

The Role of Palestinian Imports in Forming a Competitive Economy: Lessons from Turkey

Wisam SAMARAH¹

Assistant Director, Business and Economic Research Center, Al-Quds Open University, Palestine,
wsamarah@qou.edu, ORCID: 0000-0003-1931-8038

Abstract: The purpose of this paper is to explore how imports can help guide the Palestinian economy toward becoming more competitive by drawing lessons from Turkey's experience. We examine the relationship between imports and Real GDP per capita in Turkey. After establishing this cause-and-effect relationship, we apply the same analysis to the Palestinian context. Data for Turkey was collected from the Macroeconomic Trends website, covering the period from 1960 to 2022, while data for Palestine was obtained from the Palestinian Monetary Authority for the period from 1995 to 2022. Time Series analysis was employed to independently study the cause-and-effect relationship in each country. The findings revealed that imports have a significant positive effect on GDP per capita in Turkey, whereas in Palestine, imports have a significant negative effect on GDP per capita. Finally, Metric Space analysis was used to measure the disparity between the impact of imports on GDP per capita in both countries. The paper suggests various policy recommendations that could help Palestinian policymakers guide the economy, following Turkey's example, toward greater competitiveness. The significance of this study lies in its assessment of the distance the Palestinian economy must cover to achieve competitiveness.

Key Words: Competitive Economy, Imports, Palestinian Economy, Turkish Economy

1. INTRODUCTION

Turkey, a nation straddling both Europe and Asia, finds itself in a geopolitically volatile region, sharing borders with Iran, Iraq, and Syria. These neighboring countries have experienced prolonged turmoil, conflict, and instability, contributing to a complex and often hostile environment for Turkey. Understanding the intricacies of Turkey's geopolitical situation requires an in-depth analysis of its relationships with each of these neighboring states, the broader regional dynamics, and its role in the international system (Öniş & Yılmaz, 2021).

In comparison, Palestine, a state with a unique geopolitical landscape and significant economic challenges, contends with constraints imposed by Israeli occupation, fragmented governance, and limited access to regional and global markets. By examining Turkey's strategies to overcome its geopolitical and economic challenges, this paper explores how Palestine can adopt similar measures to improve its competitiveness.

1.1. Palestine's Geopolitical and Economic Context

Palestine's geopolitical situation is marked by ongoing conflict and occupation. The Palestinian territories – comprising the West Bank, East Jerusalem, and Gaza Strip – remain under significant Israeli control, with restrictions on borders, trade routes, and resources. Political fragmentation between the Palestinian Authority in the West Bank

and Hamas in Gaza has further weakened governance and economic cohesion (Nasr, 2021).

The geopolitical restrictions imposed by Israel have created significant economic challenges for Palestine, including limited access to natural resources, restricted movement of goods and people, and dependence on Israeli ports for international trade (World Bank, 2021). Additionally, periodic conflicts in Gaza have devastated infrastructure and disrupted economic activity.

Palestine's economy is characterized by high unemployment, trade deficits, and dependence on aid. According to the World Bank, the Palestinian economy has suffered from decades of deindustrialization, with declining productivity in agriculture and manufacturing since the 1990s. In 2021, unemployment reached 24.9 percent, with youth unemployment exceeding 40 percent. The lack of monetary sovereignty further complicates economic management, as Palestine relies on the Israeli shekel and lacks control over monetary policy (Nasr, 2021). Thus, Palestinian economy evolved to a semi-independent economy.

Despite these challenges, Palestine possesses significant potential for economic growth. The Palestinian labor force is highly educated, with competitive wage levels compared to neighboring countries. Additionally, the strategic location of the West Bank and Gaza provides opportunities for regional trade and investment if geopolitical constraints are addressed (United Nations, 2021).

The purpose of this paper is to illustrate how the Palestinian economy can emulate Turkey's path toward becoming a competitive economy. This paper will contribute to the existing literature by demonstrating how imports can drive economic growth in an environment characterized by volatility, uncertainty, complexity, and ambiguity (VUCA). Additionally, it will illustrate how a unique economy—such as the Palestinian economy—can follow the trajectory of a more structured and well-developed economy, like Turkey, to move toward greater competitiveness. Finally, this paper will assess the extent to which Palestine lags behind in achieving a competitive economy. To the best of our knowledge, there is a lack of literature that discusses and indexes the Palestinian economy in terms of competitiveness. Thus, this paper will address the question: Can an economy operating in a VUCA environment transition toward a competitive economy?

We will start our analysis by looking at the cause-and-effect relationship between imports and GDP per capita, i.e. how imports affect the standard of living in Turkey. Then we will test this relationship for the Palestinian Economy. This paper is aimed to demonstrate how imports can lead the Palestinian economy to move towards a competitive economy by emulating the role that imports play in the Turkish economy. In other words, we will argue if Palestinian imports follow the path of the Turkish imports, then Palestine will move towards a competitive economy (Schwab, 2019). We will start this paper by discussing how Turkey has established itself as a competitive economy, focusing on key factors such as its robust industrial base, strategic geographic location, diversified trade relationships, and significant investment in infrastructure and education. By analyzing these elements, we will explore the policies and strategies that have contributed to Turkey's economic growth and competitiveness in the global market. This examination will provide a foundation for understanding how similar approaches could be applied to enhance the Palestinian economy.

1.2. Economic Competitiveness: Lessons from Turkey for Palestine

Turkey has established itself as a competitive economy by leveraging its geographic location, diversifying trade relationships, and investing in infrastructure and education. Between 2000 and 2020, Turkey made significant strides in industrialization, improving productivity and integrating into global supply chains (Dülger et al., 2019). By analyzing Turkey's experience, we can

draw insights for Palestine's economic development.

Turkey, a nation with a population of approximately 84,979,913 million people, had a Gross Domestic Product (GDP) of USD \$907.12 billion in the year 2022. It had a GDP per capita of USD \$10,675, with an unemployment rate of 10.43 percent for that same year. The industrial sector output was USD \$200.55 billion, contributing to 22.11 percent of the GDP. Its imports reached USD \$386.30 billion which is 42.59 percent of GDP, meanwhile exports were USD \$350.00 billion constituting 38.58 percent of GDP. This resulted in a trade balance of USD \$ -36.30 billion which is -4 percent of GDP (Macrotrends, 2022). Turkey had suffered from a very high inflation rate of 72.31 percent in 2022 (World Bank).

Palestine shares the same fate when it comes to inflation as Turkey, because Palestine has no control over the inflation rate. The absence of a local currency does not allow the Palestinian government to have a monetary policy to adjust for inflation, as it is imported directly from Israel. Furthermore, Palestine has a deeper geopolitical challenge as Turkey. Both nations share a similar factor endowment base where both countries suffer from a lack of natural resources. Their primary strength lies in human capital. This is why Turkey was seen as an example that Palestine can learn from.

Turkey's experience in navigating geopolitical challenges and fostering economic competitiveness offers valuable lessons for Palestine. While the two nations operate under distinct circumstances, the principles of trade diversification, human capital investment, and infrastructure development are universally applicable. For Palestine, addressing its unique challenges will require a coordinated effort involving domestic reforms, regional cooperation, and international support. By adopting a strategic approach informed by Turkey's successes, Palestine can work toward building a resilient and competitive economy.

1.3. Literature Review

A number of papers had discussed the effect of imports on the Palestinian economy.

Sadeh (2024) examined the factors influencing Palestinian foreign trade through a comprehensive analysis of import volumes, utilizing the gravity model as the analytical framework. The study considered key determinants such as GDP per capita, Consumer Price Index (CPI), trade agreements, Israeli border closures, and geographical distance. The findings indicate a

statistically significant positive correlation between CPI and import volumes, suggesting that higher inflation leads to reduced imports due to diminished purchasing power. Israeli border closures significantly restrict imports, highlighting the adverse impact of these restrictions. Interestingly, geographical distance does not appear to be a significant factor, challenging conventional economic theories on proximity and trade volume. The study underscores the profound economic distortions caused by Israeli occupation policies, which have hindered Palestinian economic development for decades.

Atawneh (2022) assessed the impact of the Paris Protocol on the general budget of the Palestinian Authority, using statistics from the Chamber of Commerce and Industry of Hebron Governorate. The researcher employed a simple random sampling method, targeting a sample of private businessmen in Hebron Governorate. The findings revealed that the Paris Protocol had a moderate impact on the Palestinian economy. It contributed to the lack of a development policy based on available resources and led to the growth of imports exceeding exports. Despite granting Palestinians some autonomy in importing goods and consumer services without Israeli mediation, the protocol still faced complications in clearing goods at Israeli ports, limiting development opportunities.

Balawi (2021) investigated the relationship between Palestine's GDP (dependent variable) and the exports and imports of goods and services (independent variables). To analyze these relationships, an econometric model was developed to examine the direct connections between exports, imports, and economic growth in Palestine. The study utilized yearly data from 2007 to 2020, sourced from the Palestinian Central Bureau of Statistics (PCBS), and applied econometric techniques including Ordinary Least Squares (OLS), Engle-Granger Cointegration, and Gretl Causality tests. The findings indicate no significant relationship between GDP, exports, and imports in Palestine.

Fannoun (2019) examined the relationship between exports, imports, and economic growth in Palestine—an economy that had not been extensively studied. The analysis utilized quarterly data from the first quarter of 2000 to the first quarter of 2018. To investigate these relationships, the study applied unit root and the Johansen Cointegration (JC) Test, along with the Vector Error Correction (VEC) Model. The unit root test results indicated that all data series (exports, imports, and economic growth) are integrated of order one. The

JC Test confirmed the existence of a long-run equilibrium relationship between exports, imports, and output growth. Additionally, the findings revealed a bidirectional long-run causality among these variables. In the short run, the results supported both the export-led import and import-led export hypotheses, while imports were found to Granger-cause economic growth. The study emphasizes the crucial role of trade in stimulating economic growth, highlighting the importance of informed policymaking in this area.

Abugamea (2016) studied the experience of Palestinian foreign trade over the past two decades which had shown a consistent increase in imports, particularly following periods of severe suppression or shortages. Meanwhile, exports have only begun to grow in recent years. This study investigates the impact of growth in both components of foreign trade – imports and exports, in both goods and total trade – on economic growth and development. It employs econometric analysis to examine the relationship between imports, exports, and economic activity, represented by GDP, as well as development, represented by GDP per capita. Additionally, the study explores the causal relationships between imports, exports, economic growth, and development. The findings indicate a moderate yet significant effect of import growth on economic activity, while export growth, although positive, does not have a statistically significant impact on economic activity. However, imports show a significant positive effect on GDP per capita. When considering total foreign trade, including service trade, the results suggest a stronger influence on economic growth and an even greater impact on GDP per capita. Notably, the Granger causality test reveals a one-way causality from total imports to economic growth and from GDP per capita to total imports. Based on these findings, the study recommends several policy measures to direct foreign trade in a way that enhances economic growth and development in Palestine.

Astrup and Dessus (2001) quantitatively evaluated various options for the future Palestinian trade regime. While recognizing the negative impact of restrictions on the movement of goods and people on Palestinian trade performance, the analysis also highlights the significant costs associated with the current Customs Union. Transitioning to a more autonomous trade regime could offer benefits, particularly by reducing import taxes and lowering domestic import prices. The study compares the establishment of a Free Trade Area with Israel—requiring the potentially costly implementation of rules of origin—with the adoption of a non-discriminatory trade regime, in which the West

Bank and Gaza forgo preferential access to the Israeli market. The analysis relies on simulations using a Computable General Equilibrium model of the Palestinian economy, based on the 1998 Social Accounting Matrix.

This paper offers a unique contribution to the existing literature by making a comparative analysis of import levels between Palestine and Turkey. Unlike previous studies, which primarily focus on the domestic factors affecting Palestinian trade, this paper explores how Palestine's import levels measure up to those of a larger, more developed economy like Turkey. The study sets a benchmark for the level of imports that Palestine must achieve to transition towards a more competitive and self-sustaining economy. By examining the import patterns of both countries, the paper identifies the gaps that need to be addressed in order to strengthen Palestine's trade and economic standing on the global stage, thereby providing a strategic framework for boosting economic competitiveness.

The paper will proceed as follows: the next section is material and methods, which includes the theoretical framework and details the data sources and analytical methods employed. The results and discussion section provides the outcomes of the statistical analysis and interprets these findings in the context of the research objectives. Finally, the conclusions section summarizes the key insights and implications of the paper.

2. MATERIAL AND METHODS

2.1. Theoretical Framework

The Keynesian model provides a foundational framework for understanding how aggregate demand drives economic output and employment. The basic GDP equation in the Keynesian model is:

$$(1) \text{GDP} = C + I(r) + G(t) + (X - M)$$

Where:

C is consumption

I is investment

r is interest rate

G is government spending

t is taxes

X is exports

M is imports

This equation shows how various components contribute to GDP, highlighting the linear

relationship between GDP and these variables. Furthermore, the Keynesian model is often used to explain short-term economic fluctuations and the role of government intervention in stabilizing the economy (Samuelson and Nordhaus, 2010, p386).

The endogenous growth model extends the Keynesian framework by emphasizing the role of internal factors in driving long-term economic growth. The basic form of the endogenous growth model is:

$$(2) Y = AK^\alpha L^{(1-\alpha)}$$

Where:

Y is output (GDP)

A is technology or total factor productivity

K is the capital stock

L is the labor force

α is the output elasticity of capital

The growth rate of technology A is often modeled as:

$$(3) dA / dT = \delta AH$$

Where:

H is human capital

δ is the rate of return on investment in human capital

Endogenous Growth Theory suggests that investments in human capital, innovation, and knowledge can lead to sustained economic growth. This theory is particularly relevant for economies seeking to diversify and develop new competitive sectors, as it highlights the importance of fostering innovation and productivity improvements from within the economy (Romer, 1990; Grossman and Helpman, 1991).

Building on the Keynesian and Endogenous Growth models the following hypotheses are proposed:

H1: Imports have a positive and significant effect on Real GDP per capita in Turkey.

Null Hypothesis (H0): Imports do not have a positive and significant effect on Real GDP per capita in Turkey.

H2: Imports have a positive and significant effect on Real GDP per capita in Palestine.

Null Hypothesis (H0): Imports do not have a positive and significant effect on Real GDP per capita in Palestine.

2.2. Data and Methodology

The data utilized in this study was sourced from the Macrotrends website, spanning the period from 1968 to 2022 and from the Palestine Monetary Authority website covering the period from 1995 to 2022. The variables under investigation include imports for Palestine (IMP), imports for Turkey (IMT), Real GDP per capita for Palestine (GDPPCP) and Real GDP per capita for Turkey (GDPPCT). These variables are detailed in the Appendix.

Several statistical tests will be conducted on this dataset to examine the long-term relationships among these variables.

The Augmented Dickey-Fuller (ADF) Test is employed to ascertain the presence of a unit root in time series data, which indicates whether the series is stationary or non-stationary. Stationarity implies that the variable lacks trends or patterns over time, maintaining a constant mean and variance. This concept is crucial in time series analysis because many statistical techniques assume stationary data (Greene, 1995), which is a prerequisite for econometric modeling to avoid spurious results.

The JC Test is utilized to determine if there exists a stable, long-term relationship (cointegration) between the imports and Real GDP per capita for both Turkey and Palestine. This test's outcomes are significant in economic and financial analyses as they suggest enduring connections between variables that can be utilized in various modeling and forecasting exercises (Greene, 1995, p.567).

Finally, the Dynamic Ordinary Least Squares (DOLS) Model is to be used to measure the magnitude of the cause-and-effect relationship between imports and Real GDP per capita for the two countries. The DOLS Model is a robust econometric technique commonly used to estimate long-run relationships in the context of time series data. Developed by Stock and Watson (1993), DOLS Model is an extension of the standard OLS method designed to address the issues of endogeneity and serial correlation in cointegrating regressions. DOLS Model modifies the basic OLS approach by incorporating leads and lags of the first differences of the independent variables into the regression equation. This adjustment corrects for endogeneity that arises from the correlation between the regressors and the error term in the presence of a cointegration relationship. Additionally, the inclusion of these leads and lags accounts for serial correlation in the error term, ensuring unbiased and consistent parameter estimates.

The general form of the DOLS Model is as follows:

$$(4) Y_t = \alpha + \beta X_t + \sum_{j=-p}^q (\delta_j \Delta X_{t-j}) + \epsilon_t$$

Where:

Y_t is dependent variable

X_t is independent variable(s)

ΔX_{t-j} is first differences of X_t with leads ($j > 0$) and lags ($j < 0$)

α , β , and δ_j are coefficients to be estimated

ϵ_t is error term

p and q are number of lags and leads, respectively

We will use Metric Space to calculate the distance between the effects of imports on GDP per capita for Turkey and Palestine to provide a structured mathematical framework for quantifying differences (Deza & Deza, 2016). A Metric Space is a set of elements equipped with a distance function, or metric, that satisfies specific properties (non-negativity, symmetry, the triangle inequality, and identity of Indiscernibles) (Kreyszig, 1978). This approach allows for a rigorous comparison of the two economies based on their import dynamics and their impact on GDP per capita.

In this context, the metric $d(\text{IMT}, \text{IMP})$ represents the "distance" between the level of IMT and IMP, taking into account their respective contributions to GDP per capita. This distance could be interpreted as a measure of divergence between the two economies in terms of how their imports influence economic competitiveness (Villani, 2009). The mathematical formulation of $d(\text{IMT}, \text{IMP})$ may involve specific metrics such as the Euclidean distance, which calculates the straight-line difference between the two values, or other customized metrics designed to account for structural economic differences (e.g., scaling factors for GDP size, population, or trade dependencies) (Mas-Colell, Whinston, & Green, 1995).

By estimating this distance, the analysis seeks to determine how far Palestine's import level and its effect on GDP per capita are from those of a more competitive economy, like Turkey. A smaller distance would suggest that Palestine's import structure and its contribution to GDP per capita are closer to Turkey's, potentially implying similarities in trade policies or economic structures (Krugman, Obstfeld, & Melitz, 2018). Conversely, a larger distance would highlight significant disparities, indicating room for improvement in aligning Palestine's trade dynamics with those of a competitive economy. This approach provides quantitative measures to guide policy

recommendations or comparative economic analysis.

4. RESULTS AND DISCUSSION

The data for the analysis was collected from the Macrotrends website and the Palestine Monetary

Authority website. The EViews 12 software was utilized to analyze the data. We will start our analysis by conducting the ADF Test to show whether the variables are stationary or non-stationary. Table 1 below shows the results of the ADF Test.

Table 1: Augmented Dickey-Fuller Test

Variable	Stationary / Non-Stationary
IMT	No unit root at first difference
IMP	No unit root at first difference
GDPPCT	No unit root at first difference
GDPPCP	No unit root at first difference

Source: Author’s Calculations

The results of the ADF Test in the above table indicate that all variables (IMT, IMP, GDPPCT, and GDPPCP) are stationary at their first difference, as evidenced by the absence of a unit root. This finding is crucial in time series analysis, as it confirms that

these variables are integrated of order one making them suitable for cointegration analysis.

Now we will conduct the JC Test. Table 2 shows the results of the JC Test.

Table 2: Johansen Cointegration Test

Variable	Cointegration
IMT and GDPPCT	Yes
IMP and GDPPCP	Yes

Source: Author’s Calculations

The above table presents the results of the JC Test for several pairs of variables. The Variable column lists the pairs of variables being tested for cointegration. The cointegration column indicates the outcome of the JC Test for each pair of variables. Based on the results, “Yes” indicates that cointegration is found between each pair of

variables tested. This suggests that there exists a long-term relationship between the variables.

Finally, we will conduct the DOLS Model to quantify the cause-and-effect relationship between imports and Real GDP per capita for Palestine and Turkey. Table 3 shows the results of the DOLS Model.

Table 3: Dynamic Ordinary Least Square Model

Independent Variable	Coefficient	P Value	Significant/ Insignificant
IMT	80,341.54	0.0000	Significant
IMP	-58.70276	0.0000	Significant

Source: Author’s Calculations

The above table presents regression results for two independent variables, IMT and IMP. Both variables have significant coefficients, with p-values equal to 0, indicating a high level of statistical significance at any conventional significance level. The coefficient for IMT is positive and large (80,341.54), suggesting a strong positive relationship between IMT and the GDPPCT. In contrast, the coefficient for IMP is negative (-58.70276), implying an inverse relationship between IMP and GDPPCP. These findings suggest that IMT and IMP have statistically significant but opposite effects on the GDPPC.

We will use Metric Space analysis to calculate the distance between the effect of imports on Real GDP per capita for Turkey and Palestine. We will start by proving that IMT and IMP belong to a Metric Space.

To prove that IMT and IMP belong to a Metric Space S, we need to establish that S is indeed a Metric Space and that IMT and IMP are elements of it. However, before proceeding, let's clarify some fundamental definitions.

A Metric Space is defined as a set S equipped with a function (called a metric or distance function)

represented by $d: S \times S \rightarrow \mathbb{R}$ that satisfies the following properties for all $x, y, z \in S$:

Non-negativity: $d(x,y) \geq 0$

Identity of Indiscernibles: $d(x,y) = 0$ if & only if $x = y$

Symmetry: $d(x,y) = d(y,x)$

Triangle Inequality: $d(x,z) \leq d(x,y) + d(y,z)$

Proof Outline

Assumption 1: S is a Metric Space, meaning it is a set equipped with a metric d that satisfies the standard properties of a Metric Space.

Assumption 2: IMT and IMP are elements of S . This means that both IMT and IMP belong to the set S , where the metric d is well-defined.

Since IMT and IMP are explicitly given as elements of S , and S is assumed to be a Metric Space, their membership in S follows directly from the definition of a Metric Space.

Thus, $IMT, IMP \in S$ which completes the proof.

After proving that both IMT and IMP belong to S , we will calculate the distance between the two elements. This is given by:

$$d(IMT, IMP) = 80,341.54 - (-58.70276) = 80,282.84$$

Thus, the level of imports of Palestine is 80,282.84 units away from the level of imports of a competitive economy's level of imports – Turkish economy.

The stationarity of the data ensures that the mean, variance, and autocorrelation structure remain constant over time, which is critical for reliable statistical inference. In this case, stationarity at first difference suggests that variables such as imports and GDP per capita exhibit underlying trends that require differencing to stabilize. Looking at Table 1, Turkey's stationarity of imports, IMT, and GDP per capita, GDPPCT, at the first difference reflects a mature economic trajectory influenced by trade dynamics. While Palestine's stationary nature of imports, IMP, and its GDP per capita, GDPPCP, suggests the data capture economic disruptions or external dependencies, such as reliance on imports for basic goods and services.

The results in Table 2 reveal that Turkey's IMT and GDPPCT have a significant cointegration between imports and GDP per capita, suggesting a robust and stable long-term relationship in Turkey. This indicates that as imports increase, GDP per capita is positively influenced, reflecting strategic import utilization in Turkey's export-oriented and industrial policies. Meanwhile, the cointegration between imports and GDP per capita in Palestine highlights

the critical dependence of GDP per capita on imports. However, this relationship is characterized by structural inefficiencies, as imports in Palestine are predominantly for consumption rather than production.

Cointegration reflects the interconnectedness of imports and GDP dynamics. Turkey's positive correlation demonstrates its success in channeling imports into productive uses like manufacturing and technology. Conversely, Palestine's dependency-driven correlation underscores the need for reform in its trade and industrial policies.

The DOLS Model results provide coefficients that measure the impact of imports, IMT and IMP, on GDP per capita in Turkey and Palestine, respectively, as shown in Table 3.

The coefficient for Turkey of 80,341.54 is a highly positive and significant coefficient, indicating that imports have a strong positive effect on GDP per capita in Turkey. This aligns with Turkey's economic strategy of importing capital goods and technology to enhance productivity and economic output. The P-value of 0.0000 shows a statistically significant result, confirming the robustness of the positive relationship between imports and GDP per capita.

On the other hand, the coefficient for Palestine of -58.70276 is a negative coefficient, suggesting that imports negatively impact GDP per capita in Palestine. This reflects the structural challenges of Palestine's import composition, which is skewed toward consumer goods rather than productive assets. The P-value of 0.0000 reflects the statistical significance, highlighting the urgent need to address the inefficiencies in how imports are managed and utilized in Palestine.

The Metric space Analysis is a method that allows us to determine how far Palestine is from aligning its import dynamics with those of Turkey. Our results indicate that Palestine is 80,282.84 units away from Turkey's – a competitive economy. Narrowing this distance involves adopting strategies to replicate Turkey's approach to trade and imports, such as investing in industrial capacity, diversifying trade partners, and prioritizing the import of productive goods.

The results demonstrate the effectiveness of Turkey's import-driven growth model, where capital and intermediate goods imports enhance manufacturing and exports, leading to higher GDP per capita. In addition, the policy emphasis on infrastructure, human capital, and industrial development has amplified the positive impacts of imports in Turkey.

The findings expose critical issues in Palestine's economic framework, including dependency on consumer imports, lack of industrial capacity, and trade imbalances. The negative relationship between imports and GDP per capita calls for urgent reforms to realign trade policies with developmental objectives.

5. CONCLUSIONS

This paper had aimed to measure how far the level of Palestinian imports are from a competitive economy's import levels such as Turkey. In order to do so, we estimated the cause-and-effect relationship between imports and Real DGP per capita for both Palestine and Turkey. Our results indicated that Turkey has an export system dependent on imports and also dependent on foreign sources for raw materials and intermediate inputs and energy (petroleum and natural gas). In this case, there is a cycle in which imports lead to exports and exports lead to economic growth. Our findings coincide with World Bank (2022).

Meanwhile, our analysis had highlighted a fundamental divergence in the role of imports in Turkey and Palestine, which was reflected in the results from our Metric Space analysis. Turkey's success underscores the transformative potential of strategic imports aligned with industrial policies, while Palestine's challenges reflect the risks of unmanaged import dependency. By adopting policies modeled after Turkey's trade strategies, Palestine can shift toward a more competitive and sustainable economic trajectory.

The results highlight that while Turkey's imports contribute positively to growth and development, Palestine's reliance on imports exacerbates its economic vulnerabilities. Thus, Palestine should adopt strategic import policies, by shifting toward importing capital goods and intermediate inputs to stimulate domestic production. In addition, Palestinian policy makers should invest in manufacturing and agro-industrial sectors to create value-added production. This will aid in trade diversification, by reducing dependency on Israeli imports through the exploration of regional and international trade partnerships. Finally, Palestine should aim to strengthen its workforce skills and innovation to maximize the productivity of imported technologies (Nasr, 2021).

In summary, Palestine should learn from Turkey by importing productive commodities such as machinery as well as transferring the "know-how." The manufacturing of iron in Palestine had asserted a successful story of how transferring the "know-

how" from Turkey can lead to a viable manufacturing sector in Palestine, where this industry was replicated from Turkey to Palestine. This became one of the most important manufacturing sites in Palestine (Al-Amoor, 2023).

The limitation of this research lies that additional data normalization or economic context (e.g., trade openness, sectoral import composition) can enhance the precision and interpretability of the calculated metric (Sen, 1999). In addition, the availability of more detailed data on imports for both countries can lead to better models and results. Lastly a longer time series for Palestine would lead to more accurate results.

Our research contributes to the existing theoretical framework by demonstrating how an unstable economy, exemplified by the semi-independent Palestinian economy, can move toward competitiveness through its import policies. This study lays the groundwork for future research on the economic competitiveness of an independent Palestinian State. Given Palestine's lack of full sovereignty, literature on this topic remains limited, and our research seeks to bridge this gap.

Additionally, it is important to note that the Palestinian Authority's has a limited capacity to implement independent economic policies, as Israel retains significant control over decision-making processes. This dependence, coupled with the economic disruptions resulting from Israeli policies, continues to obstruct sustainable economic growth and development in Palestine.

REFERENCES

- Abugamea, G. (2016). The Impact of External trade on Economic Growth and development in Palestine: 1995-2012. *An-Najah University Journal for Research-B (Humanities)*, 30(9), 1847-1876.
- Al-Amoor, J. (2023, June 25). Personal communication [Personal interview].
- Altunışık, M. B. (2021). Turkey's Foreign Policy in the Middle East: Balancing Alliances. *Middle East Policy*, 28(3), 12-23.
- Aras, B., & Özbay, F. (2019). Turkey and Iran: The Limits of Regional Rivalry. *Turkish Policy Quarterly*, 18(1), 34-45.
- Astrup, C., & Dessus, S. (2001). Trade options for the Palestinian economy: some orders of magnitude. *World Bank Mid-East & N. Africa Working Paper*, (21).
- Atawneh, S. M. (2022). *The Impact Of The Paris Protocol On The General Budget Of The Palestinian Authority*. Hebron University.
- Balawi, A. (2021). The influence of exports and imports on economic growth in Palestine. In *Proceedings of FIKUSZ Symposium for Young Researchers* (pp. 12-20). Óbuda University Keleti Károly Faculty of Economics.

- Cengiz, F. (2021). Turkey's Counterterrorism Strategies in Northern Iraq. *Journal of Middle Eastern Studies*, 53(2), 189-206.
- Deza, M. M., & Deza, E. (2016). *Encyclopedia of distances* (4th ed.). Springer.
- Dülger, M., Özsoy, T., & Erdoğan, F. (2019). Industrial Competitiveness in Emerging Markets: The Case of Turkey. *International Journal of Economic Research*, 16(3), 78-92.
- Fannoun, Z. M. I. (2019). Exports, imports and economic growth Evidence from Palestine.
- Greene, W.H. (1995). *Econometric Analysis*, Second Edition. Prentice Hall Inc.
- Grossman, G. M., & Helpman, E. (1993). *Innovation and growth in the global economy*. MIT press.
- Gürcan, M. (2022). Security Dynamics in the Middle East: Turkey's Role. *Middle Eastern Studies*, 58(1), 1-20.
- İçduygu, A., & Diker, E. (2017). Syrian Refugees in Turkey: Challenges and Opportunities. *Migration Studies*, 5(4), 543-563.
- Köse, T., et al. (2020). Strategic Partnerships in the Middle East: Turkey and Iran. *Global Affairs*, 16(2), 123-140.
- Kreyszig, E. (1978). *Introductory functional analysis with applications*. Wiley.
- Krugman, P. R., Obstfeld, M., & Melitz, M. J. (2018). *International economics: Theory and policy* (11th ed.). Pearson.
- Macroeconomic Trends. (2022). *The Long Term Perspective on Markets*. Macrotrends LLC.
- Mas-Colell, A., Whinston, M. D., & Green, J. R. (1995). *Microeconomic theory*. Oxford University Press.
- Nasr, S. (2021). Economic Challenges in Palestine: An Analytical Perspective. *Palestinian Economic Journal*, 12(2), 67-89.
- Phillips, P., (1995). Fully Modified Least Squares and Vector Autoregression. *Econometrica*, 63(5), 1023 – 1078.
- Romer, P. M. (1990). Endogenous technological change. *Journal of political Economy*, 98(5, Part 2), S71-S102.
- Sadeh, H. S. (2024). An analysis of the Palestinian foreign trade during the period 1995-2022: A gravity model approach. *International Journal of Marketing Studies*, 16(1), 39.
- Samuelson, P. A., & Nordhaus, W. D. (2010). *Economics*. 19th Edition. McGraw-Hill Education.
- Schwab, K. (2019). *The Global Competitiveness Report*. World Economic Forum.
- Sen, A. (1999). *Development as freedom*. Oxford University Press.
- Şener, S. (2013). The Competitiveness of Turkish Economy within the Scope of WEF Global Competitiveness Index. *Procedia-Social and Behavioral Sciences*, 75, 453-464.
- Stein, A. (2020). The Syrian Civil War: Turkey's Perspective. *Carnegie Endowment for International Peace*, 14(2), 78-94.
- Stock, J. H., & Watson, M. W. (1993). A simple estimator of cointegrating vectors in higher order integrated systems. *Econometrica*, 61(4), 783-820.
- United Nations. (2021). *Trade and Development Report: Challenges Facing the Palestinian Economy*. Geneva, Switzerland.
- Villani, C. (2009). *Optimal transport: Old and new*. Springer.
- World Bank. (2021). *Economic Monitoring Report to the Ad Hoc Liaison Committee*. Washington, DC: World Bank Group.
- World Bank. (2022). *World Development Indicators*. Washington, DC: World Bank.

SUPPLEMENTARY DATA

Table 4: Turkey's Macroeconomic Variables for the Period from 1960 to 2022

Year	GDP	GDP Per Capita	Growth	Inflation Rate (%)	Unemployment Rate (%)
2022	\$907.12B	\$10,675	5.53%	72.31%	10.43%
2021	\$819.87B	\$9,743	11.44%	19.60%	11.98%
2020	\$720.34B	\$8,639	1.86%	12.28%	13.11%
2019	\$761.01B	\$9,215	0.82%	15.18%	13.67%
2018	\$778.97B	\$9,569	3.01%	16.33%	10.89%
2017	\$858.99B	\$10,696	7.50%	11.14%	10.82%
2016	\$869.68B	\$10,970	3.32%	7.78%	10.84%
2015	\$864.31B	\$11,050	6.08%	7.67%	10.24%
2014	\$938.93B	\$12,165	4.94%	8.85%	9.88%
2013	\$957.80B	\$12,578	8.49%	7.49%	8.73%
2012	\$880.56B	\$11,713	4.79%	8.89%	8.15%
2011	\$838.79B	\$11,301	11.20%	6.47%	8.80%
2010	\$776.97B	\$10,623	8.43%	8.57%	10.66%
2009	\$649.29B	\$9,013	-4.82%	6.25%	12.55%
2008	\$770.45B	\$10,844	0.82%	10.44%	9.71%

Year	GDP	GDP Per Capita	Growth	Inflation Rate (%)	Unemployment Rate (%)
2007	\$681.32B	\$9,711	5.04%	8.76%	8.87%
2006	\$557.08B	\$8,004	6.95%	9.60%	8.72%
2005	\$506.31B	\$7,369	8.99%	8.18%	10.63%
2004	\$408.87B	\$6,032	9.80%	8.60%	10.83%
2003	\$314.60B	\$4,705	5.76%	21.60%	10.55%
2002	\$240.25B	\$3,641	6.45%	44.96%	10.35%
2001	\$201.75B	\$3,100	-5.75%	54.40%	8.37%
2000	\$274.29B	\$4,278	6.93%	54.92%	6.30%
1999	\$256.40B	\$4,058	-3.26%	64.87%	7.45%
1998	\$275.94B	\$4,433	2.40%	84.64%	6.55%
1997	\$189.88B	\$3,099	7.58%	85.67%	6.45%
1996	\$181.46B	\$3,010	7.38%	80.41%	6.26%
1995	\$169.32B	\$2,855	7.88%	89.11%	7.24%
1994	\$130.65B	\$2,241	-4.67%	105.22%	8.15%
1993	\$180.42B	\$3,149	7.65%	66.09%	8.25%
1992	\$159.10B	\$2,826	5.04%	70.08%	8.18%
1991	\$151.03B	\$2,730	0.72%	65.98%	8.11%
1990	\$150.66B	\$2,773	9.27%	60.30%	0.00%
1989	\$107.13B	\$2,010	0.29%	63.27%	0.00%
1988	\$90.88B	\$1,738	2.32%	68.81%	0.00%
1987	\$87.19B	\$1,701	9.49%	38.86%	0.00%
1986	\$75.67B	\$1,507	7.01%	34.61%	0.00%
1985	\$67.23B	\$1,367	4.24%	44.96%	0.00%
1984	\$59.94B	\$1,246	6.71%	48.39%	0.00%
1983	\$61.80B	\$1,314	4.97%	31.39%	0.00%
1982	\$64.37B	\$1,401	3.56%	29.14%	0.00%
1981	\$71.18B	\$1,582	4.86%	37.61%	0.00%
1980	\$68.82B	\$1,561	-2.45%	94.26%	0.00%
1979	\$89.62B	\$2,075	-0.62%	63.54%	0.00%
1978	\$65.91B	\$1,559	1.50%	61.90%	0.00%
1977	\$58.68B	\$1,418	3.41%	25.99%	0.00%
1976	\$51.45B	\$1,270	10.46%	17.46%	0.00%
1975	\$46.04B	\$1,161	7.17%	21.23%	0.00%
1974	\$35.41B	\$911	5.59%	23.90%	0.00%
1973	\$26.00B	\$684	3.26%	13.94%	0.00%
1972	\$20.65B	\$555	7.43%	15.42%	0.00%
1971	\$16.17B	\$445	5.57%	19.01%	0.00%
1970	\$17.86B	\$503	3.23%	7.92%	0.00%
1969	\$19.47B	\$561	4.08%	4.92%	0.00%
1968	\$17.50B	\$516	6.78%	6.05%	0.00%
1967	\$15.64B	\$474	4.73%	13.97%	0.00%
1966	\$14.10B	\$438	11.21%	8.47%	0.00%
1965	\$11.97B	\$381	2.82%	4.56%	0.00%
1964	\$11.18B	\$365	5.46%	1.12%	0.00%

Year	GDP	GDP Per Capita	Growth	Inflation Rate (%)	Unemployment Rate (%)
1963	\$10.36B	\$347	9.07%	6.36%	0.00%
1962	\$8.92B	\$307	5.57%	3.89%	0.00%
1961	\$7.99B	\$283	1.16%	3.17%	0.00%
1960	\$7.57B	\$275	0.00%	5.66%	0.00%

Source: Macrotrends | The Long-Term Perspective on Markets

Table 5: Turkey's Trade Balance Variables for the Period from 1960 to 2022

Year	Manufacturing Output		Imports		Exports		Trade Balance	
	Billions of US \$	% of GDP	Billions of US \$	% of GDP	Billions of US \$	% of GDP	Billions of US \$	% of GDP
2022	\$200.55B	22.11%	\$386.30B	42.59%	\$350.00B	38.58%	\$-36.30B	-4.00%
2021	\$182.32B	22.24%	\$289.73B	35.34%	\$293.05B	35.74%	\$3.32B	0.40%
2020	\$137.87B	19.14%	\$232.11B	32.22%	\$209.77B	29.12%	\$-22.35B	-3.10%
2019	\$139.85B	18.38%	\$229.21B	30.12%	\$251.70B	33.07%	\$22.49B	2.96%
2018	\$148.66B	19.08%	\$244.45B	31.38%	\$243.29B	31.23%	\$-1.16B	-0.15%
2017	\$151.11B	17.59%	\$255.31B	29.72%	\$223.68B	26.04%	\$-31.64B	-3.68%
2016	\$144.33B	16.60%	\$219.55B	25.24%	\$200.75B	23.08%	\$-18.80B	-2.16%
2015	\$144.31B	16.70%	\$229.54B	26.56%	\$212.03B	24.53%	\$-17.51B	-2.03%
2014	\$157.48B	16.77%	\$268.17B	28.56%	\$236.66B	25.21%	\$-31.50B	-3.36%
2013	\$155.93B	16.28%	\$275.22B	28.73%	\$227.89B	23.79%	\$-47.33B	-4.94%
2012	\$139.43B	15.83%	\$250.69B	28.47%	\$214.51B	24.36%	\$-36.18B	-4.11%
2011	\$137.97B	16.45%	\$254.24B	30.31%	\$192.87B	22.99%	\$-61.37B	-7.32%
2010	\$116.96B	15.05%	\$198.13B	25.50%	\$164.67B	21.19%	\$-33.46B	-4.31%
2009	\$98.42B	15.16%	\$152.04B	23.42%	\$151.74B	23.37%	\$-0.30B	-0.05%
2008	\$125.31B	16.26%	\$207.88B	26.98%	\$181.57B	23.57%	\$-26.32B	-3.42%
2007	\$114.49B	16.80%	\$176.88B	25.96%	\$149.14B	21.89%	\$-27.74B	-4.07%
2006	\$95.03B	17.06%	\$146.89B	26.37%	\$124.76B	22.39%	\$-22.13B	-3.97%
2005	\$85.59B	16.90%	\$122.86B	24.27%	\$110.76B	21.88%	\$-12.10B	-2.39%
2004	\$69.30B	16.95%	\$103.04B	25.20%	\$96.59B	23.62%	\$-6.45B	-1.58%
2003	\$53.83B	17.11%	\$73.05B	23.22%	\$72.38B	23.01%	\$-0.67B	-0.21%
2002	\$40.68B	16.93%	\$54.96B	22.88%	\$60.31B	25.11%	\$5.35B	2.23%
2001	\$35.74B	17.71%	\$45.78B	22.69%	\$54.84B	27.18%	\$9.06B	4.49%
2000	\$51.31B	18.71%	\$61.64B	22.47%	\$54.53B	19.88%	\$-7.11B	-2.59%
1999	\$51.27B	20.00%	\$48.34B	18.85%	\$48.23B	18.81%	\$-0.11B	-0.04%
1998	\$61.46B	22.27%	\$54.44B	19.73%	\$57.03B	20.67%	\$2.59B	0.94%
1997	\$40.95B	21.57%	\$57.70B	30.39%	\$46.68B	24.58%	\$-11.03B	-5.81%
1996	\$38.36B	21.14%	\$50.50B	27.83%	\$39.09B	21.54%	\$-11.40B	-6.28%
1995	\$38.21B	22.57%	\$41.23B	24.35%	\$33.68B	19.89%	\$-7.55B	-4.46%
1994	\$28.83B	22.06%	\$26.63B	20.38%	\$27.91B	21.36%	\$1.28B	0.98%
1993	\$37.54B	20.81%	\$34.90B	19.34%	\$24.67B	13.67%	\$-10.23B	-5.67%
1992	\$34.43B	21.64%	\$27.60B	17.35%	\$22.90B	14.39%	\$-4.70B	-2.95%
1991	\$33.49B	22.17%	\$25.12B	16.63%	\$20.90B	13.84%	\$-4.22B	-2.79%
1990	\$33.08B	21.96%	\$26.48B	17.58%	\$20.14B	13.37%	\$-6.35B	-4.21%
1989	\$24.77B	23.12%	\$19.05B	17.78%	\$17.36B	16.20%	\$-1.69B	-1.58%

Year	Manufacturing Output		Imports		Exports		Trade Balance	
	Billions of US \$	% of GDP	Billions of US \$	% of GDP	Billions of US \$	% of GDP	Billions of US \$	% of GDP
1988	\$20.86B	22.96%	\$15.95B	17.55%	\$16.95B	18.65%	\$1.00B	1.10%
1987	\$19.04B	21.84%	\$15.48B	17.76%	\$13.58B	15.58%	\$-1.90B	-2.18%
1986	\$16.80B	22.20%	\$12.18B	16.10%	\$10.07B	13.31%	\$-2.11B	-2.79%
1985	\$12.27B	18.25%	\$12.75B	18.97%	\$10.66B	15.86%	\$-2.09B	-3.11%
1984	\$10.82B	18.06%	\$11.79B	19.67%	\$9.35B	15.61%	\$-2.44B	-4.07%
1983	\$11.81B	19.10%	\$10.23B	16.56%	\$7.71B	12.47%	\$-2.52B	-4.08%
1982	\$12.87B	20.00%	\$9.67B	15.02%	\$7.64B	11.86%	\$-2.03B	-3.15%
1981	\$13.84B	19.44%	\$9.19B	12.90%	\$5.86B	8.24%	\$-3.32B	-4.67%
1980	\$11.76B	17.09%	\$8.21B	11.93%	\$3.55B	5.16%	\$-4.66B	-6.77%
1979	\$17.17B	19.16%	\$5.27B	5.88%	\$2.88B	3.22%	\$-2.39B	-2.66%
1978	\$11.25B	17.06%	\$4.80B	7.29%	\$2.73B	4.15%	\$-2.07B	-3.14%
1977	\$10.14B	17.29%	\$6.28B	10.71%	\$2.24B	3.82%	\$-4.04B	-6.89%
1976	\$9.08B	17.64%	\$5.49B	10.67%	\$2.50B	4.86%	\$-2.99B	-5.81%
1975	\$7.63B	16.57%	\$5.17B	11.23%	\$2.04B	4.42%	\$-3.14B	-6.81%
1974	\$5.88B	16.60%	\$3.99B	11.27%	\$2.03B	5.73%	\$-1.96B	-5.55%
1973	\$4.56B	17.55%	\$2.36B	9.09%	\$1.83B	7.03%	\$-0.54B	-2.06%
1972	\$3.59B	17.36%	\$1.76B	8.54%	\$1.24B	6.02%	\$-0.52B	-2.53%
1971	\$2.69B	16.62%	\$1.33B	8.25%	\$0.86B	5.32%	\$-0.47B	-2.93%
1970	\$2.87B	16.08%	\$1.14B	6.36%	\$0.79B	4.43%	\$-0.35B	-1.93%
1969	\$3.13B	16.10%	\$0.92B	4.74%	\$0.70B	3.60%	\$-0.22B	-1.14%
1968	\$2.76B	15.75%	\$0.89B	5.08%	\$0.64B	3.68%	\$-0.24B	-1.40%
1967	\$2.34B	14.99%	\$0.78B	4.97%	\$0.64B	4.12%	\$-0.13B	-0.85%
1966	\$2.08B	14.74%	\$0.80B	5.67%	\$0.58B	4.10%	\$-0.22B	-1.58%
1965	\$1.76B	14.67%	\$0.64B	5.39%	\$0.54B	4.55%	\$-0.10B	-0.84%
1964	\$1.49B	13.32%	\$0.61B	5.47%	\$0.50B	4.47%	\$-0.11B	-0.99%
1963	\$1.33B	12.88%	\$0.72B	6.97%	\$0.43B	4.18%	\$-0.29B	-2.79%
1962	\$1.17B	13.08%	\$0.71B	7.97%	\$0.50B	5.60%	\$-0.21B	-2.37%
1961	\$1.06B	13.21%	\$0.54B	6.82%	\$0.41B	5.15%	\$-0.13B	-1.67%
1960	\$0.97B	12.78%	\$0.28B	3.67%	\$0.16B	2.06%	\$-0.12B	-1.62%

Source: Macrotrends | The Long-Term Perspective on Markets

Table 6: Macroeconomic Variables for Palestine for the period from 1996 to 2022

Year	Unemployment rate (%)	Consumer price index (2018 = 100)	Real GDP Per Capita (USD)	Real GDP at (2015) prices (USD)
1996	23.8	49.58	2249.2	5483.5
1997	20.3	53.09	2442.2	6287.8
1998	14.4	56.05	2701	7189.1
1999	11.8	59.16	2830.2	7784.4
2000	14.3	60.82	2506.5	7118.4
2001	25.3	61.56	2208	6455.6
2002	31.2	65.08	1877.6	5649.4

Year	Unemployment rate (%)	Consumer price index (2018 = 100)	Real GDP Per Capita (USD)	Real GDP at (2015) prices (USD)
2003	25.5	67.94	2080.1	6441.2
2004	26.8	69.98	2463.6	7853.4
2005	23.50	72.86	2,659.20	8,740.10
2006	23.7	75.66	2553.3	8653
2007	21.70	77.06	2,570.00	8,980.80
2008	26.60	84.69	2,686.90	9,648.00
2009	24.50	87.02	2,841.90	10,477.10
2010	23.70	90.28	2,929.80	11,082.40
2011	20.90	92.88	3,131.60	12,146.40
2012	23.00	95.46	3,242.10	12,886.90
2013	23.40	97.11	3,314.50	13,492.40
2014	26.90	98.79	3,233.00	13,471.10
2015	25.90	100.20	3,277.90	13,972.40
2016	26.90	99.98	3,489.80	15,211.00
2017	25.70	100.20	3,463.10	15,426.90
2018	26.20	100.00	3,417.70	15,616.20
2019	25.40	101.58	3,378.30	15,829.00
2020	23.40	100.83	2,922.50	14,037.40
2021	26.40	102.08	3,051.50	15,021.70
2022	24.40	105.90	3,086.80	15,612.50

Source: Palestine Monetary Authority <https://www.pma.ps/en/Statistics//TimeSeriesData>

Table 7: Palestine's Trade Balance Variables for the Period from 1995 to 2022

Year	Population*	Industry (%)	Trade deficit	Trade Deficit / GDP (%)	Exports	Exports / GDP (%)	Imports	Imports / GDP (%)
1995	2,608.90	18	-1,879.10	-57.2	562.1	17.1	2,441.20	74.4
1996	2,694.60	16.8	-1,951.70	-57.2	546	16	2,497.70	73.3
1997	2,783.10	16.4	-2,095.90	-55.7	650.3	17.3	2,746.20	73
1998	2,871.60	15.9	-2,151.20	-52.9	734.4	18.1	2,885.60	70.9
1999	2,962.20	15.5	-2,611.90	-61.2	751.6	17.6	3,363.50	78.7
2000	3,053.30	14.3	-2,010.40	-46.6	885	20.5	2,895.40	67.1
2001	3,138.50	13.9	-2,080.30	-52	615.9	15.4	2,696.20	67.3
2002	3,225.20	12.9	-1,755.80	-49.4	477.8	13.4	2,233.60	62.8
2003	3,314.50	12.5	-2,001.30	-50.4	515.1	13	2,516.40	63.4
2004	3,407.40	12.7	-2,540.60	-55.2	596.8	13	3,137.40	68.2
2005	3,508.10	13	-2,850.60	-55.6	723.3	14.1	3,573.90	69.7
2006	3,612.00	12.4	-2,947.10	-55.1	736.3	13.8	3,683.40	68.9
2007	3,719.20	12.6	-3,217.80	-55.3	1,066.30	18.3	4,284.10	73.7
2008	3,820.80	12.1	-3,480.30	-47.6	1,165.00	15.9	4,645.30	63.5
2009	3,922.10	11.7	-3,809.90	-47.1	1,133.30	14	4,943.20	61.1

Year	Population*	Industry (%)	Trade deficit	Trade Deficit / GDP (%)	Exports	Exports / GDP (%)	Imports	Imports / GDP (%)
2010	4,023.50	11.4	-3,897.00	-40.3	1,367.30	14.1	5,264.30	54.4
2011	4,124.80	11.8	-3,923.80	-35.1	1,799.40	16.1	5,723.20	51.2
2012	4,226.40	11.9	-4,428.80	-36.3	1,871.10	15.3	6,299.90	51.6
2013	4,327.80	12.2	-4,734.70	-35	2,111.10	15.6	6,845.80	50.7
2014	4,429.10	12.6	-5,049.40	-36.1	2,213.60	15.8	7,263.00	51.9
2015	4,530.40	13	-5,401.20	-38.7	2,244.30	16.1	7,645.50	54.7
2016	4,632.00	13.4	-5,664.40	-36.8	2,207.10	14.3	7,871.50	51.1
2017	4,733.40	13.1	-5,967.40	-37	2,536.00	15.7	8,503.40	52.7
2018	4,854.00	13	-6,425.70	-39.5	2,598.00	16	9,023.70	55.4
2019	4,976.70	12.3	-6,502.40	-38	2,659.30	15.5	9,161.70	53.5
2020	5,101.20	13.3	-5,680.40	-36.6	2,385.30	15.4	8,065.70	51.9
2021	5,227.20	12.4	-6,954.10	-38.4	3,140.30	17.3	10,094.40	55.7
2022	5,354.70	13	-9,329.90	-48.8	3,543.70	18.5	12,873.60	67.4

Note: Population (in thousands) mid Year, includes J1 of Jerusalem

Source: Palestine Monetary Authority <https://www.pma.ps/en/Statistics/TimeSeriesData>