



Palestinian Central Bureau of Statistics
Economic Statistics Directorate

The Industrial Survey – 2003

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Concepts and Definitions

Statistical unit:

The SNA of 1993 defines two major statistical units:

- Institutional unit (enterprise): An economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and transactions with other entities.
- Establishment: An enterprise or part of an enterprise in which one group of goods and services is produced (with the possibility of having secondary activities).

Enterprises Sectors:

According to SNA1993, they are government, household, non-profitable enterprises, finance and non-finance companies. For industrial enterprises they are either household sector or non-finance companies.

Output:

Value of goods and services, including own-account goods, produced during a specific period.

Intermediate consumption:

Value of production inputs from both goods and services.

Gross value added:

Output minus intermediate consumption.

Compensation of employees:

Wages, salaries and other allowances and remuneration in cash or in kind.

Taxes on production less subsidies:

Taxes assessed on producers with respect to the production, sale, purchase or use of goods and services, less production subsidies.

Aids:

The current payments to the producers from the government according to output levels.

Depreciation:

They are the assets value which reproduced and depreciated during the year, depreciation is calculated on the current substitutive value.

Operating Surplus:

Value added-(compensation of employees + taxes on production less subsidies + Depreciation of fixed assets).

Gross Fixed Capital Formation:

It is measured by value of acquisitions less disposals of new or existing fixed assets.

Principal economic activity:

It is the main activity of the enterprise during the reference year, using (ISIC - 3) for classification and coding.

Survey Questionnaire

They are two forms of the industrial survey questionnaire 2003, the first one is related to household and branches, the second is related to non-finance companies sector. The questionnaire contains of the following main variables:

1. Number of employees in a company and their compensations.
2. The output of the main and second activities.
3. Goods production inputs.
4. Various payments and transfers.
5. Indirect taxes.
6. Enterprises assets.

Data Set Linkage

There are 14 data file in this CD-ROM, with one key variable 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
Econ_main	Identification data	Est_no: establishment number
Fixed_assets	Data about establishment assets.	Est_no: establishment number
Goods_selling	Purchasing goods for selling purpose.	Est_no: establishment number
Labor_salaries	Persons engaged and their compensations	Est_no: establishment number
Pays_drafts	Various payments and transfers	Est_no: establishment number
Prod_expend	Other output expenses	Est_no: establishment number
Prod_materials	Goods productions	Est_no: establishment number
Row_materials	Goods Production Inputs	Est_no: establishment number
Row_othermate	Continued : Goods Production Inputs	Est_no: establishment number
Services_income	Revenues of Services Rendered to Others	Est_no: establishment number
Taxes_fees	Indirect Fees and Taxes	Est_no: establishment number
Row_oilmate	Production Inputs Fuel and oil	Est_no: establishment number
Different_income	Various transfers and revenues	Est_no: establishment number
Elc_water	Electricity and water	Est_no: establishment number

Target Population

PCBS depends on the International and Industrial Classification of all economic activities , version 3, (ISIC – 3) by the United Nation to classify the economic activities. All enterprises and establishments are classified according to the Establishments Census 1997 which works in agreement with (ISIC – 3).

The industrial survey covers the following activities:

1. Mining and Quarrying
2. Manufacturing
3. Electricity and Water Supply

Objectives:

The objective of the survey was to obtain data on:

- 2.1 Number of enterprises and persons engaged in industry by activity and location.
- 2.2 Value of output, intermediate consumption and stocks.
- 2.3 Value added components.
- 2.4 Payments and transfers.
- 2.5 Capital formation.
- 2.6 Contribution of the surveyed activities to the GDP and other National Accounts variables.

Sample and Frame

The number of the industrial sector enterprises of the year 2003 is 14340 for all Palestinian Governorates according to the Establishments Census 1997.

Sample design:

The sample of the Industrial 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 for the Remaining West Bank and Gaza Strip amounted to (2814) enterprises out of the (14340) enterprises that comprise the survey frame of 2003.

Weighting and Estimation

Weighting Calculation:

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 Calculation:

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

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

\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 governorate.

Whj: 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. CENVAR program is used for estimation. The following measures are used for the main economic indicators as they are in table 1:

1. Standard Error, whether the mistake is a result of being the survey is performed by a sample or comprehensive frame.

2. Coefficient of Variation, $\frac{\text{Standard Error}}{\text{Estimation}} \%$

3. DEFF, $\frac{\text{the variance by a compound sample}}{\text{the variance by a simple random sample}}$

4. 95% Confidence Interval, whether the survey is performed once or many times, the confidence interval will remain 95%.

Reference Date

It is the period which data are gathered about, the period of this data is 2003.

Data Collecting

Questionnaire Test:

Doing a primitive pretest during two days to make a technical study of the questionnaire, study the rejection and the data quality.

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 Collecting 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 – 3), then the questionnaire is transferred to data entry.

Response Rate

non response:

1. Temporarily closed
2. Could not reach the address
3. Did not practice any activity in 2003
4. Refusal
5. The Balance isn't ready
6. Israeli Ownership
7. Of Different Ownership
8. Converted from other surveys and not completed

Over Coverage:

1. Enterprises practice economic activities out of the survey.
2. Repeated
3. Central government
4. Agricultural Appropriation
5. Branch Keep No Records
6. Isn't an Establishment as Recognized
7. Branch Keeps Records & the Center Out of the Sample

Net Sample = Sample – Over Coverage

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

Non response = $\frac{\text{non response stages}}{\text{net sample}} * 100\%$

Response ratio = 100% - non response ratio

Data Quality

Fieldwork Notes:

- Fieldwork is continued up to the plan in spite of the decrease in interviewers.
- There are some refusal in spite of the high ratio of response in comparison with other countries.
- Data are given to interviewers from records when it is possible or by estimation.
- The non response for Jerusalem has been high because of its special position. PCBS insists on publishing data about Jerusalem by Jerusalem Department.

Derived Variables

Annual consumption per paid employee	$= \frac{\text{Compensation of Employees}}{\text{No. of paid employees}}$
Output per person engaged	$= \frac{\text{Output}}{\text{Persons engaged}}$
Output per paid employee	$= \frac{\text{Output}}{\text{No. of paid employees}}$
Value added per person engaged	$= \frac{\text{Value added}}{\text{No. of persons engaged}}$
Value added per paid employee	$= \frac{\text{Value added}}{\text{No. of paid employees}}$
Value added to output	$= \frac{\text{Value added}}{\text{Output}} \times 100$
Compensation of employees to value added	$= \frac{\text{Compensation of employees}}{\text{Value added}} \times 100$
Depreciation to output	$= \frac{\text{Annual depreciation}}{\text{Output}} \times 100$