



Palestinian National Authority
Palestinian Central Bureau of Statistics

Press Release
Preliminary Estimates of Quarterly National Accounts
(Fourth Quarter 2009)

March, 2010

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Important Notes

Data presented in this report is based at constant prices, using 1997 as the base year for the years 1999-2003, while 2004 as the base year for the years 2004-2009.

All data related to the fourth quarter of the year 2009 represents preliminary estimates (flash estimates) issued for the first time in accordance with the estimated short-term indicators.

Data is revised when the necessary short term indicators are available within the requested periodicity.

Also, its worth mentioning that the unemployment rate for the Fourth quarter of the year 2009 reached to 24.8%, Whereas it reached 27.9%, 25.8% during the fourth quarter 2008 and third quarter 2009 consequently . The unemployment rate for the year 2009 was 24.5% and for the year 2008 was 26.0% and for the year 2007 was 21.5% compared with 23.6% in 2006.

PCBS also indicates that the data related to Government (Education, Health in addition to the Public Administration and Defense) valued by the Accrual Bases based on the recommendations of the System of National Accounts issued by the UN, Also, its worth mentioning that the wages and salaries are obtained from the Monthly report of the Ministry of Finance to estimate government activities.

Press Release
Preliminary Estimates of Quarterly National Accounts
(Fourth Quarter 2009).

Growth in Gross Domestic Product at Constant Price during the Fourth Quarter 2009
Compared with the Third Quarter 2009

This quarterly report is based on a number of short-term economic indicators compiled quarterly and covering various economic activities. Therefore we compare the main macroeconomic indicators in order to provide an informative tool for monitoring the economy in the short term. In this release we present a comparison with the previous quarter (Third Quarter 2009) and the parallel quarter of the previous year 2008 (Fourth Quarter 2008).

Growth in GDP during the Fourth Quarter 2009 Compared with the Third quarter 2009

The preliminary estimates at constant prices for the Fourth Quarter of 2009 shows an increase of 1.6% in the performance of the economy in the Palestinian Territory* compared with the Third Quarter 2009, and showed an increase of 10.3% compared to the Fourth Quarter of the year 2008 at constant prices (the base year is 2004). Whereas the estimates of the GDP shows general stability during the Third Quarter 2009 compared to the Second Quarter of the year 2009 based on the second revision of the data.

The estimates also refer to increase in the GDP caused by an increase in the main economic activities that have considerable percentage contribution to GDP. There was an increase in the Agriculture and fishing, Mining, manufacturing, electricity and water, Wholesale and Retail Trade, Transportation, Financial intermediation, Public administration and defense, increased within the available short term economic indicators for these activities.

In addition, the preliminary estimates for the Gross Domestic Product per capita for the Palestinian Territory* during the Fourth Quarter 2009 was 354.6 US\$ with an increase by 0.8% compared to the Third Quarter of 2009, while it showed an increase by 7.1% compared with the same quarter 2008, based on the results of the Population, Housing, and Establishment Census 2007 which indicates that the number of population in the Palestinian Territory* during the Fourth Quarter 2009 was (3,743,050).

Performance of Main Economic Activities

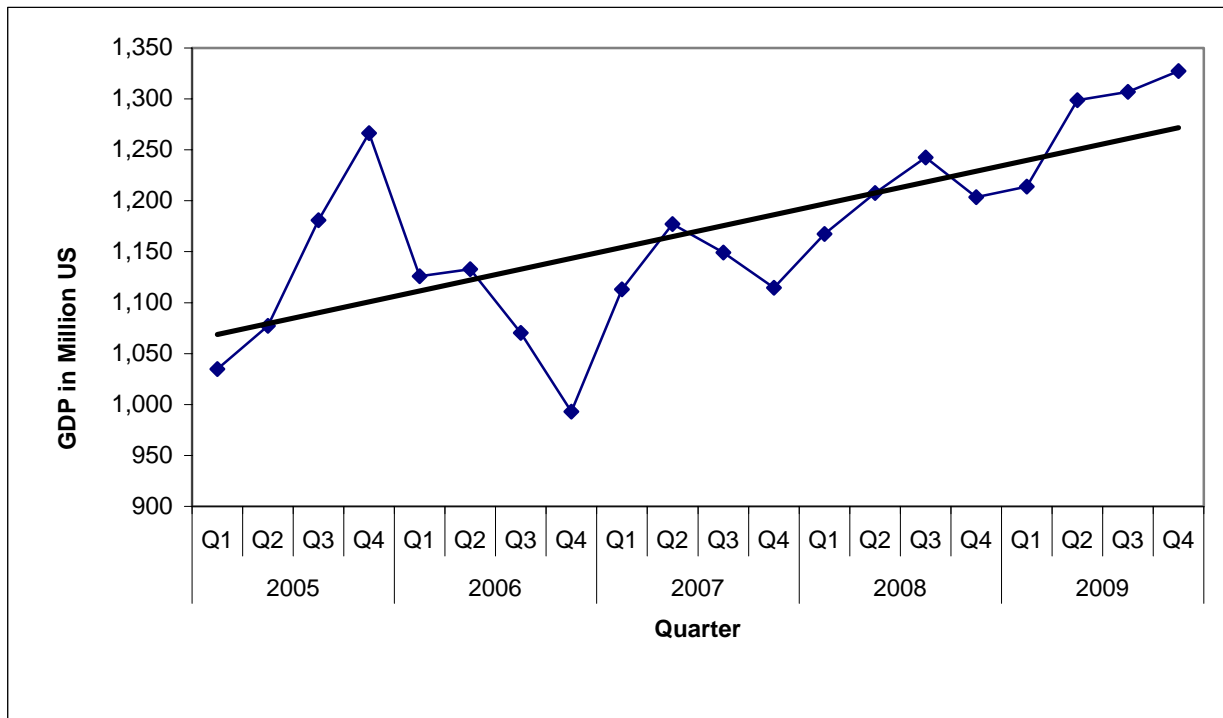
The performance of different activities during the Fourth Quarter 2009 compared to both the Third Quarter 2009 and the same quarter of 2008 was as follows:

- The gross value added for **Agriculture** activity increased by 27.2% during the Fourth Quarter of 2009 compared with the previous quarter 2009, and a decrease by 1.9% compared with the parallel quarter 2008.
- The gross value added for **Mining, manufacturing, water and electricity** activities in the Palestinian Territory increased during the Fourth Quarter 2009 compared to the Third Quarter of the year 2009 by 0.9%, and it increased by 4.2% compared to the Fourth Quarter 2008.

* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel.

- The gross value added for **Construction** activity decreased by 6.9% during the Fourth Quarter 2009 compared to the Third Quarter, since it depends on the quantity of the imported cement which has the main impact on the Construction activity and which decreased during the Fourth Quarter compared with the Third Quarter of the same year, Meanwhile the Construction activity showed an increase by 21.8% compared to the Fourth Quarter 2008.
- The gross value added for **Wholesale and Retail Trade** increased by 4.9% compared to the Third Quarter 2009 ; however, when compared to the same quarter 2008, this activity recorded an increase by 12.0%.
- The gross value added for **Transportation** increased during the Fourth Quarter 2009 by 4.6% compared to the Third Quarter 2009, and it increased by 10.2% compared to the Fourth Quarter 2008.
- The gross value added for **Financial Intermediation** activity recorded an increase during the Fourth Quarter 2009 compared to the Third Quarter of the year 2009 by 2.4%, and it increased by 2.5% compared to the Fourth Quarter 2008.
- The gross value added for **Real estate, renting and business services** activity decreased during the Fourth Quarter 2009 compared to the Third Quarter 2009 by 8.9%, and it decreased by 0.1% compared to the Fourth Quarter 2008.
- The gross value added for **Community, social and personal services** activity recorded a decrease during the Fourth Quarter 2009 compared to the previous quarter by 8.5%, While it showed an increase by 28.4% compared to the Fourth Quarter 2008.
- The gross value added for **Hotels** recorded an increase during the Fourth Quarter 2009 compared to the Third Quarter of the year 2009 by 0.5%, and showed an increase by 17.5% compared to the parallel quarter 2008.
- The gross value added for **Education** increased during the Fourth Quarter 2009 by 6.3% compared to the Third Quarter 2009, and it showed an increase by 9.2% compared to the Fourth Quarter 2008.
- The gross value added for **Health and Social Work** increased during the Fourth Quarter 2009 by 3.2% compared to the Third Quarter 2009, and it showed an increase by 7.0% compared to the Fourth Quarter 2008.
- The gross value added for **Public Administration and Defense** increased by 4.8% during the Fourth quarter 2009 compared to the Third Quarter 2009, and it increased by 17.8% compared to the parallel quarter 2008.

Figure 1: Quarterly GDP Trend Line in the Palestinian Territory* for the Years 2005-2009



* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel.

Concepts and Definitions

Statistical Unit

The United Nations System of National Accounts SNA 1993 defines two main types of statistical units:

- Institutional Unit-Enterprise

An institutional unit 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.

- Establishment

An establishment is an enterprise, or part of an enterprise, which produces only a single group of goods (with the possibility of production from secondary activities) in which the principal productive activity accounts for most of the value added.

Breaking down institutional units into establishments serves to create more consistent statistical units in the productive sense.

Principal Economic Activity

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

Output

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

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. The net value added is defined as the gross value less the value of fixed capital consumption. The net value added reflects the performance of the economy in a better way; however, since it is difficult to measure the fixed capital consumption accurately, the concept of gross value added is more frequently used.

Value added at producers' price is the difference between output at basic prices and the value of the intermediate consumption at purchase price plus taxes (less subsidies) on production. However, if taxes and subsidies are excluded, value added will be obtained in basic prices.

Gross Domestic Product (GDP)

Gross Domestic Product or GDP is the summary measure of the output or production during a certain period in time. Estimate of GDP, like the output and the value added, can vary according to taxes and subsidies taken into consideration. GDP is usually estimated at market prices, producers' prices, or basic prices.

Deflating

Changing all data at current prices to constant prices by choosing the suitable indices by which the effect of prices on the data will be isolated, and choosing suitable base year in order to do this.

Short-term indicators

All indicators that have a periodicity for less than a year, usually a month or quarter.

Industrial Production Index

A statistical tool used for measuring the change in volume of output of industrial activities during a certain period of time. The index uses the change in volume of production for the largest establishments in each industry.

Financial Intermediation indirectly measured (FISIM)

It refers to the total of property income payable to financial institution less the gross value of payable interests on these institutions excluding property income receivable by investment of money of the same institutions..

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2004 : 2009

Table 1: GDP and Percentage Contribution in the Palestinian Territory* by Economic Activity, Fourth Quarter 2009 at Constant Prices: 2004 is the Base Year

Value in US\$ Million

Economic Activity	(%) Percentage Contribution(%)	** Value added**	
Agriculture and fishing	5.2	68.8	
Mining, manufacturing, electr. and water	14.4	190.5	
Mining and quarrying	0.5	6.1	
Manufacturing	10.8	142.9	
Electricity and water supply	3.1	41.5	
Construction	6.9	92.2	
Wholesale and retail trade	10.9	145.2	
Transport, Storage and Communications	8.7	115.6	
Financial intermediation	5.8	76.5	
Services	22.8	302.3	
Real estate, renting and business services	7.8	103.7	
Community, social and personal services	1.7	22.6	
Hotels and restaurants	1.5	19.5	
Education	8.9	118.3	
Health and social work	2.9	38.2	
Public administration and defense	14.7	195.3	
Households with employed persons	0.1	1.1	
FISIM	-5.4	-71.9	
Customs duties	5.8	77.7	
VAT on imports, net	10.1	134.1	
Quarterly Gross Domestic Product	100	1,327.4	

* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel

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Table 2: GDP in the Palestinian Territory* by Economic Activity and Quarter for the Year 2007 at Constant Prices: 2004 is the Base Year

Value In US\$ Million

Economic Activity	2007					
	*** Q IV	*** Q III	*** Q II	*** Q I	** Annual Data	
Agriculture and fishing	61.2	61.7	72.9	56.4	252.2	
Mining, manufacturing, electr. and water	173.0	172.9	174.5	175.2	695.6	
Mining and quarrying	5.0	5.4	5.5	4.9	20.8	
Manufacturing	131.4	131.0	132.2	133.2	527.8	
Electricity and water supply	36.6	36.5	36.8	37.1	147.0	
Construction	63.3	74.8	88.7	72.3	299.1	
Wholesale and retail trade	119.1	126.0	124.8	116.9	486.8	
Transport, Storage and Communications	106.4	105.9	93.4	93.3	399.0	
Financial intermediation	75.0	68.2	66.3	63.4	272.9	
Services	273.3	274.3	251.5	210.0	1009.1	
Real estate, renting and business services	97.6	105.9	95.9	87.6	387.0	
Community, social and personal services	17.0	14.9	14.6	14.3	60.8	
Hotels and restaurants	17.2	19.3	14.2	8.9	59.6	
Education	105.2	102.6	96.7	73.2	377.7	
Health and social work	36.3	31.6	30.1	26.0	124.0	
Public administration and defense	147.5	154.1	172.2	185.0	658.8	
Households with employed persons	1.0	0.9	0.9	0.8	3.6	
FISIM	-66.8	-64.4	-63.9	-61.9	-257.0	
Customs duties	76.9	75.8	68.1	63.0	283.8	
VAT on imports, net	84.6	99.1	127.7	138.8	450.2	
Gross Domestic Product	1,114.5	1,149.3	1,177.1	1,113.2	4,554.1	

* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel

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Table 3: GDP in the Palestinian the Territory* by Economic Activity and Quarter for the Year 2008 at Constant Prices: 2004 is the Base Year

Value In US\$ Million

Economic Activity	2008					
	*** Q IV	*** Q III	*** Q II	*** Q I	** Annual Data	
Agriculture and fishing	70.1	68.1	79.8	68.1	286.1	
Mining, manufacturing, electr. and water	182.8	179.8	177.9	177.0	717.5	
Mining and quarrying	5.1	5.5	5.5	5.4	21.5	
Manufacturing	137.7	135.0	133.6	133.0	539.3	
Electricity and water supply	40.0	39.3	38.8	38.6	156.7	
Construction	75.7	84.0	84.0	70.7	314.4	
Wholesale and retail trade	129.7	140.5	129.4	145.3	544.9	
Transport, Storage and Communications	104.9	112.0	91.2	104.6	412.7	
Financial intermediation	74.6	71.7	69.8	63.9	280	
Services	282.0	267.3	285.7	255.4	1090.4	
Real estate, renting and business services	103.8	99.3	113.4	100.1	416.6	
Community, social and personal services	17.6	17.8	20.1	20.0	75.5	
Hotels and restaurants	16.6	13.2	16.0	12.7	58.5	
Education	108.3	100.8	102.5	93.2	404.8	
Health and social work	35.7	36.2	33.7	29.4	135.0	
Public administration and defense	165.8	168.7	165.0	185.7	685.2	
Households with employed persons	0.8	0.9	1.0	1.0	3.7	
FISIM	-70.8	-70.0	-68.7	-65.8	-275.3	
Customs duties	69.8	85.6	72.7	58.5	286.6	
VAT on imports, net	118.2	133.9	119.7	102.9	474.7	
Gross Domestic Product	1,203.6	1,242.5	1,207.5	1,167.3	4,820.9	

* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel

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Table 4: GDP in the Palestinian Territory* by Economic Activity and Quarter for the Year 2009 at Constant Prices: 2004 is the Base Year

Value In US\$ Million

Economic Activity	2009					Annual Data
	** Q IV	*** Q III	*** Q II	*** Q I	**	
Agriculture and fishing	68.8	54.1	66.8	58.8	248.5	
Mining, manufacturing, electr. and water	190.5	188.8	187.9	187.1	754.3	
Mining and quarrying	6.1	5.4	5.4	5.8	22.7	
Manufacturing	142.9	142.1	141.4	140.5	566.9	
Electricity and water supply	41.5	41.3	41.1	40.8	164.7	
Construction	92.2	99.0	106.7	84.9	382.8	
Wholesale and retail trade	145.2	138.4	132.9	134.5	551.0	
Transport, Storage and Communications	115.6	110.5	109.1	110.5	445.7	
Financial intermediation	76.5	74.7	69.3	64.5	285.0	
Services	302.3	306.2	315.0	295.1	1,218.6	
Real estate, renting and business services	103.7	113.8	124.3	117.1	458.9	
Community, social and personal services	22.6	24.7	25.1	21.8	94.2	
Hotels and restaurants	19.5	19.4	16.2	9.6	64.7	
Education	118.3	111.3	111.9	109.8	451.3	
Health and social work	38.2	37.0	37.5	36.8	149.5	
Public administration and defense	195.3	186.3	181.9	180.4	743.9	
Households with employed persons	1.1	1.2	1.2	1.1	4.6	
FISIM	-71.9	-71.0	-67.1	-63.9	-273.9	
Customs duties	77.7	80.6	77.4	62.5	298.2	
VAT on imports, net	134.1	138.3	117.7	98.4	488.5	
Gross Domestic Product	1,327.4	1,307.1	1,298.8	1,213.9	5,147.2	

* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel

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Table 5: Percentage Contribution to GDP in the Palestinian Territory* by Economic Activity and Quarter for the Year 2009 at Constant Prices: 2004 is the Base Year

Economic Activity	2009					Annual Data
	** Q IV	*** Q III	*** Q II	*** Q I	**	
Agriculture and fishing	5.2	4.1	5.1	4.8	4.8	
Mining, manufacturing, electr. and water	14.4	14.4	14.5	15.4	14.6	
Mining and quarrying	0.5	0.4	0.4	0.5	0.4	
Manufacturing	10.8	10.8	10.9	11.5	11.0	
Electricity and water supply	3.1	3.2	3.2	3.4	3.2	
Construction	6.9	7.6	8.2	7.0	7.4	
Wholesale and retail trade	10.9	10.6	10.2	11.1	10.7	
Transport, Storage and Communications	8.7	8.5	8.4	9.1	8.7	
Financial intermediation	5.8	5.7	5.3	5.3	5.5	
Services	22.8	23.4	24.3	24.4	23.7	
Real estate, renting and business services	7.8	8.7	9.6	9.7	8.9	
Community, social and personal services	1.7	1.9	1.9	1.8	1.8	
Hotels and restaurants	1.5	1.5	1.2	0.8	1.3	
Education	8.9	8.5	8.7	9.1	8.8	
Health and social work	2.9	2.8	2.9	3.0	2.9	
Public administration and defense	14.7	14.3	14.0	14.9	14.5	
Households with employed persons	0.1	0.1	0.1	0.1	0.1	
FISIM	-5.4	-5.4	-5.2	-5.3	-5.3	
Customs duties	5.8	6.2	6.0	5.1	5.8	
VAT on imports, net	10.1	10.5	9.1	8.1	9.5	
Total	100	100	100	100	100	

* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel

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Table 6: GDP Per Capita in the Palestinian Territory* by the Quarters of Years 2007-2009 at Constant Prices: 2004 is the Base Year

Value in US\$

Quarter \ Year	2009	**2008	**2007	
First Quarter	**331.4	328.2	322.1	
Second Quarter	**352.1	336.9	338.0	
Third Quarter	**351.8	344.3	327.6	
Fourth Quarter	***354.6	331.0	315.5	
Annual Value	***1,389.9	1,340.4	1,303.2	

* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel

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Table 7: GDP in the Palestinian Territory* by Economic Activity for the Years 1999- 2009 at Constant Prices

Value in US\$ Million

Economic Activity	***2009	**2008	**2007	2006	2005	2004	2003	2002	2001	2000	1999
Agriculture and fishing	248.5	286.1	252.2	240.3	236.2	296.7	297.6	251.3	340.8	403.6	470.7
Mining, manufacturing, electr. and water	754.3	717.5	695.6	665.6	789.1	728.0	657.8	534.7	616.8	545.6	655.5
Mining and quarrying	22.7	21.5	20.8	37.3	40.8	37.7	45.9	25.2	21.2	23.8	35.7
Manufacturing	566.9	539.3	527.8	505.4	591.8	554.0	470.7	385.9	471.7	472.4	566.4
Electricity and water supply	164.7	156.7	147.0	122.9	156.5	136.3	141.2	123.6	123.9	49.4	53.4
Construction	382.8	314.4	299.1	312.3	310.2	238.5	187.2	127.7	205.4	366.3	616.9
Wholesale and retail trade	551.0	544.9	486.8	445.7	451.8	437.5	385.4	408.9	382.8	504.9	537.8
Transport, Storage and Communications	445.7	412.7	399.0	390.0	347.3	348.7	229.9	183.9	209.4	221.0	231.0
Financial intermediation	285.0	280	272.9	184.8	200.5	150.2	154.2	136.3	134.4	181.7	169.1
Services	1,218.6	1,090.4	1,009.1	893.6	1,084.0	984.4	927.9	862.6	896.1	1,050.4	990.8
Real estate, renting and business services	458.9	416.6	387.0	321.9	481.0	454.5	396.3	376.1	404.1	534.0	444.3
Community, social and personal services	94.2	75.5	60.8	52.2	57.3	39.0	51.6	33.5	28.6	29.9	28.3
Hotels and restaurants	64.7	58.5	59.6	62.1	56.3	39.1	73.0	84.2	87.7	136.0	128.0
Education	451.3	404.8	377.7	339.3	375.7	326.1	284.7	260.9	269.4	242.2	262.4
Health and social work	149.5	135.0	124.0	118.1	113.7	125.7	122.3	107.9	106.3	108.3	127.8
Public administration and defense	743.9	685.2	658.8	679.1	641.5	598.7	633.6	545.6	663.7	518.4	497.7
Households with employed persons	4.6	3.7	3.6	2.9	1.8	2.9	8.2	7.4	7.5	9.3	8.7
FISIM	-273.9	-275.3	-257.0	-128.9	-116.5	-114.3	-114.3	-99.6	-114.3	-154.3	-129.5
Customs duties	298.2	286.6	283.8	286.0	265.9	204.0	166.5	87.4	170.0	196.7	208.6
VAT on imports, net	488.5	474.7	450.2	350.9	347.7	323.1	215.6	217.9	252.6	274.9	254.4
Gross Domestic Product	5,147.2	4,820.9	4,554.1	4,322.3	4,559.5	4,198.4	3,749.6	3,264.1	3,765.2	4,118.5	4,511.7

* Excluding that part of Jerusalem, which was annexed after the 1967 occupation by Israel

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