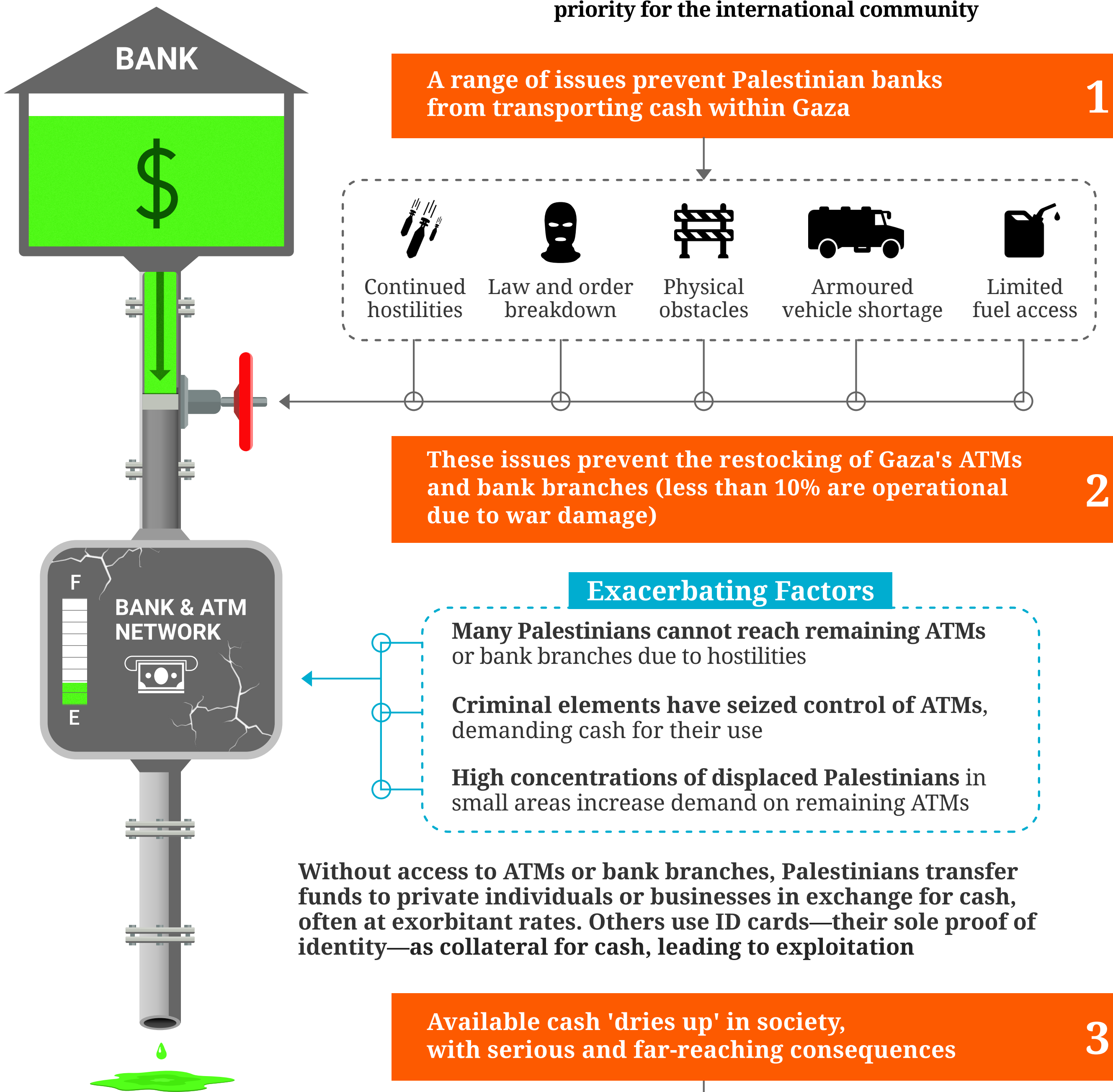


Gaza's cash liquidity crisis

The hostilities in Gaza have led to a severe cash shortage, intensifying the hardships faced by residents in this cash-based economy. Limited internet access and unequal access to mobile phones hinder cashless banking, exacerbating the situation. This crisis also hampers humanitarian operations, complicating the delivery of aid.

Addressing this crisis must be an urgent priority for the international community



1 A range of issues prevent Palestinian banks from transporting cash within Gaza

- Continued hostilities
- Law and order breakdown
- Physical obstacles
- Armoured vehicle shortage
- Limited fuel access

2 These issues prevent the restocking of Gaza's ATMs and bank branches (less than 10% are operational due to war damage)

Exacerbating Factors

- Many Palestinians cannot reach remaining ATMs or bank branches due to hostilities
- Criminal elements have seized control of ATMs, demanding cash for their use
- High concentrations of displaced Palestinians in small areas increase demand on remaining ATMs

Without access to ATMs or bank branches, Palestinians transfer funds to private individuals or businesses in exchange for cash, often at exorbitant rates. Others use ID cards—their sole proof of identity—as collateral for cash, leading to exploitation

3 Available cash 'dries up' in society, with serious and far-reaching consequences

<p>Local economy </p> <p>Consumer spending power becomes severely restricted</p> <p>Businesses struggle to pay for goods, wages, etc.</p> <p>Inflation, price instability, and exchange rate volatility</p>	<p>General population </p> <p>Residents are unable to meet their basic needs</p> <p>Potential for civil unrest as living conditions deteriorate</p> <p>Increased reliance on humanitarian aid and risk of indebtedness</p>	<p>Humanitarian response </p> <p>Difficulty in meeting operational costs limits aid distribution</p> <p>Undermines cash assistance programmes</p> <p>Further complicates reconstruction and recovery efforts</p>
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