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## The impact of Gaza War and the Closure of Main Crossings on The Aluminum Industries 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 1<sup>st</sup> to November 8<sup>th</sup>, 2023, specifically focuses on evaluating the impact on the Aluminum industries. The comprehensive non-regular purposive sample included 25 establishments, representing 40% of the study community, comprising 63 establishments from BCCI General Assembly members at various locations in the governorate.

### ➤ Summary of Results and Recommendations:

#### 1. 88% of aluminum industries rely on areas within the 1948 territories:

Results indicated that 22 aluminum manufacturers, representing 88% of the study sample, depend on areas within the 1948 territories. This has led to a significant decline in production and sales due to the challenging conditions.

#### 2. Average Reduction in Production by 82%:

Results showed that 32% of the surveyed establishments completely ceased production, while 28% witnessed a 90% reduction. Additionally, 20% of the sample experienced a production decrease ranging from 70% to 80%, and another 20% reported a reduction ranging from 40% to 60%.

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

Results indicated that 48% of the establishments in the sample reduced their workforce by 100%, while only 36% managed to maintain all their workers. Notably, one establishment adopted a rotation system among workers and reduced working hours. Additionally, 16% of the sample downsized their workforce to varying extents, with specific schedules until the completion of previous orders.

### ➤ Key Challenges Impacting Aluminum Industries:

1. A Complete cessation of orders in areas within the 1948 territories due to road closures and difficulties in delivering goods.
2. Decreased orders in West Bank areas due to road closures between governorates and difficulties in travel and delivery.



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3. Increased transportation costs for some large establishments due to road closures between governorates and high risks during transportation.
4. The aluminum sector normally relies on deferred payment mechanisms through post-dated checks between suppliers and business owners. However, since the start of the war, suppliers have insisted on cash sales, leading some industries to halt operations due to a lack of cash liquidity.
5. Decreased cash collections for industry owners and facing the issue of non-redeemable checks from customers.
6. Some Aluminum industries located in the eastern and western rural areas rely on orders from local residents working in the 1948 territories. The cessation of work for this category due to the war has led to difficulties in settling their obligations to industry owners on one hand and the cessation of new orders on the other.

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