



PRESS RELEASE

Palestinian Political Pulse #5, May 2006

- ❖ In comparison with NEC's April poll, trust in Fateh has remained stable at 34%, while the percentage of Palestinians not trusting any faction has increased by 4% to 19%, at the expense of Hamas. In the past month, trust in Hamas has declined by 4% and stands now at 42%.
- ❖ Trust in Mahmoud Abbas has declined to the benefit of Ismael Hanieh. Whereas trust in Mahmoud Abbas still reached 69% in March 2006, it dropped by 16% in April to 53%, and with another 2% in the past month to 51% now. The remaining 49% trust Ismael Hanieh most.
- ❖ With an increase of 14% since last month and 27% since NEC's March 2006 poll, "improving internal security" has become by far the main perceived priority for the Hamas-led PA government. Since the January PLC elections the perceived priority for the Hamas-led government to "fight corruption" has steadily declined from 35% in January 2006 to a mere 8% now.
- ❖ Less than half the population (45%) believes that the Hamas-led government will stay in power for its total term, but 28% believe that this government will collapse within six months. Furthermore, 13% continue to believe that a national unity government will be established, while 9% believe that the president will dissolve the government and establish an emergency government. 5% think that the Hamas-led government will step down. Opinions about the prospects of the Hamas-led government are divided according to factional lines: whereas 50% of Fateh supporters and 38% of those who do not trust any faction believe that the Hamas-led government will collapse within six months, this view is shared by a mere 8% of the Hamas supporters. Conversely, whereas 73% of Hamas supporters think that the Hamas-led government will serve its full term, only 14% of Fateh supporters share this opinion.
- ❖ A minority of 38% believe in the ability of the Hamas-led PA to pay salaries of the government employees. This belief is shared by a mere 13% of Fateh supporters and 29% of those who do not trust any faction, but 62% of Hamas supporters continue to believe in the ability of the government to pay its employees' salaries.

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The Palestinian Political Pulse

The four-month period since the January 2006 PLC elections has been marked by an increasingly clear divide in Palestinian society along factional lines. More particularly, now more than ever, opinions on a wide variety of issues vary depending on whether respondents trust Hamas, trust Fateh or do not trust any faction. In order to exemplify this division, the analysis in this press release is highlighting the diverging opinions according to factional trust.

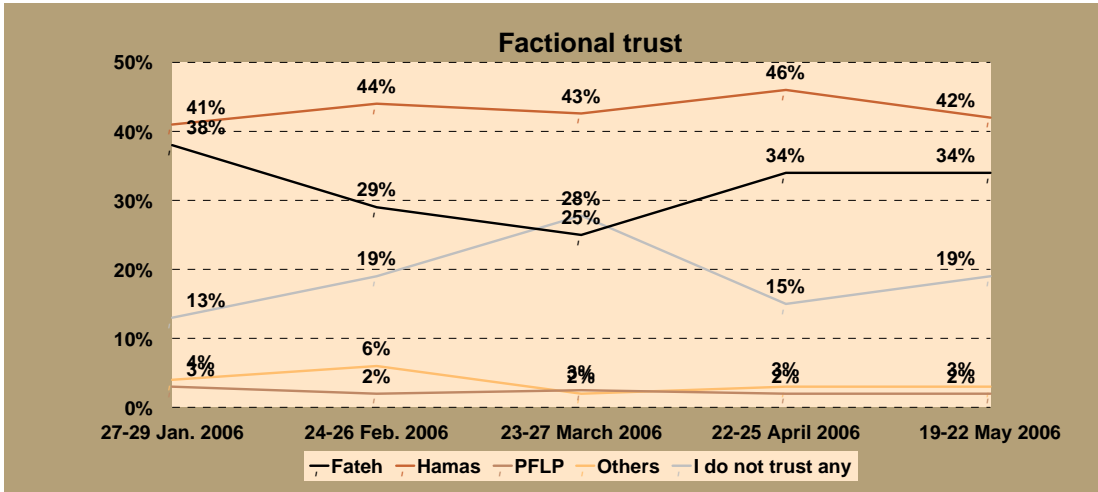
During the period 19-21 May, 2006, Near East Consulting (NEC) conducted a phone survey of over 1,200 randomly selected Palestinians in the West Bank, the Gaza Strip, and Jerusalem of which 890 were successfully completed. The survey covered a number of issues that fit into NEC's monthly "Palestinian Political Pulse" with the aim of monitoring Palestinian political perceptions over time. These include: factional trust and trust in political figures, perceived priorities of the Hamas-led government, and future prospects for the Hamas-led PA.

It is worth noting that the margin of error is +/- 3.28% with a 95% confidence level.

Factional trust

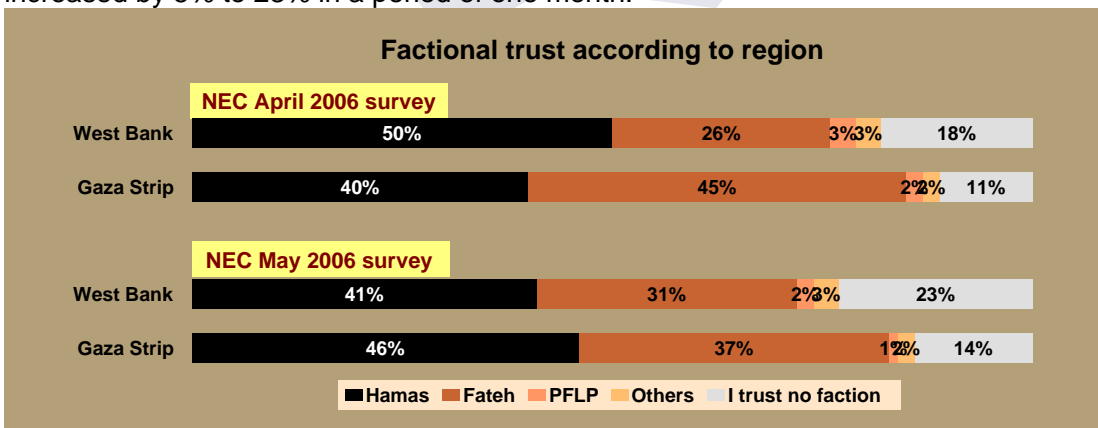
In the survey that NEC conducted immediately after the January PLC elections, the results on factional trust very much reflected Palestinians' voting behavior of a few days earlier. The surveys conducted in the following two months (February & March) showed a rather stable trust in Hamas, a decline in trust in Fateh and a sharp increase in the percentage of disillusioned Palestinians who did not trust any faction. In the April survey, in the midst of a growing financial crisis of the Hamas-led PA government, plans by Hamas to establish a new security force, President Abbas's presidential decree vetoing such plans, Hamas leader Khaled Mashaal's insinuations of Fateh collaborating with Israel against the Hamas-led government, increasing tensions and clashes between Fateh and Hamas supporters, Palestinians seemed once more inclined to assert their political preference for either Hamas or Fateh as the percentage of those who do not trust any faction nearly halved in between March and April (from 28% to 15%).

Now in the May survey, trust in Fateh has remained stable at 34% compared to last month, while the percentage of Palestinians not trusting any faction has increased by 4%, at the expense of Hamas. In the past month, trust in Hamas has declined by 4%.



In this survey, factional trust differs significantly depending on the region of residence of the respondents. Since the January PLC elections, trust in Hamas has been stronger in the Gaza Strip than in the West Bank. However, in NEC's April survey, the factional landscape totally changed as for the first time since the January elections trust in Hamas was not only less strong in the Gaza Strip than in the West Bank, but within the Gaza Strip trust in Hamas was also weaker than trust in Fateh. Now, in the May survey, the percentages reversed back to pre-April proportions with support for Hamas not only being stronger in the Gaza Strip than in the West Bank, but also within the Gaza Strip Hamas support is again stronger than trust in Fateh.

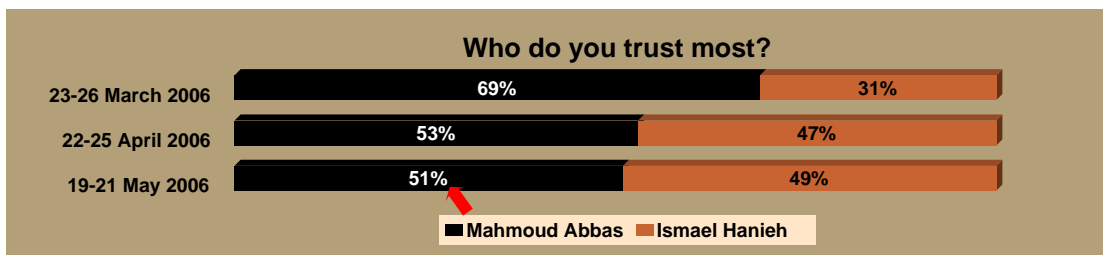
More concretely, whereas in NEC's April survey, for example, within the Gaza Strip 40% most trusted Hamas, 45% most trusted Fateh and 11% did not trust any Palestinian faction, now, in the Gaza Strip trust in Hamas increased to 46% (+6%), trust in Fateh dropped to 37% (-8%), while the percentage of those not trusting any faction slightly increased to 14% (+3%). Meanwhile, in the West Bank and in comparison to NEC's survey results of last month, trust in Hamas dropped by 9% to 41%, trust in Fateh increased by 5% to 31%, while the percentage of those not trusting any faction also increased by 5% to 23% in a period of one month.



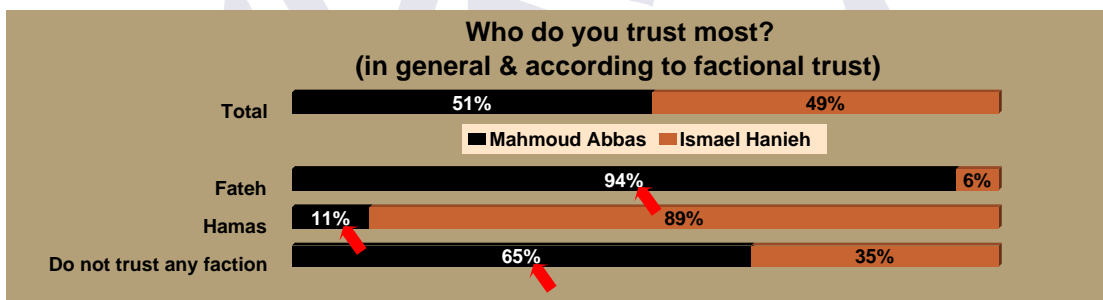


Palestinian leadership

For the third month in a row, Palestinians in the West Bank and the Gaza Strip were asked whether they trust most President Mahmoud Abbas or Prime Minister Ismael Hanieh. As overviewed in the figure below, over time, trust in Mahmoud Abbas has declined to the benefit of Ismael Hanieh. Whereas trust in Mahmoud Abbas still reached 69% in March 2006, it dropped by 16% in April to 53%, and with another 2% to 51% now.



According to factional trust, a very considerable majority of 94% of Fateh supporters and 65% of those who do not trust any faction trust Mahmoud Abbas most, while this is the case for only 11% of the Hamas supporters. It is worth pointing out that in NEC's March survey still 46% of Hamas supporters said that they trusted Mahmoud Abbas most. This percentage dropped to 20% in April, and in the past month dropped another 9%. Lastly, the level of trust in Mahmoud Abbas and Ismael Hanieh does not differ significantly between the West Bank and the Gaza Strip.



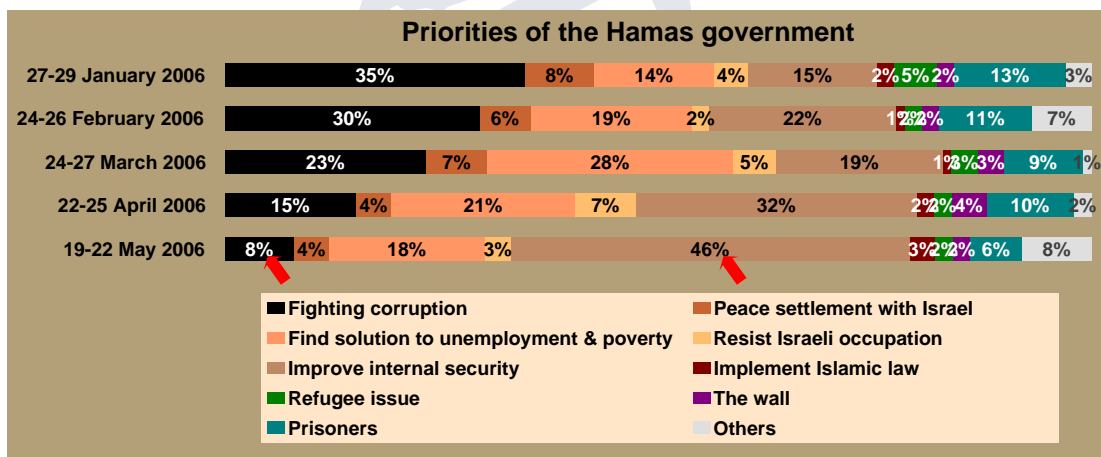
Hamas-led Government

In the past five surveys conducted for the Palestinian Political Pulse, respondents were asked what, in their opinion, the main priorities of Hamas-led government should be. The results in the figure below, clearly point to one main trend: Since the PLC elections in January 2006 the percentage of people believing that "fighting corruption" should be the new government's main priority has been steadily declining (from 35% in January to 30% in February to 23% in March to 15% in April to 8% now). In addition, the percentage of Palestinians convinced that the new government's priority should be to "find a solution to unemployment and poverty" that had doubled between January and March, now



declined by 7% in April, and dropped another 3% to 18% in the past month. The results indicate that the wish of people for the Hamas-led government to "find a solution to unemployment and poverty" and "to fight corruption" in the past two months had to make place for a more direct and urgent need of the population, i.e. for the Hamas-led PA to "improve internal security". The latter's importance as a perceived priority of the Hamas-led PA government had already increased by 13% between March and April, and increased another 14% in the past month to reach 46%.

Further worth noting in the results is the continuing low percentage (3%) of respondents who consider the "imposing of religious standards" or the Sharia'a law as a priority of the new Hamas-led government. However, the public perception that the implementation of Islamic law should be the priority of the Hamas-led government is more pronounced in the West Bank (4%) than in the Gaza Strip (1%), and also more explicit among Hamas supporters (5%) than among both Fateh supporters (1%) and those who do not trust any faction (1%).



Although not illustrated in the figure above, the perceived priorities of the Hamas-led government vary significantly according to respondents' factional trust and their region of residence. More specifically, the perception that it should be the priority of the Hamas-led government to improve internal security is far more pronounced among Hamas supporters (52%) than among Fateh supporters (39%) and those who do not trust any faction (44%), and also more of a concern among Gazans (59%) than among Westbankers (38%). Lastly, a higher percentage of Westbankers than Gazans believe that combating corruption (10% vs. 4%) and reaching a peace agreement with Israel (6% vs. 1%) should be the priorities of the current government.¹

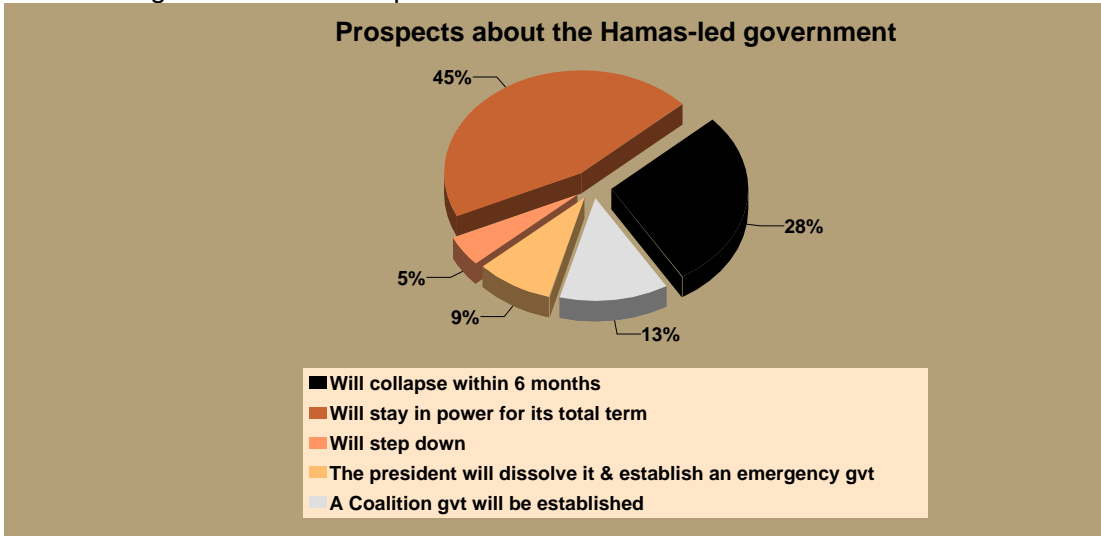
Challenges for the Hamas-led government

Given the many challenges facing the Hamas-led government, NEC tried to gauge the Palestinian public's perceptions on the future of this troubled government. As illustrated

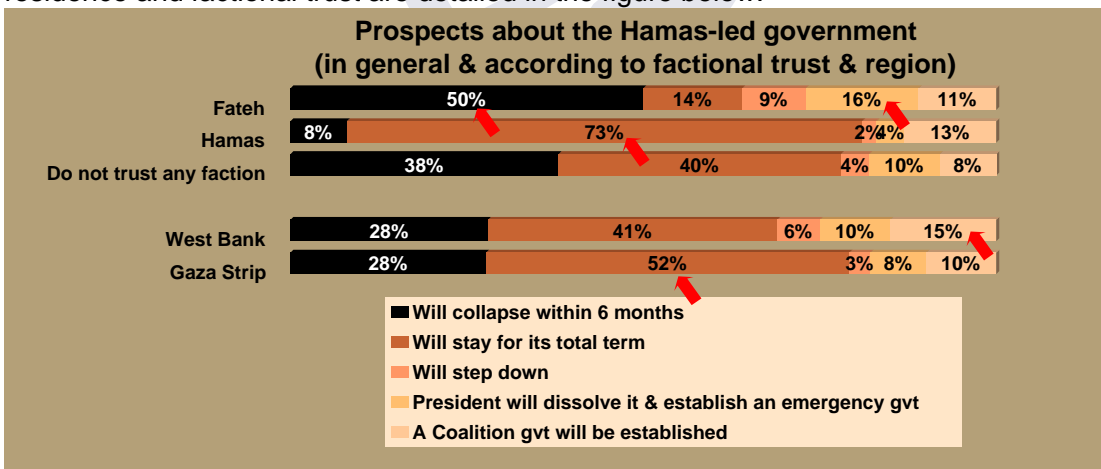
¹ More detailed information can be obtained from NEC's website: www.neareastconsulting.com.



in the figure below, in general, nearly half of the sample (45%) believes that the Hamas-led government will stay in power for its total term, but 28% believe that this government will collapse within six months. Furthermore, 13% continue to believe that a national unity government will be established, while 9% believe that the president will dissolve the government and establish an emergency government. Lastly 5% think that the Hamas-led government will step down.

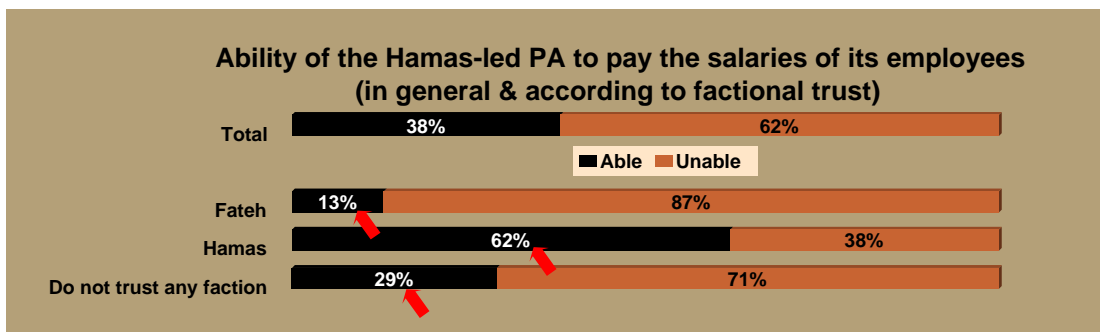


The public's perceived scenarios concerning the future of the Hamas-led government vary considerably according to factional trust and according to the region of residence of the respondents. For example, whereas 50% of Fateh supporters and 38% of those who do not trust any faction believe that the Hamas-led government will collapse within six months, this view is shared by a mere 8% of the Hamas supporters. Conversely, whereas 73% of Hamas supporters think that the Hamas-led government will serve its full term, only 14% of Fateh supporters share this opinion. Also, a higher percentage of Gazans (52%) than Westbankers (41%) are of the opinion that the Hamas-led government will stay in power for its total term. The results according to region of residence and factional trust are detailed in the figure below.





One of the challenges facing the Hamas-led government is the increasing financial crisis and its inability to pay the government employees for the past two months. When asked about the ability of the PA government to pay the salaries of its employees, in general, 38% continue to believe in the ability of the government to do so, but the majority of 62% does not think so. Again, the opinions on this issue vary according to factional trust. As illustrated in the figure below, only 13% of Fateh supporters and 29% of those who do not trust any faction compared to 62% of Hamas supporters believe in the Hamas-led PA's ability to pay the salaries of its employees.



On a last note, there were no significant differences in opinion according to the region of residence of the respondents.