Trade links between Israel and the Palestinian Authority[1]

- **Israeli–Palestinian trade is significant for the Palestinian economy. Palestinian purchases from Israel account for about two-thirds of total Palestinian imports and Palestinian sales to Israel account for about 81 percent of total Palestinian exports. In contrast, trade with the Palestinian Authority is equivalent to only a small percentage of Israeli foreign trade.**
- **The difference between Israeli sales to the Palestinian Authority (about NIS 16.4 billion in 2012) and Israeli purchases from the Palestinian Authority (about NIS 3 billion) was partially offset by the payment to Palestinian employees in Israel (about NIS 4.3 billion).**
- **Israeli sales to the Palestinian Authority are mainly low technology and medium-low technology manufacturing and energy products (electricity, fuels and food products). The value added share of sales to the Palestinian Authority (about 54 percent) is therefore lower than that of Israeli exports to the rest of the world (about 68 percent), the major part of which is high technology and medium-high technology manufacturing products.**
- **The reported sales of goods and services from Israel to the Palestinian Authority generated total value added of about NIS 6–9 billion for the Israeli economy in 2012 (0.8–1.2 percent of business sector product).**

Trade and employment ties between Israel and the Palestinian Authority are influenced by their geographic proximity and unified customs envelope, which contribute to the expansion of those ties, as well as by changes in the diplomatic-security situation. The uniform customs envelope and currency area save costs such as customs payments, export procedures, and exchange rate hedging, and enable trade that is similar in its procedures to trade within the Israeli economy. Nevertheless, due to security limitations, the transfer of goods between Israel and the Palestinian Authority requires inspections

[1] The writers wish to thank the Israel Tax Authority and the Central Bureau of Statistics for providing access to detailed data regarding Israeli-Palestinian trade and input-output tables, and particularly to Rachel Daniel and Haydee Faur for their assistance in understanding and completing the data.

that delay trade and make it more expensive. The lack of an automated connection between the Palestinian banks and the Israeli clearing houses also hampers trade and its monitoring.

Israeli sales to the Palestinian Authority that were reported to the Israel Tax Authority or the Ministry of Agriculture in 2012 (the latest year for which complete data are available) totaled about NIS 16.4 billion, while total reported Israeli purchases from the PA during this period are estimated at about NIS 3.0 billion. The Israeli surplus was partially offset by the payment for labor of Palestinian workers in Israel (about NIS 4.3 billion), such that the total Israeli surplus from reported trade and employment links with the Palestinian Authority was about NIS 9.1 billion. The Israeli surplus in trade and employment ties with the Palestinian economy increased between 2009 and 2012 as a result of growth in Israeli sales to the Palestinian Authority beyond the marked growth in payment for labor with the expansion of Palestinian employment in Israel.[2]

The expansion of Palestinian employment in Israel strengthens the specialization of the Palestinian economy in the export of labor rather than the export of goods and services. This specialization may negatively impact the competitiveness of manufacturing in the Palestinian economy, thereby reducing Palestinian export potential to Israel and the rest of the world. In the long term, this specialization may negatively impact the growth of the Palestinian economy.[3]

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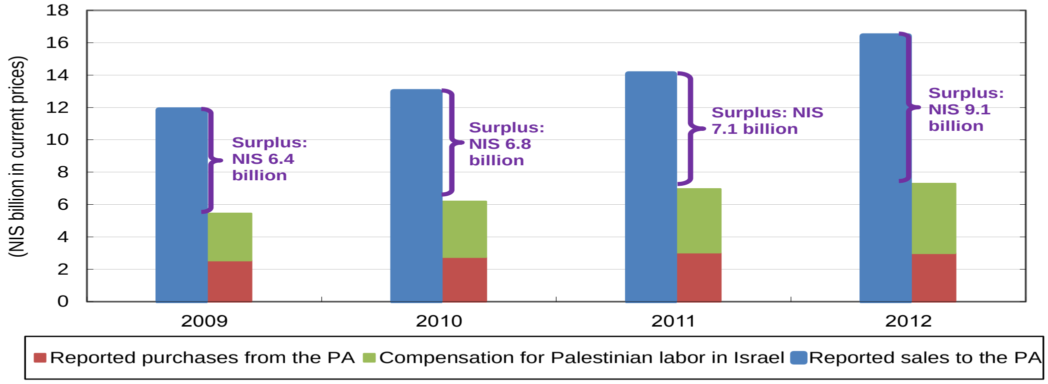
[2] According to data from the Palestinian Central Bureau of Statistics, Palestinian employment in Israel increased during these years to an average of about 83,000 Palestinian workers in 2011–12 (an average growth of about 10 percent compared to 2009–10). These estimates do not include residents of eastern Jerusalem who are included in Palestinian statistics.

[3] The impact of employment in Israel on Palestinian exports and growth is discussed in: Maurice Schiff, (2004). "Trade Policy and Labor Services: Final Status Options for the West Bank and Gaza", World Bank, IZA Discussion paper No. 1029, and World Bank Policy Research Working Paper No. 2824; Claus Astrup and Sebastien Dessus (2005),"Exporting Goods or Exporting Labor?: Long-term Implications for the Palestinian Economy," *Review of Middle East Economics and Finance*, 3, No. 1, 39-61.

Figure 1
Balance of Trade and Labor between Israel and the Palestinian Authority, 2009–12



Note: 2013 data are not included since they are not final.
SOURCE: Based on Central Bureau of Statistics.

Data on trade between Israel and the PA are mainly based on special VAT invoices[4] from the Israel Tax Authority, which are classified by the industry of the selling company.[5] The trade data also include agricultural products that are not reported to VAT but are supervised by the Ministry of Agriculture.[6] Trade data do not include wholesale trade that is not reported to the Tax Authority, or retail trade, which is exempt from reporting in VAT invoices designated to Israeli-Palestinian trade. Retail trade includes purchases by Israeli households in the Palestinian economy and by Palestinian households in the Israeli economy.[7]

[4] Israeli-Palestinian trade is reported to the Tax Authority by way of special VAT invoices (P or I invoices) as per the arrangement set out in the Paris Protocol.
[5] This is different than Israeli trade data with foreign countries, which are based on Customs reports and classified by the industry of the sold goods.
[6] The official transfer of agricultural produce that is not liable to VAT is documented by the Central Investigation and Enforcement Unit (formerly the Flora and Fauna Supervision Unit) of the Ministry of Agriculture.
[7] Purchases by Israeli Arabs in the West Bank in 2011 were estimated at about NIS 1.2 billion in a study commissioned by the Palestinian Monetary Authority. Purchases within the Palestinian Authority by residents of eastern Jerusalem and by Israelis who are not Arab can be added to this amount. In contrast, purchases by Palestinian households from Israeli companies, including those in Judea and Samaria, can be added to the reported Israeli sales to the Palestinian economy. According to reports in the Palestinian media, such purchases are widespread, but there is no credible estimate of them, not even an estimate of the order of size. We cannot estimate the net impact of trade that is not reported in the Israeli-Palestinian balance of trade.

Israeli sales to the Palestinian Authority

In 2012[8], reported Israeli sales to the Palestinian Authority totaled about NIS 16.4 billion, the equivalent of about 5 percent of total Israeli exports (excluding diamonds) to the world, and about 1.7 percent of GDP in that year. Sales of goods to the Palestinian economy, which constituted about 90 percent of total sales to that economy, were about NIS 14.8 billion, the equivalent of about 8 percent of total goods exports (excluding diamonds) to the world. The volume of goods sales to the Palestinian economy exceeds goods exports (excluding diamonds) from Israel to every other trading destination except the US (about NIS 41 billion).[9] At first glance, this figure may indicate the importance of the Palestinian economy as a trading destination for the Israeli economy, and all the more so considering that Palestinian GDP is only about 4 percent of Israeli GDP.[10] However, the uncertainty regarding the origin of some of the goods sold to the Palestinian economy, their industry distribution, and the value added derived from them indicate that their importance to the Israeli economy is limited.

About 27 percent of Israeli sales to the PA are from companies in the Trade industry (excluding trade in fuels). However, it is not possible to determine whether the goods sold by this industry were produced in Israel or imported, since VAT documents do not indicate the country of production.[11] Therefore, this analysis relies on two classifications of Israeli sales to Palestinian businesses: “sales classified by selling industry”, which are classified by the industry to which the selling company belongs, and “sales classified by production industry”, which essentially reclassifies sales recorded by the Trade industry among the production industries. Thus, it takes the sales of each production industry and *adds* the corresponding Trade industry sales of that industry’s products (on the assumption that all goods sold by the Trade industry are manufactured in Israel). For example, the Food Manufacturing industry’s “sales classified by production industry” include both the Food Manufacturing industry’s sales classified by selling industry, and

[8] The latest year for which there are full data.
[9] A comparison between sales to the Palestinian Authority, which are documented in VAT invoices, and exports to the rest of the world, which are documented in Customs documents, is structurally difficult.
[10] As of 2012.
[11] As opposed to import and export documents.

Trade industry sales of food products. “Sales classified by selling industry”—*excluding* the Trade industry—are therefore the lower bound of the sales estimate of Israeli products to the Palestinian Authority, and “sales classified by production industry” (based on the assumption that all Trade industry sales are Israeli-produced goods) are the upper bound of our estimate.

The Manufacturing industry’s “sales classified by selling industry” totaled about NIS 3.3 billion in 2012 (36 percent of total “sales classified by selling industry” [excluding sales by the Trade industry] to the PA), while the Manufacturing industry’s “sales classified by production industry”—including sales by commercial companies specializing in manufactured products—totaled about NIS 9.6 billion (58 percent of total sales to the PA). Most of the sales are from the Petroleum Products and Chemicals Manufacturing, Food Manufacturing, and Paper Manufacturing industries. But even to these industries, the importance of the Palestinian economy is limited: Only about 1–4 percent of their revenue comes from sales to the Palestinian economy. The importance of the Palestinian economy to the Wood Manufacturing industry is larger: About 6 percent of its total revenue comes from “sales classified by selling industry” to this economy.[12]

[12] It is likely that the share of sales of Israeli produced wood products to the Palestinian economy out of the industry’s sales is lower than 19 percent (the share according to sales by production classification), since a marked share of Trade industry sales of wood products is transit trade of wood imported from abroad.

Table 1
Israeli sales to the PA by industry and their share of total industry revenue in 2012

	Sales classified by selling industry[a]			Sales classified by production industry[a]		
	Sales (NIS million)	Share of total sales to the PA (percent)	Share of industry revenue[b] (percent)	Sales (NIS million)	Share of total sales to the PA (percent)	Share of industry revenue[b] (percent)
Total	16,467	100.0	1.0	16,467	100.0	1.0
Agriculture, forestry and fishing	885	5.4	2.3	1,638	9.9	4.3
Manufacturing, mining and quarrying	3,363	20.4	0.8	9,648	58.6	2.4
of which : Manufacture of food products	1,189	7.2	2.0	2,052	12.5	3.4
Manufacture of beverages and tobacco products	288	1.7	3.7	529	3.2	6.7
Manufacture of wood products	117	0.7	5.8	385	2.3	19.0
Manufacture of paper and paper products	266	1.6	3.5	309	1.9	4.1
Manufacture of petroleum products, chemicals and chemical products	675	4.1	0.8	3,651	22.2	4.1
Electricity, water and sewerage services supply	3,181	19.3	7.2	3,254	19.8	7.3
of which : Electricity supply	3,046	18.5		3,119	18.9	
Water and sewerage services supply	135	0.8		135	0.8	
Construction	142	0.9	0.1	253	1.5	0.2
Wholesale and retail trade and repair of motor vehicles[c]	7,272	44.2	1.5	8	0.0	0.0
of which : Wholesale and retail trade of motor vehicles and their repair	172	1.0	0.3	7	0.0	0.0
Wholesale and retail trade excluding motor vehicles	7,100	43.1	1.6	1	0.0	0.0
of which : Wholesale and retail trade of fuels	2,759	16.8				
Transportation and storage, postal and courier activities	520	3.2	0.7	520	3.2	0.7
Financial and insurance activities	752	4.6	3.1	752	4.6	3.1
Other	352	2.1	0.1	352	2.1	0.1

[a] Sales classified by selling industry are sales classified by the industry to which the selling company belongs, and constitute the lower bound of sales estimates of Israeli goods and services to the Palestinian Authority by these industries (excluding the Trade industry). Sales classified by production industry incorporate both sales by companies in the production industry and the corresponding Trade industry sales of that industry's products (for example, Food Manufacturing industry sales plus Trade industry sales of food products), and constitute the upper bound of sales estimates of Israeli goods and services to the Palestinian Authority from, these industries

[b] Central Bureau of Statistics data on industry revenue are based on VAT.

[c] Trade industry sales classified by production industry exclude general trade items, which are not identified.

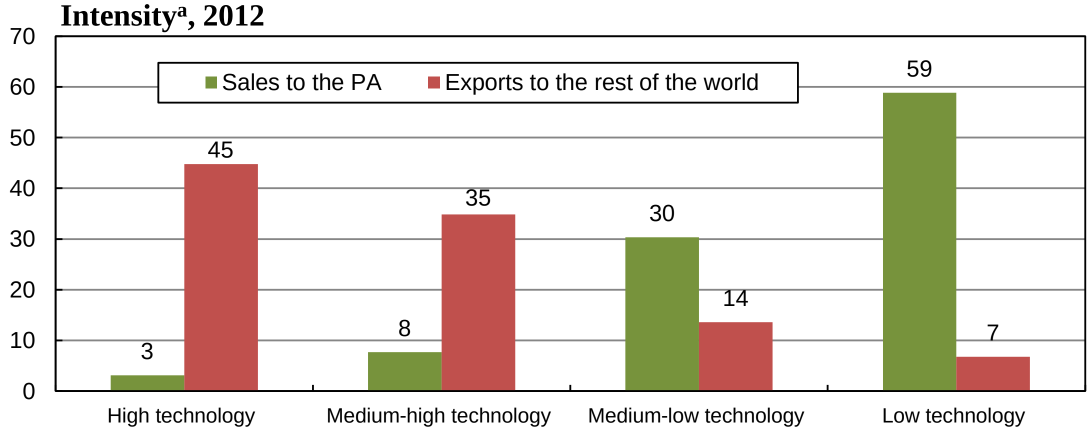
* "0.0" denotes a figure smaller than 0.05.

SOURCE: Based on Israel Tax Authority and Central Bureau of Statistics.

The goods sold to the Palestinian Authority are typically low technology and medium-low technology, in contrast to Israeli goods exports to the rest of the world, which mainly come from the high technology and medium-high technology industries. Sales of Israeli low technology manufacturing to the Palestinian Authority are the equivalent of about 17 percent of total Israeli low technology manufacturing exports to the world. More than half of the goods sold to the PA by the manufacturing industry in 2012 originated from low technology industries, about one-third from medium-low technology industries, and the remainder came from high technology and medium-high technology industries. In contrast, the high technology and medium-high technology industries manufacture about 80 percent of Israeli exports to the rest of the world, while the share of these industries in manufacturing sales to the Palestinian market is only about 11 percent.

There are a number of factors explaining the concentration of manufacturing sales to the PA in low technology industries: Imports to the Palestinian economy in general are mainly low technology and medium-low technology manufacturing products; the geographic proximity between Israel and the PA, in contrast to the large distance between Israel and its main export destinations, lowers the shipping costs for products from low technology industries; and the uniform Customs envelope and standards that ease the transfer of goods between Israel and the Palestinian Authority and hampers the import of low technology products from neighboring economies. The importance of the joint customs envelope is reflected in the development of the Gaza Strip's trade which, since 2007, has purchased a wide variety of products from Egypt, imported from Sinai through the tunnels.

Figure 2
Distribution of Manufacturing Exports (Excluding Diamonds) to the Palestinian Authority and the Rest of the World, by Technological Intensity[a], 2012



[a] Classified by selling industry.
SOURCE:Based on Israel Tax Authority and Central Bureau of Statistics.

Sales by the Electricity and Water industry to the Palestinian Authority totaled about NIS 3.2 billion in 2012—about 7.2 percent of the industry's revenue (Table 1). Most of the sales by this industry are of electricity—about 18 percent of total sales to the Palestinian Authority. Inflated Palestinian debts to the Israel Electric Corporation, and the prohibition imposed on the Israel Electric Corporation against halting the supply of electricity to the Palestinian economy hint that electricity sales to the Palestinian Authority are somewhat of a burden on the Israel Electric Company, rather than a source of profit.

The volume of agricultural sales to the Palestinian Authority is not inconsiderable, totaling about NIS 885 million to NIS 1,640 million—about 2.3 to 4.3 percent of the industry's revenue (derived from sales classified by selling industry and sales classified by production industry, accordingly).[13]

Sales to the Palestinian economy by the Transport and Storage industry (about NIS 520 million) and by the Financial Services industry (about NIS 750 million) are derived, among other things, from the Palestinian use of Israeli transportation infrastructure and currency. The dependency of these industries on the Palestinian market (0.7 percent to 3.1 percent of their revenue) is low, and Palestinian demand for these services has a limited impact on the Israeli economy. The importance of the Palestinian market to the other industries is very low.

In contrast to the low share of trade with the Palestinians in the Israeli economy, Israeli sales to the Palestinian Authority constitute about two-thirds of total Palestinian imports from the world (about 27 percent of total Palestinian GDP)[14] and represent the basket of Palestinian imports to a great extent. Nevertheless, a significant part of the goods imported by the PA from other countries are industrial goods with a technological intensity that is higher than that of Israeli sales to the PA, such as vehicles, mechanical instruments, electrical equipment, plastics and pharmaceutical products.[15] We can therefore characterize Palestinian imports from other countries to a great extent as complementary to the industrial goods imported from Israel, since it is comprised of goods that are not within Israel's manufacturing expertise and/or that are not reflected in Israel's comparative advantage as a source of imports to the PA.

[13] According to data from the Ministry of Agriculture, Israeli sales to the Palestinian Authority totaled about 540 million tons, about half of which were inputs for raising livestock (feed and field crops). Fruit, vegetables, dairy products and meat for human consumption were a small portion of agricultural sales (in terms of weight). This breakdown illustrates the importance of Israeli agricultural sales to the activity of the Palestinian agriculture industry, particularly to the raising of livestock (Raef Falach, Financial Accounting of Israeli Agriculture and Farming, 2012, Ministry of Agriculture and Rural Development, Research, Economy and Strategy Division, November 2013 – in Hebrew).

[14] The Palestinian Central Bureau of Statistics.

[15] According to Palestinian Central Bureau of Statistics trade data as reported to the United Nations (Comtrade) regarding 2012.

A simple gravitation model[16] can be used to estimate Israel's expected share of Palestinian imports. The expected share of Palestinian imports from Israel according to the model—about one third of total PA imports—is significantly lower than the actual share, which is about two-thirds. It is likely that factors that were not included in this model—including the uniform customs envelope and currency area and the fact that the transfer of goods from abroad to the PA is mainly via Israel's sea and air ports—may explain the difference between the results of the model and the actual figure, and this assessment is supported by the research literature.[17] In addition, a sample examination shows that small economies tend to trade extensively with their neighboring large economies[18], a finding that is in line with the large volume of Palestinian Authority imports from Israel.

The value added derived from Israeli sales to the Palestinian Authority

The Palestinian market's limited importance to the Israeli market is illustrated by the total value added[19] (company profits, wages, and taxes) to the economy derived from sales to the Palestinian Authority, which in 2012 totaled about NIS 6.1 billion to NIS 8.9 billion or about 0.8 percent to 1.2 percent of business sector product (derived from sales classified by selling industry and sales classified by production industry).[20] Total value added (as derived from sales classified by production industry) as a share of Israeli sales to the PA is estimated at about 54 percent. By way of comparison, the value added

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[16] Israel's exports as a share of the imports of country j is explained by the distance between Israel and that country, the distance squared, and the per capita GDP of the country compared to global per capita GDP. The sample includes 91 economies, and the data are for 2012.

[17] It was found that variables such as joint currency zones have a statistically significant positive effect on the flow of trade between countries (Elhanan Helpman, Marc Melitz and Yona Rubinstein (2008), "Estimating Trade Flows: Trading Partners and Trading Volumes", The Quarterly Journal of Economics *123 (2): 441-487*; Jeffrey Frankel and Andrew Rose (2002), "An Estimate of the Effect of Common Currencies on Trade and Income", *The Quarterly Journal of Economics* 117 (2): 437-466.

[18] For instance, in 2012, Germany and Belgium accounted for about one-half of Luxembourg's imports, and similarly, about one-half of Andorra's imports were from Spain. In Canada as well, despite it being a large economy, about half of imports in 2012 were from the US (Comtrade).

[19] The calculation of the value added (direct and total) is based on input-output tables from the Central Bureau of Statistics for 2006.

[20] The total value added to the economy includes both the direct value added generated by companies selling to the Palestinian Authority and the value added of Israeli companies providing inputs to the selling companies from domestic production.

derived from total Israeli exports to the rest of the world in 2012 (excluding diamonds) was estimated at about NIS 223 billion (about 30 percent of business product), and the estimate of value added as a share of exports during that year was about 68 percent.[21] Nevertheless, excluding the sale of fuels, total value added as a share of Israeli sales to the PA was estimated at about 69 percent, similar to that of Israeli exports to the rest of the world. The reason for this is the low share of total value added in fuel refining (about 11 percent). Therefore, the value added that Israel generates from the sale of fuels to the PA is very low (NIS 350 million), given the large volume of sales (about NIS 3.3 billion).

The direct value added of selling companies derived from sales to the Palestinian economy in 2012 was about NIS 4.0 billion to NIS 5.6 billion (about 0.5 percent to 0.8 percent of business product). The difference between the total value added and the direct value added, about NIS 2.1 billion to NIS 3.3 billion, reflects the value added of suppliers of production inputs to the companies selling to the Palestinian market. These effects of the industries selling to the Palestinian Authority on other industries are prominent in manufacturing, where the direct value added is about half of the total value added. In contrast, electricity industry sales to the Palestinian Authority generate almost no added value for other industries in the Israeli economy, but do generate about 13 percent of the output of the electricity and water industry.

[21] The value added of Israeli exports to the rest of the world is calculated according to OECD data on value added as a share of Israeli exports in 2009.

Table 2
The value added derived from sales to the Palestinian Authority, 2012
(NIS million, and percent of industry output)

	Sales classified by selling industry (lower bound)[b]		Sales classified by production industry (upper bound)[c]	
	Total value added[d]	Of which: Direct value added	Total value added[d]	Of which: Direct value added
Total	6,084 (0.8%)	3,960 (0.5%)	8,888 (1.2%)	5,569 (0.8%)
of which: Agriculture, forestry and fishing	716	423 (3.4%)	1,345	831 (6.7%)
Manufacturing, mining and quarrying	2,026	1,038 (0.8%)	4,038	2,138 (1.6%)
Electricity, water and sewerage services supply	1,883	1,448 (13.1%)	1,925	1,481 (13.4%)
Transportation and storage, postal and courier activities	414	280 (0.7%)	414	280 (0.7%)
Information and communications	137	87 (0.1%)	163	102 (0.1%)
Financial and insurance activities, real estate, management and support, and scientific and technological services	747	593 (0.3%)	747	593 (0.3%)

[a] The percentages in brackets relate to the **direct** value added out of the industry product. (Regarding the total, the figures denote the percentage of business sector product.) The information at hand does not enable a calculation of the **total** value added at the industry level.
[b] Excluding Trade industry sales, under the assumption that the goods sold by commercial companies **are not** manufactured in Israel.
[c] Including Trade industry sales, under the assumption that the goods sold by commercial companies **are** manufactured in Israel.
[d] The total value added to the economy includes both the direct value added generated by the companies selling to the Palestinian Authority and the value added of the Israeli companies that provided the selling companies with inputs from domestic manufacturing.
SOURCE: Based on Israel Tax Authority and Central Bureau of Statistics.

Israeli purchases from the Palestinian Authority

Israeli purchases from the Palestinian Authority (including the export of Palestinian products to the rest of the world via Israeli exporters) totaled about NIS 3.0 billion in 2013 (according to the Israeli Central Bureau of Statistics). According to estimates by the Palestinian Central Bureau of Statistics, the sales of *goods* (excluding services) to Israel and via Israel totaled about NIS 2.5 billion in 2012[22]—about 81 percent of total reported Palestinian *goods* exports and about 6 percent of Palestinian GDP. Israel's share of total Palestinian exports (reported and unreported) is apparently even higher due to purchases by Israeli citizens in the West Bank. The dominance of exports to Israel and via Israel to the world in total Palestinian exports—similar to Israel's share of total Palestinian imports—can be explained by the geographic proximity of the economies, the uniform Customs envelope and currency area that ease trade, and the availability of Israeli export infrastructure, which makes it easier to export via Israeli companies.

[22] The Palestinian estimate of sales to Israel is lower, apparently because it does not include services or agricultural trade.

The main fluctuations in Israeli purchases from the Palestinian Authority in recent years have derived from changes in the state of the Israeli economy, which are reflected in the import of inputs from abroad (excluding the Palestinian Authority): Purchases from the Palestinian Authority and imports of inputs increased rapidly in 2007 and 2008, declined sharply with the outbreak of the global crisis at the end of 2008 and the beginning of 2009, and recovered in parallel with the recovery of the Israeli economy between mid-2009 and mid-2011 (Figure 3). A major part of Israeli purchases from the PA are low technology manufacturing goods. Israel's main import goods from the PA are stone, concrete and similar products; plastic products; wood products; and metals.[23]

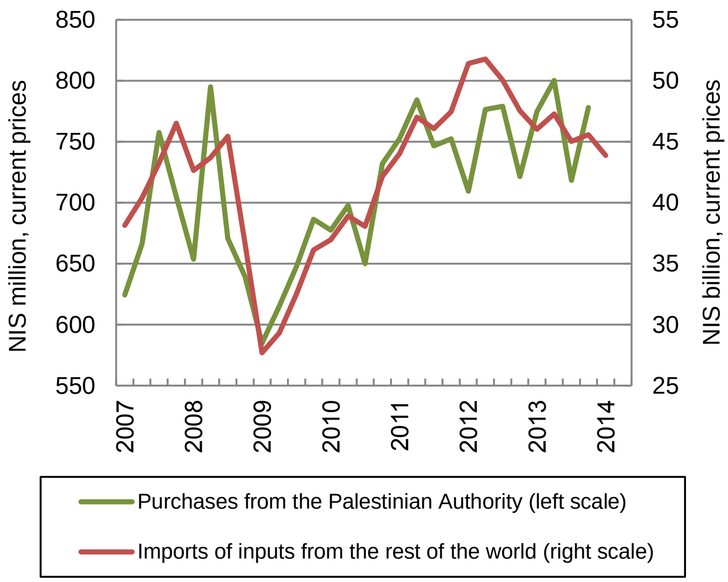
Israeli purchases from the Palestinian Authority are currently only from the West Bank, while purchases from the Gaza Strip have been prohibited since Hamas took power in June 2007. The cessation of purchases from the Gaza Strip in mid-2007 did not lead to a significant decline in the volume of purchases from the Palestinian Authority, due to the small volume of purchases from Gaza even before the cessation of purchases (less than NIS 150 million, which was less than 10 percent of total Palestinian sales to Israel in 2006, excluding agricultural produce[24]), and due to a presumed diversion of the source of purchases from the Gaza Strip to the West Bank.

It should be noted that the State of Israel does not generate separate data on the value of trade with the West Bank and with the Gaza Strip, even though the goods sold to Gaza are registered and inspected by Israel, and even though trade policy toward the Gaza Strip is entirely different than policy regarding the West Bank. The generation of separate data would make it possible to assess the economic implications of Israeli policy and to adjust trade policy to the findings.

[23] According to Palestinian Central Bureau of Statistics trade data as reported to the United Nations (Comtrade) in 2012.

[24] According to Palestinian Central Bureau of Statistics data, Palestinian exports from Gaza totaled about $34 million (about NIS 150 million) in 2006.

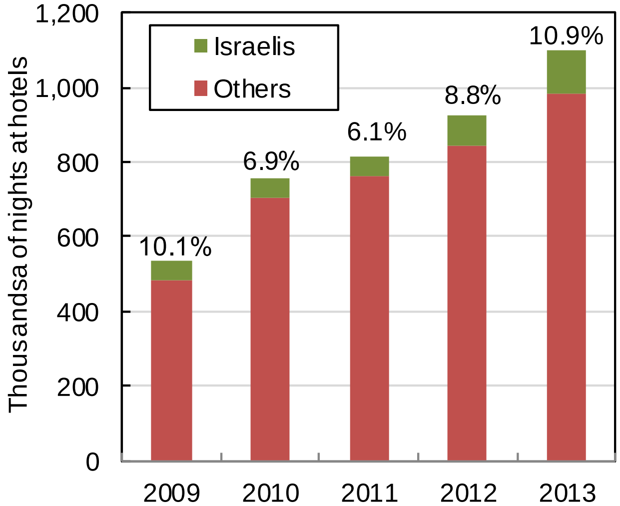
Figure 3
Purchases from the PA and Imports of Production Inputs from the Rest of the World
(Quarterly data, 2007–14)



SOURCE: Based on Central Bureau of Statistics.

In addition to the growth of Israeli purchases reported to VAT, Israeli tourism to the West Bank also increased. According to data from the Palestinian Central Bureau of Statistics, the number of guest nights by Israelis in the Palestinian Authority increased from about 50,000 in 2011 to about 120,000 in 2013. It is likely that the decisive majority of Israelis guest nights at hotels in the Palestinian Authority are Israeli Arabs. The number of Israeli guest nights increased at a more rapid rate than the rate of increase in guest nights by other tourists in the West Bank, and Israelis' share of total guest nights increased from 6 percent in 2011 to 11 percent in 2013.

Figure 4
Guest Nights by Israelis and Others at Hotels in the West Bank, 2009–13
(thousands; share of Israeli stays out of total guest nights)



Note: Israeli guest nights in the Palestinian Authority as reported here do not include stays by Israelis at hotels in eastern Jerusalem.
SOURCE: Palestinian Central Bureau of Statistics.