



**Palestinian National Authority
Palestinian Central Bureau of Statistics
Economic Statistics Directorate**

The Internal Trade Survey – 2010

User's Guide

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Concepts and Definitions

This chapter defines the concepts used in the preparation of the survey tools on which data collection and processing were based. These concepts and their definitions are based on international recommendations in the fields of economic statistics and national accounts, while taking into consideration the particular aspects of the Palestinian Territory.

Statistical Unit

It is an economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.

Employed Persons:

Males and females working in the enterprise, including owners, self-employed, unpaid family members, or waged workers who receive their compensations in cash or in kind during a specific reference period. However, this term does not include trainees, those on assignments outside the enterprises, or on long unpaid leave.

Output

This is the value of the final products of goods and services produced by an establishment, which is used by other units as self-consumed or for the purposes of self gross fixed capital formation. Production includes two categories: Final products and the so-called under operating products. Production can be classified as follows: market outputs, outputs of private account, and other non-market outputs.

Intermediate Consumption

The value of the goods and services consumed as inputs and used or transformed during the production process. It is measured during a specific period in time in a way similar to measuring production. Intermediate consumption is estimated by purchase price, which is defined as the producers' price plus transportation and wholesale and retail trade margins. The value of gross intermediate consumption with respect to the total economy is the same whether calculated by purchase or producers' price. However, on a detailed level, the two evaluations vary

Value Added

Value added is a central concept of production and refers to the generated value of any unit that carries out any productive activity. Gross value added is defined as the value of gross production less the value of intermediate consumption.

Compensations of Employees

Compensation of employees is the total remuneration, in cash or in kind, including social security contributions, payable by an enterprise to an employee in return for work done by the latter.

Taxes on Product

Those are taxes that are compulsory cash or in kind payments payable by producers to the general government. It consists of taxes on products payable on goods and services at production, sale, or exchange and other taxes payable on production by resident producers as a result of carrying out the production process.

Assets

It is tangible or intangible (computer software, artistic original) that comes as an output of the production process .It is used frequently or continuously in other production process for more than one year period.

Depreciation

It is the value of the assets which can be reproduced and depreciated during the year, depreciation is calculated on the current substitutive value.

Operating surplus

Value added minus compensation of employees, plus net taxes on production, minus subsidies and custom fees, plus depreciation.

Gross Fixed Capital Formation

The gross fixed capital formation of an institutional unit or sector is measured largely by the value of its acquisitions, less disposals of new or existing fixed assets. Disposals do not include consumption of fixed capital. Fixed assets consist of tangible or intangible assets that have come into existence as outputs from processes of production and that are themselves used repeatedly or continuously in other processes of production over periods of time of more than one year.

Main Economic Activity

This is the main work of the enterprise based on the (ISIC, rev4) and that contribute to the large proportion of the value added, whenever more than one activity exists in the enterprise.

Survey Questionnaire

They are one forms of the Internal trade survey questionnaire 2010 of the Palestinian Territory, it's related to household and branches, and the non-financial companies sector. The questionnaire contains the following main variables:

1. The persons engaged in enterprise and compensation of these employees.
2. Value of output from the main activity and secondary activity.
3. Production inputs of goods and services.
4. Payments and transfers.
5. Taxes on production.
6. Assets and capital formation.

Data Sets Linkage

Consists of the data file in this CD-ROM from group:

In this CD-ROM there are 12 data file of Internal trade questionnaire, related with one key variable (enterprises number) in each file to allow the linkage between these files. The following table describes the files names, content, and identification variables.

File Name	Content	Identification Variables
Identification data	Identification data	Est. _no: enterprises number
Fixed Assets	Data about enterprise assets.	Est. _no: enterprises number
Good purchased for resale	Purchasing goods for selling purpose.	Est. _no: enterprises number
Employment and Compensation	Employed persons and their compensations	Est. _no: enterprises number
Various payments and Transfers	Various payments and transfers	Est. _no: enterprises number
Other Production expenditures	Other output expenses	Est. _no: enterprises number
Commodity Product	Goods productions	Est. _no: enterprises number
Production Inputs	Goods Production Inputs	Est. _no: enterprises number
Revenues of services Rendered to Others	Revenues of Services Rendered to Others	Est. _no: enterprises number
Taxes on production and fees	Taxes on production and fees	Est. _no: enterprises number
Various Transfers and Revenues	Various transfers and revenues	Est. _no: enterprises number
Fuel and oil	Fuel and oil	Est. _no: enterprises number

Target Population

PCBS depends on the International and Industrial Classification of all economic activities, version 4, (ISIC – 4) by the United Nation to classify the economic activities. All enterprises and establishments are classified according to the Establishments Census 2007, which works in agreement with (ISIC – 4).

The Internal trade survey covers the following activities:

1. Wholesale and retail trade and repair of motor vehicles and motorcycles.
2. Wholesale trade, except of motor vehicles and motorcycles.
3. Retail trade, except of motor vehicles and motorcycles.

Sample and Frame

The sample of the Internal trade Survey is a single-stage stratified random - systematic sample in which the enterprise constitutes the primary sampling unit (PSU). Three levels of strata were used to arrive at an efficient representative sample (i.e. economic activity, size of employment and geographical levels). The sample size amounted to (2,954) enterprises out of the (60,069) enterprises that comprise the survey frame.

Weighting and Estimation

Weighting Procedure:

The sampling weight of the enterprise is the mathematical turned of the possibility selection of that enterprise. It is necessary to use weights in the estimation of the survey society because of the differentiation in the possibility of enterprises' selection from another one.

Estimation Procedure:

To calculate a variable as Y in a partial society as A on a study as D, we use the following:

$$\hat{Y}_{AD} = \sum_h \sum_{J \in A} W_{hj} Y_{hj} \dots \dots (1)$$

\hat{Y}_{AD} : It the estimated sum of the variable Y in a partial society A in a study D.

h : Strata code.

J: The register code in the data file of the partial society A.

A: A partial group from the registers related to a specific partial society.

D: A study scope as a specific govern orate.

W_{hj} : The weight of the analytical unit No. "j" in a partial society A in a strata h in a study D.

Calculation of Variance

It is necessary to associate with an estimated statistical number by a sampling survey another one, which refers to the existing accuracy in the estimation.

The variance differ from one variable to another depending on:

1. Sample size.
2. The extent of the real variance for all society units unknown and could be estimated by comprehensive census for all society units, sample survey or pilot survey.
3. Sample design: Simple random sample or stratified random sample.

Variance Account of Internal Trade Survey in the Palestinian Territory Level, 2010

Variable	Estimate		Standard Error	CV	95% Confidence interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	121,864	4,671.5	3.8	112,711.6	131,027.4
Output	US\$ 1000	2,258,111.1	112,762.6	5.0	2,037,114.2	2,479,214.8
Gross Value Added	US\$ 1000	1,858,777.0	103,547.4	5.6	1,655,842.1	2,061,812.5
Intermediate Consumption	US\$ 1000	399,334.2	18,942.9	4.7	362,203.1	436,471.3

Reference Date

It is the period which data are gathered about, the period of this data is 2010 (1/1/2010 – 31/12/2010).

Data Collecting

Workers Selection and Training:

The interviewers in the fieldwork are selected from the experienced ones in the statistical work and they are also trained theoretically and practically.

Fieldwork operations:

They are initiated after the recruitment and training of qualified interviewers. The PCBS's Fieldwork Directorate administers fieldwork activities including interviewing activities.

Data Gathering Method:

Data are gathered by using an interview with the enterprise owner or general manager by applying the survey questionnaire.

Fieldwork Editing:

The interviewer and supervisor firstly edit technically the questionnaire according to editing rules.

Office Editing:

The office editor also edits the questionnaire in order to be ready to be sent to coding and data entry.

Coding:

After the editor finishes editing the questionnaire, a coding are used according to (ISIC – 4), then the questionnaire is transferred to data entry.

Response Rate

A: Non response of which:

1. Completely closed after or through 2010.
2. Temporarily closed
3. Could not reach the address

4. Refusal
5. The Balance isn't ready
6. Israeli Ownership
7. Different Ownership
8. Other

B: Over Coverage of which:

1. Completely closed before 2010.
2. Enterprises practice economic activities out of the survey.
3. Repeated
4. Central government
5. Agricultural Appropriation
6. Branch Keep No Records
7. Isn't an Establishment as Recognized

C: Net Sample = Sample – Over Coverage

D: Over coverage ratio mistakes = $\frac{\text{sum of over coverage stages}}{\text{Sample}} * 100\%$

E: Non response = $\frac{\text{non response stages}}{\text{Net sample}} * 100\%$

F: Response ratio = 100% - non response ratio

Response rate values:

- Sample size in 2010 was 3,085 enterprises (including economic activity change) in the Palestinian Territory:
- Non-response cases: 411
- Over coverage cases: 501
- Net sample: 3,085 - 501 = 2,584
- Response rate: 84.1%
- Non-response rate: 15.9%

Data Quality

1. Accuracy of the Data:

1.1 Statistical Errors:

The findings of the survey are affected by statistical errors due to using sampling in conducting the survey for the units of the target population, which increases the chances of having variances from the actual values we expect to obtain from the data had we conducted the survey using comprehensive enumeration.. The variance of the key goods in the survey was computed and dissemination was carried out on the level of the Palestinian Territory for reasons related to sample design and computation of the variance of the different indicators.

2.1 Non-Statistical Errors

These types of errors could appear on one or all the survey stages that include data collection and data entry: Response errors: these types of errors are related to, responders, fieldworkers, and data entry personnel's. And to avoid mistakes and reduce the impact has been a series of actions that would enhance the accuracy of the data through a process of data collection from the field and the data processing.

2. Comparability

The data are compatible with ISIC-4 on economic activities, whereas previous reports published adhered to ISIC-3 of economic activities.

3. Data Quality Control

1.3 Fieldwork

- A specialized fieldwork team with a background in economics was selected and, trained theoretically and practically on the surveys' questionnaire.
- The main fieldwork team was selected based on skills acquired from the training course.
- Field work visits were made by both fieldwork and project management staff to monitor and follow up the data collection process and the progress of work. Around 95% of completed questionnaires were reviewed and corrected if needed; comments and notes were directed to the team accordingly.
- Different levels of supervision and monitoring took place according to the following division:
 - Fieldworkers
 - Fieldworkers supervisors
 - Fieldwork coordinator. (Each with monitoring responsibilities.)
- Project management received a daily report on progress and response rates
- A refresher training course was conducted during the stage of data collection to reinforce the main points made in training and to answer questions by fieldworkers about issues faced in the field.
- Some institutions were visited by field workers for a second time to confirm the accuracy of the data obtained in the first interview. These institutions were selected at random by withdrawing a random sample of seven percent of the original sample of the survey and these data were compared with data from the series surveys.

2.3 Data Processing

To ensure the quality and consistency of data, a set of measures was introduced as follows:

- Creation of a data entry program prior to the collection of data to ensure this would be ready.

- A set of validation rules were applied to the program to check the consistency of data.
- The efficiency of the program was pre-tested by entering a few questionnaires, including incorrect information, and checking its efficiency in capturing the incorrect information.
- Well-trained data entry personnel were selected and trained for main data entry.
- Weekly data files were received by project management to be checked for accuracy and consistency: correction notes were provided to data entry management for implementation.

4. Notes on Data

1. Financial data were collected in NIS, US \$ and JD.
2. There was a high percentage of non-response data in Gaza Strip in 2010.

5. Exchange rates

US \$ / NIS = 3.7299

US \$ / JD = 0.7090