

The Executive Summary of the Palestinian Strategic Report 2007

Edited by Prof. Dr. [Mohsen Mohammad Saleh](#), an Associate Professor of Palestinian Studies and the Founding Director of the Centre, the report meticulously enumerates, and analyses the internal and external Palestinian affairs during the year 2007. It studies the internal Palestinian affairs, population and economic indicators, the land and the holy sanctuaries, Palestinian Arab-Islamic-international relations, as well as the internal Israeli scenario, resistance operations and the peace process. The 384-pages-report is essentially an academic piece that is based on wide range documents and extensive statistics that are supported by adequate tables and explanatory drawings.

This report was the outcome of a collective effort, and of the contribution of a group of experts in the Palestinian issue, namely Dr. Ahmad Mash'al, Mr. Bilal al-Hasan, Mr. Khalil al-Tafakaji, Mr. Abdullah Najjar, Dr. Talal 'Atrisi, Dr. Zafar al-Islam Khan, Dr. Muhsen Saleh, Dr. Muhammad al-Sa'id Idris, Dr. Muhammad Nur al-Dein, Prof. Dr. Nizam Barakat and Prof. Dr. Walid 'Abd al-Hai. The report was then revised by Prof. Dr. Anis al-Sayegh, the late Prof. Dr. 'Abd al-Wahhab al-Misiri and Mr. Munir Shafiq.

The Internal Palestinian Scene: The Misery of the Brothers

The major characteristic of the 2007 internal Palestinian scenario was the political and geographical rift resulting from the internal Palestinian conflict, which surpassed the red lines into the “dangerous zone”. The differences between Fatah and Hamas, and consequently between the Palestinian Presidency and the Palestinian government, continued in various forms during the year 2007. The imposed siege on the Palestinian peoples continued, while the Palestinian Presidency maintained its political pressure on Isma'il Hanyyah's first government

[also identified as the tenth Palestinian government], and threatened repeatedly with resorting to public poll or to early elections, in order to form a new Palestinian Government that would “allow” lifting the siege by accepting the conditions of the International Quartet. Meanwhile, organized efforts were sustained for intensifying the internal Palestinian state of insecurity and disarray and to paralyze the ability of the government to maintain law and order required for the people to pursue their normal life. These efforts were forced in both open



and secret, and did not distinguish between the case of the Government being that of Hamas or the National Unity Government.

In view of the bloody confrontations between Fatah and Hamas during the course of the year, the Saudi King ‘Abdullah ibn ‘Abd al-‘Aziz invited on 29/1/2007 the leaders of both camps for a meeting in Mecca to end the fighting and initiate a national dialogue. The call was directly welcomed by the leadership of both Hamas and Fatah, as well as by Egypt, Syria, Jordan and the Arab League. Nonetheless, violent clashes continued in the Gaza Strip (GS) until the very same day of holding the meeting of Mecca, on Friday 6/2/2007. The meetings continued for three days, and were concluded with the “Mecca Agreement”. The key terms of this agreement were: the prohibition of internal fighting, the formation of a national unity government, continuing to pursue reform of the Palestinian Liberation Organization (PLO), and emphasizing the necessity of political partnership within the Palestinian internal scene, in accordance with the principle of political diversity.

After a month of negotiations, the Palestinian national unity government was formed and given the confidence vote of the Palestinian Legislative Council (PLC) on 17/3/2007. But there were three indicators that this government will not sustain long; first was the harboured American-Israeli plan and lobby to secure its downfall, which was actively supported by a faction of Fatah; Second was the reluctance of the Palestinian Presidency and Fatah’s powerful security group to engage in a meaningful cooperation to discipline and organize the Palestinian Security bodies. According to Hamas and many observers, the appointment of Muhammad Dahlan as an advisor for national security was an omen of forthcoming intensification of the security crisis. The most significant revelation in that sense was the impediment of the efforts of the Minister of Interior in the Palestinian national unity government, Hani al-Qawasmi, to maintain public order; this eventually led to al-Qawasmi’s resignation.

The third indicator was the many measures that were taken on ground by the influential group in Fatah. These measures were largely compatible with what was leaked about some American plans. They included the enlargement of the body of the Presidential Guard forces, and its training and equipping; the return of 500 “pro-‘Abbas” members of the security forces, from Egypt, where they were trained; the construction of security barricades and the increased kidnapping and assassination operations, especially during mid May 2007, that were linked with pro-‘Abbas or pro-Dahlan individuals and groups.

Subsequently, Hamas took the step of what it declared as the decisive battle against the “seditious and traitorous group in Fatah”, that lasted few days during the period 11-14/6/2007, at the end of which Hamas took full control over the GS. Hamas justified this by saying that it was inevitable and not an option, and that it only targeted a specific group within Fatah, and did not aim initially at controlling the

Strip, but the events had “dragged” them into this development; the leadership of Hamas refused to call it a “coup”. But regardless of the naming arguments, being called a “coup” or a “sharp moment of duty decisiveness”, this action had monumental ramifications on the Palestinian scene; prominent among those was a political and geographical rift that took place for the first time, the emergence of the tremendous impact of the external factor on the national Palestinian agenda and the serious damage that befell the national Palestinian project and the image of the resistance because the internal rift and clashes that took place had instantiated feelings of apathy, detachment, and estrangement among wide sectors of the Arab, Muslim and international supporters of the Palestinian cause.

Following Gaza incidents, the Palestinian Presidency chose to de-legitimize Hamas within the internal Palestinian political context. This involved carrying wide security campaigns against the movement and its establishments in the West Bank (WB), and, more notably, issuing official Presidential decrees by ‘Abbas, on key contested issues that included dissolving the Palestinian national unity government , declaring a national state of emergency, forming an “emergency government” and ordering early presidential and legislative elections.

This act on behalf of the Palestinian President surpassed and intentionally ignored the PLC where Hamas enjoys the majority, thus aiming at marginalizing the latter’s role and paralyzing it. On the other hand, the presidency reverted to the institutions of the PLO to find some legitimacy to cover for its measures.

Until the end of 2007, various Arab and Palestinian initiatives attempted at healing the internal Palestinian rift. Unfortunately, they all failed in persuading Fatah and Hamas to overcome what had happened and get back to dialogue for finding a mutually accepted solution to end the crisis; Fatah and the Palestinian Presidency refused to get into dialogue with who they called “rebellions and coup leaders” except on the condition of them [i.e. Hamas] retreating from their actions in the GS; Hamas on the other hand agreed to enter in dialogue with Fatah, but only when there are no prior, pre-imposed conditions by Fatah or other involved sides. With this wide rift, the two sides started to arrange accordingly their affairs based on their current positions and the de facto situation.

Meanwhile, the internal crisis within Fatah continued in 2007, and was further established by increasing divisions and conflicts between the various groups in Fatah, over many key issues and decisions. Among these groups was the “security group”, that was working on failing the government formed by Hamas through spreading insecurity and disarray; On the opposite, another group was working on finding common understandings between Fatah and Hamas, for the better arrangement of the Palestinian house. However, towards the end of the year and following Hamas’s control over the GS, and precisely the way in which this



“decisive military control” occurred, led to a shock in all Fatah groups; they viewed it as a humiliating blow to their organization and to the joint national work, thus they all tended to support the measures taken by ‘Abbas against Hamas, giving the former along with the current leadership of Fatah, a “new chance” to continue in lead.

The Israeli-Palestinian Scene: Capitalizing on the Rift, and Skirting on Peace

Throughout the year 2007, Israel was trying to absorb a set of shakings that were consequences of its 2006 July war on Lebanon, while also trying to capitalize on benefiting from the internal Palestinian division.

The Israeli society, overburdened with political, moral and financial corruption and demoralized by the outcome of the July war, tried to restore confidence in itself, and to draw lessons from the experience. What helped the Israelis in addressing these issues was that their system enjoys a high dynamicity and is substantially available for constructive criticism; in addition to its sound institutional infrastructure that facilitates development, and continuous improvement of the shortcomings. However, the Israelis started to gradually realize the increasing threat of the rising regional “fundamentalist” movements, where the nature of their enemy is changing. The “human factor” they are facing could no longer be subdued and humiliated. This was particularly so after the demise of the Israeli “pioneering generation”, the shrinking of Jewish immigration to Israel, the spread of the materialist and hedonistic culture and the deterioration in the “quality” of the human factor, within the recruits in the army and the security organs.

As much as 78% of the Israeli public expressed dissatisfaction with their leaders. The year 2007 witnessed a series of resignations from top posts. Both the Israeli chief of staff, Dan Halutz, and the commander of the navy, David Bushat, resigned. Similarly, Amir Peretz, the leader of the Labour party and Minister of Defense, resigned and was succeeded by Ehud Barak in both positions. Moral and financial scandals had also led to the disgraceful departure of the Israeli President Moshe Ktsaf, the minister of finance Abraham Hirschson, and the Commissioner of the Israel Police, Inspector General Moshe Karadi.

Ehud Olmert beared being the least popular prime minister in the history of Israel, but continued in the post because his partners were disinterested in a new general elections lest they loose then their own positions and authority in the Israeli political map. This weak position of the Israeli cabinet and officials, does not necessarily imply an advantage for the Palestinian side. On the contrary, it usually implies reverting to “other” measures of increasing popularity and gaining public support; practices like increasing settlements and other oppressive policies against the

Palestinians, the Judaization of Jerusalem, and the intransigence in the peace negotiations with the Palestinians while refraining from offering any substantial relinquishment. This was exactly what recurred in 2007 when the voice of the “bulldozer” and the “tank” dominated all other voices within the Israeli policy, and Israel continued its *fait accompli* practices in an attempt to crush the will of the Palestinian people.

The Israeli military circles were engaged in consuming argumentations, especially during the summer of 2007, whereby the Israeli Army adopted a five year plan, “Tefen 2012”, giving the priority back to improving manpower and ground forces, with a quality improvement of the air force. Hence, it was decided to resume the production of the Merkava tank, when its production sites were about to be closed and abandoned. The reports of the Knesset committee for External Affairs and Security and Winograd Committee, got back to focus many of the key issues related to the Israeli political and military performance, building upon the experience of the 2006 war on Lebanon.

By the end of 2007, the population of Israel totaled 7.224 million, of whom 5.474 million (75.6%) were Jews. Jewish immigration to Israel continued its declination, and was estimated by 20 thousands in 2007, the lowest statistics in the last twenty years. The total number of migrants from Israel surpassed that of immigrants to it. The number of the holders of Israeli passports living abroad was estimated by 750 thousands.

The Israeli economy grew in 2007 by 5.3%, and the gross domestic production was estimated by \$161.8 billion, while the average per capita income was \$22.5 thousand. The United States (US) remained the chief trading partner with Israel, as the Israeli exports to the US valued 18.9 billion dollars (%35 of the total exports). The US continued in 2007 its annual subsidy of 2.5 million dollars to Israel, hence the total American aid provided to Israel since its establishment reached to 101.2 billion dollars.

Israel tried to intensify the Palestinian schism, and was involved, directly and indirectly, in the effort to overthrow the governments of Hamas and the Palestinian national unity government . It also opposed Mecca agreement, supported Dayton plan and encouraged some groups within Fatah to continue their effort to secure the downfall of the government. Throughout the year 2007, Israel launched barbaric attacks against the Palestinian peoples, particularly in the GS, which led to the death of 412 Palestinians, compared to 13 Israeli deaths; the arrest of 7,495 Palestinians of whom 6,670 were from the WB. Hence the number of the imprisoned Palestinians in Israeli jails reached 11,550 by the end of 2007. The Israeli occupation authorities continued the detention of 47 Members of the PLC, mostly from Hamas, thus crippling the PLC that Hamas enjoys its majority. In effect, this led to the thrive of



Fayyad's Palestinian Emergency Government in Ramallah, as well as Abbas' presidency, both that had actively continued to strike Hamas and its establishments in the WB.

Israel imposed a tight siege on the GS and tried hard to stop the firing of rockets on its settlements. Nonetheless, the resistance improved the precision of its missiles, and increased the rockets' range, precision and destruction capabilities. Israel hesitated to invade the GS lest this would lead to the obstruction of the peace process in Annapolis, strengthens Hamas' capabilities and popularity, and weakens Abbas, possibly to the extent of resignation.

On the other hand, Israel sought to deepen the Palestinian rift by threatening Mahmoud Abbas and his government in Ramallah to stop negotiations and resume the siege if they reconciled with Hamas. The internal Palestinian division has, no doubt, given Israel further advantage at negotiations, to impose its conditions and secure concessions from the Palestinian side. But the Zionist state recognizes very well that peace would be impossible as long as 'Abbas's position and legitimacy is weak, and when he is not capable of speaking on behalf of all the Palestinians. Add to this that the peace process is doomed to failure as Israel is not determined yet, and would not surrender to the Palestinians their minimum rights that are recognized by the international community. Besides, the disarray within the Palestinian ranks does not enable any Palestinian side to market a settlement to the public or impose it on others.

The Palestinian Issue and the Arab World

The ongoing flabby by and loose conditions in the Arab world continue to have their negative implications on the Palestinian issue; for the Israelis have capitalized on this to impose their conditions, to impose new realities on the ground, and to attempt at achieving new breakthroughs in the Arab world. Things yet worsened following the dissension and disarray within the Palestinian ranks.

Egypt continued to play an effective role in the Palestinian affairs, but the internal developments within the country and Hamas's leadership of the Palestinian Authority as well as its subsequent control of the GS have further alerted the Egyptian government of the dangers of the rising Islamic trend. Moreover, the Egyptian Government always had to balance its own national security and commitments, with its commitments to the settlement with Israel, and the sizable American pressure. Hence, Egypt strove to put the Palestinian house in order and to stop internal fighting, while at the same time, it supported the settlement process, and President Abbas and Fayyad's government. Egypt has almost always kept its borders closed with the GS under the guise of its own political and international commitments, although this effectively was equivalent to its active participation in

besieging the GS and strangling the dissolved Palestinian national unity government led by Haniyyah. However, in one way or another, Egypt kept relations with all Palestinian parties, thus continued to be the major Arab player in the Palestinian issue.

The Jordanian Government continued in 2007 its policy of supporting the settlement track and boycotting Hamas. This meant siding strongly with President Abbas and Fayyad government. Nonetheless, the Jordanian government has been gravely concerned by the internal Palestinian fighting that might spill over into Jordan, and by the final outcome of the settlement, being afraid that it might adopt or encourage the notion of an “alternative homeland” in Jordan. This subsequently propelled Jordan to resume contact with Hamas, and to try to have a more balanced relationship with the Palestinian partners.

Meanwhile, division and conflicts within Lebanon aggravated the hardships suffered by the Palestinian refugees there, and deprived them of many of their civil rights. The devastating attack on the camp of Nahr al-Bared to uproot “Fath al-Islam”, which had been almost totally supported by the Lebanese public, had its catastrophic impact on the life and economy of the Palestinian refugees. There was a real fear that this campaign might ultimately lead to a renewed attempt to end the Palestinian presence in the camps once and for all, had not the Palestinian and many of the Lebanese parties controlled the crisis, and prohibited the capitalization of the political and security concerns of the Palestinian refugees in the internal Lebanese affairs.

Saudi Arabia played a major role in the conclusion of Mecca agreement and in the formation of the Palestinian national unity government . But the Israeli-American insistence on the continuation of the siege, and the participation of some Palestinian sides in the attempts to dismiss the Palestinian national unity government , then Hamas’s control of the GS and the division thus also the rule of the Palestinian presidency and Fayyad’s government on the WB, have all lead to a state of profound apathy among the Arab masses.

In coordination with the West, the Arab regimes dealt with Fayyad’s emergency cabinet as the legitimate Palestinian government and refused to recognize Haniyyah’s dismissed government, though the legal case of the latter appeared to be stronger than the former. The Arab governments did not exert any meaningful effort to lift the siege on the GS, though some Sudanese, Egyptian and other Arab parties tried, without success, to reconcile Fatah and Hamas.

The Arab states continue to adhere to the Arab peace initiative to resolve the Palestinian issue, and they participated in Annapolis conference in an attempt to push the peace process forward. But both Israel and the US capitalized on the



conference for their own interests without taking any serious steps towards actualizing settlement.

Though apathetic and disillusioned by the Palestinian–Palestinian divisions, the Arab masses continue to reject normalization with Israel, and they extended, through various ways and means, support to the Palestinians, particularly those besieged in the GS. While Israeli trade relations with Jordan and Egypt had improved during the course of the year 2007, the political relations between Israel and Mauritania retracted following the election of a new Mauritanian president and government, who viewed these relations as disgraceful legacy of the past, particularly so because of the accelerating popular opposition to any kind of relation with Israel.

The Palestinian Issue and the Muslim World

The interaction of the Muslim world with the Palestinian issue during the year 2007 remained basically the same as in previous years. The prevailing conditions in the Muslim countries were not conducive for any meaningful changes during the year. The divisive and deteriorating Palestinian scene had participated in further weakening the potentialities of any official or popular support from the Muslim world.

Like in previous years, the Organization of Islamic Conference (O.I.C.) did not go beyond the denunciation of the Israeli practices against the Palestinian people and the holy places. The O.I.C. failed to put the Palestinian house in order, notwithstanding the persistent attempts of its secretary general, Akmal Ihsan Uglu, to mitigate the military confrontation between Fatah and Hamas. Similarly, neither the O.I.C. nor any of its member states had undertaken during the year 2007 any practical steps to lift the imposed siege on the Palestinian peoples.

Turkey continued to head the list of Islamic countries that had relations with Israel; in fact the volume of trade between the two countries increased in 2007. The Israeli exports to Turkey totaled 1.222 billion dollars, while its imports from Turkey reached 1.607 billion dollars.

On the political front, the government of the party of justice and development (AKP party) had dealt, with notable caution, with the Palestinian issue during the course of the year 2007 because it was preoccupied with some pressing internal issues like the parliamentary and presidential elections. Moreover, Turkey was keen to neutralize any American–Israeli pressure through seeking cooperation with these two countries, or, at least, by avoiding to provoke their anger. This opened the way for Israel to boost its political, economic and military relations with Turkey. The

visits of Olmert and Peres to Turkey marked the Turkish-Israeli relations in 2007, though the Turkish government tried to partially balance this drive through hosting the International Forum for Jerusalem and by establishing the Turkish committee that investigated the Israeli violations in Bab al-Magariba of al-Aqsa mosque.

Iran continued its support to Hamas, its government and the Palestinian national unity government; and it exhibited understanding of the decisive measures taken by Hamas in controlling Gaza. Meanwhile, Iran maintained its diplomatic relations with the Palestinian presidency and called for dialogue to settle differences, though, at the same time, it refused Annapolis peace conference, which was, in its view, nothing but another circle in the chain of intrigues against the Palestinian rights.

The Pakistani government was less engaged with the Palestinian issue in 2007, being excessively preoccupied with the dangerously chaotic internal situation, the general elections and the reformulation of the country's political map. Similarly, Pakistan was less enthusiastic to develop relations with Israel during the course of that year.

All in all, Israel did not succeed to achieve in the year 2007 any breakthrough in the Muslim world, but concurrently, the Palestinians themselves did not manage to have meaningful Islamic support to their struggle; nor they were able to persuade Muslim countries to seriously strive to lift the siege on their people.

The Palestinian Issue and the International Setting

During the year 2007, international pressure intensified on the Palestinian side to discard military resistance. This pressure was mainly focused in two respects: political and economic. The political was basically represented by an almost total diplomatic boycott of the Palestinian forces that opted for resistance, notwithstanding their clear victory in the legislative elections. As for the economic pressure, it was particularly applied in the GS which was controlled by the resistance forces, while the extension of economic aid to the Palestinians had generally depended on the degree of their agreement with the Israeli positions.

Annapolis conference was held in the US with noticeable international participation, but it did not come out with a clear-cut settlement project. Rather, it deferred the matter for future bilateral negotiations, with increased American supervisory role since the second half of 2007. It was emphasized that negotiations should continue under all circumstances, while the American-Israeli-Palestinian trilateral committee was revived while the Quartet was transformed to a false witness. The economic aid was kept conditional on the progress of the settlement process, and a blind eye was



turned to the accelerating Israeli military operations, particularly on the GS, and to the series of assassinations, detention and infiltration operations in the WB.

The US and some European powers blocked all attempts for internal Palestinian reconciliation, and they threatened ‘Abbas to stop cooperation with him if he dared to resume deliberations with Hamas.

The US policy is based on securing detailed and direct commitments from the Palestinian side, while the Israeli part of the bargain would be deliberated in the negotiations table, where a deal was planned to be concluded according to Bush’s vision and Olmert conditions, with minor modifications, particularly the surrender of a small part of east Jerusalem in return for vague promises to release the detainees and extend aid.

The position of the European Union (EU) vis a vis the internal Palestinian division during the year 2007 was in essence to continue pressuring Hamas to change its positions, while offering more temptations to Fatah to continue its quest for a settlement with Israel. However, the EU maintained some economic aid that would prevent drifting towards a human catastrophe, but on condition that it would not be beneficial to Hamas under any form.

The EU tried to use its economic might to compete with the US, but smoothly and in a gentle manner, so as to have a role in a political settlement in the region. However, the Europeans are still too weak to disassociate themselves from the American hegemony or to neutralize the impact of the Israel lobby in their own countries. Thus, they are unable to play a more balanced role in the Arab-Israeli conflict.

On the other hand, both China and Russia tried to keep an equal distance from the Palestinian conflicting parties, though Russia was on whole the keenest of the international powers on the unity of the internal Palestinian front, notwithstanding its support to the Quartet. With regard to the political settlement, both Russia and China encouraged the continuation of the Palestinian–Israeli negotiations through their participation in Annapolis conference.

As for India, Israel managed during the year 2007 to strengthen its official and popular relations with it, in an unprecedented level. India is inarguably viewed by scholars and analysts as the most significant among the developing countries now and in the future. There are indications that the Indian position on the issue of the peace settlement is increasingly oriented towards that of the US and Israel, and away from the declarations of the international community. This is reflected in the inclination of the Indian government to call upon the Palestinians to accept the fait

accomplish on the issues of the return of the refugees and the Jewish settlements in the WB.

Land and Sanctuaries

Israel continued during the year 2007 its attempts to Judaize Jerusalem, within its strategic policy, and focused in 2007 on the old city where the settlement groups initiated, with the support of the Israeli government, a number of projects to increase Jewish presence in the holy city. This included a license to construct the first synagogue in the Islamic quarter under the southern wall of al-Aqsa mosque, about 97 meters from the Dome of the Rock. This synagogue was actually augmented in September 2007.

Moreover, works on the settlements and confiscation of the city's lands continued. The occupation authorities gave Ateret Kohanim yeshiva, which undertakes Jewish settlements in Jerusalem, licenses to build 300 settlement units on the Israeli police headquarters in Ras al-'Amud quarter, and 300 others in Abu Dis region. Moreover, in December 2007, a tender was advertised for the construction of 150 units near al-Mokabber's mountain, and another on 30/12/2007 for the building of 940 units in "Armun Hana Tsev" quarter of Tal Biut settlement south of Jerusalem.

The aggression against the holy sites in the city continued. Most noticeable were the Israeli excavations in Bab al-Magharibah, which started early November 2007. The occupation authorities declared that they will start maintenance works to establish a new upper bridge to replace the old one that collapsed two years ago, but many sides warned that by this move Israel aimed to allow a large number of Jews to enter through Bab al-Magharibah via al-Buraq square and the Jewish quarter. This would change the marks of the region, expose the west wall of al-Aqsa to eventual collapse and meddle with Islamic artifacts, thus constitute the first step towards the control al-Buraq mosque situated within the fence of al-Aqsa mosque, and eventually the mosque itself.

Israel also continued with its attempts to depopulate the city from its Arab population, and limit the latter's increase. Israel thus demolished in 2007, 97 houses of the Palestinian inhabitant of the city. Moreover, Israel continued its policy of forceful expulsion of the Arab inhabitants of Jerusalem through, inter alia, withdrawal of their permanent residency permits, which amounted to 8,269 during the period 1967-2006. However, the number of the withdrawn such permits during the year 2007 is not available.

The Israeli occupation authorities had also continued during the year 2007 the construction of the Apartheid Separation Wall. The intended isolated area behind



the wall increased by %28.5, i.e. from 555 to 713 square km, and that is around 12.6% of the lands of the WB. Besides, the anticipated length of the wall increased from 703 to 770 kms.

Meanwhile the expansionist settlement policy and the building of further settlements in the major settlement units continued, including in the 'Aghwar region which had previously been excluded. During the year 2007, a total of 3,614 new settlement units were built in the settlements, and the number of settlers in the WB (including East Jerusalem) increased to 482 thousand settlers.

The Palestinian Demographic Indicators

According to the second population census conducted during 2007 by the Palestinian Central Bureau of Statistics (PCBS), the estimated worldwide Palestinian population amounted in 2007 to 10.342 million individuals, of whom 3.771 million live in the WB and GS. This is less than the earlier estimate conducted for the same year also by the PCBS, by about 224 thousand. The Palestinian population living in Israel is estimated by 1.184 millions. The Palestinian population living in Jordan by the end of 2007 was estimated by 3.102 million, and that is more than a quarter of the Palestinians in the entire world. The majority of the Palestinians in Jordan hold the Jordanian citizenship. The Palestinians in the rest of the Arab countries were estimated by 691 thousand persons, of whom the majority is concentrated in adjacent Arab countries. i.e. Lebanon, Syria, Egypt and the Arab Gulf. As for those living in foreign countries, they are estimated by 594 thousand, mainly in the US, Latin America, Canada and Britain.

A close look at the Palestinian demographic indicators in the WB and GS shows that the Palestinian society is a young society, as those in the "below-15 years" age group constitute 45.5% of the total population, while the percentage of the elderly is only 3%. Moreover, 52.2% of the population is under 18 years of age.

The overall fertility rates in the WB and the GS averaged 4.6 births per women, 4.2 and 5.4 in the WB and GS respectively. This rate is not anticipated to drop significantly in the coming few years.

It is worth mentioning that the preliminary figures of the 2007 census showed that the governorate with the least population increase during the period 1997-2007 was Jerusalem, where the percentage increase among the Arab population was around 11.3% compared to an overall average increase in the WB and the GS of 30% during the same period. This indicates the severity of the Israeli brutal measures taken with regards to Judaizing Jerusalem in all aspects, confiscating the land, depopulating the man, and crippling the Arab Jerusalemites' economic resources.

The Economic Situation in the West Bank and Gaza Strip

Being structurally defective, the Palestinian Economy in the WB and GS continued to suffer during the year 2007. This is fundamentally because it is annexed to the Israeli economy, where 86% of its imports come from Israel and 64% of its exports go to it.

The year 2007 was the worst economically for the Palestinians in the WB and GS since their occupation by Israel in 1967. However, the rate of deterioration in the area of economic activities in the GS was much higher than that in the WB because of the ongoing blockade of the Strip, particularly so since June 2007. The rate of poverty and unemployment had sharply increased to unprecedented levels. The percentage of the Gazan Palestinians living below the poverty line was estimated by the end of 2007 by 90%, while unemployment in the Strip also increased from 40% to 60% because of the tight Israeli siege and blockade.

On the other side, the year 2007 witnessed a slight increase of 0.7% in the total value of domestic production, i.e., from \$4.107 billion in 2006 to \$4.136 billion in 2007.

The individual per capita income had also slightly increased in 2007 by 4.3%, from \$1,129.2\$ in 2006 to \$1,278.1 in 2007. This increase however on the face value of the average in both the WB and the GS, hides the decrease in the per capita income in the GS because of the tight Israeli blockade. The increase was actually in the WB only.

The total revenues of the PA during the year 2007 was \$1.616 billion, but the local revenues actually never exceeded \$323 million. Most of the gross income came from the clearance revenue (which is derived from the Palestinian operations of import and export) collected by the Israeli government, which totaled 1.318 billion US\$. However, the actual clearance revenue for 2007 never exceeded 896 million US\$, while the rest of the amount (\$422 million) was collected from the 2006 arrears that were suspended by Israel, in refusal to hand them to the government formed by Hamas.

The total expenditure for 2007 totaled \$2.567 billion, compared to \$1.390 billion in 2006, an increase of 84.7%. Rents and salaries constituted 53.3% of the total expenditure.

The budget deficit of the PA was balanced by external aid, which totaled for the year 2007, \$1.120 billion.

