

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

**Press Release**  
**Preliminary Estimates of Quarterly National Accounts**  
**(First Quarter 2010)**

**June, 2010**

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TABLES ARE PRINTED IN THE ARABIC ORDER (FROM RIGHT TO LEFT)**

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All correspondence should be directed to:  
**Palestinian Central Bureau of Statistics  
P.O.Box 1647, Ramallah, Palestine.**

Tel: (972/970) 2 298 2700  
Fax: (972/970) 2 298 2710  
E-Mail: [diwan@pcbs.gov.ps](mailto:diwan@pcbs.gov.ps)  
web-site: <http://www.pcbs.gov.ps>

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## **Important Notes**

Data presented in this report at constant prices, using 1997 as the base year for the period 1999-2003, while 2004 as the base year for the period 2004-2010.

All data related to the first quarter of the year 2010 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 First quarter of the year 2010 reached 22.0%, Whereas it reached 25.4%, 24.8% during the first quarter and fourth 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, taking into consideration that data pertaining the expenditures in the public budget was reclassified based on a revised classifications depending on the latest revision of the Government Finance Statistics Manual.

**Press Release**  
**Preliminary Estimates of Quarterly National Accounts**  
**(First Quarter 2010).**

**Growth in Gross Domestic Product at Constant Price in the Palestinian Territory\*  
during the First Quarter 2010 Compared with the Fourth 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 (Fourth Quarter 2009 ) and the parallel quarter of the previous year 2009 (First Quarter 2009).

**Growth in GDP in the Palestinian Territory\* during the First Quarter 2010 Compared with the Fourth quarter 2009**

The preliminary estimates at constant prices for the First Quarter of 2010 shows an increase of 2.9% in the GDP in the Palestinian Territory\* compared with the Fourth Quarter 2009, and showed an increase of 12.5% compared to the First Quarter 2009 at constant prices (the base year is 2004). Whereas the estimates show an increase of 1.6% in the GDP during the Fourth Quarter 2009 compared with the Third Quarter 2009.

The estimates also refer to an increase in the GDP caused by an increase in the main economic activities that have considerable percentage contribution to GDP. There was a substantial increase in Construction activity in addition to an increase in the Mining, manufacturing, electricity and water, Wholesale and retail trade, Transportation, Real estate, renting and business services, Public administration and defense, 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 First Quarter 2010 was 362.1 US\$ with an increase by 2.1% compared to the Fourth Quarter 2009, while it showed an increase by 9.3% compared with the parallel quarter 2009 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 First Quarter 2010 was (3,770,270).

**Performance of Main Economic Activities**

The performance of different activities during the First Quarter 2010 compared to both Fourth Quarter 2009 and the parallel quarter 2009 was as follows:

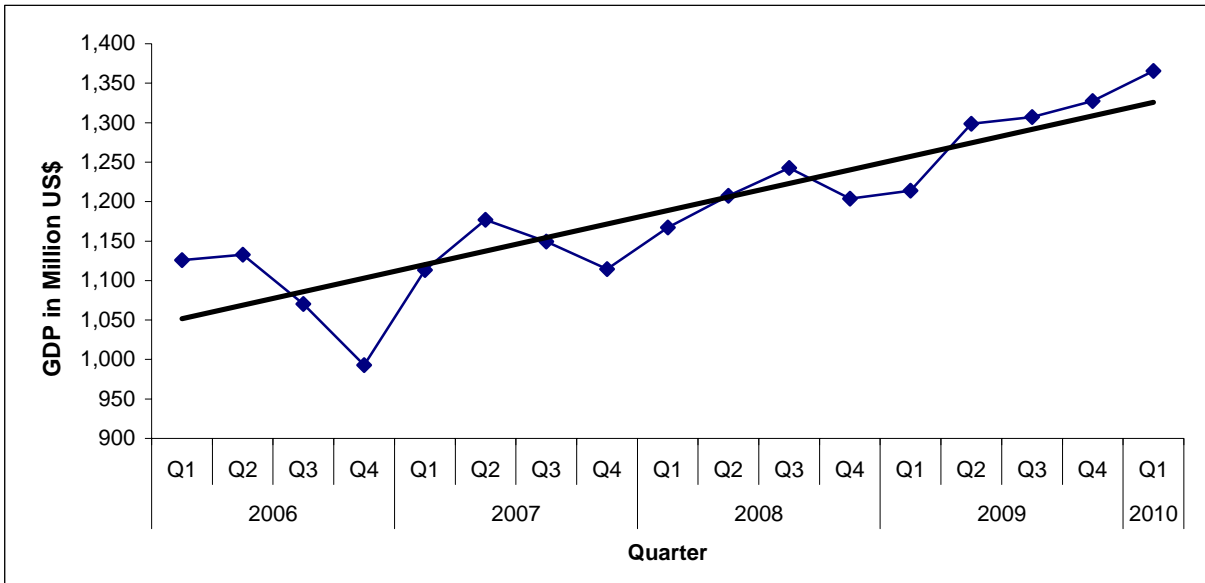
- The gross value added for **Agriculture** activity increased during the First Quarter 2010 compared to the Fourth Quarter 2009 by 2.6%, and it increased by 20.1% compared to the parallel quarter 2009.
- The gross value added for **Mining, manufacturing, water and electricity** activities increased during the First Quarter 2010 compared to the Fourth Quarter 2009 by 2.1%, and it increased by 4.0% compared to the parallel quarter 2009.

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

- The gross value added for **Construction** activity increased by 9.4% during the First Quarter 2010 compared to the Fourth Quarter 2009, and it increased by 18.8% compared to the parallel quarter 2009.
- The gross value added for **Wholesale and Retail Trade** increased by 0.3% compared to the Fourth Quarter 2009 ; and it increased by 8.3% compared to the parallel quarter 2009.
- The gross value added for **Transportation** increased during the First Quarter 2010 by 3.5% compared to the Fourth Quarter 2009, and it increased by 8.2% compared to the parallel quarter 2009.
- The gross value added for **Financial Intermediation** activities recorded an increase during the First Quarter 2010 compared to the Fourth Quarter 2009 by 2.5%, and it increased by 21.6% compared to the parallel quarter 2009.
- The gross value added for **Real estate, renting and business services** activities increased during the First Quarter 2010 compared to the Fourth Quarter 2009 by 3.9%, While it decreased by 8.0% compared to the parallel quarter 2009
- The gross value added for **Education** decreased during the First Quarter 2010 by 1.9% compared to the Fourth Quarter 2009, While it showed an increase by 5.7% compared to the parallel quarter 2009.
- The gross value added for **Health and Social Work** increased during the First Quarter 2010 by 22.3% compared to the Fourth Quarter 2009, and it showed an increase by 26.9% compared to the parallel quarter 2009.
- The gross value added for **Public Administration and Defense** increased by 2.2% during the First quarter 2010 compared to the Fourth Quarter 2009, and it increased by 10.6% compared to the parallel quarter 2009.

**Figure 1: Quarterly GDP Trend Line in the Palestinian Territory\* for the Years 2006-2010**



\* 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 : 2010

**Table 1: Value Added and Percentage Contribution to GDP in the Palestinian Territory\* by Economic Activity, First Quarter 2010 at Constant Prices: (2004 is the Base Year)**

Value in US\$ Million

Economic Activity	(%) Percentage Contribution(%)	** Value added**	
<b>Agriculture and fishing</b>	<b>5.2</b>	<b>70.6</b>	
<b>Mining, manufacturing, electr. and water</b>	<b>14.2</b>	<b>194.5</b>	
Mining and quarrying	0.4	6.1	
Manufacturing	10.6	145.0	
Electricity and water supply	3.2	43.4	
<b>Construction</b>	<b>7.4</b>	<b>100.9</b>	
<b>Wholesale and retail trade</b>	<b>10.7</b>	<b>145.6</b>	
<b>Transport, Storage and Communications</b>	<b>8.8</b>	<b>119.6</b>	
<b>Financial intermediation</b>	<b>5.7</b>	<b>78.4</b>	
<b>Services</b>	<b>23.1</b>	<b>315.2</b>	
Real estate, renting and business services	7.9	107.7	
Community, social and personal services	1.8	24.2	
Hotels and restaurants	1.5	20.5	
Education	8.5	116.1	
Health and social work	3.4	46.7	
<b>Public administration and defense</b>	<b>14.6</b>	<b>199.6</b>	
<b>Households with employed persons</b>	<b>0.1</b>	<b>1.2</b>	
FISIM	-5.0	-68.3	
Customs duties	5.4	73.9	
VAT on imports, net	9.8	134.2	
<b>Quarterly Gross Domestic Product</b>	<b>100</b>	<b>1,365.4</b>	

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

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\*\* Flash Estimates

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2004

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2010 -2009

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:2

**Table 2: Value Added in the Palestinian Territory\* by Economic Activity and Quarter for the Years 2009- 2010 at Constant Prices: 2004 is the Base Year**

Value In US\$ Million

Economic Activity	2010	2009				
	***	**	**	**	**	
	Q I	Q IV	Q III	Q II	Q I	
<b>Agriculture and fishing</b>	<b>70.6</b>	<b>68.8</b>	<b>54.1</b>	<b>66.8</b>	<b>58.8</b>	
<b>Mining, manufacturing, electr. and water</b>	<b>194.5</b>	<b>190.5</b>	<b>188.8</b>	<b>187.9</b>	<b>187.1</b>	
Mining and quarrying	6.1	6.1	5.4	5.4	5.8	
Manufacturing	145.0	142.9	142.1	141.4	140.5	
Electricity and water supply	43.4	41.5	41.3	41.1	40.8	
<b>Construction</b>	<b>100.9</b>	<b>92.2</b>	<b>99.0</b>	<b>106.7</b>	<b>84.9</b>	
<b>Wholesale and retail trade</b>	<b>145.6</b>	<b>145.2</b>	<b>138.4</b>	<b>132.9</b>	<b>134.5</b>	
<b>Transport, Storage and Communications</b>	<b>119.6</b>	<b>115.6</b>	<b>110.5</b>	<b>109.1</b>	<b>110.5</b>	
<b>Financial intermediation</b>	<b>78.4</b>	<b>76.5</b>	<b>74.7</b>	<b>69.3</b>	<b>64.5</b>	
<b>Services</b>	<b>315.2</b>	<b>302.3</b>	<b>306.2</b>	<b>315.0</b>	<b>295.1</b>	
Real estate, renting and business services	107.7	103.7	113.8	124.3	117.1	
Community, social and personal services	24.2	22.6	24.7	25.1	21.8	
Hotels and restaurants	20.5	19.5	19.4	16.2	9.6	
Education	116.1	118.3	111.3	111.9	109.8	
Health and social work	46.7	38.2	37.0	37.5	36.8	
<b>Public administration and defense</b>	<b>199.6</b>	<b>195.3</b>	<b>186.3</b>	<b>181.9</b>	<b>180.4</b>	
<b>Households with employed persons</b>	<b>1.2</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	
FISIM	-68.3	-71.9	-71.0	-67.1	-63.9	
Customs duties	73.9	77.7	80.6	77.4	62.5	
VAT on imports, net	134.2	134.1	138.3	117.7	98.4	
<b>Gross Domestic Product</b>	<b>1,365.4</b>	<b>1,327.4</b>	<b>1,307.1</b>	<b>1,298.8</b>	<b>1,213.9</b>	

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

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\*\* Preliminary Estimates \*\*\* Flash Estimates

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2004

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2010-2009

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**Table 3: Percentage Contribution to GDP in the Palestinian Territory\* by Economic Activity and Quarter for Years 2009-2010 at Constant Prices: 2004 is the Base Year**

Economic Activity	2010	2009			
	*** Q I	** Q IV	** Q III	** Q II	** Q I
<b>Agriculture and fishing</b>	<b>5.2</b>	<b>5.2</b>	<b>4.1</b>	<b>5.1</b>	<b>4.8</b>
<b>Mining, manufacturing, electr. and water</b>	<b>14.2</b>	<b>14.4</b>	<b>14.4</b>	<b>14.5</b>	<b>15.4</b>
Mining and quarrying	0.4	0.5	0.4	0.4	0.5
Manufacturing	10.6	10.8	10.8	10.9	11.5
Electricity and water supply	3.2	3.1	3.2	3.2	3.4
<b>Construction</b>	<b>7.4</b>	<b>6.9</b>	<b>7.6</b>	<b>8.2</b>	<b>7.0</b>
<b>Wholesale and retail trade</b>	<b>10.7</b>	<b>10.9</b>	<b>10.6</b>	<b>10.2</b>	<b>11.1</b>
<b>Transport, Storage and Communications</b>	<b>8.8</b>	<b>8.7</b>	<b>8.5</b>	<b>8.4</b>	<b>9.1</b>
<b>Financial intermediation</b>	<b>5.7</b>	<b>5.8</b>	<b>5.7</b>	<b>5.3</b>	<b>5.3</b>
<b>Services</b>	<b>23.1</b>	<b>22.8</b>	<b>23.4</b>	<b>24.3</b>	<b>24.4</b>
Real estate, renting and business services	7.9	7.8	8.7	9.6	9.7
Community, social and personal services	1.8	1.7	1.9	1.9	1.8
Hotels and restaurants	1.5	1.5	1.5	1.2	0.8
Education	8.5	8.9	8.5	8.7	9.1
Health and social work	3.4	2.9	2.8	2.9	3.0
<b>Public administration and defense</b>	<b>14.6</b>	<b>14.7</b>	<b>14.3</b>	<b>14.0</b>	<b>14.9</b>
<b>Households with employed persons</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
FISIM	-5.0	-5.4	-5.4	-5.2	-5.3
Customs duties	5.4	5.8	6.2	6.0	5.1
VAT on imports, net	9.8	10.1	10.5	9.1	8.1
<b>Gross Domestic Product</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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

1967

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\*\* Preliminary Estimates \*\*\* Flash Estimates

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## 2004

**Table 4: GDP Per Capita in the Palestinian Territory\* by the Quarters of the Years 2009-2010 at Constant Prices: (2004 is the Base Year)**

Value in US\$

Quarter \ Year	2010	**2009	
First Quarter	***362.1	331.4	
Second Quarter	-	352.1	
Third Quarter	-	351.8	
Fourth Quarter	-	354.6	
<b>Annual Value</b>	-	<b>1,389.9</b>	

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

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\*\* Preliminary Estimates

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\*\*\*Flash Estimates

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(-) The data is not available

(-)

**Table 5: Value Added 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
<b>Agriculture and fishing</b>	<b>248.5</b>	<b>286.1</b>	<b>252.2</b>	<b>240.3</b>	<b>236.2</b>	<b>296.7</b>	<b>297.6</b>	<b>251.3</b>	<b>340.8</b>	<b>403.6</b>	<b>470.7</b>
<b>Mining, manufacturing, electr. and water</b>	<b>754.3</b>	<b>717.5</b>	<b>695.6</b>	<b>665.6</b>	<b>789.1</b>	<b>728.0</b>	<b>657.8</b>	<b>534.7</b>	<b>616.8</b>	<b>545.6</b>	<b>655.5</b>
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
<b>Construction</b>	<b>382.8</b>	<b>314.4</b>	<b>299.1</b>	<b>312.3</b>	<b>310.2</b>	<b>238.5</b>	<b>187.2</b>	<b>127.7</b>	<b>205.4</b>	<b>366.3</b>	<b>616.9</b>
<b>Wholesale and retail trade</b>	<b>551.0</b>	<b>544.9</b>	<b>486.8</b>	<b>445.7</b>	<b>451.8</b>	<b>437.5</b>	<b>385.4</b>	<b>408.9</b>	<b>382.8</b>	<b>504.9</b>	<b>537.8</b>
<b>Transport, Storage and Communications</b>	<b>445.7</b>	<b>412.7</b>	<b>399.0</b>	<b>390.0</b>	<b>347.3</b>	<b>348.7</b>	<b>229.9</b>	<b>183.9</b>	<b>209.4</b>	<b>221.0</b>	<b>231.0</b>
<b>Financial intermediation</b>	<b>285.0</b>	<b>280</b>	<b>272.9</b>	<b>184.8</b>	<b>200.5</b>	<b>150.2</b>	<b>154.2</b>	<b>136.3</b>	<b>134.4</b>	<b>181.7</b>	<b>169.1</b>
<b>Services</b>	<b>1,218.6</b>	<b>1,090.4</b>	<b>1,009.1</b>	<b>893.6</b>	<b>1,084.0</b>	<b>984.4</b>	<b>927.9</b>	<b>862.6</b>	<b>896.1</b>	<b>1,050.4</b>	<b>990.8</b>
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
<b>Public administration and defense</b>	<b>743.9</b>	<b>685.2</b>	<b>658.8</b>	<b>679.1</b>	<b>641.5</b>	<b>598.7</b>	<b>633.6</b>	<b>545.6</b>	<b>663.7</b>	<b>518.4</b>	<b>497.7</b>
<b>Households with employed persons</b>	<b>4.6</b>	<b>3.7</b>	<b>3.6</b>	<b>2.9</b>	<b>1.8</b>	<b>2.9</b>	<b>8.2</b>	<b>7.4</b>	<b>7.5</b>	<b>9.3</b>	<b>8.7</b>
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
<b>Gross Domestic Product</b>	<b>5,147.2</b>	<b>4,820.9</b>	<b>4,554.1</b>	<b>4,322.3</b>	<b>4,559.5</b>	<b>4,198.4</b>	<b>3,749.6</b>	<b>3,264.1</b>	<b>3,765.2</b>	<b>4,118.5</b>	<b>4,511.7</b>

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

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\*\* Preliminary Estimates

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