is relatively active, though the number of traders and available items remains limited. Over the past one to two weeks, activity has increased following the arrival of aid trucks supplying basic goods such as flour, sugar, ghee, rice, and canned food.
Damage to infrastructure	Infrastructure has been severely damaged, affecting buildings, electricity, and road access. Most official shops remain closed due to the extent of the damage and the lack of functional warehouses for storing goods.
Market accessibility / Safety / Congestion level	The market remains accessible to both consumers and traders. It is located in an area without evacuations and is considered relatively safe. Traders continue to bring in goods, particularly following the arrival of aid trucks carrying essential items. The market is frequented by a diverse population, including men, women, children, older persons, and individuals with disabilities. A noticeable number of children are present, both accompanied and unaccompanied, often participating in buying or selling due to the loss of household breadwinners. There are no visible queues or tensions, largely because of the high number of vendors selling similar products.
Miscellaneous information	Fresh food availability remains limited in variety, with vendors relying primarily on local produce. Staple items such as legumes, oil, canned goods, and flour are available in small quantities and depend largely on recent aid inflows. Cleaning products are increasingly sourced from local production. While a large number of pharmacies are present, they do not stock baby formula, nutritional supplements, or essential medicines.



LIST OF SOURCES

UNOSAT - Gaza Strip Comprehensive Damage Assessment - April 2025 (link

SARI - Mapping Gaza's Infrastructure Collapse Through Satellite Radiance (June 2025 (link)

UN Habitat -Preliminary Debris Quantification - May 2025(link)

UNOSAT FAO - Cropland Damage Assessment - March 2025 (link)

UNOSAT FAO -Land availability in the gaza strip - May 2025 (link)

World Bank - Impact of the conflict in the Middle East on the palestinian economy - April 2025 (link)

IPC - Gaza strip special debrief May-September 2025 (link)

Anera & others - The Edge of erasure - Humanitarian access snapshot - May 2025 (link)

Food Pipeline Disruption and Declining Food Availabilty in the Gaza Strip, May 2025 (link)

IMPACT - Longitudinal HH vulnerability assessment - May 2025

IMPACT - Preliminary findings of Comprehensive Market and E-Wallet Assessment - July 2025

NRC - Stoplight: Rapid Market Assessment Toolkit (link)

FAO - Food Pipeline Disruption and Declining Food Availabilty in the Gaza Strip, May 2025 (link)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August 2024

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Save the Children, Mercy Corps and Catholic Relief Service

Gaza Rapid Market assessment - August 2024 (link)