

This report is an update to the targeted analysis produced by FEWS NET on [November 28, 2023](#), in response to the Israel-Hamas war that began on October 7, 2023. FEWS NET does not have a presence in Gaza or cover Gaza through the standard mechanisms used for monitoring and projecting acute food insecurity in our [reporting countries](#). This analysis is not IPC-compatible, as it was not developed with adherence to key IPC protocols. The analysis should be used as a broader input to humanitarian decision-making and should serve as an information product alongside other reporting on food security in Gaza. The analysis is based on available data from secondary sources and provides a qualitative assessment of acute food insecurity. Due to the volatility of ground conditions, FEWS NET's projections are limited to December 2023 to February 2024.

Key Messages

- Prior to the declaration of war on October 7, 2023, sources of food and income within Gaza were already constrained by multiple military and economic crises, including restrictions on population movement both within and outside Gaza since 2007. Measurements of monetary poverty and analysis of local definitions of wealth using a livelihood systems lens indicate over half of the Gazan population was poor and structurally dependent on humanitarian food assistance. A 2013 livelihood baseline showed that households in the very poor and poor wealth groups relied on food aid for 36-48 percent of their annual kilocalorie consumption and spent 50-60 percent of their income on food.
- Gaza is highly dependent on imports and food aid to meet consumer demand for key staples such as wheat and rice. Typically, Israel accounted for 63 percent of all items entering Gaza (22 percent of which comprised food), while Egypt accounted for the remaining 37 percent (42 percent of which comprised food). Prior to October 2023, Kerem Shalom was the main active commercial crossing, accounting for 87 percent of formally traded food entering Gaza. The Rafah crossing, on the other hand, was primarily a passenger crossing between Egypt and Gaza.
- Since October 7, approximately 1.9 million people have been internally displaced; up to 75 percent of buildings in northern Gaza and 17-33 percent of buildings in southern Gaza have been damaged or destroyed; humanitarian aid flows, clean water availability, and fuel supply deliveries are 80-90 percent below normal; and the collapse of banking and telecommunications services are severely restricting commercial transactions and cash flows. Market functionality is collapsing in the north; severely disrupted to collapsing in Khan Younis Governorate in the south; and significantly stressed elsewhere. Price data suggest wheat flour prices have spiked by at least 50 percent since September.
- In the most likely scenario, 75-100 percent of the Gazan population will need food assistance through February 2024. During this time, ground operations are expected to continue in both northern and southern Gaza. Sharp reductions in all key food and income sources are driving widespread and deepening food consumption deficits. The severity of hunger is worse in northern Gaza, where estimates of the remaining population range between 70,000-300,000 people; however, the magnitude of needs is larger in southern Gaza, where displacement from the north to the south has pushed the population up to an estimated 1.92-2.15 million people. Within the south, food insecurity is likely worse among households that were displaced to or remain in Khan Younis and among those residing in middle Gaza.
- There is a [risk of Famine \(IPC Phase 5\)](#) occurring in future months should conditions persist or further deteriorate. Current levels of humanitarian access and aid are far outpaced by the level of need. Urgent diplomatic and humanitarian actions – including, at a minimum, reducing administrative barriers at border crossing points to permit increased flows of humanitarian aid and fuel supply deliveries and ensuring safe and sustained humanitarian access – are required to enable an immediate scale-up of multisectoral food, water, sanitation, and hygiene (WASH), and health interventions to mitigate elevated levels of acute food insecurity, acute malnutrition, and mortality.

Table of Contents

Key Messages	1
Livelihood and market system context prior to the conflict	3
Food and income sources	3
Macroeconomic context	6
Market functionality and supply	7
Market behavior and price trends.....	8
Current food security conditions within Gaza	9
Status of conflict	9
Status of market functionality, trade, and essential commodity prices.....	11
Status of key food and income sources.....	13
Current impacts on household food consumption	16
Analysis of projected acute food insecurity through February 2024 based on three scenarios with a credible likelihood of occurrence	19
Scenario #1: Ground operations continue in northern Gaza, backed by high intensity airstrikes. In southern Gaza, limited operations aim to take out high-level Hamas commanders via limited incursions and airstrikes.	19
Key assumptions regarding the evolution of conflict and humanitarian access.....	19
Anticipated impacts on markets and other food and income sources in northern Gaza.....	20
Anticipated impacts on markets and other food and income sources in southern Gaza	21
Projected impacts on household food consumption through February 2024.....	22
Scenario #2: Israeli ground operations continue in northern Gaza, backed by high intensity airstrikes. Southern Gaza sees a cessation of hostilities through an informal or formal arrangement.	24
Key assumptions regarding the evolution of conflict and humanitarian access.....	24
Anticipated impacts on markets and other food and income sources in northern Gaza	25
Anticipated impacts on markets and other food and income sources in southern Gaza	25
Projected impacts on household food consumption through February 2024.....	26
Scenario #3: Ground operations continue in northern Gaza, backed by high intensity airstrikes. Israeli forces begin a large-scale ground incursion into southern Gaza, also backed by high-intensity airstrikes.	26
Key assumptions regarding the evolution of conflict and humanitarian access.....	26
Anticipated impacts on markets and other food and income sources in northern Gaza.....	27
Anticipated impacts on markets and other food and income sources in southern Gaza	27
Projected impacts on household food consumption through February 2024.....	28

Livelihood and market system context prior to the conflict

The total population in Gaza (Figure 1) was just over [2.2 million people](#) as of mid-2023, including [1.7 million](#) registered Palestinian refugees. Most refugees [originate](#) from central and southern areas of pre-1948 Palestine and resided in Gaza after the 1948 Arab-Israeli war. While Gaza hosted eight refugee settlements located in both urban and semi-rural areas, these settlements were socially and economically integrated with the host population. Recent estimates of the proportion of the population that is urban versus rural are based on the [World Bank's](#) analysis of the occupied Palestinian Territories as a whole, with an estimated 77 percent living in urban areas and an estimated 23 percent living in semi-rural areas. [Nearly half](#) of the population are children (under 18 years). The average household size was an estimated [5.5 people](#) as of 2022, according to the Palestinian Central Bureau of Statistics.

Food and income sources

In 2013, Oxfam and the Food Economy Group (FEG) carried out a [Household Economy Analysis](#) (HEA) to better understand how Gazan households typically access income and food sources, and the degree to which they are able to meet their minimum kilocalorie needs. Aligned with global HEA methodologies, using economic geography and similar income and expenditure patterns, the analysis divided Gaza into two areas (Greater Gaza Urban and Gaza Semi-Agriculture Livelihood Zones). Households were further divided into wealth groups (very poor, poor, lower middle, upper middle, and better off), based on local definitions of relative wealth. Trends in typical household food and income sources and expenditure patterns were compared against a defined reference year. According to this analysis, 57 percent of households in the Greater Gaza Urban Livelihood Zone and 69 percent of those in the Gaza Semi-Agriculture Livelihood Zone were poor or very poor, while 21 and 16 percent were lower middle income, 20 and 9 percent were upper middle income, and 4 and 7 percent were better off, respectively. Given minimal changes in the economic structure and livelihood context in Gaza between 2013 and 2023, the baseline still serves as a useful reference point for the impacts of the current war on household food consumption.

According to this baseline, all wealth groups in both livelihood zones were able to meet their minimum daily needs of 2,100 kilocalories; however, very poor and poor households were structurally reliant on humanitarian food assistance to do so. To meet or exceed minimum food needs, very poor and poor households predominantly relied on market purchases (64 and 72 percent, respectively) and food aid (48 and 47 percent, respectively) in the Greater Gaza Urban Livelihood Zone (Figure 2). Very poor and poor households in the Gaza Semi-Agricultural Livelihood Zone had slightly more diversified food sources, relying on market purchases (61 and 63 percent, respectively), food aid (39 and 36 percent, respectively), and own crop yields (12 and 15 percent, respectively) (Figure 3).

Sources of income differ between livelihood zones. In the Greater Gaza Urban Livelihood Zone, credit/loans, cash assistance, self-employment, and casual labor are all key sources of income for very poor and poor households, while in the Gaza Semi-Agricultural Livelihood Zone, casual labor is most prevalent, with cash assistance and crop sales being less frequent sources (Table 1). In both livelihood zones, these households spent 50-60 percent of their income on food.

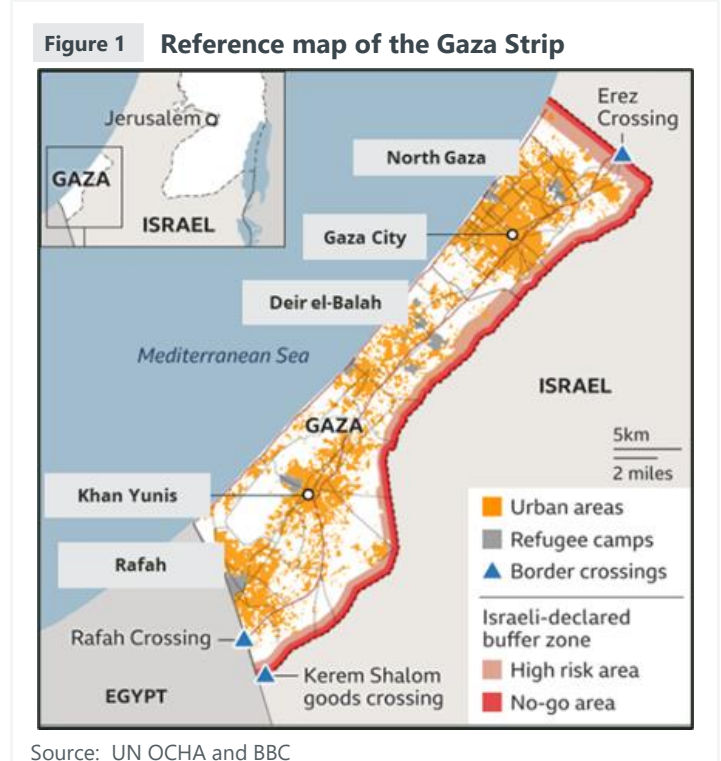


Figure 2 Key sources of food shown by share of a household’s minimum kilocalorie needs in Greater Gaza Urban Livelihood Zone

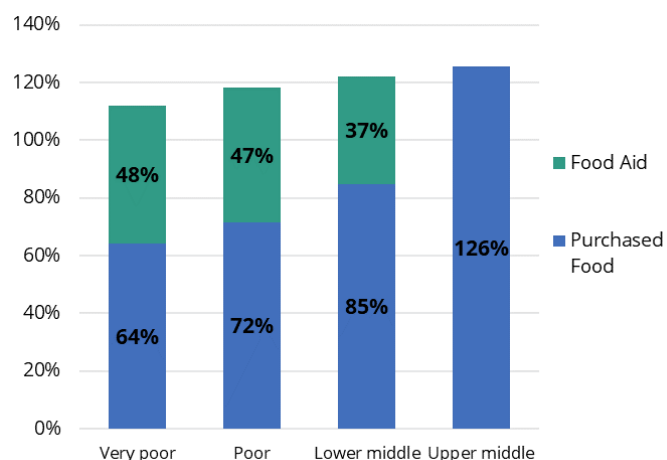
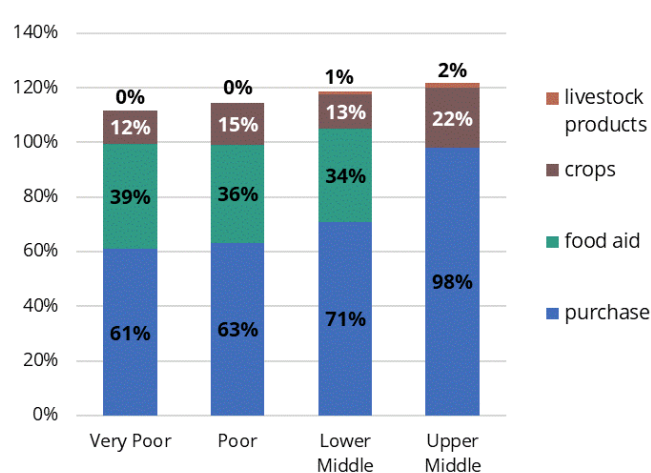


Figure 3 Key sources of food shown by share of a household’s minimum kilocalorie needs in Gaza Semi-Agricultural Livelihood Zone



Source: HEA Livelihood Baseline Report, Oxfam and FEG (2013)

Seasonal events impact opportunities for access to food, income, and household expenditures within a typical year, though to a greater extent in the Gaza Semi-Agriculture Livelihood Zone. September and February are the start of school semesters, associated with increased household expenditure on education. The rainy season from November to February coincides with the winter season, which entails increased household minimum survival expenditure on heating. During this time, vegetable prices typically rise due to reduced local supplies. Olive and citrus crops are harvested from October to November, during which time there are expanded agricultural labor opportunities. Grains (wheat and maize), typically grown by poorer households, are harvested from May to August. While these harvest periods have the greatest direct impact on income and food availability in the Gaza Semi-Agriculture Livelihood Zone, they are also associated with seasonally increased food supplies and some correspondingly reduced food prices in the Greater Gaza Urban Livelihood Zone. Ramadan and Eid Fitr vary year-to-year aligned with the lunar calendar but are periods associated with increased gifts/social support to the poorer households.

Table 1 Sources of income (by percentage) of households in Gaza Livelihood Zones

Greater Gaza Urban Livelihood Zone			Income Source	Gaza Semi-Agricultural Livelihood Zone		
Very poor households	Poor households	Wealthier households		Very poor households	Poor households	Wealthier households
28%	21%	0%	Credit/loans	5%	7%	0%
26%	21%	0%	Cash assistance	14%	10%	0%
25%	18%	0%	Self-employment	0%	0%	0%
21%	37%	0%	Casual labor	73%	65%	0%

0%	0%	0%	Crop sales	8%	19%	0%
0%	0%	100%	Salaried employment	0%	0%	38-58%
0%	0%	0%	Crop and livestock products	0%	0%	42-63%

Source: HEA Livelihood Baseline Report, Oxfam and FEG (2013)

The availability of typical income and food sources to the Gazan population was already limited by multiple military and economic crises prior to the events of October 7, 2023, including significant restrictions on population movement both within and outside Gaza. After Hamas rose to political power in 2007, the Israeli government imposed a complete [blockade](#) of all movements in and out of Gaza, accompanied by trade sanctions; meanwhile, Egypt heavily limited movements through the Rafah border crossing. The restrictions have minimally evolved since 2007, with Israel's decision to permit some additional flow of goods, expand the fishing zone perimeter, and grant thousands of additional work permits to Gazans in 2010 and 2019. These restrictions, coupled with the development of a "[tunnel economy](#)" for the illicit flow of goods underground, permitted minimally adequate trade of essential food and non-food goods that typically prevented food shortages. These informal economies, while significant in improving access to goods including food, have resulted in irregular and volatile market functioning and income-generating opportunities. Further, these tunnel economies saw significant, short-term disruptions during multiple episodes of escalating hostilities.

Overall, Gaza has faced structural economic challenges including high levels of poverty and unemployment, limited productive capacity, and high import dependence. A [UN report](#) cites the [World Bank's estimate](#) of poverty in Gaza as 59.3 percent in 2021 based on the 5.50 USD international poverty line, an increase of over 6 percent since 2017. High poverty levels are attributed to the high levels of unemployment that exceed 45 percent, along with the recurrent conflicts that disrupt livelihoods and stifle economic growth. Economic conditions in Gaza have deteriorated at a much faster and higher rate than even other areas of Palestine. In comparison, in 2022 in the West Bank, per capita income was four times higher and unemployment was 13 percent lower than in Gaza, and only 14 percent of the population lived below the poverty line, according to the [IMF](#). The recent economic deceleration in Gaza between 2017 and 2021 was largely a function of COVID-19's impact on global markets. Moreover, despite global inflationary trends since the COVID pandemic, Gazan [wages have remained largely unchanged](#) since 2000, which has reduced Gazan purchasing power even compared to Palestinians residing in the West Bank where wages have grown approximately 3.3 percent annually. Economic stagnation worsened from the 2021 escalation of Israel-Hamas hostilities.

According to a [UN-HABITAT](#) analysis in 2014, around 42 percent of Gaza's land is arable; however, it is estimated that over a third of this farmland is inaccessible as it is located in the Israeli "[no-go zones](#)" along the northern and eastern borders. Additionally, multiple escalations of hostilities (such as in 2008, 2014, and 2021) led to significant damage to Gaza's power generation capacity and sewage treatment plants, further hindering the development of agricultural production. The primary crops grown in Gaza include horticultural crops, citrus, olives, and almonds, with limited production of wheat and corn (Figure 4). Available studies suggest that while Gaza can attain self-sufficiency in the production of [fruits and vegetables](#), it can only meet one week of demand for cereals. A [combination of factors](#) has continually limited agricultural production. Since the establishment of a protective edge in 2014, and with growing urban expansion, the [proximity of remaining farmland in Gaza](#) around primarily urban areas has constrained agricultural land use. High input costs also increase production costs and reduce productivity, with limited availability of fertilizers since the 2007 Israeli blockade. Further, military operations in 2008/2009 damaged water and electric systems, reducing irrigation efficiency and increasing running costs. Groundwater pollution from poor sanitation systems, where nitrate leaches from manure and human waste, increases vulnerability to crop failure. By 2017, the agricultural output of principal commodities had dropped by five percent in a span of 10 years. As in the case of the agricultural sector, fishing has also been heavily restricted by the

blockade, limiting local capacity to meet demand for sources of protein; since 2019, [sea access restrictions](#) have been limited to 15 nautical miles in central and southern Gaza and 6 nautical miles in northern Gaza.

Humanitarian assistance was both a key food and income source before the recent crisis given the high levels of structural poverty, cyclical conflict-driven crisis, and economic stunting preventing market opportunities. An estimated 80 percent of Gazans relied on international assistance before the conflict. Over [1 million Palestinian refugees](#) in Gaza relied on the United Nations Relief and Works Agency (UNRWA) cash assistance to cover their basic food needs, including over 600,000 people who received a quarterly ration of 1,675 kcal per person/day (80 percent of minimum caloric needs), and almost 400,000 people who received 902 kcal per person/day (43 percent of minimum caloric needs). WFP provided additional in-kind and cash support in Gaza, reaching nearly [700,000 Palestinians](#) annually between its programming in both the West Bank and Gaza. Nevertheless, the reach of food assistance, both in terms of number of beneficiaries and ration size, was declining prior to October 2023 due to inadequate funding. In June 2023, WFP reduced its beneficiary caseload by 60 percent due to funding shortfalls and donor fatigue.

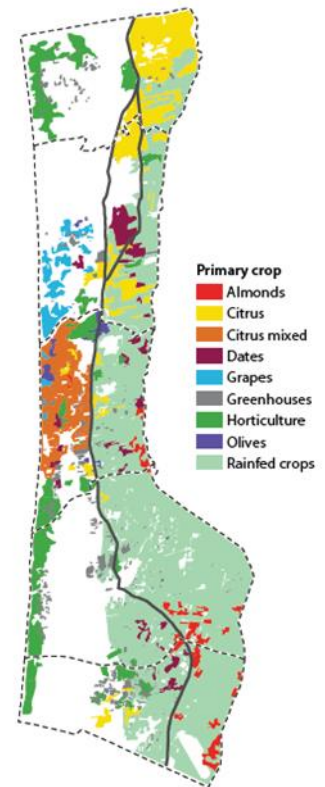
Macroeconomic context

Prior to 2007, Gaza had a dynamic market system centered around agriculture, textiles, and light manufacturing ([OO](#)). There was steady demand for cheaper products from the low-cost Gazan market in Israel, resulting in annual export revenues averaging approximately [40 million USD prior to 2007](#). Restrictions on imports of raw materials and technical equipment and on the volume of exports allowed, imposed by Israel and Egypt in 2007, led to a significant downturn in Gaza's productive capacities. The complete halt of exports from Gaza to Israel between 2007 and 2010, and the subsequent limited allowance of exports, resulted in a considerable decline in export values and volumes. The total value of recorded exports by 2014 [plummeted to 1.5 million USD](#). Israel continued to permit exports of agricultural products and some manufactured goods (e.g., textiles) from Gaza [until September 2023](#), when the Israeli Defense Ministry discovered explosives at the Kerem Shalom customs station.

Before the escalation of the conflict in October 2023, the nominal Palestinian Gross Domestic Product (GDP) was estimated at [16.4 billion USD](#), with Gaza contributing [17 percent](#). The Palestinian GDP was projected to grow by [three percent in 2023](#); however, in Gaza, real GDP per capita had already decreased by 37 percent between 2006 and 2022 ([UNCTAD](#)). In 2017, the dire economic situation in Gaza caused poverty and deep¹ poverty rates of [53 percent and 34 percent](#), respectively. Meanwhile, as of 2020, the unemployment rate in Gaza was [45 percent](#), which is three times more than the unemployment rate in the West Bank.

Historically, measures of consumer prices have been on average [about five percent higher](#) in Gaza relative to other regions in the Palestinian Territories (East Jerusalem and the West Bank) since the data series began in 1996, suggesting that cost of living has generally been higher in Gaza. However, in September 2023, [inflation in Gaza was about five percent lower](#) than the other regions. This is likely due to decreased costs of imports, which Gaza has greater reliance on compared to the other regions, as well as the [cumulative negative impacts of reduced aid and economic stagnation on demand by](#)

Figure 4 Map of primary food crops



Source: UN-HABITAT

¹ Deep poverty exists when total household income is below 50 percent of its the poverty threshold ([US Census Bureau](#)).

[reducing household income](#). The absence of a national currency and the reliance on the Israeli shekel restricts the scope for independent monetary policy in Gaza. In practical terms, this means that there is neither space for monetary policy response to shocks in Palestine, nor for strategic devaluations to increase export competitiveness. The strong shekel exchange rate further diminishes the competitiveness of Palestinian producers in both domestic and international markets ([UNCTAD](#)).

Overall, the Gazan population had a high level of vulnerability to economic shocks prior to October 2023. Likely due to compounding income volatility from high unemployment rates, evidence from the Oxfam/FEG 2013 baseline study suggested up to half of Gazan households in the very poor and poor wealth groups depended on credit, loans, and cash assistance as key sources of income. Donor assistance has substantially decreased, from 2 billion USD in 2008 to 550 million USD in 2022. While economic activity continues to remain limited by the blockade-related restrictions, many Palestinians have sought access to informal labor and employment in Israel and settlements. However, a recent analysis found that broker fees and expenses associated with entering and exiting Gaza reduced total gross income by an estimated 44 percent ([UNCTAD](#)), based on analysis of both Gaza and the West Bank). Limited employment opportunities in the domestic economy drive the high demand for jobs in Israel despite the additional costs. Additionally, remittances are a significant source of income for most households in Gaza, reaching 19 percent of GDP in 2022 ([World Bank](#)), some of the highest in the region.

Market functionality and supply

Gaza is highly dependent on imports and food aid to meet consumer demand for key staples such as wheat and rice. Typically, [Israel accounted for 63 percent](#) of all items entering Gaza (of which food comprised 22 percent), while Egypt accounted for the remaining 37 percent (of which food comprised 42 percent). In 2022, the main commodities that entered Gaza included construction materials, food products, animal feed, non-edible consumables, and industrial/electrical appliances.

The main border crossings into Gaza include the Erez crossing with Israel in the north and both the Kerem Shalom crossing with Israel and the Rafah crossing with Egypt in the south. Over the last five years, an average of 20,000 people entered Gaza and 21,500 people exited Gaza every month, mainly through the Rafah and Erez crossings. The Erez crossing is the most important crossing for people, accounting for two-thirds of those entering and exiting Gaza. Since January 2023, Israeli and Egyptian authorities increased the number of permits allowing Gazans to cross to and from Gaza, mainly for trade, employment, and medical services ([OCHA](#)). Between January and October, the monthly average number of people who entered and exited Gaza through the Erez crossing was 49,000 and 50,000, respectively, while 14,000 and 13,000, respectively, passed through the Rafah crossing with Egypt – more than double the five-year average ([OCHA](#)).

The transportation and distribution of food supplies in Gaza are complex and heavily dependent upon external sources, primarily via border crossings from Israel and Egypt. Prior to October 2023, [Kerem Shalom was the only active commercial crossing](#) connecting Gaza with the rest of the world, through which Israel allowed the entrance of all civilian goods, barring certain "dual-use" materials that might have military applications. Since June 2007, Israel has imposed restrictions on the transfer of goods into Gaza, allowing only those deemed vital for civilian survival, which led to a significant reduction in the number of trucks supplying essential goods entering Gaza compared to pre-restriction levels. In June 2010, Israel then permitted a relative expansion in the variety of goods allowed. Typical staple foods entering Gaza via the Kerem Shalom crossing are grains, cereals, flour, cooking oil, dairy products, meat, and canned foods. Additionally, fresh produce like fruits and vegetables are also transported through this crossing, along with Israeli products.

The Rafah crossing, on the other hand, is primarily [known as a passenger crossing](#) between Egypt and Gaza. While it has historically been less significant for commercial trade compared to Kerem Shalom, recent developments have seen an increase in the volume of goods, particularly construction materials and food supplies. In 2022, for instance, the Egyptian

authorities allowed a significantly [higher number of truckloads \(29 percent above the 2021 average\)](#) to pass through Rafah. This level of import flows, however, was 9 percent lower than the volume prior to the 2007 blockade, despite the population having grown 55 percent. However, it is important to note that the Rafah crossing's role in commercial trade is relatively recent and has been subject to fluctuations and changes based on the political and security dynamics. Although specific details about the variety of food products passing through Rafah are less documented, it is reasonable to assume that imports of essential foods are similar to those entering from Kerem Shalom, particularly non-perishable items or those with a longer shelf life.

Over the last five years, an average of 2,549 truckloads of food entered Gaza through the Kerem Shalom crossing every month, 85 percent of which was commercial and 15 percent humanitarian ([OCHA](#)). Although commercial food imports through the Kerem Shalom crossing between January and October 2023 were four percent above the five-year average, humanitarian food imports were 30 percent below the five-year average due to [progressive declines in foreign aid](#). Meanwhile, an average of 371 truckloads of food entered through the Rafah crossing every month, 97 percent of which were commercial imports, representing a 54 percent increase in the average number of truckloads ([OCHA](#)). On the Egyptian side of the border, other [critical infrastructure](#) allowed for the flow of aid and additional commercial trade into Gaza prior to October 2023, including the Port Said seaport and the Arish International Airport. While data is not available on the share of trade flows into Gaza originating from these ports, a significant volume of food exports from Egypt to Gaza are re-exports from third countries, making them key to facilitating timely and lower cost movement of goods into Gaza.

Gaza's markets are structured around four main basins, including Gaza City in Gaza Governorate, Gaza North in North Gaza governorate, Gaza Strip in Khan Younis Governorate, and Rafah in Rafah Governorate. Market dynamics throughout Gaza are shaped by the context of Israeli restrictions on economic activity implemented since 2007, as well as high volumes of humanitarian aid. According to a market survey conducted by WFP in 2016, [approximately 4,700 retailers](#) participated in food commodity sales in Gaza. Retail shops were operating normally without any major challenge sourcing food supplies, except for a few traders based in Rafah who had no access to warehouses and faced some difficulties in planning to restock food items, mainly due to illicit food imports through tunnels. While most of the shops stocked key staple food items including rice, wheat flour, pulses, and vegetable oil, only about 4 percent stocked fresh vegetables, which were produced in ample quantities within Gaza. It is unclear if this is because most fresh vegetables were exported or sold in informal markets or cooperatives.

More recent data on retail markets since 2016, however, is sparse. Typically, it took 20-180 minutes for a truck to cross from Israel into Gaza, after which individual Gazan transporters moved the goods to either the importer's warehouses, individual wholesaler's warehouses, or directly to retailers. Importers played an important role in the distribution system by providing specialized (refrigerated) transport for perishable goods and dairy products, while also availing month-long credit cycles to shops ([WFP](#)). Extreme poverty and high unemployment levels seriously limit the ability of households to access food and other essential items in cash, and up to 71 percent of households buy food and non-food items on credit ([Multi-Sectoral Needs Assessment, 2022](#)). Consequently, shopkeepers also rely on credit from their suppliers if they are to remain operational.

Market behavior and price trends

Overall, the [nominal prices of key staple foods](#) have been lower in Gaza compared to the West Bank over the last five years, though they have also been more volatile. For instance, between January and August 2023, the average prices of eggs, wheat flour, chickpeas, and bread were 30-40 percent lower, while a cubic meter of drinking water was 60 percent lower in the Gaza Strip. Lower prices in Gaza were likely driven by low purchasing power that resulted in lower effective demand, amid high volumes of food aid and illicit imports from Egypt. In Gaza, only 25-40 percent of shops stocked wheat flour in 2017 due to the high competition of goods originating from humanitarian aid ([WFP](#)). As of [August 2023](#), cooking

oil was the most expensive commodity for households, retailing at 10.61 Israeli New Shekels (ISL) per liter in Gaza, which was 34 percent above the five-year average; prices had increased by 55 percent since January 2021 in line with global price trends (Figure 5). Meanwhile, the prices of eggs and rice were 23 percent and 8 percent above the five-year average, respectively, with a marginal increase compared to August of the previous year. Wheat flour prices were five percent lower than the previous year, but 12 percent higher than the five-year average. The other factors influencing staple food prices in Gaza prior to October 2023 included global price trends, local market dynamics including supply constraints, and low purchasing power amid rising fuel prices.

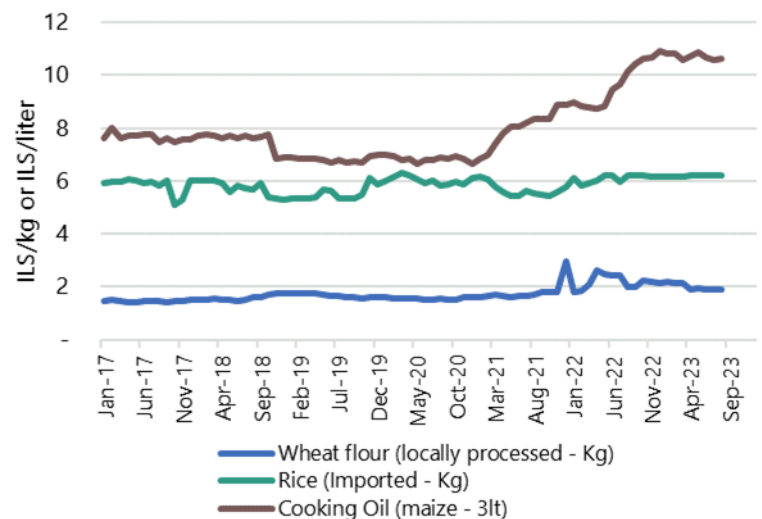
On average, 136 million liters of diesel and 35.8 million liters of gasoline entered Gaza annually over the last five years. On a monthly basis, this is equivalent to an average of 11 million liters of diesel and 3 million liters of petrol. The price of fuel (gasoline) in August 2023, averaging 6.70 ILS per liter, was comparable to July 2023 and August 2022, but was 12 percent above the five-year average. Fuel prices have steadily increased by 24 percent since January 2021. As of August 2023, a total of 91 million liters of diesel and 23 million liters of gas had been imported into Gaza. The slowed rate of [inflow of diesel and gas](#) by two and 12 percent lower than the five-year average was a likely contributor to the rising gas prices. At the rate prior to the conflict, diesel imports were projected to reach 137 million liters, which is 3 percent lower than 2022, while gas imports were projected to reach 35 million liters, which is comparable to the previous year.

Current food security conditions within Gaza

Status of conflict

On October 7, Hamas militants entered southern Israel and conducted a complex attack, killing 1,200 people and abducting approximately 250 others. In response, Israel declared a state of war, began launching airstrikes on the Gaza Strip, and called up [360,000 reservists](#) in addition to its [170,000 active-duty personnel](#). Israeli authorities announced a total blockade of the Gaza Strip on October 9 that included [cutting off electricity and blocking the entry of food, water, and fuel to Gaza](#). Since October 12, the Israeli Defense Forces (IDF) have dropped more than [29,000 bombs on Gaza, of which over 40 percent were unguided](#), increasing collateral damage. Airstrikes continued in the following weeks, and on October 29, the IDF began a ground invasion of northern Gaza that remains ongoing. On November 24, a seven-day ceasefire came into effect as part of an agreement between Israel and Hamas to exchange Israeli hostages for Palestinian prisoners. Israeli operations against Hamas resumed immediately after the ceasefire concluded on November 30, including the onset of a ground campaign in southern Gaza on December 4. As of December 18, the IDF has encircled parts of Khan Younis from the north and east with the aim of eliminating Hamas leadership, establishing control of the tunnel network, and degrading Hamas' capability to fire rockets into Israel. Simultaneously, heavy fighting between the IDF and Hamas continues in Gaza City's Zaytoun and Shijaiya neighborhoods and in Jabaliya.

Figure 5 Average price of wheat flour, rice, and cooking oil in Gaza, January 2017 – August 2023



Source: WFP

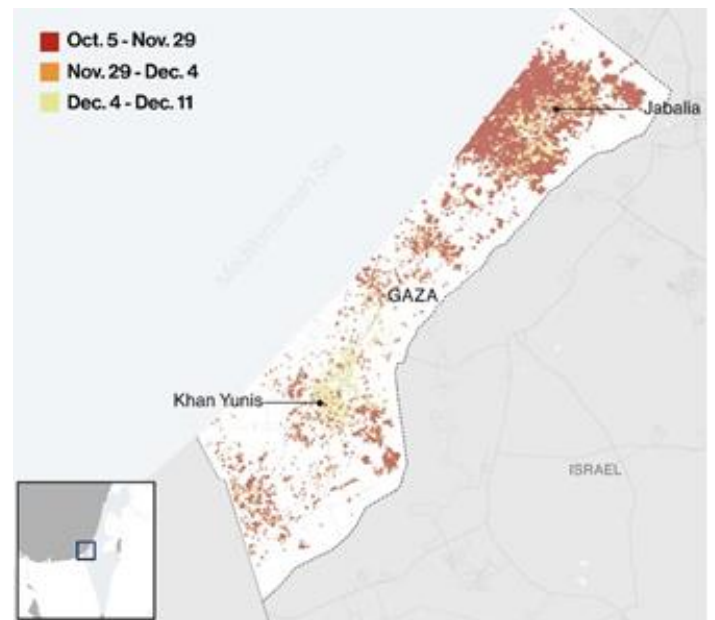
As of December 18, at least [19,453 people have been killed](#) in Gaza due to conflict since October 7, according to the Palestinian Government Media Office. Approximately [1.9 million people](#) have been internally displaced, with the majority displaced to and within southern Gaza. While the UN previously estimated that [160,000 people](#) were sheltering in UNRWA facilities in the north as of late November, current information suggests that number has declined and new estimates are unavailable. It is assumed thousands of people are sheltering in their own homes or inside other residential and commercial buildings. By comparison, in southern Gaza, UN shelters house an estimated [1.1 million IDPs, with camps hosting more than four times their capacity](#). Many of the displaced fled south after Israeli forces ordered residents of northern Gaza — defined as those living north of Wadi Gaza — to evacuate to the south.

An analysis published by researchers at Oregon State University and City University of New York (CUNY) on December 16 estimated that [between 36 and 45 percent of buildings across the entire Gaza Strip have been damaged or destroyed](#). Their report also

indicated a substantial difference in the scale of damage sustained by northern and southern Gaza from October 7 to December 16 (Figure 6). The study estimated that potential damage or destruction affected as much as 75 percent of buildings in North Gaza Governorate and up to 75 percent in Gaza City Governorate. By comparison, it found that up to 26 percent of structures in Deir al-Balah Governorate, 33 percent in Khan Younis Governorate, and 17 percent in Rafah Governorate had sustained damage or were destroyed. Notably, the share of buildings damaged or destroyed in southern Gaza has increased substantially since the onset of the IDF's southern offensive on December 4: as of November 26, [previous reporting by the same team](#) indicated that at most 16 percent of structures in Deir al-Balah, 15 percent of structures in Khan Younis, and 11 percent of structures in Rafah had been damaged or destroyed. Prior to the start of the ceasefire, [OCHA](#) reported that 60 percent of housing units across the Gaza Strip had been damaged or destroyed.

Within southern Gaza, the level of humanitarian access and resulting humanitarian dynamics are increasingly volatile. Following the start of the southern ground offensive on December 4, humanitarian access within southern Gaza has been increasingly limited to Rafah, areas south of Khan Younis, and the al Mawasi humanitarian zone along the southern coast. Middle Gaza – referring to Deir al Balah Governorate of southern Gaza – has experienced increasingly limited to no services or mobility for people to leave given the evolution of frontlines and fighting along the new humanitarian corridor. The population of middle Gaza includes three UNRWA shelters hosting an estimated 310,229 people, including typical residents as well as new IDPs from northern Gaza. [Nuseirat](#) – the largest of the three camps – has been subject to several rounds of aerial bombardment, including at the [end of October](#), [mid-November](#) and [throughout December](#), which resulted in severe damage as well as civilian casualties. [Bureiji](#) and [Maghazi](#) have also been directly attacked, resulting in extensive structural damage. Since the escalation of Israeli operations in southern Gaza in early December, the [UNRWA has struggled to access its own shelters in these areas](#), unable to even verify casualties in its facilities in middle Gaza and Khan Younis, let alone deliver services.

Figure 6 Comparison of damage from October to December 2023 using satellite imagery



Source: [ABC News using data from CUNY and OSU](#)

On November 16, [24,000 liters](#) of diesel entered Gaza for the first time since the start of the war and on November 18, Israel allowed [up to 70,000 liters of fuel per day](#) to enter Gaza through the Rafah crossing for humanitarian use in the southern Gaza; however, this represented only around 20 percent of the daily average of 375,000 liters of fuel that Gaza received prior to the conflict. Additional quantities were permitted during the November 24-30 ceasefire, during which time the daily average inflow of fuel stabilized at [110,000 liters per day](#). However, [as of December 4, the daily average inflow of fuel into Gaza has declined once again to just 69,000 liters](#) per day, which is only 18 percent of normal levels. In addition to fuel shortages, Gaza is no longer receiving the average of 440,000 liters of industrial diesel and 100,000 liters of gasoline per day that it received previously, and these constraints are severely restricting [power generation](#) for producing, processing, and cooking food as well as transportation and distribution logistics.

About 80 percent of Gaza's water supply comes from wells and underground aquifers ([ACF oPT](#)), which requires fuel for extraction and desalination, so fuel shortages have resulted in the closure or intermittent operation of key water supplies. In the south, water consumption estimates are between [1-3 liters per person per day \(L/p/d\)](#) – ranging from 2.26 in northern Gaza to 3 in southern Gaza host communities, to 1.6 in southern Gaza IDP areas – well below the 15 L/p/d SPHERE standard. Despite the short-term influx of water supplies during the ceasefire ending November 30, water is increasingly unavailable in northern Gaza, where none of the key water supply systems are operating, as well as in middle Gaza, which is increasingly inaccessible. Water shortages are leading to mounting [concerns of dehydration and waterborne disease outbreaks](#). By December 12, the Ministry of Health had documented [360,000 cases of infectious diseases](#) in the IDP shelters, including meningitis, jaundice, impetigo, chickenpox, upper respiratory tract infections, influenza, and acute watery diarrhea.

Status of market functionality, trade, and essential commodity prices

The destruction of and damage to physical structures in Gaza includes shops, factories, [flour mills](#), and bakeries, especially in Gaza and North Gaza governorates. Road infrastructure has been severely damaged as well, thereby hindering normal operations of distribution channels. As a result, traders are unable to restock essential goods, leading to the closure of shops and [local markets](#). As of November 13, 2023, [over 80 percent of traders surveyed](#) by WFP reported that they had already exhausted stocks of dairy products, wheat flour, mineral water, and eggs, while an estimated 70 percent of WFP-contracted shops reported having only two weeks' supply of cooking oil, pulses, and rice ([WFP](#)). By November 17, 2023, all bakeries in Gaza and North Gaza had reportedly [ceased operating](#) due to infrastructural damage and the lack of raw materials, labor, and fuel. At the end of November 2023, only [41 percent of WFP-contracted shops](#) still had food stocks and were able to facilitate beneficiary voucher redemptions, of which only 10 percent were situated in northern Gaza, including Gaza and North Gaza; the other 59 percent of WFP-contracted shops were closed.

Due to limited up-to-date information and data, it is difficult to fully classify the market status in each basin. However, the market basins located in northern Gaza are worse off due to the high intensity of bombardment, the military encirclement, and displacements (Table 2). Based on available information, the market basins of Gaza City and Gaza North are assessed to be collapsing, while the Gaza Strip market basin in Khan Younis is assessed to be seriously disrupted and operating very minimally.

In southern Gaza, the Rafah market basin is functioning but stressed by the influx of the people from the north (Table 2). The proximity to the Rafah crossing has enabled some fuel and food to enter southern Gaza, and the scale of damage to shops and infrastructure is considered to be moderate. [Over 70 percent of surveyed traders](#) in this area reported that their shops had not been damaged as of November 14 ([WFP](#)). By the end of November 2023, thirty percent of the operational shops were situated in southern governorates including Deir Al-Balah, Khan Younis, and Rafah. However, the lack of fuel and electricity is constraining trade activities by preventing the smooth flow of goods, food processing into flour, and business communications, while [targeted strikes have damaged grain stores](#), leading to loss of grain. According to UNRWA, [78 percent](#) of all the bakeries it supports in southern Gaza, including the Rafah market basin, were operational as

of November 19, but faced challenges due to lack of fuel.

According to [WFP's](#) market monitoring updates and media sources, markets in northern Gaza and in the eastern part of Khan Younis (Table 2) in southern Gaza (including towns such as Al Qarara, Khuza'a, Bani Shuhaila and Abassan) remain severely disrupted or collapsing due to active military operations, the closure of borders, the inability of traders to restock essential goods, the displacement of traders and consumers, and the scale of damage to shops and roads. In northern Gaza, a specific challenge is that both wholesalers and importers are unable to move the limited available food from the warehouses to retailers due to lack of fuel, drivers, and damaged roads amid the ground and air invasion. Wheat flour mills that may still retain some stocks are unable to produce wheat flour due to lack of electricity or fuel for generators.

Table 2 Overview of functionality in each market basin

Market Basin	Status	Key Issues
Gaza City	Collapsing	Severe damage to physical infrastructure Closure of shops and local markets due to inability to restock essential goods Lack of raw materials, labor, and fuel for bakeries High intensity of bombardment, military encirclement, and displacements Wholesalers and importers unable to move food from warehouses to retailers Collapse of internet and telephone services impacting business transactions Lack of fuel, damaged roads, and insecurity
Khan Younis	Severely disrupted to collapsing	Closure of borders, inability of traders to restock Displacement of traders and consumers Scale of damage to shops and roads Generalized insecurity
Rafah	Functioning but stressed	Influx of people from the north Moderate damage to shops and infrastructure Lack of fuel and electricity constraining trade activities Damage to grain stores Difficulty of bakery operations due to lack of fuel

The [collapse of internet and telephone services](#) is further compounding the situation as businesses are unable to conduct necessary business transactions because they are unable to contact suppliers to make orders. On December 14, market operations were further seriously disrupted following the shutdown of all telecommunication services [due to cuts in the main fiber routes](#). It is not clear to what extent the collapse of communications services in Gaza has impacted mobile and digital financial transactions. There is, however, anecdotal evidence that despite the precarity of these services, mobile transactions [remain an effective mechanism](#) to reach populations in Gaza.

The entry of goods into Gaza remains severely restricted, with only 4,497 truckloads entering Gaza from the start of the war through December 16. Between October 7 and November 14, a total of 447 truckloads of food entered Gaza through the Rafah crossing, representing 15 percent of the overall monthly average food inflows (commercial and humanitarian) into Gaza. Compounding this issue, the Kerem Shalom crossing into Israel – which accounted for 87 percent of food entering Gaza prior to the escalation of conflict – was closed until mid-December. However, the [Kerem Shalom crossing was re-opened](#) on December 17 with the target of allowing 200 humanitarian truckloads to enter Gaza daily. On the same day, 79 humanitarian truckloads entered Gaza through the Kerem Shalom crossing, while 122 truckloads entered through

the Rafah crossing. The number of trucks entering through Rafah was 22 more than the daily average of 100 truckloads that entered during the period of December 1-16 (immediately following the end of the ceasefire on November 30), signaling a slightly higher but persistently deficient inflow of humanitarian aid.

Price monitoring data since the onset of the current conflict is limited, but available information suggests prices of key staple food and non-food items have risen significantly. According to the [Palestinian Central Bureau of Statistics](#), annual headline inflation based on the Consumer Price Index (CPI) reached 15 percent in October within Gaza; on a monthly basis, food prices measured by the CPI rose by [10 percent](#). In [November](#), the consumer price index rose further by 18 percent, including another 10 percent increase in the food price index. In November, the sharp increase was driven primarily by the rising price of potatoes (26%), eggs (26%), various cereal flours (8%) and vegetable oil (7%). Reports also show that the prices of wheat flour, vegetables, and rice have increased by 50, 200, and 45 percent, respectively, since September; fuel prices have increased by 500 percent during that same period.

Ultimately, the supply and demand dynamics that typically determine prices have been significantly disrupted since October 7 and are highly volatile within Gaza. Prevailing prices may not be fully indicative of the availability of food in the market, particularly since many households may lack the income and means to purchase or cook it. For instance, surveyed traders were highly [uncertain of prevailing prices of out of stock commodities](#), while some commodities such as cooking oil did not record significant price changes because of reduced demand. Also, anecdotal information showed that in some areas in southern Gaza, [prices had more than doubled](#) due to increased demand. In contexts of markets in conflict zones, prices might inflate artificially due to speculation, hoarding, or manipulation, as remaining stocks become scarce, or prices may remain stagnant or even reduce due to lack of demand. In such cases, price data might not accurately reflect actual conditions on the ground but rather the breakdown of normal supply chain dynamics.

Status of key food and income sources

Food purchases: Purchased food comprised over 60 percent of household kilocalorie consumption among very poor and poor households prior to the conflict, and the impact of the war on household access to purchased food is considerable. In northern Gaza, households' physical and financial access to purchased food is severely restricted by the collapse of market functionality, elimination of viable income-generating activity, shortages of cooking oil, fuel, electricity, and water, and rising food prices. In southern Gaza, physical and financial access to purchased food is most significantly impacted in Khan Younis and increasingly across middle Gaza. Indicative of widespread market collapse is that only [about 41 percent](#) of WFP's contracted shops are still operational, due to limited supplies, security threats, and infrastructure damage. In Rafah and the humanitarian zone, where markets are comparatively more functional, access to food is constrained by the limited restocking of food supplies via Rafah, reductions in income-generating activity, and challenges accessing cooking oil and fuel, as well as water to utilize the food that is available.

At the same time, reports suggest households are not purchasing basic food items because they do not have the means to cook the food and have resorted to a diet of available bread, water, and raw vegetables. According to [WFP's December food security assessment](#)², only 20 percent of households in northern Gaza and 27 percent of those in southern Gaza (24 percent of IDPs and 36 percent of host community members) relied on markets for food. On average, Gaza received 267,000 kilograms of cooking gas monthly in 2023 prior to the conflict, and it is assumed this fuel is currently unavailable, [since only four tanks of cooking gas](#) have entered into Gaza daily since November 24, with households spending days in queues to access this commodity. Meanwhile, apart from humanitarian rations, bread supplies remain limited given the lack of available wheat mills, water, and fuel, preventing utilization of limited remaining wheat supplies; bread contributed 78 percent of kilocalories in the typical Gazan survival basket, according to the [livelihood baseline](#).

Food and cash assistance: Food assistance comprised over 35 percent of household kilocalorie consumption prior to the conflict, and access to this source of food and income has sharply declined since the onset of the conflict. From October 7

to November 18, [WFP](#) reports that it reached a total of 764,000 people with in-kind and cash-based emergency food assistance across both Gaza and the West Bank³; [WFP](#) reached an additional 250,000 people in Gaza with cash and in-kind food assistance during the seven-day ceasefire period. As markets have become increasingly dysfunctional or entirely non-functional since the onset of the crisis, Gazans have increasingly relied on humanitarian assistance for their food. Delivery of in-kind assistance to Gaza is primarily restricted to the south, reflected in that [46 percent of southern Gazans](#) (including 52 percent of IDPs) cited food assistance as their primary food source in November. Since the ground invasion of northern Gaza in mid-October, the delivery of humanitarian food and cash assistance has been largely infeasible in northern Gaza due to closed border access and the absence of fuel. In addition, many pre-war food aid warehouses have reportedly been destroyed due to the fighting.

During the ceasefire, approximately 300 trucks were allowed to enter Gaza daily, of which roughly 100 included food aid. The oPT Logistics Cluster calculated that Gaza required approximately 100 truckloads of food aid per day to meet kilocalorie deficits based on current food consumption gaps as well as average truck sizes. Therefore, the level of aid that entered Gaza during the ceasefire was the only time since October 7 when food aid was sufficient to meet the population's daily needs. However, this was not evenly allocated across the north and south: humanitarian aid agencies were only able to deliver [4,850 metric tons of food](#) to northern Gaza over the full ceasefire, an amount that covered an estimated [seven days' worth of minimum kilocalorie needs for 15,407 people](#) in northern Gaza. Nevertheless, and perhaps more reflective of the state of market collapse as well as the temporary inflows of aid during the ceasefire, [32 percent of northern Gazans](#) still cited humanitarian food assistance as their primary food source at the end of November.

Since the end of the ceasefire, northern Gaza has again become largely inaccessible. Some local partners reported delivering [food aid to up to 46,250 IDPs](#) in the north on December 19, the first reported case of aid penetrating to the north during active IDF operations. Information on the amount of minimum kilocalorie needs this distribution has provided is unavailable. However, it is unlikely that the humanitarian access landscape will allow for regular and large enough assistance to fundamentally change food access for more than a small share of people in need.

In southern Gaza, food and cash assistance remains possible but inconsistent, restricted, and insufficient to fill household kilocalorie needs due to the restricted entry of in-kind supplies and fuel, as well as logistical obstacles affecting cash transfer services. With only an average of 82 trucks per day entering Gaza from October 21 to December 16 – of which roughly half were transporting food – there has been an over 80 percent reduction in the entry of all humanitarian goods from pre-conflict levels. Previously, very poor, poor, and lower middle-income Gazans relied on humanitarian cash and in-kind aid to meet approximately 40-50 percent of their minimum kilocalorie needs. The [re-opening of the Kerem Shalom](#) crossing on December 17 may result in increased and perhaps even doubled aid shipments into Gaza (as Rafah is only able to accommodate roughly 100 trucks per day); however, as of December 21, [the number of trucks crossing Kerem Shalom per day still largely remains lower](#) than those crossing through Rafah. Taken together, the total number of trucks entering Gaza is approaching 200 trucks per day between the two crossings.

Moreover, shortages in fuel and electricity have limited local food storage as well as food aid delivery capacity, and many pre-war food aid warehouse stocks have also been lost due to [looting](#). There are reports indicating that social connectedness and mutual support networks are deteriorating given the ongoing struggle for survival. On December 17, food aid intended for distribution was lost during cargo [looting by desperate civilians](#). These civilians may keep food aid for themselves, or they may redistribute it among the community if they feel aid groups were unable to do it fast enough or correctly, or they may sell it on the black market. While this may result in ineffective targeting of assistance, with the risk that aid fails to reach some of the most-in-need people, the larger impacts of looting on food availability are unclear since some of this aid may still arrive in markets. Precise estimates of how many stocks have been lost are unavailable.

Within southern Gaza, since early December, middle Gaza has operated as a closed system with no ability for goods or humanitarian aid to enter and limited to no ability for the over 300,000 IDPs that have been trapped there to leave. As a

result, this population increasingly faces similar food and income dynamics to those faced by communities remaining in northern Gaza.

The conflict has also heavily impacted financial service providers, severely restricting the ability of formal and informal financial institutions to provide cash assistance. Since mid-October, all banks have closed, with only ATMs remaining available based on Bank of Palestine's ability to restock USD as needed. Increasingly, some partners are utilizing PalPay for cash transfers to circumnavigate these limitations. However, client access to PalPay is limited due to power cuts and network issues resulting from persistent fuel shortages. In addition, cash and voucher assistance is limited due to supplier challenges. The majority of WFP's beneficiaries across Palestine (75 percent) have received electronic vouchers since October 7, which were initially deemed viable due to available inventories at WFP-partnered shops in the month of October; however, by the end of October, WFP reported that only 54 percent of beneficiaries have been able to redeem [electronic vouchers](#) due to shortages of supplies in vendor stores and limitations in accessing stores. [UNRWA's](#) multipurpose cash assistance (MPCA) – delivered to nearly 70,000 people – has significantly higher successful cash out rates nearing 70-75 percent but has also been reportedly variable. Variation in redemption rates reported by WFP versus UNRWA may tend to depend on conditionality of cash and voucher programs but also the scale and targeting of assistance.

Crop and livestock production: The ongoing conflict has significantly disrupted Gaza's agricultural activities, which are typically limited but are seasonally critical around this time of year, when vegetable, citrus, and olive harvesting occurs. It was anticipated that over 2,000 tons of olive oil would be produced this season, according to the Palestinian Olive Council, as reported by [Al Jazeera](#). Limited reliable ground information makes estimating damages to crop production this year challenging; however, it can be inferred that the scale of destruction is very high based on previous analyses of losses in 2014 and preliminary analyses of remote sensing imagery. During the July/August 2014 crisis, when damage was concentrated along the [eastern border with Israel](#), [FAO](#) estimated that around 17,000 hectares of cultivated land (approximately 40 percent of arable land) were damaged. Additionally, half of the poultry population perished due to feed shortages, while fodder imports to feed small ruminants and cattle declined by 56-70 percent during the 2014 conflict. The preliminary analysis conducted by [UNOSAT](#) in December 2023 of satellite-detected change in vegetation in agricultural areas suggests a substantial decline compared to the preceding six years, with nearly 20 percent of agricultural land showing damage across Gaza Strip, inclusive of damage to nearly 40 percent of agricultural land in northern Gaza. However, given the geographic scale of damage is much more widespread in 2023, it is likely that the share of arable land that is damaged or inaccessible is much higher than that observed in 2014, while fodder imports for livestock production are assumed to be negligible.

According to an [Oxfam report](#) on October 25, over 15,000 farmers have lost their crop production, and approximately 10,000 livestock breeders are facing severe limitations in accessing feed. The likelihood of large-scale livestock deaths is increasingly high due to the combination of airstrikes and loss of feed. Reports from both media and ground sources indicate that people are unable to access large or commercial farmlands to conduct farming activities and harvest crops, particularly in the inaccessible areas of northern Gaza. Moreover, the complete disruption of irrigation on farms is expected due to water and energy cuts. The ability to pump groundwater for irrigation is further constrained by fuel shortages and damage to solar panels, exacerbating agricultural production challenges. The Palestinian Bureau of Statistics estimates [USD 1.6 million daily loss](#) in farm production due to a lack of commercial activity during this key harvest period. In spite of the impediments to commercial farming, there is reportedly some access to small-scale, household garden farming in southern Gaza which is likely to primarily support short-term income for farmers.

Other income sources: While informal and black-market operations have reportedly continued to a limited extent based on key informant interviews with the occupied Palestinian Territories Cash Working Group (oPT CWG), income sources to purchase items are severely limited. In November, the [International Labor Organization](#) estimated that the conflict had led

to a staggering loss of over 60 percent of employment in Gaza, potentially reducing private sector employment by 85 percent. As an update to this report, in December, the [World Bank](#) assessed that 85 percent of Gazans have lost their income source, with the Strip operating at less than 16 percent of its economic capacity. Notably, daily and petty labor, a key source of pre-war income for very poor and poor households (65-73 percent) has substantially declined; although the north has been more affected than the south, the scale of decline is not yet known. The public sector has also seen a 15 percent reduction, and the termination of employment for 20,000 Gazans who were previously employed in Israel has resulted in an estimated daily labor income loss of nearly [3 million USD](#). The restrictions on imported items have further disrupted supply chains, compromised production capacities, and diminished labor demand, affecting petty trade opportunities. Income opportunities are likely worsened by the influx of nearly one million IDPs from the north who are increasingly competing for a shrinking number of informal and formal employment opportunities in the south.

The closure of all 55 branches of the 10 [banks](#) operating in Gaza has limited available services to ATMs with a withdrawal limit of 3,500 USD. As a result, loans are no longer accessible as an income source. Furthermore, most people are facing challenges accessing ATMs due to frequent airstrikes. A [World Bank](#) report highlights that remittances constituted around 20 percent of the Palestinian GDP before the conflict and served as a significant income source for the people. It is likely that remittances are an increasingly critical income source and can still be sent to Gaza, although dependent on access by recipients given the intermittent functionality of PalPay and ATMs amidst electricity and fuel shortages for generators. As a result of the accelerated ground offensive in Khan Younis and evolving evacuation orders across middle and southern Gaza, the BoP has had less access to southern Gaza than it did before the ceasefire; it is likely that cash supplies at ATMs are less well supplied and consistent. Moreover, communications in southern and middle Gaza have been severely disrupted as a result of [damage to the primary telecommunications fiber lines](#) on December 14, which may result in longer-term disruption to remittance and cash flows.

Current impacts on household food consumption

FEWS NET assesses that 75-100 percent of the Gazan population is currently in need of humanitarian food assistance, comprised of households in the very poor and poor wealth groups (approximately 50-60 percent of the population) and increasingly most of the population in the middle-income wealth groups. This estimate reflects the population likely to face consumption deficits in the absence of assistance, inclusive of aid provided prior to the conflict, given the over two-month disruption to sources of food and livelihood systems. Poor populations heavily relied on food aid prior to the outbreak of conflict, and lower-middle income households also sourced food from humanitarian assistance; additionally, the main source of income for both lower- and upper-middle income households was salaried employment, which has been heavily disrupted by conflict. With the acceleration of conflict in southern Gaza, FEWS NET anticipates that a large share of the population is currently experiencing large food consumption deficits due to secondary and tertiary displacement – in which more people have lost their remaining assets and sources of food and income – and due to the increasing proportion of the population affected by confinement. With the caveat that data remains limited, it is expected that an increasingly small portion of upper-middle income and better-off wealth groups in Rafah basin does not require food assistance, mitigated by some small-scale, irregular formal and black-market functionality and financial services (ATMs, PalPay), ensuring coping capacity in the very near-term.

The impacts of the war on household food consumption vary widely between northern and southern Gaza, and there are increasing differences in the severity of impacts on household food consumption within southern Gaza, specifically between the southernmost and middle areas. In general, the severity of household food consumption deficits is assessed to be worse in northern Gaza, but the magnitude of needs is larger in southern Gaza given that most of the Gazan population – over one million people – have been displaced from the north to the south in a reversal of the pre-war geographic and demographic distribution. Within southern Gaza, food insecurity is likely worse among households that were displaced to or remain in Khan Younis and those sheltering in middle Gaza, given disruptions to market functioning and income-generating activity resulting from escalating ground campaigns.

FEWS NET considers three groups to be of highest concern. First, those of highest concern are very poor and poor households remaining in northern Gaza, who are in the center of the conflict and face severe mobility and supply restrictions. Second, the group of next highest concern includes the over one million people displaced from the north to the south who lack tradable assets, have spent savings, and are now competing with host populations for limited labor opportunities. Within this second group, the over 300,000 IDPs in middle Gaza – who are sheltering in areas cut off from humanitarian access and are unable to evacuate because of escalated ground operations in the south – are of particularly high concern. The third group of highest concern includes the very poor and poor urban households residing in the south with high numbers of dependents – namely the chronically ill and children – who have limited capacity to cope with food aid reductions and price shocks due to high baseline levels of poverty; those households remaining in Khan Younis and middle Gaza are of particular concern.

Prior to the onset of conflict, available acute malnutrition data collected by Palestinian authorities and UNICEF in 2019/2020 indicated a [prevalence of 0.8 percent](#) among children under five years of age in Gaza, which was within Acceptable (≤ 5 percent) levels based on the WHO Global Acute Malnutrition threshold using weight-for-height z-score. In early December, the oPT Nutrition Cluster estimated that the [incidence of acute malnutrition is now 3 percent among children under five](#). Typically, evidence suggests there is a lag between the onset of food consumption deficits and the onset of wasting, as it takes time for the physiological impacts of hunger to materialize. However, evidence from other conflict-affected contexts also indicates that cases of acute malnutrition can rise sharply within a shorter period of time in complex emergencies where food consumption deficits, scarcity of clean water, and morbidity levels become a severe concern. Still, a prevalence of 0.8 percent is well below levels observed in other complex emergencies such as in Yemen, South Sudan, and Somalia. As of mid-December, while levels of acute malnutrition are likely rising, it is highly unlikely that levels have deteriorated to meet the emergency or famine thresholds.

Northern Gaza: The population remaining in northern Gaza, of which available estimates range between 70,000–300,000 Palestinians, are most likely facing the most severe food consumption deficits. While this is most likely occurring regardless of a household's wealth group status, the depth of food consumption deficits is likely most severe among very poor and poor households who lacked or quickly depleted their savings and saleable assets. The demographic of remaining communities is understood to be disproportionately poor households, particularly those with one or more chronically ill or disabled family member precluding evacuation, according to the [Human Rights Watch Reports](#) indicate widespread negative coping indicative of caloric deficits including skipping multiple meals per day, begging for bread, [slaughtering remaining animals](#), eating raw or uncooked food, [eating wild foods](#) and increased risk-prone approaches to sourcing and preparing meals. Notably, over [40 percent of households primarily relied on friends or relatives](#) to access food. This is reflected in WFP data on the reduced Coping Strategies Index (rCSI) which, while likely failing to capture the full extent of coping given its reliability challenges, does indicatively highlight that [95 percent of northern Gazans](#) employed high levels of consumption-based coping mechanisms on a daily basis. Current dietary diversity is also very poor, both as a coping mechanism and due to exceedingly limited market supplies. Based on the Household Hunger Score indicator, over [95 percent of households in northern Gaza](#) also faced moderate or severe levels of hunger over the 30 days preceding the survey, including 36 percent who experienced very severe hunger.

Food aid delivery has been limited to the supplies provided during the ceasefire period, which likely provided minimum kilocalorie needs for less than 15,500 people for the seven-day duration and will not be large enough to prevent food consumption gaps beyond this short-term period as well as the one-off food parcels, of unspecified ration size, provided by local partners to over 46,000 people. During this time, markets had limited to no stocks and the ability of households to purchase or utilize remaining food inventories was severely limited. Key agricultural and livestock herding lands in the north remain largely inaccessible due to the military campaign, and it is highly unlikely that households can consume crops or livestock products or sell them for income to purchase food. Finally, due to the banking system collapse in the north, the Bank of Palestine's inability to resupply ATMs – conditions which largely persisted even during the ceasefire –

and the continued telecommunications black out, households are unable to access remittances or cash assistance to pay for available food.

Southern Gaza: The population of southern Gaza, now estimated to have grown to between 1.91 – 2.14 million Palestinians,² has also seen dramatic shifts in food availability, access, and utilization, especially since the ground invasion of southern Gaza began in early December. While these disruptions and resulting food needs are generally lower than in northern Gaza, FEWS NET expects that increasing pockets of IDPs in confined areas of middle Gaza and Khan Younis face needs comparable to in northern Gaza. Very poor and poor residents and displaced households in both urban and semi-rural areas of these locations are likely facing the largest food consumption deficits. Meanwhile, households in the lower and middle-income wealth groups of Rafah basin – which previously did not rely on food aid but rather salaried employment – likely still have some limited capacity to cope with food price shocks depending on remaining savings. However, they are also likely facing growing food consumption deficits given the now two-month disruption to formal employment, irregular supply of food, and limited to no access to electricity, cooking oil, and water to prepare meals. Based on WFP's assessment, over [80 percent of southern Gaza residents faced moderate or worse hunger](#) in the 30 days preceding the survey according to the Household Hunger Scale indicator, including over 20 percent who faced very severe hunger.³ Similarly to northern Gaza, dietary diversity is assumed to be very poor, both as a coping mechanism and due to exceedingly limited market supplies.

The reduction in food aid, petty trade, and informal employment is disproportionately affecting very poor and poor households. Purchasing power to access food is likely worsened by the influx of the over one million IDPs from the north who are increasingly competing for a shrinking number of informal and formal employment opportunities. Thus, while market supply is better in the south, demand is increasing at a time when income is negligible, creating extreme pressure on household purchasing power and access to food. However, when fuel is sufficient to operate telecommunications and charge phones, households with family in the diaspora are likely to benefit from gifts and loans given the continued functionality of PalPay and ATMs. Access to cash assistance and gifts may be increasingly interrupted, however, in Khan Younis and middle Gaza given challenges in restocking ATMs since the escalation of conflict in these areas.

Residents in the semi-rural livelihood zone in southern Gaza may have lower reductions in their food consumption relative to urban residents, due to their ability to harvest and sell some produce from household gardens. Agricultural lands in the southernmost areas of Gaza have been less damaged than in middle or north Gaza – [8 percent in each Rafah and Khan Younis](#). Households with small, proximate plots are reportedly able to access their crops; while their small plots offer modest harvests to secure food and income for some rural households, they have not been significant enough to shift market supply dynamics, according to key informant information from the oPT CWG. However, given the scale of damage and airstrikes now targeting Khan Younis, which is limiting physical access to the largest share of agricultural lands in the south, the size of the population benefitting from this activity is assumed to be very limited.

² Calculated as: 2.23 million (total population of Gaza) minus [19,667 \(fatalities\)](#) minus 70,000 (North Gaza population, low end) = 2.140 million (low end); 2.23 million (total population of Gaza) minus 19,667 (fatalities) minus 300,000 (North Gaza population, high end) = 1.910 million.

³ WFP's assessment also found that 38 percent of southern Gaza residents had a poor Food Consumption Score (FCS). FEWS NET believes the Household Hunger Score indicator is a more reliable measure of acute food insecurity given its longer recall period and focus on measuring dietary quantity, whereas the recall period for FCS is only 7 days and it is a composite indicator of quantity and quality. Since the FCS results are based on food consumption over the preceding week, the figure likely disproportionately reflected improvements during the ceasefire.

Analysis of projected acute food insecurity through February 2024 based on three scenarios with a credible likelihood of occurrence

Scenario #1: Ground operations continue in northern Gaza, backed by high intensity airstrikes. In southern Gaza, limited operations aim to take out high-level Hamas commanders via limited incursions and airstrikes.

Key assumptions regarding the evolution of conflict and humanitarian access

In this most likely scenario, the IDF will continue to conduct incursions and high-intensity operations in northern Gaza aimed at gaining and consolidating control of the remaining areas of Gaza City, Jabaliya, and Beit Lahiya where Hamas fighters continue to operate. Concurrently, the IDF will continue its ground incursion into southern Gaza, relying on ground forces to conduct “clear and hold” operations in Khan Younis and other urban areas where Hamas command centers are thought to be located. In this scenario, the IDF would maintain the option to scale down operations at a later date to more targeted strikes or surgical raids against Hamas leadership, or to more gradually capture and occupy southern Gaza.

Tens of thousands of people are likely to remain in northern Gaza, either because they are unable or unwilling to evacuate or because they are deterred by fighting along the Salah al-Din Road evacuation corridor. It is likely that those who remain behind will disproportionately include people living with disabilities or chronic illness, families with young children, and households in the very poor and poor wealth groups, who lack the ability or means to pay for transport to southern Gaza given the absence of fuel and limited transportation options. Israeli officials have indicated that [some civilians may be permitted to return to northern Gaza](#) as operations progress, but this is unlikely to occur at a significant scale before early February. Although conditions for civilians remaining in the north are expected to be acute, the rate at which civilians are being killed, injured, or displaced from northern Gaza is likely to decrease over the forecast period, given that much of the population has already evacuated.

Access to WASH services is expected to remain extremely limited. Healthcare will likely be limited to emergency services at hospitals that lack sufficient staff, medications, and electricity to treat patients. Continued fighting will most likely damage or destroy most of the remaining water, electricity, and other civilian infrastructure in the north. It is unlikely that impactful quantities of aid from the Rafah or Kerem Shalom border crossings will reach northern Gaza while IDF operations remain ongoing in the north. Short-term ceasefires, like that in November, may still occur in this scenario but will tend to be infrequent; during these pauses in hostilities, humanitarian aid and access would be temporarily restored but will not fundamentally change or alter market or food security scenarios due to their very short-term nature.

In southern Gaza, the IDF is likely to conduct “clear and hold” operations in Khan Younis, as well as targeted operations in Rafah and Deir al-Balah, aimed at eliminating Hamas leadership, establishing control of the group’s tunnel network, and degrading Hamas’ capability to fire rockets into Israel. The southern incursion is likely to concentrate on Khan Younis, with ground forces conducting building-by-building clearing operations and engaging Hamas fighters in close-quarters combat. Compared to the IDF’s ground invasion of the north, the southern incursion is expected to leverage more direct fire by ground forces as opposed to airstrikes and indirect shelling, both to conserve ordnance stocks for contingency purposes and to mitigate international blowback that would emanate from escalating civilian casualties. Consequently, the degree of infrastructure damage in the south is expected to be considerable but lower than the levels of destruction observed in northern Gaza. The IDF is still expected to employ airstrikes, including in dense urban areas, resulting in further damage to remaining civilian infrastructure and housing stock as well as significant population displacement. Due to the high population density within Khan Younis and other urban areas hosting IDPs in the south, the number of civilian fatalities per airstrike is expected to increase even though the IDF conducts these airstrikes less indiscriminately and less frequently than in northern Gaza.

In southern Gaza, Israel has set aside al Mawasi – a sparsely populated area with limited pre-existing infrastructure on the southwest coast – as a humanitarian “safe zone” for aid operations. The IDF is expected to issue progressive evacuation orders in areas targeted for “clear and hold” operations and is increasingly likely to encourage evacuees to relocate to al Mawasi to centralize civilian populations. However, unlike in Gaza City, the IDF is likely to still permit civilian populations to remain in designated “safe” parts of Khan Younis, Rafah, and Deir al-Balah during operations. These “safe” zones may be only intermittently accessible and only temporarily excluded from military operations, such that remaining populations will likely face sudden and repeated displacements as evacuations are mandated in various parts of the city. Those who seek refuge in al Mawasi will also likely experience subsequent displacement, though to a lesser extent than those who remain in urban “safe” zones, given that the boundary of the [humanitarian zone remains in flux](#).

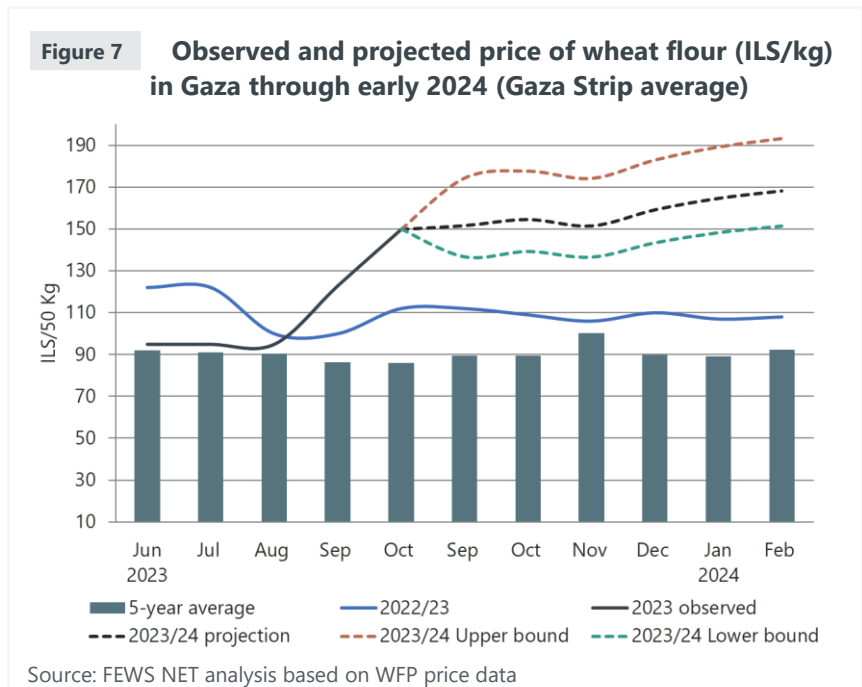
The vast majority of the 1.9 million people displaced since October 7 have been displaced to or within southern Gaza, and the influx of IDPs is expected to continue stressing remaining WASH infrastructure and healthcare services. The scale of displacement in the south is likely to persist as the Rafah border crossing is expected to remain closed to all except for approved dual and foreign nationals. The IDF ground invasion of the south is likely to reduce aid access in much of southern Gaza as fighting [blocks key roads](#) and disrupts aid delivery. Though some normalization of aid into the Mawasi humanitarian zone is expected, Israeli-imposed restrictions on the import of fuel will limit the capacity of international and local actors to distribute aid or conduct other essential activities such as food preparation and boiling water for sterilization.

Anticipated impacts on markets and other food and income sources in northern Gaza

In northern Gaza, local markets are expected to remain in a state of collapse. The supplies of key commodities including dairy products, wheat flour, mineral water, and eggs are reportedly completely out of stock. Furthermore, as of the end of November, only 10 percent of shops contracted by WFP were operational with some food stocks that can be redeemed by beneficiaries. However, the remaining inventory of wheat grain, vegetable oil, pulses, and rice are largely unusable due to the lack of milling capacity or cooking fuel. Not a single bakery is operational currently.

The situation is further exacerbated by severe damage to shops, milling factories, and road infrastructure. This damage, combined with the lack of fuel, electricity, and connectivity services like the internet and telephone, is anticipated to halt any commercial trading services and severely restrict marketing and distribution systems. As a result, the functionality of markets is likely to range from very low to completely non-functional. Wholesalers are expected to face significant challenges in supplying essential commodities, while both traders and consumers have likely been displaced to the south. Just [20 percent](#) of households remaining in northern Gaza identified markets as one of the key sources of food.

In the context of high poverty and limited purchasing power in northern Gaza, alongside the transition to diets consisting



mainly of basic survival foods, significant shifts in food prices are anticipated. The prices of wheat flour, a cheap staple food that can be prepared with limited cooking fuel and oil, rose by 57 percent from August to October 2023 and are expected to remain above 3 ILS/kg, which is 75 percent above average (Figure 7). In contrast, rice prices, which rose by only 3 percent from August to October 2023, are anticipated to remain stagnant but still above the five-year average. This stagnation is attributed to reduced demand, as households are unable to afford rice and the substantial amount of water and cooking fuel required for its preparation. Previously an expensive commodity, rice retailed at an average of 6.40 ILS/kg in October 2023, a price that could procure nearly 2.1 kgs of wheat flour even at its projected highest level. Meanwhile, lentil prices increased marginally by 2 percent from August to October 2023 and are expected to remain stable or decline significantly due to decreased demand. Lentils, being an expensive and fuel-intensive food item, will likely also see a reduction in consumption. Despite this decline, prices are projected to remain above the five-year average in the short term. As of October 2023, the average retail price of lentils was 6.31 ILS/kg, sufficient to purchase at least 2.1 kg of wheat flour at its highest projected price.

Agricultural and animal-rearing lands are expected to remain inaccessible during the winter harvest period, meaning food and income from agropastoral activities will be negligible if not completely absent. Households will be unable to access remittances or other cash assistance as ATM cash stocks are depleted and online payment platforms (such as PalPay) remain largely inaccessible due to disruptions in telecommunications from a lack of fuel for generators. Other income-generating activities will likely cease as remaining households will have already sold pre-war assets and other tradable goods to cope in the initial weeks of the conflict. Among households with savings previously withdrawn from ATMs, cash is expected to be quickly exhausted on basic survival needs.

Humanitarian assistance, including food aid, is expected to still largely be unable to reach northern Gaza, except for a limited number of supplies provided by [local organizations](#); future, localized food assistance may support in temporarily reducing food consumption gaps for a small share of people in need. However, given the IDF's stance, it is unlikely that humanitarian access to the north will improve more broadly, allowing for regular and large enough assistance to fundamentally change food access conditions.

Anticipated impacts on markets and other food and income sources in southern Gaza

In southern Gaza, market operations are anticipated to face significant constraints. Southern markets currently function under strain and face increased demand due to the influx of displaced people from the north. Market functionality around Khan Younis and middle Gaza will likely be the most severely disrupted, whereas market functionality around Rafah will likely be comparatively highest due to the marginal increase in inflows of humanitarian aid and fuel since December 17 through the Rafah and recently re-opened Kerem Shalom border crossings. In general, the destruction of road infrastructure, combined with shortages in fuel, communications blackout, and electricity outages, are expected to continue to constrain market functioning in the short-term across southern Gaza, before the Kerem Shalom crossings reach the target of 200 truckloads of humanitarian aid per day. Projected price trends are more applicable in southern Gaza than in northern Gaza, as the available price data were collected in Khan Younis in southern Gaza.

Although markets in the south will continue to function to some degree, demand is expected to continue to outstrip supply, especially for essential items like wheat flour, fuel, and cooking gas. Any improvement in market functioning is contingent on a large and sustained increase in truckloads entering the region through the Rafah and Kerem Shalom crossings, including commercial goods, which is currently considered unlikely. In addition to limits on trucks entering Gaza by the Israeli security cabinet, increased inspections and uncertainty about distribution channels within Gaza are likely to constrain robust inflows of essentials. Based on the price data available, the projected price of wheat flour produced for northern Gaza also applies to southern Gaza, with wheat flour prices expected to reach a level 75 percent above the five-year average due primarily to increased demand and a scarcity of operational milling facilities. In the longer term, the impacts of increased demand stemming from the influx of IDPs coupled with supply disruptions are likely to exert undue

pressure on markets, keeping prices of essential goods and staple foods high and above average.

In conflict contexts, it is typical that some degree of market resilience emerges over time with growing petty and black markets, and it is expected that some income-generating opportunities from casual labor will be available in the south. Notably, small-scale farming may support short-term income for rural households around the [seasonally forecasted eggplant and chili harvests in November followed by cabbage and cauliflower harvests in January](#), especially while prices remain high due to limited food supply. However, the petty trade and labor expansion will be insufficient to offset the [near 85 percent contraction in employment](#) that has occurred across Gaza since the onset of the conflict, nor will it be able to adequately adapt to the surge in the geographic shift in employment needs among the over one million IDPs from northern Gaza who will also be seeking income in southern Gaza. Moreover, the irregularity of market supplies will continually disrupt opportunities to generate income. Given the limited and intermittent ability for in-kind support to reach Gaza from restrictions at Rafah, cash assistance – including humanitarian aid and remittances – may tend to increase, aligned with trends in other [hard-to-reach responses](#). Nevertheless, fuel shortages are expected to persist, which will result in continual telecommunications and electricity blackouts, limiting the regularity and predictability of access to online and electricity-run cash transfer platforms such as PalPay and ATMs. This irregularity will prevent cash assistance from being a stable income source. With the expansion of IDF operations into southern Gaza, and the Israeli state's increasing emphasis on the al Mawasi humanitarian zone, it is likely that food, cash and other basic services may be increasingly limited to the southernmost portion of Gaza, pulling people to Rafah and al Mawasi.

Projected impacts on household food consumption through February 2024

FEWS NET anticipates that 75-100 percent of the Gazan population will continue to urgently need humanitarian food assistance through February. Fluctuations within this range are expected as conditions evolve in the south; however, the forecasted proportion of the population in need reflects expectations that commercial goods will still largely be unable to enter Gaza. Limited levels of humanitarian assistance are expected to enter Gaza via the Rafah crossing and, increasingly, the Kerem Shalom crossing, most likely allowing some secondary degree of market resilience to emerge in the near-term. Additionally, under the assumption that PalPay and ATMs will be at least intermittently accessible, remittance inflows to Gaza are expected to increase, especially for middle-income and better-off wealth groups. Nevertheless, total assistance needs are expected to remain exceptionally high given continued besiegement in northern Gaza and increasing food system collapse in conflict-affected areas of southern Gaza.

Northern Gaza: Over the outlook period, no durable improvement in the availability of market or humanitarian supplies is expected. Humanitarian assistance provided at the end of November during the ceasefire likely delayed the exhaustion of market supplies until early December, after which time the population is expected to have consumed their remaining food stocks and other essential items. Very poor and poor households, which disproportionately represent those remaining in the north, are expected to experience protracted, rapidly worsening food shortages. Even if there are comparatively wealthier households remaining in the north with some remaining assets for trade or income, food will not be available in markets. It is anticipated that all civilian households will resort to increasingly severe and risky coping mechanisms to survive while likely still facing food consumption deficits.

Acute malnutrition levels, and eventually hunger-related mortality, are expected to rise rapidly toward the end of the three-month projection period, particularly amid increasingly limited supplies of drinkable water (1.8 L/p/d). Given that the demographic of populations remaining in northern Gaza are disproportionately sick and largely live below the poverty line, they are more susceptible to comorbidity from hunger and disease outbreaks. The oPT Nutrition Cluster forecasts that [acute malnutrition would rise by about 60 percent](#) due to the lack of humanitarian access, reaching an incidence level of nearly 5 percent among children under five years of age. Given the continued escalation of hostilities targeting medical infrastructure and the extent of water resource deterioration since these projections were first drafted in November, malnutrition rates may exceed these forecasts. However, given that available data suggested low levels of acute

malnutrition at the onset of the conflict, it is considered unlikely that mortality and malnutrition indicators would reach the technical thresholds that define famine by February, but this would likely occur should conditions continue at this level or further deteriorate in the months beyond February.

Southern Gaza: Over the outlook period, very poor and poor households are expected to sustain protracted food consumption deficits, and the share of households in the lower-middle and upper-middle income wealth groups facing food consumption deficits is also expected to rise. Urban households remaining in Khan Younis – and increasingly middle Gaza – are expected to face the most significant food consumption deficits.

Inflows of humanitarian aid and market supplies are expected to remain erratic in the immediate term, with a lag expected before a relative normalization of flows occurs. The re-opening of the Kerem Shalom border crossing may tend to increase humanitarian food aid inflows closer to the required minimum of 100 daily truckloads. However, it is unlikely that humanitarian food assistance will reach populations of highest concern. With increased IDF emphasis on al Mawasi humanitarian zone paired with the lack of humanitarian access to Khan Younis and middle Gaza, food supplies will be unable to penetrate beyond Rafah and al Mawasi into these highest-need areas; equally, populations in Khan Younis and middle Gaza will largely be unable or unwilling to travel or relocate given insecurity around the new southern Gaza evacuation corridor.

As a result, any rebound in market functionality and aid will be contained largely to Rafah and al Mawasi, where households are expected to rely primarily on a gradual but partial rebound in casual, petty employment income as well as remittances to purchase food, which are both seasonal and erratic due to their dependence on market activity. Food availability and access in these areas will be unstable during this period, oscillating between a relatively better status when fuel and border crossings are open, to a comparatively worse status when they are not. Regardless, overcrowding in these two areas will likely result in extreme competition for limited income-earning opportunities that is likely to deepen dependency on food aid and undermine sustainable markets, with conditions similar to or worse than that observed in Bangladesh's Cox's Bazar refugee camps.⁴ Overall, this dynamic is expected to deepen vulnerability to shocks resulting from volatile humanitarian access over the projection period.

Focusing on the minimum livelihood protection benchmark, it is estimated that very poor and poor households in southernmost Gaza, including Rafah and al Mawasi, would need to increase total income by at least 45 percent to compensate for reductions in food assistance relative to the 2013 baseline as well as rising food prices. Informal market activities are reportedly rising, especially in Rafah basin, and Gazan markets are notably resilient, so some recovery in income-earning is likely to occur; however, given that the labor market has contracted by 85 percent, and given that the labor supply in southern Gaza has more than doubled with the entry of IDPs from the north, households will not be able to recoup lost employment let alone expand to support their increased income needs. Furthermore, minimum survival expenditures for all wealth groups are expected to rise through February due to seasonal heating expenses (wood and fuel where available) during the winter months. In rural areas, specifically, small garden harvests will likely support comparatively better food purchasing power than in urban areas. By February, however, the end of the cauliflower and cabbage harvests and the conclusion of the rains are expected to then drive a decline in income sources among rural households.

As neither food availability, access, nor stability are expected to improve over this period, households in southernmost Gaza are expected to increasingly rely on coping mechanisms to adapt to food shortages. These coping mechanisms will likely include food consumption coping – including reducing the number of meals, feeding children first, and sending

⁴ If the IDF is successful in relocating the nearly 2 million people in southern Gaza to al Mawasi, IDPs will occupy less than 0.01 square meters per person, compared to the over [10 square meters per person that exists in Cox's Bazar](#). The population density of al Mawasi will only be comparable to that of Cox's Bazar if only 2,000 people are relocated there.

children to neighbors' houses to eat. A new, growing number of households, especially the urban very poor and poor, are likely to resort to more severe livelihood coping strategies, including risk-prone income-generating and food sourcing activities.

Increasingly, in middle Gaza and the areas of Khan Younis under heavy bombardment, residents will be unable to leave either to access aid, earn income, or migrate as a coping mechanism; similarly, markets in these areas will not be replenished given interrupted transportation and supply chains to these areas. [A large share of the populations of these areas was displaced from the north](#) during the first weeks of the conflict, so they will have a lower coping capacity in the projection period given that they faced higher food consumption deficits in the preceding 30 days ([46 percent of southern IDPs faced severe or very severe hunger](#) compared to 15 percent of non-IDP south Gaza residents). While some semi-rural residents may be able to generate meager incomes from sale of harvested produce, harvests are likely to be smaller given the comparatively larger conflict-related damage to infrastructure and assets. These heavily conflict-affected communities in southern Gaza will become more insular, mirroring the market collapse and inaccessibility of north Gaza in the earlier iteration of the conflict. As food availability and access will quickly and severely deteriorate, poor and very poor households are expected to regularly employ more severe negative coping such as skipping multiple meals per day and taking greater risks to access food and income.

Acute malnutrition levels, and eventually hunger-related mortality, are expected to rise across the south. The oPT Nutrition Cluster forecasts that [acute malnutrition would rise by between 30 and 60 percent](#), depending on the level of humanitarian access, reaching an incidence level of between 4 and 5 percent, respectively, among children under five. However, given the scale of conflict escalation in southern Gaza since these scenarios were designed, it is possible that conflict-affected areas of middle Gaza and Khan Younis would see acute malnutrition levels reach the emergency threshold within the outlook period. The rate and speed at which this will occur will largely depend on the extent to which informal market supply chains can be rebuilt across IDF frontlines within southern Gaza. IDPs in non-contained areas of southern Gaza will continue to face high risks of comorbidity from hunger and poor health conditions, given limited access to water. With the increasing push of IDPs toward al Mawasi, the severe overcrowding in an area without preexisting infrastructure is likely to result in more rapid and widespread transmission of waterborne and respiratory illnesses. However, given that available data suggested low levels of acute malnutrition at the onset of the conflict, it is considered unlikely that mortality and malnutrition indicators would reach the technical thresholds that define famine by February; however, this is possible should conditions continue at this level or further deteriorate in the months beyond February.

Scenario #2: Israeli ground operations continue in northern Gaza, backed by high intensity airstrikes. Southern Gaza sees a cessation of hostilities through an informal or formal arrangement.

Key assumptions regarding the evolution of conflict and humanitarian access

In this scenario, Israel expands the full-scale and unrestricted ground, sea, and air campaign to southern Gaza, resulting in the full occupation of the Gaza Strip. A maximum pressure campaign against Hamas will likely involve high intensity airstrikes and shelling across the south at levels similar to those observed in Gaza City, resulting in increasing civilian casualties in the south. Continued fighting will most likely damage or destroy most of the remaining water, electricity, and other civilian infrastructure in the south. As a result, populations will be largely displaced from urban centers into the al Mawasi humanitarian zone or to nearby UNRWA shelters. IDF is unlikely to officially designate "safe" zones outside of al Mawasi. However, heavy fire and clashes between IDF and Hamas forces is likely to limit population movement, increasing the frequency of confinements.

This scenario is less likely to occur as sustaining a full-scale ground invasion across the Gaza Strip would risk overstressing the IDF and would require the use of significant precision-guided munitions stocks that the IDF is currently

seeking to preserve should Hezbollah or another group escalate their engagement in the conflict. Additionally, this scenario is of lower likelihood as the IDF may be deterred from launching a large-scale incursion in the south by the prospect of international blowback and the logistical and operational challenges of occupying the Gaza Strip. Due to the uncertainty surrounding diplomatic decision-making between Israel and Egypt, the parameters of this scenario assume that the Rafah and newly re-opened Kerem Shalom border crossings would remain closed to all except for approved dual and foreign nationals.

In southern Gaza, the initiation of a full-scale and unrestricted ground, sea, and air campaign would likely result in large-scale and repeated displacement of civilians, as well as confinement. Resiliency to these displacement shocks would be weakened given the significant numbers of IDPs already displaced from the north but also the increasing number of those displaced within the south as evacuation areas evolve. With intensified military operations, the Rafah and Kerem Shalom border crossings will likely experience increased restrictions, even more severely limiting the entry of essential goods and humanitarian assistance. All other border crossings would remain closed. Additionally, heavy clashes involving the IDF and Hamas within southern Gaza would likely prevent distribution of the aid that does enter Gaza. In this scenario, up to 75 percent of buildings in southern Gaza would likely be damaged or destroyed, in line with levels observed in northern Gaza. The IDF would also likely destroy much of the remaining civilian infrastructure for electricity, water, and telecommunications, while damage to apartment blocks is expected to reduce access to shelter in a region already stressed by the influx of IDPs from northern Gaza. WASH and health services would likely collapse, while basic services would be largely unavailable in southern Gaza.

Anticipated impacts on markets and other food and income sources in northern Gaza

In Scenario #2, the impacts of conflict on food security conditions in northern Gaza are expected to be similar to Scenario #1. In addition, the shops which are currently operational are expected to operate under duress and eventually close down completely.

Anticipated impacts on markets and other food and income sources in southern Gaza

A large-scale ground incursion into southern Gaza would likely lead to more widespread destruction of local infrastructure, impacting bakeries, flour mills, and other key components of the food supply chain. The destruction of road infrastructure, coupled with fuel and electricity shortages, would also severely constrain normal market functionality, with no food expected to move from the Rafah basin to the other market basins, even if the Kerem Shalom border crossing remains open. Already strained market supplies would become rapidly depleted, as is currently observed in northern Gaza ([Oxfam](#)), and restocking of supplies of staple foods through both private sector and humanitarian channels would likely be either severely or completely constrained. As a result, it is expected that acute shortages of staple foods and other essential commodities would occur due to widespread damage to key infrastructure and disrupted supply chains, leading to likely civil unrest. High-intensity airstrikes would also cause serious disruptions of distribution channels within the south, further hampering the transportation and availability of staple foods. Finally, the limited availability of food, combined with the heightened demand from both residents and displaced individuals from across the north and other areas of the south, would likely lead to a significant increase in food prices. Food prices would be expected to soar significantly above previous peak levels, leading to the emergence of a parallel illegal market system to fill the vacuum left by the collapse of the formal market system.

In addition to the large-scale disruption to market functionality, population movement within southern Gaza would become increasingly restricted and irregular due to active military operations. Further reductions and irregularities in distribution of food aid would not be substituted with other food sources due to acute market shortages and anticipated severe declines in market activity that extremely limit income-earning opportunities across all areas of southern Gaza. Small-scale agricultural and animal-rearing lands would also become increasingly inaccessible for harvest given escalated

aerial bombardment. Like in the north, households would face increasing difficulty accessing remittances or other cash assistance as ATM cash stocks become depleted and online payment platforms (such as PalPay) become inaccessible due to a lack of fuel to power telecommunications as well as widespread destruction of telecommunications infrastructure. Other sources of income would likely become increasingly minimal as households sell their remaining pre-war productive assets, which might otherwise support livelihood options, to cope with short-term survival needs. Wealthier income groups would be expected to deplete their remaining savings.

Projected impacts on household food consumption through February 2024

Northern Gaza: In Scenario #3, the impacts of conflict on household food consumption in northern Gaza is expected to be similar to Scenario #1.

Southern Gaza: Over the outlook period, it is expected that all wealth groups in urban and semi-rural areas of southern Gaza would experience food consumption deficits due to severe to complete disruptions to markets outside of the Rafah basin, diminishing options to access food and income, and the ensuing need for populations to resort to severe, risk-prone livelihood coping mechanisms to access food for survival. With the increased emphasis on al Mawasi humanitarian zone as the only “safe” zone, shelter space and humanitarian aid would be inadequate to support the volume of people relative to the demand for basic needs, leading to increasingly acute food and water shortages. Acute malnutrition levels, and eventually hunger-related mortality, are expected to rise rapidly within the projection period, moderated only by the sporadic entry and distribution of humanitarian aid and other supplies. While there is considerable uncertainty regarding the frequency, timing, and size of aid in this scenario, it is possible that additional areas of southern Gaza beyond Khan Younis and middle Gaza – as the current primary targets – would see malnutrition levels approach and exceed the emergency thresholds. The most affected geographic areas would tend to be those locations where humanitarian assistance cannot reach, such as IDP camps in middle regions and host communities under active evacuation orders.

Scenario #3: Ground operations continue in northern Gaza, backed by high intensity airstrikes. Israeli forces begin a large-scale ground incursion into southern Gaza, also backed by high-intensity airstrikes.

Key assumptions regarding the evolution of conflict and humanitarian access

In this scenario, Israel and Hamas agree to a comprehensive ceasefire amid increasing domestic and international pressure, resulting in the cessation of IDF military operations in northern and southern Gaza, the suspension of rocket barrages and other attacks against Israel by Hamas, and likely the return of most or all hostages captured by Hamas on October 7. The previous report produced on November 28 assessed that the Israeli government was more likely to pursue a cessation of hostilities in the south while continuing operations in the north, rather than agreeing to a durable ceasefire covering the entire territory. However, the IDF’s escalation of operations in areas of southern Gaza previously designated as “safe” zones, as well as growing consensus within the IDF that its military objectives in northern Gaza are soon to be fully achieved, indicate an impending reorientation of IDF operations from the north to the south. Consequently, it is now highly unlikely that Israel would agree to a south-only ceasefire. While the likelihood of a territory-wide ceasefire is increasing over time, the likelihood that it will occur before February is considered low. Within the forecast period, it is also plausible but unlikely that Israel could pursue a cessation of hostilities through informal means by concluding its military operations in the Gaza Strip, but this would likely be predicated on Israel securing the release of the remaining hostages through targeted operations, hostage-for-prisoner exchanges, or other means.

In southern Gaza, aid deliveries would likely increase but would not fully normalize within the forecast period. Controlled fuel deliveries would enable limited domestic production of vital goods and the reconstruction of some damaged or destroyed infrastructure. Even with an increase in fuel availability, however, access to electricity is unlikely to fully return to pre-war levels during the three-month projection period due to southern Gaza’s historical reliance on Israeli-produced

electricity, which constituted [40-60 percent of Gaza's power supply](#) and is unlikely to be restored in the near future. The influx of IDPs from the north is expected to continue stressing remaining WASH infrastructure and healthcare services, under the assumption that the Rafah border crossing would remain closed to all except for approved dual and foreign nationals. However, the cessation of hostilities in the south is likely to permit the construction of temporary WASH infrastructure by aid organizations, as well as the restoration of health services.

While aid delivery over the Rafah and Kerem Shalom border crossings may alleviate some food shortages, it is not expected that Israel will re-open the Eretz border crossing in this scenario or allow commercial goods to cross. It is likely that Israeli-mandated inspections of aid trucks crossing at both checkpoints will be even more stringent than those at present, likely further bottlenecking the delivery of humanitarian assistance.

Anticipated impacts on markets and other food and income sources in northern Gaza

A scenario in which a ceasefire materializes is considered highly unlikely until after January 2024; for the purposes of this analysis, it is assumed a ceasefire is only plausible by February. As such, it is expected that the impacts of conflict on market functionality and income-generating activity in northern Gaza will be similar to that in Scenario #1 through January.

In February, it is expected that conditions affecting market functionality and access to food and income sources will moderately improve, likely at a level comparable to that which occurred during the temporary ceasefire. As the final terms of a full ceasefire are negotiated and applied, it is expected that there will be a likely time lag for more substantial improvements in food security conditions, likely falling outside the projection period for this analysis. Within the forecast period, it is unlikely that direct border crossings will be re-opened with northern Gaza and no commercial trade will be permitted, but a limited amount of humanitarian assistance will be allowed to enter through southern Gaza. Income-earning opportunities will remain heavily limited for the forecast period but would tend to slowly improve thereafter.

With up to 75 percent of buildings damaged in northern Gaza, and the integrity of the remaining buildings uncertain, shopkeepers are expected to need considerable time – far beyond February – before they can functionally re-open or resume operations. Meanwhile, the rental costs of the habitable buildings are expected to be well beyond the reach of most consumers and traders, further slowing the return of displaced people. High rental costs combined with heightened costs for security, transport, and distribution are expected to increase business operating costs, leading to high retail prices of essential commodities and staple foods. Furthermore, low consumer purchasing power is expected to result in persistently low demand, thereby jeopardizing the ability of shopkeepers to offer goods and credit to consumers. Similarly, shopkeepers will not be able to readily access credit from their suppliers/traders for restocking due to low operating capital.

Anticipated impacts on markets and other food and income sources in southern Gaza

Given that a ceasefire is highly unlikely until after January 2024, it is expected that the impacts of conflict on market functionality and access to food and income sources in southern Gaza will be similar to that in Scenario #1 through January.

In February, it is expected that market functionality and access to food and income sources would generally tend to improve across southern Gaza, though with more moderate improvements in areas of the south where IDF operations were heaviest and ceasefire terms are likely to be more sensitive. Populations in northern and middle Gaza may increasingly migrate southward due to expanded freedom of movement as well as more rapid normalization of markets and humanitarian assistance in Rafah and al Mawasi humanitarian zones compared to more moderate improvements registered elsewhere.

Markets in this scenario would likely adapt to new conditions as disruptions to market functionality ease and more consistent supply routes are established. The Rafah and Kerem Shalom crossings in the south would allow for more consistent entry of humanitarian goods and gradual resumption of commercial goods, though they would remain constrained by many of the same obstacles that existed prior to October 2023. The Rafah crossing will be expected to operate at full capacity, thereby increasing inflows of goods and services. At the same time, the number of truckloads entering through the Kerem Shalom border crossing point is expected to increase to levels beyond the current target of 200 trucks. Likely implementation of a plan by the UNRWA to limit wheat flour distribution to bakeries and sell directly to residents at reduced prices would also be expected, as damage to key infrastructure required to keep most bakeries operational is unlikely to be remedied in the short-term. Prior to November 26, distributions outside of shelters in the south were not possible due to heavy fighting and bombings. Therefore, a cessation of hostilities is the only scenario under which wider wheat flour distributions outside of shelters will be viable.

The influx of displaced persons in southern Gaza would likely continue to place pressure on limited supplies ([Oxfam](#)). While market functionality would gradually recover due to more stable conditions, demand is still likely to outstrip supply in the immediate term due to the influx of people displaced from the north and within the south. Additionally, while displaced populations are likely to engage in informal economic activity and establish new markets, these markets would still experience significant volatility as supply and demand shift rapidly, as is often the case in markets among displaced populations. Improved market supply flows through Rafah and Kerem Shalom would improve the availability of essential food and non-food items, including cooking oil, pulses, vegetables, and cereals; however, staple food and non-food prices are unlikely to stabilize within the forecast period. Furthermore, prices would most likely remain at atypically high levels, considering the current spike in wheat prices and the fact that demand will outpace supply in the near term. Marketing costs would also contribute to high costs, based on the assumption of limited recovery of fuel and electricity sources and damage to roads.

With the gradual increase and stabilization in levels of fuel, water, market supplies, and humanitarian assistance, household food and income sources would likely partially recover. As markets begin to adapt, this would facilitate a relative increase in more stable income-generating opportunities through casual labor or self-employment. Nevertheless, the rebound in income-earning opportunities would likely be insufficient to offset the 85 percent contraction in employment across Gaza that occurred in the first months of the conflict, nor would it be able to absorb the surge in the supply of labor among the over one million IDP arrivals from northern Gaza who would continue to seek income in southern Gaza.

In parts of southern Gaza, financial services, including loans, would likely provide another source of cash as banking systems and telecommunications rebound. Similarly, cash assistance, including humanitarian aid and remittances, would likely increase beyond pre-conflict levels in the immediate term coming from donors, relatives in the region, and the broader diaspora. These improvements will be modest in the short term, especially in Khan Younis, as up to [60 percent of telecommunications and to commerce infrastructure](#) has been damaged due to conflict, limiting the capacity of remaining infrastructure to meet demand. Conflict and post-conflict needs would exceed pre-conflict levels, reflecting new populations such as IDPs from north Gaza and southern Gazans in the lower-middle and upper-middle wealth groups who did not receive aid prior to the crisis.

Projected impacts on household food consumption through February 2024

Northern Gaza: Given that a ceasefire is unlikely until after January 2024, the impacts of conflict on household food consumption in northern Gaza in this scenario are expected to be largely similar to Scenario #1 through January. In February, the resumption of humanitarian food assistance will help to reduce food consumption gaps. However, as in the recent temporary ceasefire period, assistance would likely meet only a portion of minimum daily kilocalorie and water requirements for the population in need given security oversight and physical limitations on the number of trucks able to

pass through open border crossings in a day. As a result, large food consumption deficits will persist in the short term, given the time lag required to finalize negotiations and normalize access; beyond February, FEWS NET would expect to see a reduction in the size of kilocalorie deficits as levels of aid and market supplies gradually increase. It is likely that acute malnutrition rates, as a lagging indicator, will continue to remain high with large populations facing emergency levels.

Southern Gaza: Given that a ceasefire is unlikely until after January 2024, the impacts of conflict on household food consumption in southern Gaza in this scenario are expected to be largely similar to Scenario #1 through January. In February, southern Gaza would see progressive improvement in household access to food but limited access to income due to lags in the implementation of key ceasefire terms which would tend to have the greatest impact on the markets serving populations of highest need. Relative improvement in food consumption, which would still remain below pre-war levels, would most likely materialize in a reduction in the size of food consumption deficits, rather than a significant reduction in the magnitude of the population experiencing food consumption deficits. Additionally, the reduction in the size of food consumption deficits, increase in access to water, and resumption of health services would likely slow – but not prevent – elevated mortality levels. However, due to the lagging nature of malnutrition, no reduction in acute malnutrition rates is forecasted in this period.

This assessment is rooted in the current scale of disruption and damage to market functionality and supporting infrastructure, the displacement of over one million people from the north to the south, and the erosion of assets that occurred due to aerial strikes or during households' evacuation. Even though food availability in markets and the inflow of humanitarian aid would gradually normalize, demand will continue to outstrip supply in the near-term. Household income is also expected to increase relative to current levels but will remain lower than pre-war levels because of the basic infrastructure recovery required to support economic activity, as well as increased competition for labor and self-employment opportunities given the influx of IDPs from the north. The pace at which economic activity can rebound will depend on the terms of the cessation of hostilities regarding the reinstatement of fuel supply, internet, and telephone services in southern Gaza.