



تأسست سنة ١٩٥٢

November 27<sup>th</sup>, 2023

## The impact of Gaza War and the Closure of Main Crossings on Cosmetics Sector in Bethlehem Governorate

Bethlehem Chamber of Commerce and Industry is preparing reports that analyze the repercussions of the Gaza War and the closure of main crossings on various economic activities in Bethlehem Governorate. This report, prepared during the period between November 23 to November 27, 2023, specifically focuses on evaluating the impact on the sector of the cosmetic, perfume, and personal care. The comprehensive non-regular purposive sample included 24 establishments, representing 77% of the study community, comprising 31 establishments from BCCI General Assembly members at various locations in the governorate.

### ➤ Summary of Results and Recommendations:

#### 1. Average Sales Reduction by 82%:

Findings revealed that 33% of the sampled establishments experienced a sales decline ranging between 50% and 70%, while the remaining 67% witnessed a more substantial reduction between 80% and 100%. This decrease is attributed to a significant drop in consumer interest in accessories, perfumes, and cosmetics due to challenging circumstances and reduced income, compounded by the postponement of various social occasions.

#### 2. Average Workforce Reduction by 31%:

Results indicated that 46% of surveyed establishments maintained their pre-war workforce, with some resorting to reducing workdays and others adopting a rotational system among workers. Additionally, 33% of the sample reduced their workforce by 50%, while 21% implemented more significant cuts exceeding 50%.

### ➤ Key Challenges Impacting the Cosmetics and Accessories Sector:

1. A decrease in sales percentage due to the closure of governorate crossings, preventing customers from Jerusalem and areas within the '48 territories from accessing Bethlehem.
2. A Shortage in goods originating from '48 territories and difficulties in distributing products between cities and/ or governorates due to road closures and checkpoints.
3. A Retract in Business activities due to the cancellation of social occasions.
4. A Decrease in purchasing power among consumers due to income reductions, leading consumers to prioritize essential supplies and view this sector as non-essential.

**Note: Bethlehem Chamber of Commerce and Industry retains responses from the sample included in the study.**