Kerem Shalom is Gaza’s main commercial crossing and the only commercial crossing bordering Israel, making it a critical lifeline for the civilian population in the Strip. Five days per week, essential commodities, raw materials for industry, medical equipment, food products, livestock, fuel, construction materials and other goods enter the Strip through the crossing. More than 80 percent of the goods entering the Strip, in terms of value, are purchased from Israeli companies and suppliers. Farmers, manufacturers and suppliers in Gaza, who employ thousands of people, also depend on Kerem Shalom Crossing to get their goods to their closest, most important markets in the West Bank and Israel, and for exporting their goods abroad. Palestinians operate the Gaza side of the crossing, but it is Israel that determines what can cross, how much of it, and when.

The following factsheet provides information about the costs associated with transport of goods through Kerem Shalom and analyzes the repercussions of it being the exclusive route for movement of goods between Gaza, Israel, the West Bank and the vast majority of goods from abroad. It also addresses the crossing's problematic location, at the southernmost point of the border between Gaza and Israel, far from commercial centers in both locations. Information contained herein is based on Gisha’s fifteen years of monitoring movement of goods through Kerem Shalom Crossing, and research into the policy as well as physical parameters of the crossing and various fees and taxes collected there.

Over the years, Gisha has conducted and published extensive research on the impact of access restrictions on Gaza’s manufacturing sectors, and provides ongoing updates on the subject. This factsheet provides an overview of deficient infrastructure at the crossing and addresses the ramifications of Israel’s control over movement of goods. In the conclusion, Gisha makes recommendations for changes needed to enhance protection of human rights and bolster the economy by improving the functioning of the crossing and reducing trade barriers.
Background

Kerem Shalom Crossing first began operating in 2005 as a crossing point for the transfer humanitarian aid into the Gaza Strip. In June 2007, when Hamas took over internal control of the Strip, Israel closed Gaza’s main commercial crossing, Karni, save for a conveyer belt that continued to operate until 2011 for entrance of aggregates, grain and animal feed into Gaza. Israel also gradually closed three additional crossings: Sufa Crossing, used to bring construction materials into Gaza, in 2008, and Nahal Oz Crossing, used to transfer fuel and cooking gas to the Strip, in 2010.

Kerem Shalom Crossing thus remains the only commercial crossing for movement of goods between Gaza and Israel, and thus de facto also the West Bank, despite the fact that it was never meant, nor designed, to serve as Gaza’s sole commercial crossing with Israel. Goods that are transferred at the crossing receive clearance ahead of time in a process of coordination between the Palestinian Authority’s Committee for the Coordination of Entry of Goods into the Gaza Strip and Israel’s Coordinator for Government Activities in the Territories. In other words, the Palestinian Authority is responsible on the Palestinian side for transfer of goods into and out of the Strip.

In February 2018, Egypt opened Salah a-Din Gate, on the Gaza-Egypt border. The gate is managed by private companies on either side, under the supervision of the Egyptian military and Hamas authorities in the Strip respectively. It is used to transfer goods in one direction only, into Gaza, and on a limited scale. Salah a-Din Gate is not equipped to function as a full commercial crossing and cannot, in and of itself, meet the essential needs of Gaza’s residents, whose trade connections have historically relied on access to Israel and the West Bank.

Movement of goods to and from Gaza via Kerem Shalom

Entry of goods into Gaza /// Between 2007, when Israel tightened restrictions on movement of people and goods to the point of full closure, and until 2010, when the flotilla incident occurred, Israel banned most civilian goods from entering Gaza. Israel kept lists, which were not published at the time, of items it permitted to enter

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Monthly average number of truckloads entering Kerem Shalom

<table>
<thead>
<tr>
<th>Year</th>
<th>Truckloads</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>10,575</td>
</tr>
<tr>
<td>2008</td>
<td>10,000</td>
</tr>
<tr>
<td>2010</td>
<td>9,466</td>
</tr>
<tr>
<td>2012</td>
<td>9,918</td>
</tr>
<tr>
<td>2014</td>
<td>9,720</td>
</tr>
<tr>
<td>2016</td>
<td>9,424</td>
</tr>
<tr>
<td>2018</td>
<td>7,982</td>
</tr>
<tr>
<td>2019</td>
<td>7,500</td>
</tr>
</tbody>
</table>

October 2014, establishment of the GRM
the Strip. All materials and items that did not appear on the list, at any given time, were prohibited, including items like construction materials, raw materials for industry and civilian infrastructure, as well as items Israel considered to be “luxuries” such as spices, paper, toys, and chocolate. Following public criticism, in June 2010, Israel’s Security Cabinet issued a plan ostensibly designed to allow civilian goods to enter the Strip, whereby a list would be kept of items forbidden for entry.

Today, Israel allows everyday goods to enter Gaza but still severely restricts and often forbids entirely the entry of items it defines as “dual-use.” The dual-use list contains civilian goods, which are vital for industry, construction and other expressly civilian needs that Israel believes could potentially be used for military purposes. The list is long but also vague, including broad categories such as “communications equipment.” Dual-use items are not officially prohibited from entering Gaza, but the coordination process for bringing items in is complicated and non-transparent, obstructing the operations of international humanitarian organizations, let alone private companies.

Since 2010, Israel expanded Kerem Shalom to meet growing demand, which followed a more permissive goods policy. The crossing now has the capacity to process up to 1,000 trucks per day (not including fuel and gas), but fewer actually transit in practice due to ongoing restrictions and weak purchasing power in the Strip.

Applications to coordinate entrance of dual-use materials are mostly submitted through the Gaza Reconstruction Mechanism (GRM), established in late 2014 as a temporary coordination system to support reconstruction following Operation Protective Edge. The GRM involves Israeli-Palestinian Authority cooperation under United Nations’ supervision. The GRM website lists thousands of applications (currently close to 15,000) to coordinate the entry of dual-use materials, including cement, medical equipment, fertilizers for farming, and wood planks. In practice, the mechanism allows Israel to individually monitor the use of dual-use items it allows into Gaza, giving it even greater control inside the Strip.

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**Figure:** Monthly average number of truckloads exiting Gaza

- **2010:** The crossing now has the capacity to process up to 1,000 trucks per day (not including fuel and gas), but few actually transit.
- **2018:** The mechanism allows Israel to individually monitor the use of dual-use items it allows into Gaza.
The list of dual-use items has gotten longer over time, and the delays, shortages and lack it engenders in vital goods have hindered both delivery of aid and economic development. Two sectors that have been particularly affected are the agriculture and fishing sectors, which struggle to bring in materials like fertilizers and fishing equipment, respectively.

**Exit of goods from Gaza** // In the first half of 2007, about 85 percent of the goods shipped out of Gaza were marketed in Israel and the West Bank. In June 2007, Israel banned all exit of goods from Gaza, allowing only extremely limited export of agricultural produce to Europe as part of a Dutch government-sponsored project. The lack of access to Gaza's natural markets in Israel and the West Bank was a key factor in Gaza's economic collapse, shutting down businesses and factories and creating soaring unemployment, which, in turn, have resulted in growing reliance on humanitarian aid, widespread poverty, and food insecurity.

Between June 2007 and October 2014, only about 14 truckloads of goods exited Gaza per month on average, mostly with produce going abroad. This constituted a mere one percent of the monthly average number of truckloads that exited the Strip in the first months of 2007.

In November 2014, for the first time in seven years, Israel approved limited exit of agricultural produce from Gaza to the West Bank. Later, permission was given for exit of other types of produce (some types of produce are still banned) as well as textile, furniture and then later additional items.. Since March 2015, Israel has also permitted limited sale of tomatoes and eggplants from Gaza to its own territory. Today, Israel also allows textile, furniture and scrap metal from Gaza to be sold in Israel. In 2019, 262 truckloads of goods exited Gaza via Kerem Shalom on average per month, a marked improvement from 2007-2014, yet still only about a quarter of what exited prior to 2007. Ongoing restrictions on the exit of goods from the Strip, especially to Israel and the West Bank, continue to hamper economic activity, let alone sustainable economic development.

**Distance from population centers and industrial zones**

According to estimates shared with Gisha by owners of private shipping companies in Gaza, 60 to 65 percent of all goods coming in through Kerem Shalom are destined for Gaza City, the most densely populated area of the Strip, where most factories and storage facilities are located. Kerem Shalom is located about 40 kilometers (25 miles) from Gaza City, compared to Karni Crossing (closed in 2007), which was a mere five kilometers (3 miles) away. A significant industrial zone still operates at the site of Karni, but raw materials entering the Strip and goods produced in the industrial zone must be shipped to and from Kerem Shalom.

Kerem Shalom is also situated far from ports, refineries and industrial centers in Israel, as well as commercial crossings to the West Bank, a fact which has led to increased shipping costs for Palestinian traders. PalTrade and the association of private shipping companies in Gaza estimate that the cost of shipping incoming goods
to Gaza via Kerem Shalom is about 50 percent higher than it would be if goods continued to enter through Karni.

On Israel's side, Kerem Shalom Crossing lies at the end of Road 232, a single-lane road, badly eroded by the weight of hundreds of trucks driving along it daily. Heavy traffic and inadequate infrastructure have led to deaths and injuries on this road. In May 2016, under pressure from residents of Israeli communities near Gaza, Israel's Ministry of Transportation announced that truck traffic on 232 and other roads would be restricted between 7:00 and 9:00 A.M., and again from 3:00 to 5:00 P.M. Following our and others' protest, on November 15, 2018, a slightly moderated version of these restrictions went into effect. Currently, truck traffic on roads leading to Kerem Shalom is restricted during rush hours between 7:30 and 9:00 A.M., and between 3:30 and 4:30 P.M.

In August 2018, the government decided (Hebrew) to suspend a plan to repair 232, which had been part of a previous government resolution (Hebrew) to invest in development of areas near the Gaza border. The Ministry of Transportation's decision to avoid repair of 232 risks the safety of area residents, while the decision to restrict traffic harms supply of fresh goods to Gaza and marketing of fresh goods from Gaza outside the Strip and increases costs for all parties involved in the shipment of goods to and from Gaza.

Opening additional commercial crossings in the north of Gaza, closer to industrial centers in Gaza and in Israel, the port in Ashdod, and the West Bank, would reduce truck traffic on Road 232, safeguard supply of goods to Gaza's two million residents, and reduce costs. The potential contribution to Gaza's ailing economy would be significant. In 2016, Israel's Minister of Defense instructed (Hebrew) that steps be taken to open a crossing in northern Gaza to reduce pressure at Kerem Shalom. Israel has tried to raise funds from the international community to promote the project, but when funds didn't materialize, the plan was effectively shelved. Countries targeted for fundraising told Gisha that they didn't feel it would be appropriate to provide funding for commercial infrastructure in Israel, a developed country.
Crossing infrastructure and capacity

Kerem Shalom crossing operates from Sunday to Thursday, and occasionally on Fridays as well, mainly for entrance of fuel. Trucks carrying goods destined for Gaza can enter the Israeli side of the crossing between 6:00 A.M. and 3:00 P.M while operations inside the crossing continue until nightfall. The crossing was designed and built to operate in a manner so that there would be no direct contact between trucks on the Israeli side and trucks on the Palestinian side of the crossing.

The crossing itself spans an area of 600 dunams (about 148 acres), 200 dunams (almost 50 acres) of which are on the Palestinian side and 400 dunams (almost 99 acres) on the Israeli side. Israel’s side of the crossing is divided into 11 outdoor units or cells, each of which is about 10 dunams (2.5 acres). Some of the cells are dedicated to screening a certain type of product, such as aggregates for construction, goods that are flat-packed and loaded on pallets, and livestock. Each cell can hold between 17 and 25 trucks at any given time, and operations are ongoing in the cells in parallel. Israeli trucks enter the cells, unload their goods and leave. Then, “sterile” trucks and forklifts enter the cells and transfer the goods to cells on the Palestinian side. Once the sterile trucks unload the goods and leave the cells, trucks from Gaza come in to collect the goods and set off for their destination in Gaza. The terms “sterile” refers to the fact that these trucks and forklifts facilitate the transfer of goods with no direct contact between Israeli and Palestinian trucks. They remain at the crossing and are used only for this purpose. The process of passing goods from a truck in Israel to a truck in Gaza takes about 45 minutes.

Building a shaded area for loading and unloading of goods

There are no shaded areas at Kerem Shalom. Goods are transported out in the open, without cover, exposed to the elements, including sun, rain, and extreme temperatures. In 2019, agricultural produce accounted for 84 percent of the goods shipped from Gaza to the West Bank, abroad and Israel. Exposure can have a detrimental effect on the quality of packaged produce, reducing its value and profitability. Strawberries, for instance, marketed during winter months, are often damaged due to prolonged exposure to the sun, low temperatures, rain, and dust while held at the crossing. Goods shipped into Gaza are also damaged during transfer as a result of exposure. The quality of products is often impaired by the time they reach their destination in Gaza. The lack of cover at the crossing also increases costs for Palestinian traders, who must purchase individual covering for the goods they unload, reportedly costing about 100 USD per truck.

Discussions between Israel, the Palestinian Authority and the international community about building shaded areas on both sides of the crossing have been taking place for years. Israel pledged (Hebrew) to install covered areas at the crossing by the end of March 2018, yet to this day, no shading has been built to protect produce from the elements. As of writing, plans are reportedly being developed for shade on the Palestinians side, to be financed by the international community. It is unclear why Israel has not implemented its own plan for shaded areas on the Israeli side of the crossing.
Two gantry scanners, paid for by the Dutch government, operate at the crossing and are designed to scan goods without having to unload them, including in shipping containers. In practice, full trucks are scanned using the scanner and in addition, the goods are unloaded via the normal procedure, rendering the million-dollar scanners redundant. According to officials at the crossing, about 15 percent of truckloads entering Gaza are scanned, whereas 100 percent of goods exiting the Strip undergo scanning, as well as additional screening and checks.

There are no fuel storage tanks at the crossing. Israeli trucks delivering fuel to the crossing and Palestinian trucks loading the fuel at the crossing to deliver to Gaza must be present at the same time, slowing down the process and requiring time-consuming coordination. Fuel is transferred directly from one truck to the other through an underground pipe that runs below the crossing. The transfer of fuel, in this way, without equipment to weigh the fuel precludes accurate measurement of the amounts transferred. Palestinian suppliers report discrepancies of thousands of liters, amounting to hundreds of thousands of shekels in losses each month.

In 2019, an average of 415 truckloads of goods and 20 tankers of fuel entered Gaza via Kerem Shalom Crossing each day the crossing operated. As noted above, the crossing now has the capacity to process up to 1,000 trucks a day (not including fuel and gas), but fewer actually transit in practice due to ongoing restrictions and weak purchasing power in the Strip.

### Crossing operators

The Israeli side of the crossing has four employees working for the Israeli Ministry of Defense’s Crossing Authority and about 60 contract workers employed by a private Israeli security company called Sheleg Lavan (Hebrew). Additional contract workers hired for the Crossings Authority by a private Israeli company called N. Jan operate forklifts at the crossing.

The Gaza side of Kerem Shalom Crossing is operated by private Palestinian transport companies contracted by N. Jan (Hebrew). A company registered to Beni Sadi Shchebar is responsible for the transport of all goods except for aggregates and fuel. Gravel and other aggregates are transported by the George Aqel Company. The transport of fuel entering the crossing is managed by officials from the Palestinian Authority’s Fuel Authority. Several hundred people, Israelis and Palestinians, work on either side of the crossing.

### Additional difficulties at the crossing

- There is no system at Kerem Shalom for transferring invoices and other documents from the Israeli side to the Palestinian side, and vice versa. Truck drivers affix documents to the goods being loaded and unloaded in various parts of the crossing. Many documents go missing. Israel does not assist in tracking the documents to make sure they have reached their destinations.

- Israel restricts the height of shipments to a maximal 1.6 meters, including the pallets on which the products are loaded. Until February 2016, the height restriction was 1.3 meters. The height restriction limits the volume of goods per truckload, significantly increasing shipping costs.

- There are no storage facilities at the crossing. Management on the Israeli side of Kerem Shalom sometimes prevents entering trucks from unloading goods, for various reasons. When this happens, the trader in Gaza is forced to pay for storage space in Israel and keep the goods there until they are approved for transfer, and then cover the cost of transporting the goods to the crossing once more, at great expense.
Fees and taxes

Unlike commercial crossings with the West Bank, where no fees are exacted by Israel, the Israeli Ministry of Defense collects between 250 and 700 ILS (70-200 USD) for every Israeli truckload of goods that enters Kerem Shalom. In response to a Freedom of Information request filed by Gisha, the Ministry of Defense said (Hebrew) that over the course of 2018, some 55 million ILS (almost 16 million USD) were collected in Kerem Shalom truck entrance fees. In 2017, Israel collected 75 million ILS (more than 21 million USD), and in 2016, 82 million ILS (almost 24 million USD) in fees were collected at the crossing. More trucks entered the crossing in 2016 as reconstruction from Operation Protective Edge was at its peak.

In addition to these fees, Palestinian suppliers pay 20 ILS (almost six USD) for each truck entering the crossing from Gaza to collect the goods and an additional 500 ILS (145 USD) in loading fees to the Israeli company operating the crossing. Some trucks that carry cooking gas, grains, fruit, and used clothing pay an extra 10 ILS (three USD) for use of scales. The cumbersome system Israel implements for transferring goods from the Israeli side to the Palestinian side, unique to Kerem Shalom Crossing, which includes loading and unloading the goods twice, is the main reason for these expenses.

According to the United Nations, a total of 95,789 truckloads of goods and 6,102 truckloads of fuel entered Gaza via Kerem Shalom in 2019. Thus, Palestinians likely paid more than 50 million ILS (14.5 million USD) in loading and unloading fees throughout the year. Only 3,145 truckloads of goods exited Gaza in 2019.

In addition to these fees, Palestinian authorities impose taxes and collect other fees on the Palestinian side of the crossing. Officials from the Palestinian Ministry of Economy in Gaza assess the value of incoming goods, compare it to the amount listed on the trader’s invoice, and where relevant, tax the difference. In addition, the de facto authorities in Gaza collect a protectionist “solidarity tax” on about 100 types of products, ranging from 50 to 200 ILS per ton (14-58 USD), depending on the product. They cite a desire to protect local industries in the Strip producing the same items, such as beverages, potato chips, and clothing.

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Fees charged at Kerem Shalom Crossing, per truck size

<table>
<thead>
<tr>
<th>700 ILS</th>
<th>500 ILS</th>
<th>400 ILS</th>
<th>350 ILS</th>
<th>250 ILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Truck + extension</td>
<td>Fuel</td>
<td>Truck</td>
<td>Gas</td>
<td>Aggregates</td>
</tr>
</tbody>
</table>

*Data from the Land Crossings Authority website: https://www-payments-mod-gov-il/pages/payment/tamim.asp
Punitive closings at Kerem Shalom

In 2018, Israel fully shut down or restricted operations at the crossing on a total of 32 days as an openly punitive measure, on most occasions in response to rocket fire from the Strip (on top of full closures during Jewish and national Israeli holidays). In 2019, the crossing operated on a restricted basis or was shut completely on 14 days in total for punitive reasons. Deliberate or indiscriminate fire aimed at civilian population centers is a severe violation of international law and a war crime. Israel's decisions to shut down the crossing in response are also prohibited collective punishment, as there was no connection between the threats faced and operations at the crossing. Each closure of Kerem Shalom impedes the entry of essential supplies and fuel to the Strip and leads to substantial financial losses for traders, farmers and businesspeople from Gaza whose shipments are delayed or impeded, with far-reaching implications for an economy already struggling under decades of access restrictions.

Conclusion and recommendations

The crossing-specific fees collected at Kerem Shalom, cumbersome security screening methods, prohibitive costs associated with its location and insufficient physical infrastructure at the crossing all undermine prospects for economic development and prosperity in Gaza. The Strip’s economic de-development can only be reversed by removing the closure policy and allowing unimpeded access to trade, subject only to individual security checks, rather than sweeping prohibitions. Even before the closure is ended by Israel and an end to the occupation is achieved, there are steps that can be taken to dramatically improve movement of goods to and from Gaza. The following is a list of specific recommendations compiled by Gisha as a result of our research for this fact sheet:

- Open additional commercial crossings in north Gaza
- Ensure uninterrupted operations of the crossing and refrain from shutting down Kerem Shalom as a punitive measure
- Eliminate the Gaza-specific list of controlled “dual-use” items
- Reduce or eliminate Kerem Shalom-specific fees and taxes
- Build fuel storage tanks at the crossing
- Build a shaded area at the crossing to protect goods from the elements (see box)
- Build refrigeration and storage facilities at Kerem Shalom for goods that require further inspection, rather than sending them back to the supplier or to be held in costly storage
- Install lighting to enable transit of goods after dark
- Establish an organized system for transferring invoices and documents
- Remove restrictions on types of goods that can exit the Strip and restrictions on days/hours for exit of goods
- Facilitate the transport of containers through the crossing

Israel controls countless aspects of life in the Gaza Strip, including its commercial pathways. This comprehensive control gives rise to responsibilities toward Gaza’s civilian population. Israel has an obligation to protect normal living conditions in the Strip and to respect its residents’ rights to dignity and livelihood.