



Palestinian National Authority
Palestinian Central Bureau of Statistics

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

September, 2010

**PAGE NUMBERS OF ENGLISH TEXT ARE PRINTED IN SQUARE BRACKETS.
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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 second 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 in the Palestinian Territory for the Second quarter of the year 2010 reached 22.9%, Whereas it reached 22.2%, 22.0% during the second quarter 2009 and first quarter 2010 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.

Also, the unemployment rate in the West Bank for the Second quarter of the year 2010 reached 15.2%, Whereas it reached 15.9%, 16.5% during the second quarter 2009 and first quarter 2010 consequently . And the unemployment rate in the Gaza Strip for the Second quarter of the year 2010 reached 39.3%, Whereas it reached 33.9%, 36.0% during the second quarter 2009 and first quarter 2010 consequently.

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
(Second Quarter 2010).

**Growth in Gross Domestic Product at Constant Price in the Palestinian Territory*
during the Second Quarter 2010 Compared with the First Quarter 2010**

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 (First Quarter 2010) and the parallel quarter of the previous year 2009 (Second Quarter 2009).

Growth in GDP in the Palestinian Territory* during the Second Quarter 2010 Compared with the First quarter 2010

The preliminary estimates at constant prices for the Second Quarter of 2010 showed an increase of 5.5% in the GDP in the Palestinian Territory* compared with the First Quarter 2010, and showed an increase of 9.2% compared to the Second Quarter 2009 at constant prices (the base year is 2004). For the West Bank* it recorded an increase by 6.2% during the second quarter 2010 compared the first quarter 2010 and for the Gaza Strip it recorded an increase by 3.3% during the second quarter 2010 compared the first quarter 2010.

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 an increase in Agriculture and fishing activity, Construction, Wholesale and retail trade, Transport, Storage and Communications, 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 Second Quarter 2010 was 373.4 US\$ with an increase by 4.7% compared to the First Quarter 2010, while it showed an increase by 6.0% 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 Second Quarter 2010 was (3,797,492).

Performance of Main Economic Activities

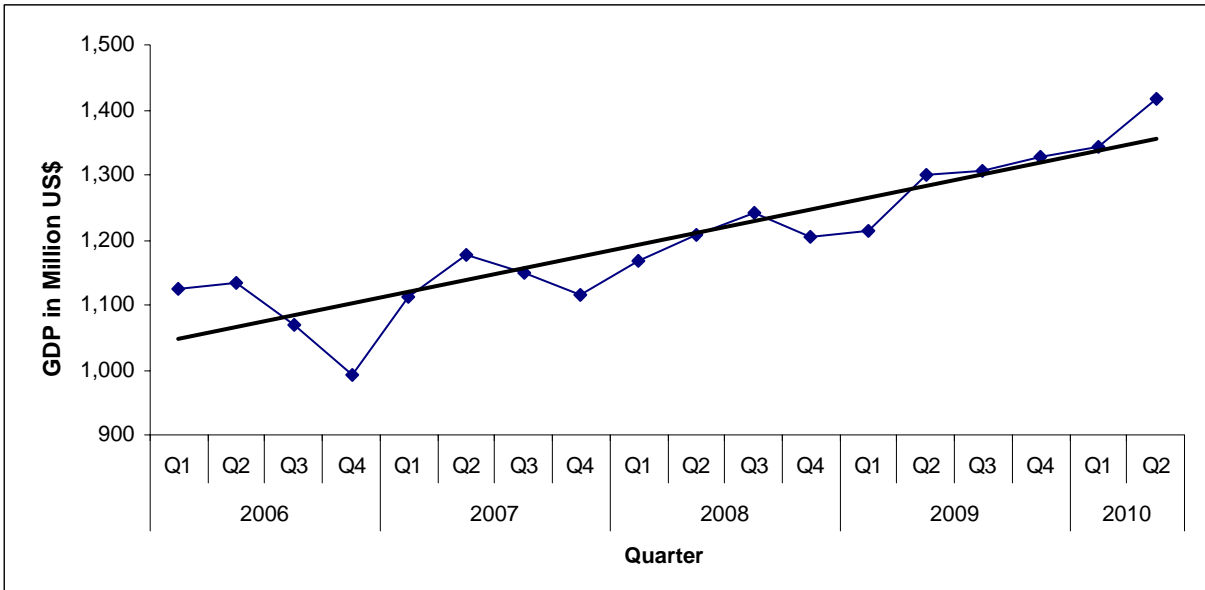
The performance of different activities during the Second Quarter 2010 compared to both First Quarter 2009 and the parallel quarter 2009 was as follows:

- The gross value added for **Agriculture** activity increased during the Second Quarter 2010 compared to the First Quarter 2010 by 14.9%, and it increased by 16.6% compared to the parallel quarter 2009.
- The gross value added for **Mining, manufacturing, water and electricity** activities decreased during the Second Quarter 2010 compared to the First Quarter 2010 by 9.9%, and it decreased by 6.8% compared to the parallel quarter 2009.

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

- The gross value added for **Construction** activity increased by 36.2% during the Second Quarter 2010 compared to the First Quarter 2010, and it increased by 28.8% compared to the parallel quarter 2009.
- The gross value added for **Wholesale and Retail Trade** increased by 5.8% compared to the First Quarter 2010 ; and it increased by 14.4% compared to the parallel quarter 2009.
- The gross value added for **Transportation** increased during the Second Quarter 2010 by 6.4% compared to the First Quarter 2010, and it increased by 11.2% compared to the parallel quarter 2009.
- The gross value added for **Financial Intermediation** activities recorded a decrease during the Second Quarter 2010 compared to the First Quarter 2010 by 0.6%, and it increased by 12.4% compared to the parallel quarter 2009.
- The gross value added for **Real estate, renting and business services** activities increased during the Second Quarter 2010 compared to the First Quarter 2010 by 5.0%, While it decreased by 8.9% compared to the parallel quarter 2009
- The gross value added for **Education** decreased during the Second Quarter 2010 by 0.9% compared to the First Quarter 2010, While it showed an increase by 2.8% compared to the parallel quarter 2009.
- The gross value added for **Health and Social Work** increased during the Second Quarter 2010 by 2.7% compared to the First Quarter 2010, and it showed an increase by 0.8% compared to the parallel quarter 2009.
- The gross value added for **Public Administration and Defense** increased by 2.1% during the Second quarter 2010 compared to the First Quarter 2010, and it increased by 11.0% 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.

Economic Activity

Is an activity, carried out under the responsibility, control and management of an institutional unit, that uses inputs of labour, capital, goods and services to produce outputs.

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..

: 2010

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2004

Table 1: Value Added in the Palestinian Territory* by Economic Activity, During The First and Second Quarters 2010 at Constant Prices: (2004 is the Base Year)

Value in US\$ Million

Economic Activity	2010		
	*** Q II	** Q I	
Agriculture and fishing	77.9	67.8	
Mining, manufacturing, electr. and water	175.2	194.5	
Construction	137.4	100.9	
Wholesale and retail trade	152.0	143.7	
Transport, Storage and Communications	121.3	114.0	
Financial intermediation	77.9	78.4	
Services	316.7	306.3	
Real estate, renting and business services	113.2	107.8	
Community, social and personal services	27.3	25.2	
Hotels and restaurants	23.4	20.5	
Education	115.0	116.0	
Health and social work	37.8	36.8	
Public administration and defense	201.9	197.7	
Households with employed persons	1.3	1.2	
FISIM	-68.1	-68.3	
Customs duties	85.7	73.9	
VAT on imports, net	138.6	134.2	
Quarterly Gross Domestic Product	1,417.8	1,344.3	

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

1967

** First revision

*** Flash Estimates

2004

Table 2: Value Added in the West Bank* by Economic Activity, During The First and Second Quarters 2010 at Constant Prices: (2004 is the Base Year)

Value in US\$ Million

Economic Activity	2010		
	** Q II	** Q I	
Agriculture and fishing	60.3	43.3	
Mining, manufacturing, electr. and water	160.9	171.7	
Construction	101.0	85.5	
Wholesale and retail trade	117.5	109.7	
Transport, Storage and Communications	107.5	100.4	
Financial intermediation	65.5	65.4	
Services	187.0	179.8	
Real estate, renting and business services	64.0	59.0	
Community, social and personal services	19.3	17.5	
Hotels and restaurants	22.1	19.3	
Education	58.1	61.2	
Health and social work	23.5	22.8	
Public administration and defense	123.5	119.4	
Households with employed persons	1.3	1.2	
FISIM	-57.9	-58.1	
Customs duties	72.6	62.6	
VAT on imports, net	117.4	113.7	
Quarterly Gross Domestic Product	1,056.6	994.6	

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

1967

** Flash Estimates

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2004

Table 3: Value Added in the Gaza Strip by Economic Activity, During The First and Second Quarters 2010 at Constant Prices: (2004 is the Base Year)

Value in US\$ Million

Economic Activity	2010		
	* Q II	* Q I	
Agriculture and fishing	17.6	24.5	
Mining, manufacturing, electr. and water	14.3	22.8	
Construction	36.4	15.4	
Wholesale and retail trade	34.5	34.0	
Transport, Storage and Communications	13.8	13.6	
Financial intermediation	12.4	13.0	
Services	129.7	126.5	
Real estate, renting and business services	49.2	48.8	
Community, social and personal services	8.0	7.7	
Hotels and restaurants	1.3	1.2	
Education	56.9	54.8	
Health and social work	14.3	14.0	
Public administration and defense	78.4	78.3	
Households with employed persons	0.0	0.0	
FISIM	-10.2	-10.2	
Customs duties	13.1	11.3	
VAT on imports, net	21.2	20.5	
Quarterly Gross Domestic Product	361.2	349.7	

* Flash Estimates

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2004 : 2010

Table 4: Percentage Contribution to GDP in the Palestinian Territory* by Economic Activity During The First and Second Quarters 2010 at Constant Prices: (2004 is the Base Year)

Economic Activity	2010	
	***	**
	Q II (%)	Q I (%)
Agriculture and fishing	5.5	5.0
Mining, manufacturing, electr. and water	12.4	14.5
Construction	9.7	7.5
Wholesale and retail trade	10.7	10.7
Transport, Storage and Communications	8.6	8.5
Financial intermediation	5.5	5.8
Services	22.3	22.8
Real estate, renting and business services	8.0	8.0
Community, social and personal services	1.9	1.9
Hotels and restaurants	1.7	1.5
Education	8.0	8.7
Health and social work	2.7	2.7
Public administration and defense	14.2	14.7
Households with employed persons	0.1	0.1
FISIM	-4.8	-5.1
Customs duties	6.0	5.5
VAT on imports, net	9.8	10.0
Total	100	100

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

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1967

** First revision

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*** Flash Estimates

2004 : 2010

Table 5: Percentage Contribution to GDP in the West Bank* by Economic Activity During The First and Second Quarters 2010 at Constant Prices: (2004 is the Base Year)

Economic Activity	2010	
	** Q II (%)	** Q I (%)
Agriculture and fishing	5.7	4.4
Mining, manufacturing, electr. and water	15.2	17.2
Construction	9.6	8.6
Wholesale and retail trade	11.1	11.0
Transport, Storage and Communications	10.2	10.1
Financial intermediation	6.2	6.6
Services	17.7	18.1
Real estate, renting and business services	6.1	5.9
Community, social and personal services	1.8	1.8
Hotels and restaurants	2.1	1.9
Education	5.5	6.2
Health and social work	2.2	2.3
Public administration and defense	11.7	12.0
Households with employed persons	0.1	0.1
FISIM	-5.5	-5.8
Customs duties	6.9	6.3
VAT on imports, net	11.1	11.4
Total	100	100

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

** Flash Estimates

2004 : 2010

Table 6: Percentage Contribution to GDP in the Gaza Strip by Economic Activity During The First and Second Quarters 2010 at Constant Prices: (2004 is the Base Year)

Economic Activity	2010	
	* Q II (%)	* Q I (%)
Agriculture and fishing	4.9	7.0
Mining, manufacturing, electr. and water	4.0	6.5
Construction	10.1	4.4
Wholesale and retail trade	9.6	9.7
Transport, Storage and Communications	3.8	3.9
Financial intermediation	3.4	3.7
Services	35.9	36.2
Real estate, renting and business services	13.5	14.0
Community, social and personal services	2.2	2.2
Hotels and restaurants	0.4	0.3
Education	15.8	15.7
Health and social work	4.0	4.0
Public administration and defense	21.7	22.4
Households with employed persons	0.0	0.0
FISIM	-2.8	-2.9
Customs duties	3.5	3.2
VAT on imports, net	5.9	5.9
Total	100	100

* Flash Estimates

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Table 7: 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 II	*** Q I	** Q IV	** Q III	** Q II	** Q I
Agriculture and fishing	77.9	67.8	68.8	54.1	66.8	58.8
Mining, manufacturing, electr. and water	175.2	194.5	190.5	188.8	187.9	187.1
Construction	137.4	100.9	92.2	99.0	106.7	84.9
Wholesale and retail trade	152.0	143.7	145.2	138.4	132.9	134.5
Transport, Storage and Communications	121.3	114.0	115.6	110.5	109.1	110.5
Financial intermediation	77.9	78.4	76.5	74.7	69.3	64.5
Services	316.7	306.3	302.3	306.2	315.0	295.1
Real estate, renting and business services	113.2	107.8	103.7	113.8	124.3	117.1
Community, social and personal services	27.3	25.2	22.6	24.7	25.1	21.8
Hotels and restaurants	23.4	20.5	19.5	19.4	16.2	9.6
Education	115.0	116.0	118.3	111.3	111.9	109.8
Health and social work	37.8	36.8	38.2	37.0	37.5	36.8
Public administration and defense	201.9	197.7	195.3	186.3	181.9	180.4
Households with employed persons	1.3	1.2	1.1	1.2	1.2	1.1
FISIM	-68.1	-68.3	-71.9	-71.0	-67.1	-63.9
Customs duties	85.7	73.9	77.7	80.6	77.4	62.5
VAT on imports, net	138.6	134.2	134.1	138.3	117.7	98.4
Gross Domestic Product	1,417.8	1,344.3	1,327.4	1,307.1	1,298.8	1,213.9

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

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** Preliminary Estimates *** First Revision **** Flash Estimates

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2004

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2010-2009

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Table 8: 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 II (%)	*** Q I (%)	** Q IV (%)	** Q III (%)	** Q II (%)	** Q I (%)
Agriculture and fishing	5.5	5.0	5.2	4.1	5.1	4.8
Mining, manufacturing, electr. and water	12.4	14.5	14.4	14.4	14.5	15.4
Construction	9.7	7.5	6.9	7.6	8.2	7.0
Wholesale and retail trade	10.7	10.7	10.9	10.6	10.2	11.1
Transport, Storage and Communications	8.6	8.5	8.7	8.5	8.4	9.1
Financial intermediation	5.5	5.8	5.8	5.7	5.3	5.3
Services	22.3	22.8	22.8	23.4	24.3	24.4
Real estate, renting and business services	8.0	8.0	7.8	8.7	9.6	9.7
Community, social and personal services	1.9	1.9	1.7	1.9	1.9	1.8
Hotels and restaurants	1.7	1.5	1.5	1.5	1.2	0.8
Education	8.0	8.7	8.9	8.5	8.7	9.1
Health and social work	2.7	2.7	2.9	2.8	2.9	3.0
Public administration and defense	14.2	14.7	14.7	14.3	14.0	14.9
Households with employed persons	0.1	0.1	0.1	0.1	0.1	0.1
FISIM	-4.8	-5.1	-5.4	-5.4	-5.2	-5.3
Customs duties	6.0	5.5	5.8	6.2	6.0	5.1
VAT on imports, net	9.8	10.0	10.1	10.5	9.1	8.1
Total	100	100	100	100	100	100

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

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** Preliminary Estimates *** First Revision **** Flash Estimates

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: 2010-2009 * :9

2004

Table 9: 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	***356.6	331.4	
Second Quarter	****373.4	352.1	
Third Quarter	-	351.8	
Fourth Quarter	-	354.6	
Annual Value	-	1,389.9	

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

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** Preliminary Estimates

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*** First Revision

**** Flash Estimates

(-) The data is not available

(-)

: 2010 * :10

2004

Table 10: GDP Per Capita in the West Bank* and Gaza Strip by the Quarters, During The First and Second Quarters 2010 at Constant Prices: (2004 is the Base Year)

Value in US\$

Quarter \ Year	** Q2	** Q1	
West Bank	465.8	441.4	
Gaza Strip	236.2	230.5	

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

1967

**Flash Estimates

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Table 11: 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
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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** Preliminary Estimates

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