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Trapped Economy- Analysing the Structural Causes of Gaza's Liquidity Crisis

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ABSTRACT

This research aims to analyse the impact of Israeli policies and the roles of neighbouring countries in deepening the economic liquidity crisis in the Gaza Strip through a strategic study of contributing factors. The study adopts a qualitative methodology, using semi-structured interviews with economic experts, academics, and government officials from Gaza and neighbouring countries, to explore the depth of the crisis from multiple perspectives.

The results of the thematic analysis of the interviews reveal that the Israeli blockade is the root cause of the economic crisis, encompassing restrictions on movement, trade, and investment. Disparities in participants' perspectives reflect varying levels of understanding and suffering. The study also highlights the ineffectiveness of international aid, the absence of sustainable solutions, and the critical role of Egypt and the Rafah crossing as an economic lifeline, albeit influenced by political considerations. Migdad and Buheji (2025)

The study concludes that addressing Gaza's liquidity crisis requires comprehensive solutions, including lifting the blockade, improving internal economic policies, restoring public trust in financial institutions, and fostering strategic regional and international partnerships. The researchers recommend internationalising the blockade issue, focusing on productive sectors, and shifting from relief aid to sustainable economic development.

Keywords: War on Gaza, Economic Blockade, Liquidity Crisis, Israeli Occupation, Humanitarian Crisis, Rafah Crossing

1.0 Introduction

For twenty years, the Gaza Strip has endured a stringent blockade imposed by Israel following Hamas's takeover in 2007. This blockade, far from being a mere security measure as described by Israeli authorities, has had catastrophic economic and social consequences, including the deterioration of productive infrastructure, declining living standards, and unprecedented levels of poverty and unemployment (UNCTAD, 2023). Additionally, rising production costs and the closure of industries due to shortages of imported raw materials—particularly those classified by Israel as "dual-use"—have exacerbated the crisis. The situation has worsened due to repeated Israeli military operations targeting economic facilities and income sources, eroding the local economic base and sharply reducing per capita GDP (UNCTAD, 2024).

Amid these dire conditions, Israeli policies are not the only factor complicating the economic landscape. Neighbouring countries, especially Egypt, have played an indirect but highly impactful role. Egypt controls the Rafah crossing, Gaza's sole outlet to the outside world beyond Israeli control. However, the crossing's sporadic opening, dictated by political and security considerations, has aggravated the crisis. The monopoly of the Egyptian company "Sons of Sinai" over imports through Rafah and the imposition of exorbitant fees on goods have led to skyrocketing prices, further straining Gaza's already limited liquidity (Le Monde, 2024). Additionally, high fees imposed on travellers—up to \$10,000 per person—have drained liquidity from Gaza.

Meanwhile, economic institutions and citizens face a suffocating liquidity crisis due to restrictions on movement and trade, irregular cash flows, and weak financial transfers. This has rendered Gaza's economy fragile and heavily reliant on international aid, which falls short of meeting basic needs (UNCTAD, 2023; The Guardian, 2024).

International initiatives, such as the UNDP's "Gaza Economic Resilience Programme", supported by Norway and Switzerland, aim to alleviate the crisis by supporting small businesses and creating jobs (UNDP, 2023). However, these efforts remain limited in impact due to the blockade and the absence of sustainable strategic solutions.

The researchers emphasise the importance of this study in understanding the interconnected factors driving Gaza's liquidity crisis, analysing the overlapping impacts of Israeli policies and the roles of neighbouring countries, particularly Egypt. Since 2007, Israeli policies—including the blockade, trade restrictions, financial flow controls, and infrastructure destruction through military operations—have been fundamental causes of the crisis. Weak support from neighbouring countries and additional fees or restrictions at crossings have intensified economic pressures on Gaza's population. The gravity of this situation lies not in a temporary crisis but in a chronic liquidity crisis that stifles recovery and economic growth, necessitating long-term strategic solutions. Additionally, the Paris Economic Agreement prevents the Palestinian Authority from issuing its own currency, mandating the use of foreign currencies, primarily the Israeli shekel. Therefore, the study's central question is: "To what extent do Israeli policies and the roles of neighbouring countries contribute to deepening and sustaining the economic liquidity crisis in the Gaza Strip?"

2.0 Literature Review

2.1 *The Impact of Israeli Policies on Gaza's Economy*

Since 2007, Israel has imposed a land, sea, and air blockade on Gaza, leading to severe economic decline. According to a 2024 UNCTAD report, the blockade has destroyed economic infrastructure, reducing Gaza's share of Palestinian GDP from 31% in 2006 to 17.4% in 2022, with 80% of the population dependent on international aid. Repeated military operations have caused widespread destruction, exacerbating the economic and humanitarian crisis. Estimates indicate that the economic damage from the October 2023 Israeli offensive was four times that of the 2014 war, with direct losses exceeding \$20 billion (Institute for Palestine Studies, 2024). Total direct and indirect losses surpassed \$80 billion by 2025. Buheji and Hasan (2024)

Israeli restrictions on the movement of goods and people have undermined productive sectors, driving unemployment and poverty rates to over 80% (Reuters, 2024). The researchers argue that these policies create a vicious cycle of economic decline.

Israeli restrictions on the movement of goods and people have also undermined productive sectors, contributing to high unemployment and poverty rates, thus reducing financial flows within the local economy. According to a Reuters report in October 2024, unemployment rates in Gaza have exceeded 80% due to the collapse of the local economy as a result of the ongoing conflict (Reuters, 2024). Moreover, researchers believe that repeated military operations, including the Israeli aggression in October 2023, have exacerbated this economic crisis to an unprecedented degree. Estimates indicate that the economic damage resulting from the recent aggression was four times that of 2014. Thus, the researchers argue that the economic impact of these military operations extends beyond the infrastructure to society at large, further complicating the economic and social crisis in the Strip. Buheji and Mushimiyimana (2023a)

In addition to the impact of the blockade and military operations, researchers believe that Israeli restrictions on the movement of goods and people in the Gaza Strip have significantly contributed to the disruption of productive sectors, leading to high unemployment and poverty rates. At a time when the local economy is experiencing a sharp decline, residents find themselves trapped between limited economic opportunities and scarce financial resources. From this perspective, researchers believe that these policies contribute to a vicious cycle of ongoing economic decline.

2.2 *Egypt and Gaza's Economic Crisis*

Egypt controls the Rafah crossing, the Gaza Strip's only outlet to the outside world, apart from Israel. However, the opening of the crossing has been limited and subject to political and security considerations. According to a report published by Le Monde in March 2024, the Egyptian company "Sons of Sinai," which monopolises the entry of goods through the Rafah crossing, has imposed high fees, leading to a sharp increase in the prices of basic goods inside Gaza (Le Monde, 2024). Moreover, a report by The Guardian in September 2024 indicated that humanitarian aid faces significant obstacles at the crossings, resulting in severe shortages of food and medicine. These shortages exacerbate the suffering of the population and further complicate the humanitarian situation in the Strip (The Guardian, 2024).

Egypt faces increasing economic challenges as a result of the crisis in Gaza. According to a report issued by the Washington Institute in November 2024, Egypt, which shares a border with the Gaza Strip and serves as a regional mediator, is facing increasing pressure from security expenditures and humanitarian costs associated with the conflict, impacting its economic stability (Al-Bazzar, 2024).

Researchers believe that Egypt's role in the Gaza Strip's economic crisis is complex. The Rafah crossing represents the Strip's only outlet to the outside world, apart from Israel, making it a pivotal player in determining Gaza's ability to obtain basic goods and humanitarian aid. However, the crossing suffers from significant restrictions, as its opening is subject to political and security considerations, complicating the movement of essential goods and materials.

The high fees imposed by the Sons of Sinai Company on goods entering through the crossing also increase the prices of basic goods inside Gaza, deepening the economic crisis and increasing the suffering of the population. The fees imposed by the company can exceed the normal price of goods and transportation costs, according to interviews with several neighbors in the Gaza Strip. In addition, humanitarian aid faces significant obstacles at

the crossings, leading to severe shortages of food and medicine, further complicating the humanitarian situation. Meanwhile, Egypt faces increasing economic pressures as a result of the effects of the crisis in Gaza, bearing significant security and humanitarian costs that impact its economic stability. Therefore, researchers believe it is imperative to enhance coordination between Egypt and the international community to find comprehensive and sustainable solutions to the economic crisis in Gaza, free from Israeli control and continued interference. Migdad et al. (2025a)

2.3 The Impact of the Blockade and Restrictions on Financial Liquidity

The blockade and restrictions have reduced economic activity in Gaza, negatively impacting capital flows and financial liquidity. According to a 2024 UNCTAD report, Gaza's real per capita GDP declined by 37% between 2006 and 2022, reflecting a severe economic decline (UNCTAD, 2024). This decline in per capita GDP continues as the war, the killings, and displacement continue that lead to increasing unemployment, poverty, and the lack of real job opportunities in the Gaza Strip. Migdad and Buheji (2024a).

In addition, restrictions on the movement of goods and people have undermined productive sectors, leading to high unemployment and poverty rates, thus reducing financial flows within the local economy. According to a Reuters report in October 2024, unemployment rates in Gaza have exceeded 80% due to the collapse of the local economy as a result of the ongoing conflict (Reuters, 2024). Following the outbreak of the October 2023 war, the Gaza Strip experienced a severe cash liquidity crisis due to the ongoing bombing, which destroyed numerous bank branches and ATMs. Migdad et al. (2025b)

The Israeli occupation also prevented the entry of cash into the Strip despite international pressure, causing the banking system to shut down and power outages. Cash shipments from the West Bank were halted, UNRWA salaries were cut off, and the flow of funds from workers inside Israel also stopped. The population experienced a severe cash shortage, and the phenomenon of "cash brokers" emerged, exploiting the crisis by imposing high commissions. This exacerbated the suffering of citizens and weakened their purchasing power, leading to a near-total economic paralysis and an increasing dependence on humanitarian aid. Approximately \$700 million in cash was withdrawn through informal channels and increased demand for foreign currencies such as the dollar and shekel (Odeh, 2024).

Over time, the crisis continued to worsen as Israel obstructed the entry of cash to banks operating in Gaza, despite weeks of a ceasefire. This led to the suspension of most banking services and the withdrawal of no more than 20-25% of cash. As a result, residents have witnessed significant increases in commodity prices, a monopoly on liquidity by certain groups, and high discounts on financial aid. Under these circumstances, the use of electronic payment applications has increased as an alternative option, despite its challenges. This has been considered a positive development amid the ongoing blockade and the deterioration of the local currency's value (Abu Watfa, 2025). Amid this crisis, the banking system remains almost completely paralysed due to the closure of banks and the destruction of their branches and ATMs. Furthermore, the occupation prevents the exchange of damaged currency, prompting major merchants to monopolise liquidity and trade currency illegally, imposing high commissions. This has further weakened the population's purchasing power, increased inflation, and led to the collapse of the local economy. Residents suffer from a lack of oversight and the inability of competent authorities to transfer funds, complicating the sector's recovery and increasing the need for urgent interventions to support the banking system and legally prosecute manipulators, Al-Helou (2024). Migdad and Buheji (2024c)

Gazans also suffered from a severe cash crisis after the October 2013 war. Many merchants refused to accept worn or old banknotes, such as the brown 100-shekel note and small coins, exacerbating the suffering of citizens who lacked the cash needed to purchase essential goods. Despite the existence of electronic payment applications, their use was limited and subject to conditions that often raised prices or required a portion in cash. Government and private sector employees faced difficulty receiving their salaries due to bank closures and high withdrawal fees, which reached 30%, significantly reducing their actual income. Migdad et al. (2025a)

Major merchants and money exchange owners, who control the cash flow in the Strip, exploited the crisis by imposing high commissions. This was in the absence of effective government oversight and amid ongoing Israeli threats, including a study into abolishing the 200-shekel note to undermine Hamas's economic standing. Estimates indicate that Hamas possesses significant liquidity, exploiting the war to amass wealth by selling aid and fuel at high prices, while ordinary residents remain vulnerable to exploitation amid worsening economic and social conditions (Asharq Al-Awsat, 2025).

Based on the above, researchers assert that the ongoing blockade and severe restrictions imposed on the Gaza Strip for years have had a profound negative impact on economic activity within the Strip. These measures have led to a significant contraction in the flow of financial liquidity, a vital factor supporting any local economy. This has directly impacted a sharp decline in real per capita GDP of 37% between 2006 and 2022, reflecting a deepening economic crisis unprecedented in the Strip's history. The severe restrictions on the movement of goods and people have not only disrupted internal and external trade but have also paralysed productive sectors, dramatically worsening unemployment and poverty rates. Recent reports indicate that the unemployment rate has reached over 80%, making the Gaza Strip one of the highest unemployment and poverty rates in the world. The local economy is in near-total collapse due to the ongoing armed conflict and the blockade, which is hampering all attempts at recovery and development.

At the outbreak of the October 2023 war, the economic crisis worsened further with the exodus of a large number of merchants from the Gaza Strip, both for security reasons and due to the lack of liquidity and difficulty conducting business. This led to a severe shortage in the supply of essential goods and materials, and increased monopoly by a small number of economic actors who exploited the crisis to impose high prices and high commissions on money transfers. It was also noted that residents and merchants were reluctant to use the ten-shekel note, due to its low purchasing power and the difficulty of using it in daily transactions. This further complicated market activity, especially in the absence of easily tradable alternative currencies. All of these factors combined led to a worsening of the living conditions of the population, who found themselves facing

enormous challenges in securing basic needs amid the declining value of the local currency and rising inflation rates. Under these circumstances, researchers see the need for urgent intervention at the regional and international levels to provide the necessary financial and economic support, lift restrictions on the movement of funds and goods, and support the reactivation of the banking system and promote the use of electronic payment methods as partial alternatives. This is aimed at stimulating economic activity, enhancing the purchasing power of the population, and enabling them to cope with the repercussions of the severe economic crisis plaguing the Gaza Strip.

2.4 International Efforts to Enhance Gaza's Economic Resilience

In an effort to mitigate the economic crisis, the United Nations Development Programme (UNDP) launched a \$14.5 million program in July 2023, funded by the governments of Norway and Switzerland, to support employment opportunities and strengthen economic resilience in Gaza. This program aims to create jobs, support small and medium-sized enterprises, and improve the enabling environment for economic development in the Strip (UNDP, 2023). However, reconstruction efforts are estimated to take decades to recover from the devastation wrought by the conflict. According to a report published by The Guardian in October 2024, the Gaza economy, devastated by a year-long war between Israel and Hamas, will need 350 years to return to its pre-conflict levels. The Guardian (2024), Buheji and Mushimiyimana (2023b).

The economic crisis in the Gaza Strip continues to impact the lives of residents and challenge sustainable development in the region. Researchers believe that international efforts to strengthen economic resilience in Gaza, such as the program launched by the UNDP to support employment opportunities and stimulate small and medium-sized enterprises, constitute an important step toward addressing the economic crisis, Buheji (2025). However, the researchers point out that these initiatives, while important, may not be sufficient given the massive economic devastation caused by the ongoing conflict. According to estimates, Gaza will require decades to recover, reflecting the significant challenges facing reconstruction and sustainable development efforts in the region. Therefore, the researchers emphasise the need to develop comprehensive and sustainable international strategies to support the sector in the long term, enhancing its resilience in the face of recurring crises. Buheji (2025)

3.0 Methodology

This study focuses on analysing the impact of Israeli policies and the roles of neighbouring countries in deepening the economic liquidity crisis in the Gaza Strip. It relied primarily on a qualitative approach, focusing on collecting data through direct interviews with experts and specialists. The methodology and tools used are detailed below:

3.1 Qualitative Approach

The qualitative approach was chosen for this study due to its suitability for understanding complex social and economic phenomena, including the impact of Israeli policies and the role of neighbouring countries in the economic crisis in the Gaza Strip.

Semi-structured interviews were conducted with a group of economic experts, academics, and decision-makers in Gaza and neighbouring countries, such as Egypt, to gain in-depth insights into the causes and factors that contributed to the deepening economic crisis. The interviews focused on analysing the impact of the Israeli blockade on the local economy, as well as the role played by neighbouring countries in influencing financial liquidity within the Strip.

3.2 Tools Used

Semi-structured interviews were used as the primary tool for collecting qualitative data. Questions will focus on the impact of Israeli policies on the economy in Gaza, the role of border crossings such as the Rafah crossing, the impact of the blockade on trade and people's movement, and the impact of regional political decisions.

Participants will be selected based on their in-depth experience in economic and political affairs in the Gaza Strip and the Middle East region. Academics, economic experts, and decision-makers in government and regional fields will be selected.

3.3 Data Analysis

The collected qualitative data will be analyzed using thematic content analysis, extracting key patterns and influencing factors from the interview responses. The analysis will include an in-depth review of prevailing trends in Israeli policies and the regional roles affecting the local economy in the Gaza Strip. Participants' opinions will also be compared to gain a comprehensive picture of the topic.

3.4 Target Population and Sample

The target population is the citizens and the government sector in the Gaza Strip. The target sample includes government officials, economic experts, and traders affected by the liquidity crisis.

4.0 Results of the Interviews

4.1 Interview with a Government Official in the Gaza Strip

M.S., a government official in the Gaza Strip, explained that the Israeli blockade has had a significant impact on financial liquidity in the Strip, reducing trade and making it difficult to transport essential goods. This has led to a decline in revenues and increased unemployment and poverty rates. He added that the government is adopting policies to improve the economic situation, including improving the management of financial resources, stimulating local sectors such as agriculture and industry, and enhancing cooperation with neighbouring countries. He also noted that the Rafah Crossing is the only outlet for Palestinians in Gaza and contributes to alleviating economic burdens, but it faces regulatory challenges and restrictions from the Egyptian authorities. He emphasised that the government is focusing on developing the private sector by supporting small and medium-sized enterprises and value-added sectors, and organising cooperation with neighbouring countries to improve trade flow.

Regarding cooperation with Egypt, the official emphasised its importance in expanding trade through the Rafah Crossing and strengthening cooperation in the fields of energy and reconstruction. He added that the government is working to attract foreign investment by improving the business environment, providing incentives for investors, and supporting the local private sector. As for the obstacles to attracting international support, he explained that they relate to the political and logistical restrictions imposed by the Israeli occupation. He noted that Israeli policies limit the government's ability to use financial resources effectively, as these restrictions reduce government revenues and hinder the implementation of development projects.

4.2 Interview with Economic Experts

G. B., an economist, explained that the Israeli blockade has had a significant impact on the flow of financial liquidity into the Gaza Strip, making it difficult to obtain raw materials and goods, directly impacting the commercial and financial sectors. Restrictions on trade and the movement of individuals have reduced overall economic activity, particularly in sectors dependent on imports and exports. The limited movement of individuals has also negatively impacted the local market and services. He believes that Israeli economic policies play a significant role in shrinking the size of the local economy by imposing restrictions on trade, which hinders economic growth and creates an unstable environment. He also indicated that neighbouring countries, especially Egypt, can effectively contribute to improving the economic situation by opening the Rafah crossing further and facilitating the passage of goods, in addition to providing financial and technical support to small and medium-sized enterprises in Gaza. Furthermore, the international community can play an important role in addressing the crisis by providing financial support and humanitarian aid, and encouraging long-term political solutions. In the same context, the expert recommended adopting short-term solutions such as facilitating trade and opening border crossings, with a focus on long-term investment in infrastructure and local sectors. Recurring military crises further complicate the economic situation by destroying infrastructure and development projects, deepening the crisis. He emphasised that the most significant factors limiting the ability of local financial institutions to provide liquidity are restrictions on the movement of funds, limited opportunities for local investment, and declining confidence in the local financial system, which increases the difficulty of attracting savings or loans.

4.3 Interview with a Local Trader

M. S., a construction materials and general contracting trader in the Gaza Strip, explained that Israeli restrictions on the movement of goods significantly impact his business, reducing the ability to obtain goods at reasonable prices, increasing costs and affecting market competitiveness. Fluctuating financial liquidity and the difficulty of collecting payments from customers are also among the most significant challenges in managing working capital. He noted that the economic situation is constantly becoming more difficult, despite some initiatives that may provide temporary improvement. He also added that the increased fees at the Rafah crossing lead to increased transportation costs and higher commodity prices, placing an additional burden on customers and limiting their purchasing power.

The irregularity of the entry of goods into Gaza also reduces the availability of products in the market, making it difficult to meet customer needs and affecting customer satisfaction. He stated that Egyptian policies regarding the Rafah crossing significantly impact the flow of goods, as increased restrictions delay shipments and increase economic burdens. Despite some support from international institutions, it is not sufficient to overcome the ongoing difficulties, calling for more sustainable solutions. The liquidity crisis also affects customers' ability to pay, increasing commercial risks and complicating future planning. He recommended improving coordination between relevant authorities to facilitate the movement of goods through the crossings, investing in infrastructure to reduce time and fees, and strengthening the role of the international community in supporting reconstruction projects and facilitating trade through cooperation between donor and neighbouring countries.

5.0 Discussion

Several key points can be drawn that form the core of a comprehensive analysis supported by the insights of researchers and scholars in this context.

5.1 Consensus that the blockade is the root cause of the crisis

All interviewees agreed that the Israeli blockade is the primary factor leading to the deterioration of the economic situation, whether in terms of liquidity, trade, services, or even investments. This consensus confirms what has been stated in the economic and political literature, which views the blockade not only as a security measure, but as a systematic pressure tool affecting the economic, social, and political aspects of life in Gaza.

5.2 The level of presentation varied between official, technical, and field-based perspectives.

- The government official presented a strategic perspective, discussing plans and policies despite acknowledging the existence of significant constraints.
- The economic expert was analytical and focused on systemic causes and structural obstacles.
- The merchant presented the daily reality in detail and its practical difficulties.

5.3 The Weak Effectiveness of International Support and the Lack of Sustainable Solutions

Both the economic expert and the trader pointed out that international support is often temporary relief, falling short of developmental or investment support capable of creating a sustainable economy. The government official, however, pointed to the political obstacles that hinder the transformation of this support into a reality.

5.4 The Importance of Egypt's Role and the Rafah Crossing

Everyone agreed on the importance of Egypt's role, whether in trade exchange or facilitating the passage of individuals and goods. However, there are clear indications that Egyptian policies are also subject to political and security considerations that affect the continuity of this role.

5.5 The Liquidity Problem and Limited Domestic Capital

The three interviews pointed to the liquidity crisis, but from different perspectives: the government sees it as a result of reduced revenues, the expert points to declining confidence and the weakness of the financial system, and the trader links it to the difficulty of collecting payments and market volatility. The researchers believe that the results of the interviews reflect a comprehensive picture of Gaza's economic crisis. Participants unanimously agreed that the Israeli blockade is the root cause of the economic deterioration, consistent with the literature that describes the blockade as a tool of collective punishment with dimensions that extend beyond security to include the dismantling of the economic and social structure. The disparity in the levels of discourse between official, technical, and field-based approaches also illustrates the complexity of the crisis and the need for solutions to be formulated according to a multi-level vision, starting with high-level policies and ending with daily market needs. In this context, the shortcomings of international support are highlighted, as it often takes on a relief nature that fails to fundamentally address the economic structure and increases dependency rather than empowering the local economy. Discussions of the Rafah crossing and the Egyptian role reflect the importance of the regional dimension in addressing the crisis.

6.0 Conclusions

The three interviews indicate that the economic situation in Gaza requires a comprehensive approach, beginning with political solutions to stop the war and lift the blockade, moving on to improving the investment environment and strategically activating regional and international cooperation, and ending with the development of a real infrastructure that contributes to the sustainability of the local market and enhancing individuals' ability to produce and purchase.

The conclusions can be summarised in the following points:

- Political and economic restrictions (especially the Israeli blockade) represent the primary factor causing the liquidity crisis, as they hinder trade, reduce revenues, and increase unemployment and poverty rates.
- Government efforts are being made within the limits of their capabilities, but their effectiveness is limited due to restrictions on freedom of movement and financing, in addition to security and military restrictions on any movement by any government agency, whether civilian or security.
- The weak role of local financial institutions, including the Monetary Authority and banks, is no longer fulfilling their financial and economic role in Gaza. This is due to a loss of confidence, a decline in savings, a contraction in investment activity, and the severe risks surrounding banking operations and transfers from abroad.
- The private sector is suffering severely from liquidity fluctuations, currency deterioration, and merchants' reluctance to deal with worn-out currency or the 10-shekel note, which has clearly negatively impacted the availability of liquidity for local commercial transactions. This is in addition to the difficulty of importing and high fees, which leads to a weakened ability to compete, a decline in local consumption, and the draining of liquidity outside the Gaza Strip, particularly to Egypt.

- The importance of the Rafah Crossing and Egypt as a neighbouring country is evident in their vital role as an alternative corridor and economic outlet. However, this relationship remains vulnerable to political and regulatory fluctuations.
- The need for sustainable international solutions includes opening crossings, investing in infrastructure, promoting small businesses, and providing a secure and stimulating financial environment.
- Military crises continue to exacerbate the situation, undermining development efforts and exacerbating economic decline. The war has also led to the flight of Gazan capital, with Gazans opening dozens of projects in Egypt, Turkey, and elsewhere.

7.0 Researchers' Recommendations

Based on these findings, the researchers recommend the following:

1. Immediate action to end the war and internationalise the blockade issue economically, linking it to development and international accountability.
2. Restructuring domestic economic policies to reflect current capabilities and realities, focusing on productive sectors such as agriculture and industry.
3. Enhancing transparency and confidence in the local financial system to encourage domestic savings and investment.
4. Calling on the international community to move beyond relief aid and provide development programs focused on sustainable economic empowerment.
5. Establishing smart partnerships with neighbouring countries, especially Egypt, to ensure the opening of border crossings and create a political and economic balance that serves the common interest.

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