

**OPENING THE JALAMEH CROSSING POINT TO PASSAGE
OF CONTAINERS
AN ECONOMIC EVALUATION
Facts and Potentials**

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TABLE OF CONTENT

CHAPTER	PAGE
1. Introduction	2
1.1 Background	2
1.2 Aim of the Study	2
1.3 Significance of the Study	3
1.4 Methodology	4
1.5 Report Structure	4
2. Control of Trade to & from the West Bank	6
2.1 Restrictions on Trade and Transport	6
2.2 Internal Movement and Access to Raw Materials	7
2.3 Movement of Goods and Access to Markets	7
3. Commercial Crossing Points	9
3.1 Tarqumiya	9
3.2 Sha'ar Ephraim	11
3.3 Jalameh	11
3.4 Beitunya	12
4. The Process and Problems at Jalameh Crossing Point- the Cost of Doing Business	13
4.1 The problem with the Jalameh Crossing	13
4.2 The Effect of the Problems with the Jalameh Crossing on Imports to the West Bank	13
4.3 The Effect of the Problems with the Jalameh Crossing on Exports from the West Bank	13
5. New Jalameh – Haifa Arrangements	14
5.1 Israeli Ports	14
5.2 Why Chose Israeli Ports?	14
5.3 The new Haifa Facility	14
5.4 The Advantage of the Facility	15
5.5 The Role of the United States of America	15
5.6 The Significance of the Facility to the Jalameh crossing	15
5.7 The Consequence of the Jalameh-Haifa Arrangement	16
6. Conclusion and Recommendations	17
6.1 Conclusion	17
6.2 Recommendations	18
Annex A. Process Map (Flow Chart) of Crossing Points	20
Annex B. Transport Routes and Crossings	21
Annex C. Interview Question	22
Annex D. Survey Question	23

CHAPTER 1 - INTRODUCTION

1.1 BACKGROUND

Within the activities of “Private Sector Partnership – Promoting Palestinian – Israeli Economic Cooperation” project funded by the Royal Norwegian Embassy in Tel Aviv and The Royal Norwegian Representative office in the Palestinian Authority and implemented by Palestine Trade Center – PalTrade and The Peres Center for Peace, the following study was awarded to two economic consultants; Dr. Suhail Tamimi as a Palestinian consultant and Dr. Meir Amir as an Israeli Consultant.

1.2 AIM OF THE STUDY

The main objective of the study is to facilitate and enhance the competitiveness of the Palestinian trade through facilitating the usage of Jalameh crossing pass for the Palestinian exports and imports with Israel and Jalameh– Haifa route with the rest of the world, The subject of the study concerned the passage of containers to and from the Jalameh crossing pass, which together with Sha'ar Ephraim and Tarqumiya crossings, constitute the three major commercial passes from Israel to the West Bank. The operations of those three commercial passes, through which almost all of the imports and exports to and from the West Bank will eventually pass through these three crossings, therefore their efficient operation is critical to the economic and social welfare of the West Bank.

The focus of this study is to investigate the aspect of the containers commerce; the opening of the Jalameh passes for passage of containers from both sides of the border. Those containers presumably will arrive at and be destined for the port of Haifa, sum 40 minutes drive from the Jalameh crossing. The Haifa port is fully equipped and ready to provide this service which will not only enhance the commercial competitiveness of the of the port itself, but also all those who provide logistic and agency services to freight in Haifa. In addition it will increase the efficiency and effectiveness of freight services offered to importers and exporters in the Jenin area and Northern West Bank. If this action plan is implemented and the Jalameh crossing opened to

containers, it is estimated that more than half of the containers that pass now through Sha'ar Ephraim will be diverted to Jalameh.

1.3 SIGNIFICANCE OF THE STUDY

It was estimated that in 2010 the total import volume to the West Bank would be US\$ 3600 million, 80% of the estimated Palestinian GDP for this year. Of this US\$ 3600 million, 98% would originate from Israel or have to be transported through it. It has also been estimated that for 2010 the West Bank would export a total volume of US\$ 660 Million, 15% of the expected GDP, 88% of the West Bank's exports would be directed to Israel or sent overseas through Israel. Both exports & imports are projected to increase substantially in the near future according to the last three years trend.

Volume of trucks' freight in those three passes in 2009 is depicted below:

Average No of Loaded Trucks Daily in the 3 main Crossing Passes in the West Bank. 2009							
	Wood	Textile	Construction Materials	Agriculture products	Other	Total	%
IMPORT							
JALAMEH	1	5	49	48	5	108	24%
SHA'AR EPHRAIM	14	17	56	64	35	186	41%
TARQUMIYA	14	18	48	63	21	164	36%
TOTAL	29	40	153	175	61	458	100%
EXPORT							
JALAMEH		5	13	39	1	58	21%
SHA'AR EPHRAIM	15	12	68	24	11	130	47%
TARQUMIYA	13	16	27	16	16	88	32%
TOTAL	28	33	108	79	28	276	100%
TOTAL EXPORT & IMPORT							
JALAMEH	1	10	62	87	6	166	23%
SHA'AR EPHRAIM	29	29	124	88	46	316	43%
TARQUMIYA	27	34	75	79	37	252	34%
TOTAL	57	73	261	254	89	734	100%

Source: CPA 2010

Based on reports from officials in the Israeli Crossing Points Authority (CPA) only 37% of exports and 22% of imports are measured by number of loaded trucks which pass through the three major commercial crossings. The rest of the imports and exports which pass from the West Bank to Israel and vice versa, do so through other crossings such as: Meitar, Reihan, Baqaa, "Jerusalem wrap"(Tunnel), Beitunya and via unofficial Israeli passes which are unrecorded. It is

the declared policy of the CPA to channel all freight trucks to the three main commercial crossings, based on security, control & efficiency of service. Due to the substantial burden that these crossings are forced carry, considerable investments are currently taking place in enlarging and modernizing the facilities. In the near future those passes will serve as the main arena where commerce between Israel & the West Bank will take place, hence the interest in their operations.

Of the 734 loaded trucks that pass through the three main commercial crossings every day, some 120 (16%) carry containers. At the Tarqumiya crossing the number of trucks carrying containers is 70, while at Sha'ar Ephraim it is 50. Currently trucks carrying containers cannot pass through Jalameh pass. Almost 90% of the containers entering the West Bank are carrying imports from Israel or from other counties that arrived through Israeli ports, mainly the port of Ashdod. The freight of the containers is of high value materials such as medicine, chemicals, high value consumers' products, investment machinery and expensive raw materials. Thus, the development of commerce carried out by containers is important for the development of trade between Israel, the West Bank and the rest of the world.

1.4 METHODOLOGY

After reviewing all related literature, qualitative as well quantitative methods were used. Using both methods gave clearer picture of the situation. A survey of 20 companies from Jenin district that are exporting and/or importing goods has been conducted. Interviews with many experts and decision makers as well as field visits to Jalameh, sha'ar Ephraim, Tarqumiya and Haifa Port were paid off. In addition a workshop was organized on December 30th, 2010 in Tel Aviv to validate results of the survey and interviews.

1.5 REPORT STRUCTURE

Chapter one presents the background, aim and significance of the study as well as the methodology. Chapter two discusses the current impediments to trade at the respective crossing in relation to the freights which pass through them. Chapter three analyzes the three commercial passes and their operations. Chapter four presents the Jalameh survey, the field study conducted as part of this study. Chapter five describes the new Jalameh – Haifa arrangement, also based on study trip and interviews with officials in the CPA & various public & private managers in Haifa

port, while chapter six provides concluding remarks and the report's recommendations. The attached four annexes provide additional information on the passage process at the crossing points, further details on each crossing pass, the questionnaire, and the interview questions.

CHAPTER 2 - CONTROL OF TRADE TO & FROM THE WEST BANK

2.1. RESTRICTIONS ON TRADE AND TRANSPORT

Restrictions on the movement of people and goods in and out of the West Bank have increased dramatically since the start of the second Intifada. While the security situation has improved, Israeli restrictions on movement both within and outside of the West Bank persist. According to the UN:

“In January 2008, there were 563 physical obstacles, including checkpoints, road blocks, earth mounds, trenches, fences and gates, on roads inside the West Bank. Added to these were ad hoc flying checkpoints and age restrictions on Palestinian movement, which have impeded the flow of materials, goods and labor, leading to increased transportation costs and substantial delays and loss of efficiency.”¹

In addition, Israel has adopted several new strategies to consolidate and institutionalize its security objectives. These new initiatives include a division of the West Bank into three distinct areas limiting Palestinian jurisdiction, and the building of a complete network of settlement roads which effectively separate Palestinians from Israelis. These internal barriers to trade affect the Palestinian industry in particular by limiting access to farms, quarries and others; raising the already high cost of transporting raw materials and goods from the sources to factory to end-users. In addition, legal and procedural restrictions imposed by Israel on the import of certain types of machinery and equipment hinder the industry’s ability to modernize and add value to its products. Furthermore, the wall separating Israel and Palestine has meant that Palestinian traders are limited to using a handful of commercial crossing points through which they can transfer their goods to Israel and to the rest of the world. Finally, access to lucrative export markets is severely constrained by a system of back-to-back procedures imposed by Israel that increases the time, costs, and risks associated with transporting goods (i.e. the damage of certain products and the sudden changes on certain instructions or working hours in the crossings).

¹ United Nations Office of Coordination on Humanitarian Affairs, Closure Update, May 2008.

2.2 INTERNAL MOVEMENT AND ACCESS TO RAW MATERIALS

According to the World Bank, Israeli road blocks, closed areas, and restricted roads have cut Palestinian communities into isolated cantons. This significantly raises transportation costs and limits the ability of Palestinian manufacturers to achieve economies of scale.²In addition, the West Bank has been divided into three jurisdictional areas: Area A, over which the PA has some civil control; Area B, jointly-administered by the PA and Israel; and Area C, which is under full Israeli administrative and military control.³

2.3 MOVEMENT OF GOODS AND ACCESS TO MARKETS

Israel is the West Bank's major trading partner. It is also the major route through which Palestinian exports reach the rest of the world. Thus, crossing into Israel is a key component of trade logistics for Palestine export products. The CPA operates a total of six commercial crossings in the West Bank, with the Israeli Ministry of Defense and CPA staff managing private subcontractors who undertake logistics and handling of goods at the terminals.

2.3.1 "Back-to-back" transfer.

Palestinian licensed vehicles are not allowed to enter Israel, and Israeli-licensed vehicles are not supposed to enter Palestinian controlled territory. Goods must be transferred from one truck to another through commercial crossing points.⁴ This transfer process is often referred to as "back-to-back." The specific procedures vary from one crossing point to another; however the basic process is the same. For goods moving from the West Bank to Israel, palletized cargo is transferred from a Palestinian vehicle to an Israeli vehicle by forklift after undergoing a security inspection. Goods transported in shipping containers is scanned and additional manual or canine inspection may also be used.

Most traders in the West Bank are using similar packaging materials and handling techniques. Since most shipments are going to Israel just a few miles away, the tendency is to use materials and methods that hasten the inspection process, rather than meeting international standards. For

² World Bank 2007

³ Area C covers 60% of the West Bank

⁴ However, this latter restriction is not yet fully enforced and many Palestinian shippers continue to use trucks with Israeli licenses to transport goods from the West Bank to Israel through illegal routes.

example, stone is stacked on wooden pallets and secured to open flatbed trucks using nylon rope, rather than transporting stone using wooden boxes, metal shipping containers or other special purpose equipment and tools.

2.3.2 Crossing Technology and Procedures.

Certain crossing points (Tarqumiya, Sha'ar Ephraim, and Al Jalameh) are better equipped for transferring goods shipments than others. Tarqumiya and shaar Ephraim are capable of handling all types and shapes of goods on all types of trucks. The other four crossings (Jalameh, Tunnel, Meitar, and Allenby) lack container scanners and heavy forklifts, so can only process shipments of palletted goods on flatbed trucks. The official operating hours for most crossings are 8 AM to 4 PM, Sunday through Thursday and 8 AM until 2 PM on Fridays. Trucks must complete the "back-to-back" process before closing, so few enter after 3 PM, effectively limiting available daily crossing hours to seven. In addition, goods for export must cross even earlier. Shipments that do not reach Ashdod Port by 3 PM have to be stored overnight in Israel at a high cost to the shipper.

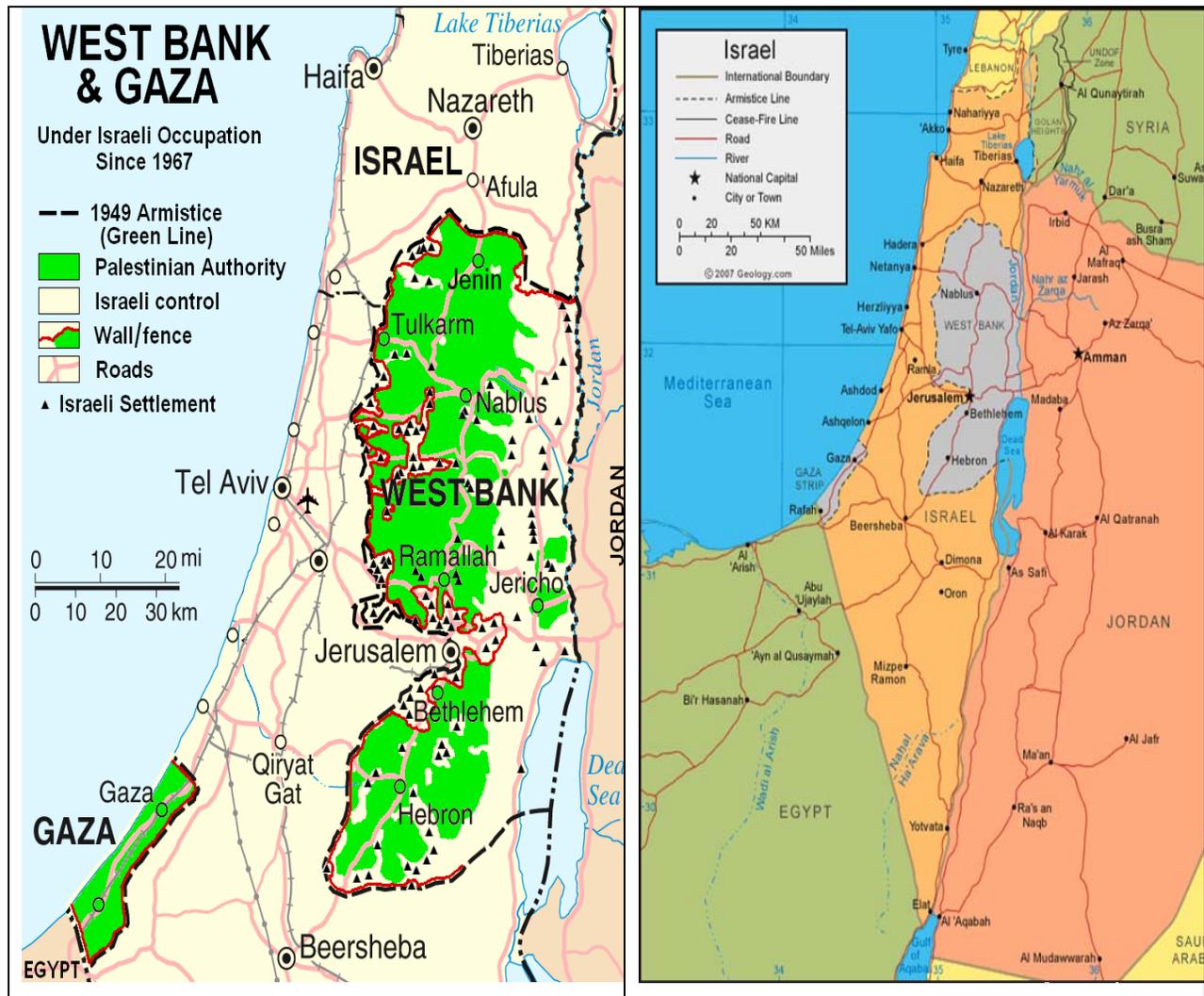
Uncertainty is a measure of the variability of the size or frequency of a particular risk to a financial transaction. According to a World Bank study, the most damaging effect of Israeli trade and transport restrictions is the increased level of uncertainty which is created when traders cannot accurately predict cost delivery.

“Road closures without announcement, flying checking points, unexpected variations on the requirements on cargo and on the restrictions on movement of vehicles and individuals lead to inefficient allocation of resources, losses due to inability to deliver on time, and waste of resources waiting and trying to predict uncertain outcomes.”⁵

Whereas all businesses accept and account for a certain measure of risk, uncertainty can cripple an export industry already struggling to access and compete in world markets.

⁵ “Palestinian Trade: West Bank Routes,” World Bank and PalTrade, December 2008.

CHAPTER 3 - COMMERCIAL CROSSING POINTS



3.1 TARQUMIYA

Tarqumiya, located in the South near Hebron, is the largest crossing where heavy load forklifts and container scanners have been installed. The distance from Bethlehem to Ashdod Port through the Tunnel checkpoint is about 69 km while the distance through Tarqumiya is 103 km. As trucks are unable to pass through the tunnel crossing they forced to travel to Tarqumiya, which has increased the distance and transportation time of goods traveling in either direction,

which has in turn increased shipping costs. It has also increased traffic at Tarqumiya crossing and contributed to delays.

As an example, the total processing time for a single truckload of stone ranged between 67 and 147 minutes. The average time was almost double that of Jalameh crossing, and almost treble that of Sha'ar Ephraim. Interviews with crossing authorities, drivers, and traders yielded several reasons for this:

1. Food shipments to Gaza are given priority.⁶
2. Shortages in the number of staff and or equipment at Tarqumiya crossing point.
3. Inefficient methods of inspection.

At Tarqumiya the Palestinian and Israeli drivers do not meet, so all documents are transferred via the Israeli officers at the crossing point. This study found that Palestinian drivers were able to reduce their average waiting time by better communication and planning with their Israeli counterparts on the other side of the crossing. Damage to goods shipments is ranging from 1% to 3% but if traders were to adopt special handling techniques, damage would be reduced and the transfer process would be faster. Where damage does occur the CPA will compensate the Palestinian businessmen for their losses⁷.



⁶ Observers also noted that priority was given to certain Palestinian firms, and to cement shipments to Israel.

⁷ This information has been mentioned by the head of Tarqumiya crossing during the site visit

3.2 SHA'AR EPHRAIM

The Sha'ar Ephraim crossing near Tulkarem in the north is similar in capacity to Tarqumiya. Total transfer time ranged between 20 and 123 minutes, the average being 51 minutes. To manage this high variability, Palestinian drivers will sometimes sleep at the crossing overnight with their loads to ensure they are registered at the front of the line when it opens. This strategy ensures their Israeli counterpart can reach Ashdod Port in time.



3.3 AL JALAMEH

The Al Jalameh crossing is located near Jenin in the North. The total transfer time ranged between 52 and 88 minutes, the average being 66 minutes. According to the crossing point director there is a large demand to allow passage of containers at the Jalameh crossing, which is estimated to have a potential of 30-40 containers daily. There is a thriving commerce between the Jenin area, Northern West bank and Northern Israel. Each day some 1200 private cars pass through the crossing point, mainly Israeli Arabs who purchase services and products in Jenin area.

Currently the CPA is undertaking in Jalameha large infrastructure development, enlargement and modernization project with a total budget of US\$ 4 million, which is to be completed by March

2011⁸. The project will facilitate passage of containers at the Jalameh crossing point as well help in easing the movement of goods | 12ds (i.e. more trucks, less time, and less risk).

3.4 BEITUNYA

Most Ramallah factories are transferring their products “door to door” in yellow-plated (Israeli) trucks, and moving their shipments into Israel through the Beitunya checkpoint nearby.^{9,10} This crossing is managed by the Israeli military, not the CPA, and the capacity is low. Beitunya is not equipped with scanners or heavy forklifts. Inspection is done manually and sometimes using sniffer dogs. There is added risk of damage at this crossing if the goods are unloaded onto the ground for a more thorough inspection. It is worth mentioning that Beitunya crossing is not an official one since it is located within the 1967 border.

Trucks with yellow (Israeli) license plates and an Israeli VAT invoice (indicating value added tax has been paid on goods of Israeli origin), is all that is needed to move goods shipments relatively quickly out of the West Bank through settler roads and crossings. This door to door route into Israel offers traders the added advantage of minimal scrutiny and wait times. Some Palestinian traders are using these routes illegally by purchasing Israeli VAT invoices from settlers for a fee.

⁸ Still, the project is in the initial stage (design stage), thus the team did not manage to know the type and number of equipment will be installed.

⁹ Note, the CPA did not identify Beitunya as an officially allowed crossing.

¹⁰ To move stone through Beitunya, a PA VAT invoice is required showing that the Value Added Tax on goods originating from the West Bank has been paid to the Palestinian Authority.

CHAPTER 4 - THE PROCESS AND PROBLEMS AT JALAMEH CROSSING POINT – THE COST OF DOING BUSINESS

4.1 THE PROBLEM WITH THE JALAMEH CROSSING

In the 2010 a survey of 20 Palestinian traders from Jenin was conducted for the purpose of this study. It was found that transport restrictions were consistently identified as the top constraint to growth.50% of respondents considered the Jalameh crossing as inadequate for export due to the time it takes to transport goods;65% in terms of cost; and 90% in terms of risk. Delay and uncertainty were the main problems which Palestinian drivers identified they faced at the Jalameh crossing.

4.2 THE EFFECT OF THE JALAMEH CROSSING PROBLEMS ON IMPORT TO THE WEST BANK

It was found that in a period of less than a month 35% of the correspondents were importing goods frequently, while 50% were found to be exporting goods only once every three to six months. In addition it was shown that 45% of the respondents were importing more than 40% of their total procurement, 35% were importing between 21 to 40% of their total procurement, while 15% were importing between 6 to 10% of their total procurement and 5% were importing between 11 to 20% of their total procurement. The rest of their procurements are mainly from the local market.

4.3 THE EFFECT OF THE JALAMEH CROSSING PROBLEMS ON EXPORT FROM THE WEST BANK

On the other hand, only 10% or two correspondents were found to be exporting goods. Their exports represent between 11 to 20% of their total sales. Of the samples traders, only 15% were found to be using the Jalameh crossing for import or export, while 85% are using Sha'ar Ephraim. The trend by Palestinian traders to favor other crossing point, ahead of Jalameh, can be said to be due to the inability of containers to pass through the crossing in addition to risk

CHAPTER 5 - NEW JALAMEH – HAIFA ARRANGEMENTS

5.1 ISRAELI PORTS

Haifa is the main export port of Israel, responsible for 75% of export cargo while Ashdod is the main import port of Israel, taking 75% of import freight. Both Haifa and Ashdod ports are modern ports where extensive investment has been carried out. Both operate as public companies which are fully owned by the government (soon to be partially privatized) and are in competition for additional business. Many shipping companies operate shipping lines from the two ports to most of world ports on a frequent basis.

5.2 WHY CHOSE ISRAELI PORTS?

For sea shipments to North America and Europe, Ashdod and Haifa Ports offer a significant advantage in terms of time and cost, despite the high internal transport costs imposed by Israeli security measures. This point is illustrated by the fact that it costs on average approximately \$US 500 to send a container the short distance from Bethlehem to the port of Ashdod, through the Tarqumiya crossing. Within this process there is the risk that the shipment could be damaged during "back-to-back transfers". In addition, there is the unfair requirement that the Palestinian shipments must arrive in the port at least one day earlier for security screening and pay the associated storage fees. But even with these costs, Palestinian shippers report that it remains approximately \$1,000 less expensive to send a container through Israel to Europe than send it through the Jordanian port of Aqaba. Transportation through Israel also offers the advantage of more frequent and shorter sailing time.

5.3 THE NEW HAIFA FACILITY

In January 2010 a new security facility began operation at a location close to the Haifa port. The purpose of this new facility was to scan and check containers arriving at the port and those being dispatched from it. The facility is a 30,000sqm fully fenced off and secured. It contains new scanner that is capable of scanning 160 trucks in one working shift. The facility employs a staff of 70 people, 24 of whom are Customs officials. The scanner is a fully automated and computerized process which takes several minutes per container. 75% of the containers are

released immediately after passing the scanner and 25% are sent to the ramps for manual search and check. The average stay of a truck in the compound is 28 minutes, with no trucks being left overnight.

5.4 THE ADVANTAGE THE NEW FACILITY

On average 1000 containers arrive every day at Haifa, of these only a sample of 5% (or 50 containers) is checked at the facility. This means that the facility is seriously underutilization and has the capacity to easily process many more containers each day. If the facility were to increase the rate of containers that processed each day, this would result in an increase to the number of containers actually reaching the West Bank, that have been ordered by Palestinian importers. Incidentally, almost no checks up are being carried for export containers.

5.5 THE ROLE OF UNITED STATES OF AMERICA

The construction of the new facility cost around NIS50 million, out of which NIS32 million was paid for by the Federal Home Security Office of the United States of America contributed the money as part of a security directive, which sought to establish a global security network that would enable containers to be scanned and check before being forwarded to American ports. The global computerized system enables Americans to check in advance the cargo documents of each container headed to the USA and order the respective port authority to scan specific containers to verify that they do not pose a terrorist threat.

5.6 THE SIGNIFICANCE OF THE FACILITY TO THE JALAMEH CROSSING

For the purpose of this report it is important to note that with the opening of this new facility, containers headed to the West Bank, specifically to Jalameh crossing, can pass through the crossing and arrive at their final destination within the same day. The construction of Haifa facility together with the opening of the Jalameh crossing to containers can provide a unique opportunity to provide a quick and efficient service for those wishing to import containers into the West Bank. Once the container is scanned at the Haifa facility, it could be locked with an "electronic locker", this would mean that no additional scanning or checking would need to be

repeated at the crossing point. Canceling out the need to for two security checks this would saves time and enable a smoother clearing process at the crossing point.

5.7 THE CONSEQUENCES OF THE JALAMEH-HAIFA ARRANGEMENT

The sample of people surveyed from Haifa, naturally, point to the fact that the opening of Jalameh crossing for containers passage will mean that then the new Haifa–Jalameh arrangement will surpass the package offered by Ashdod-Tarqumiya or Ashdod-Sha'ar Ephraim., in terms of price, time and quality. This is however dependent on the infrastructure work there being adjusted for containers passage and the installation of special containers forklifts. Such forklifts already exist at the huge bonded warehouses of the overseas logistic company who provides logistic and forwarding services to most of the containers unloaded in the port. In the next chapter it will be argued that the position of those that were surveyed is correct and it will elaborate on what is needed to be done to have this new arrangement fulfilled in the near future.

CHAPTER 6 – CONCLUSIONS AND RECOMMENDATIONS

6.1 CONCLUSIONS

Free uninterrupted movement of freight from Israel to and from the West Bank is crucial to the growth of the Palestinian economy. Currently the West Banks commercial connections to products and raw materials are totally dependent on Israel, as most of the goods that is either exported or imported to and from the West Bank must first pass through Israel. In any foreseeable future political arrangement there will be an independent Palestinian and Israeli states, whatever the custom regime between these twp state they will naturally want to monitor movements of goods over their boarders.. Hence the importance of commercial crossing points that are capable of handling the movement of freight.

Israel's current trade and transport restrictions have introduced new risks that Palestinian traders did not face 10 years ago when the industry was functioning at its peak. These risks include internal closures, being turned away from commercial crossing points, having goods confiscated or damaged, having to use middlemen that cut into profits, and paying for unplanned storage costs at ports. it is clear that any factor that hinders free movements exacts a price on the Palestinian economy.

The focal point of this study was the Jalameh crossing point and the need to facilitate the smooth passage of containers through it. This passage is not currently available to trucks carrying containers; if it were to open there is great potential for an increase in commerce between the Northern West Bank and Northern Israel through the Haifa port. The Haifa Port Authority, Israeli Customs the CPA, the Palestinian Authority and the community of service providers and business in Haifa and in the Northern West Bank all share common interest in having the Jalameh crossing point opened to freight containers. Only coordinated joint action from all sides will bring about what is needed to complete this move and bring this new arrangement into existence.

The opening of the Haifa-Jalameh route for Palestinian containers will not only help unlock the economic and business potential of the West Bank, it will also allow for more efficient Israeli security procedures. The economic benefit of opening the –Haifa-Jalameh to the Northern West Bank,, specially Jenin and Nablus, is summarized below.

- **QUALITY:** Results show almost 52% of the export/import through Jalameh are agricultural goods, thus shortening the crossing time will have a good impact on the quality and shelf life of these goods. Goods (mainly out of season vegetables and fruits) came from the Jordan Valley and from Tubas can pass through Jalameh) instead of going to Shaar Ephraim & thus shortening their trip.
- **TIME AND COST:** The Palestinian traders in Jenin and Nablus areas will start using containers to pass through Jalameh, in both ways, instead of using Shaar Ephraim crossing; therefore they will save time, and costs. As well, the new project in Jalameh will reduce time; accordingly more shipments will be served daily.
- **RISK and UNCERTAINTY:** The new arrangement should decrease the risk of goods' damage as well; there should be less uncertainty for goods' stuck. That will encourage the current and potential traders to use Jalameh pass as a first choice.

6.2 RECOMMENDATIONS

Only through joint action from all parties can the transportation of goods through Israel from Palestine be made more efficient and succinct. This paper recommends that the declared aim of the CPA to open Jalameh crossing point for passage of containers, once infrastructure work there is completed, be quickly fulfilled in the first months of 2011. In addition, the Israeli Custom Authority, who is present in Haifa and Jalameh, will have to give its consent for this new arrangement and carry the required steps to make it operative.

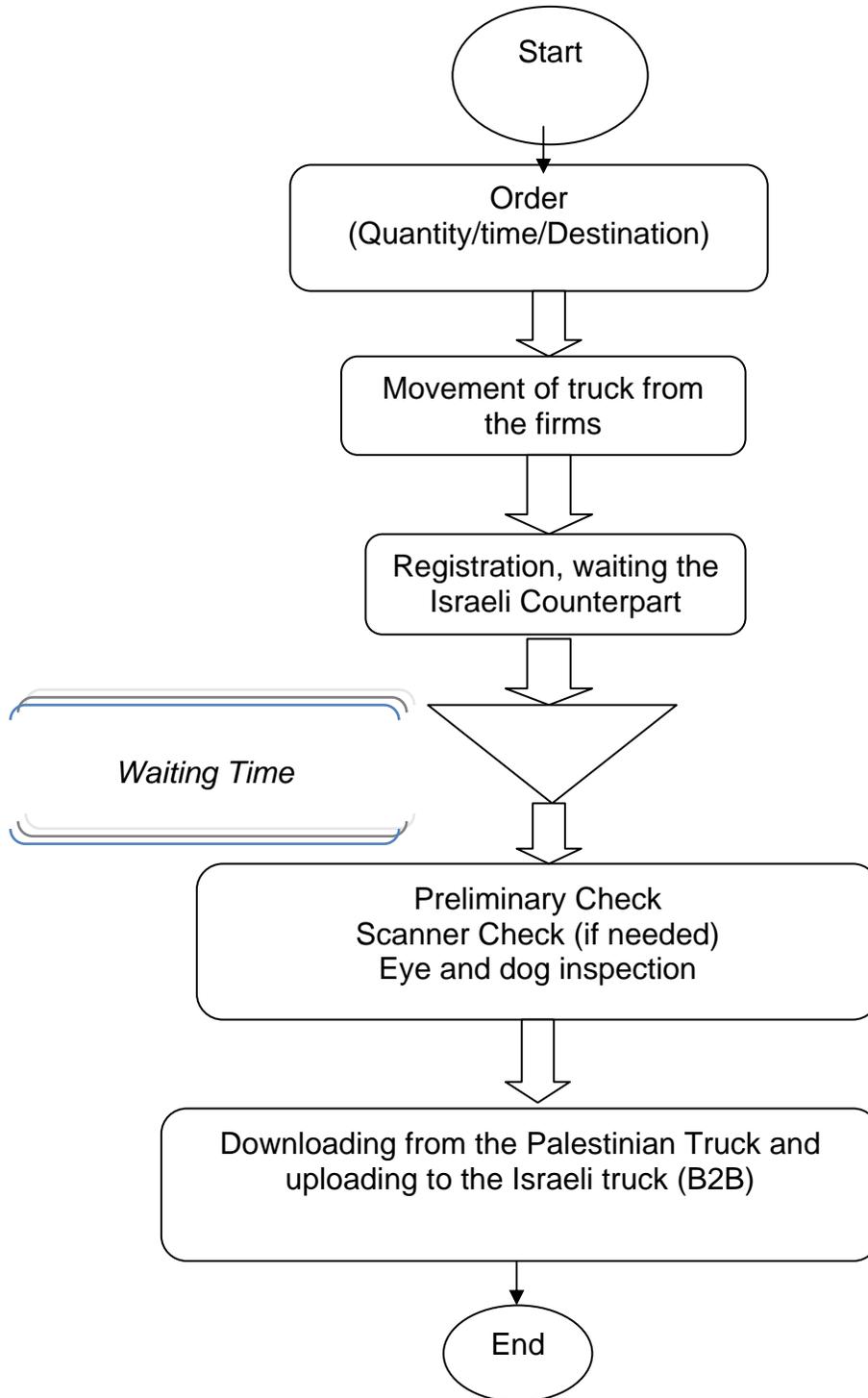
In regards to Palestine, the sole discretion rests on the business circles, which have the power when ordering a container of goods to decide the point of disembarkation. They need to choose Haifa, as their final destination and Jalameh as their crossing point, so that the great potential of the route can be materialized.

If the Government of Israel intends to enhance the current system of security crossings and improve it; will need to be made to manage an increasing flow of traffic that will arise from an increase in population and commerce in the region. This paper would recommend that the governments of Palestine and Israel:

1. Extending working hours of the crossings points
2. Clarify procedures and instructions of passing through each crossing point and avoid changing rules and instructions without pre notice to users of the crossing points
3. Improve the roads and waiting areas that lead to crossings;
4. Build or maintain roads along internal routes;
5. Add covered facilities at crossings which are currently uncovered;
6. Install container scanners at Jalameh crossing (Taking the Palestinian traders' needs in designing the new project) to be used for both sides;
7. Streamline registration, coordination, inspection, and transfer procedures;
8. Introduce some form of risk management system that allows cargo from shippers to flow through more quickly;
9. Reduce unnecessary delay by providing information and training to the crossing workers and drivers about the registration, coordination and inspection procedures.

Annex A. Process Map (Flow Chart) of Crossing Points

I. Process Map – Tarqumiya, Ephraim, and AlJalama



Annex B. Transport Routes and Crossings

The Figure below shows the equipment, working hours, and working days each crossing point per day.

Commercial Crossing	Location/ Destination	Equipment	Working Days	Working Hour
Tarqumiya	South/ Israel & Abroad	2 scanners 10 forklifts • 1 at 40 tons • 1 at 30 tons • 8 at 7.5-10 tons	Sunday-Thursday Friday	6:00-18:00 for import and from 6:00 – 16:00 for export 6:00-9:00 for animal feed
Sha'ar Ephraim	North/ Israel & Abroad	1 operational scanner 11 forklifts: • 1 at 40 tons • 1 at 30 tons • 9 at 7.5 - 10 tons 1 front loader	Sunday-Thursday Friday	7:00-16:00 7:00-12:00
Al Jalama	North/ Israel & Abroad	1 small scale scanner 6 forklifts less than 7.5 tons 1 frontloaded	Sunday-Thursday Friday	7:30:00-16:00 7:30-12:00

Annex C Interview Questions

1. Capacity
 - a. Number of Forklift(s)
 - b. Numbers of Scanner(s)
 - c. Number of Dog(s)
 - d. Number of staff
 - e. Working days and hours
 - f. Number of Vehicles passed through in daily basis
2. Procedures
 - a. Normal procedures (arriving Palestinian trucks, waiting time, security inspection, unloading, uploading,)
 - b. Procedures for VIP traders (if any)
 - c. Kind (type) of trucks
 - d. Main obstacles
3. Main Obstacles
 - a. Limited Capacity
 - b. Bureaucratic Procedures
4. Future plans (if any)
 - a. Increasing capacity
 - b. Allowing containers to pass

Annex D Survey Questions (Questionnaire)

1. What products do you produce?
2. What are your estimated total sales for 2009/2010?
3. What are the obstacles you face in expanding your business?
4. Identify and rank the top five, the first one being most problematic (for example, lack of information about market demand abroad, access to finance, etc. Where does the trade and transport process rank in relation to other obstacles?)
5. What percentage of your total sales are exports?
6. To where do you export? Rank, by product type, in terms of value.
7. Which route(s) do you use to transport your products? Why?
8. What is the time and cost associated with each step and does it deviate from the norm significantly? If yes, why?
9. Rate the risk associated with each step of the process (1-5, 5 being highest). Risk could include damage, loss, confiscation, refusal of permission to cross, delay, etc.
10. How would you rate the uncertainty of the route you are using as a whole? (1-5, 5 being most uncertain), in terms of: a) Time, b) Cost, and c) Risk
11. What changes to the trade and transport process for your products would help you most in expanding your sales? (List up to 5 in order of importance)
12. What are some of the ways you have heard that other businesses have been able to circumvent the formal process and move their products out of the West Bank? What are the incentives and risks of doing it this way?
13. Do you believe this informal activity has increased or decreased in the last year, and if so why?
14. Do the informal movement and trade by other businesses have an impact on the ability of your own firm to compete?
15. What kind of trucks do you use in the movement of your products?