



Palestinian National Authority
Palestinian Central Bureau of Statistics

News Release
Preliminary Estimates of Quarterly National Accounts
(Third Quarter 2010)

January, 2011

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Suggested Citation:

Palestinian Central Bureau of Statistics, 2011. *News Release, Preliminary Estimates of Quarterly National Accounts (Third Quarter 2010)*. Ramallah - Palestine.

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Important Notes

Data presented in this News is 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 3rd quarter of the year 2010 represents preliminary estimates (flash estimates ¹) 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, it's worth mentioning that the unemployment rate in the Palestinian Territory for the 3rd quarter of the year 2010 reached 26.6%, whereas it reached 22.9% during the 2nd quarter 2010 and 25.8% during the 3rd quarter 2009. The unemployment rate for the year 2009 was 24.5%, 26.0% for the year 2008 and 21.5% for the year 2007 compared with 23.6% in 2006.

Also, the unemployment rate in West Bank for the 3rd quarter of the year 2010 reached 20.1%, whereas it reached 15.2% during the 2nd quarter 2010 and 17.8% during the 3rd quarter 2009. The unemployment rate in Gaza Strip for the 3rd quarter of the year 2010 reached 40.5%, whereas it reached 39.3% during the 2nd quarter 2010 and 42.3% during the 3rd quarter 2009.

The data related to Government (Education, Health in addition to the Public Administration and Defense) was valued using the Accrual Bases based on the recommendations of the System of National Accounts issued by the UN. Also, it's 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 revised classifications using the latest revision of the Government Finance Statistics Manual 2001.

¹ A flash estimate is an early estimate produced and published as soon as possible after the end of the reference period, using a more incomplete set of information than the set used for traditional estimates

Considerable increases in the Percentage Contribution of Construction Activity to GDP

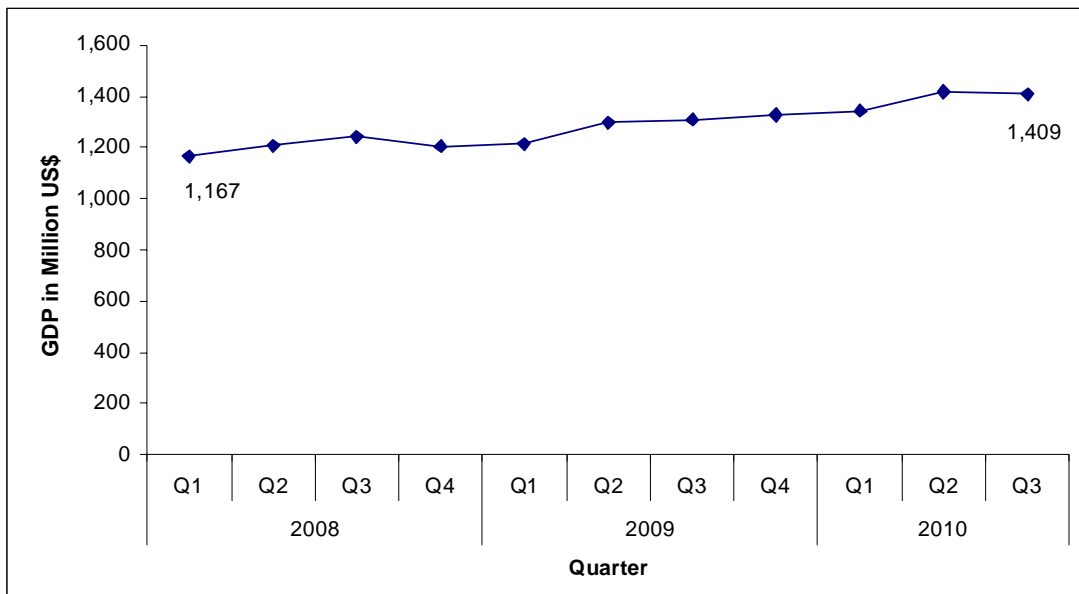
Comparing the 3rd quarter with the 2nd quarter 2010,

The percentage contribution of construction activity to GDP increased by 14.4% in the Palestinian Territory*, while it decreased for agriculture by 29.1%.

Decline in the GDP in the Palestinian Territory* during the 3rd quarter 2010 compared with the 2nd quarter 2010

The preliminary estimates at constant prices for the 3rd quarter 2010 showed a decrease of 0.6% in the GDP in the Palestinian Territory* compared with the 2nd quarter 2010, whereas the estimates showed an increase of 7.8% compared with the 3rd quarter 2009 at constant prices (the base year is 2004). As the West Bank*, the GDP decreased by 3.5% during the 3rd quarter 2010 compared with the 2nd quarter 2010; while for the Gaza Strip the GDP increased by 8.0% during the 3rd quarter 2010 compared with the 2nd quarter 2010. GDP for the 3rd quarter 2010 at constant prices in the Palestinian Territory was 1,409 million US\$ of which 1,019 million US\$ for the West Bank* and 390 million US\$ for the Gaza Strip.

GDP in the Palestinian Territory* for the years 2008-2010



Gross Domestic Product Per capita

The Gross Domestic Product per capita for the Palestinian Territory* during the 3rd quarter 2010 was 368 US\$ with a decrease by 1.3% compared with the 2nd quarter of the same year; while it showed an increase by 4.7% compared with the 3rd quarter 2009.

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

Performance of Main Economic Activities during the 3rd quarter 2010 in the Palestinian Territory.

First: Decline in gross value added for the following economic activities:

- The **Agriculture** activity decreased in its gross value added during the 3rd quarter 2010 compared with the previous quarter of the same year by 22.8%, and it increased by 2.6% compared with the 3rd quarter 2009.
- The gross value added for **Mining, Manufacturing, Water and Electricity** activities decreased during the 3rd quarter 2010 compared with the previous quarter of the same year by 7.2%, and it decreased by 13.9% compared with the 3rd quarter 2009.

Second: Increase in gross value added for the following economic activities:

- The gross value added for **Construction** activity increased by 14.3% during the 3rd quarter 2010 compared with the previous quarter of the same year, and it increased by 58.7% compared with the 3rd quarter 2009.
- The gross value added for **Wholesale and Retail Trade activities** increased by 2.8% compared with the previous quarter of the same year; and it increased by 12.9% compared with the 3rd quarter 2009.
- The **Transportation activity** increased in its gross value added during the 3rd quarter 2010 by 2.4% compared with the previous quarter of the same year, and it increased by 12.4% compared with the 3rd quarter 2009.
- The gross value added for **Public Administration and Defense activities** increased by 1.2% during the 3rd quarter 2010 compared with the previous quarter of the same year, and it increased by 9.7% compared with the 3rd quarter 2009.

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 of 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 Services 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..

2004

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Table 1: Value added by economic activity and region during the third quarter 2010 at constant prices: (2004 is the base year)

Value in US\$ Million

Economic Activity	*2010					
	Gaza Strip		** West Bank**		** Palestinian Territory**	
	(%) Percentage Contribution(%)	Value added	(%) Percentage Contribution(%)	Value added	(%) Percentage Contribution(%)	Value added
Agriculture and Fishing	5.0	19.7	3.5	35.8	3.9	55.5
Mining, Manufacturing, Electricity and water	4.5	17.5	14.2	145.1	11.5	162.6
Construction	16.0	62.4	9.3	94.7	11.1	157.1
Wholesale and Retail Trade	9.4	36.7	11.7	119.6	11.1	156.3
Transport, Storage and Communications	3.8	14.7	10.7	109.5	8.8	124.2
Financial Intermediation	3.1	12.2	6.5	66.7	5.6	78.9
Services	29.6	115.5	18.5	188.5	21.6	304.0
Real estate, Renting and Business Services	9.9	38.4	6.1	61.9	7.2	100.3
Community, Social and Personal services	1.5	6.0	1.8	18.3	1.7	24.3
Hotels and Restaurants	1.0	4.0	2.0	20.1	1.7	24.1
Education	13.5	52.8	6.4	65.3	8.4	118.1
Health and Social Work	3.7	14.3	2.2	22.9	2.6	37.2
Public Administration and Defense	21.9	85.5	11.7	118.9	14.5	204.4
Households with Employed persons	0.0	0.0	0.1	1.2	0.1	1.2
FISIM	-2.6	-10.0	-5.9	-59.9	-5.0	-69.9
Customs duties	3.5	13.8	7.5	76.1	6.5	89.9
VAT on imports, net	5.8	22.2	12.2	123.1	10.3	145.3
Quarterly Gross Domestic Product	100	390.2	100	1,019.3	100	1,409.5

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

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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 III***	** Q II**	** Q I**	** Q IV**	** Q III**	** Q II**	** Q I**
Agriculture and Fishing	55.5	77.9	67.8	68.8	54.1	66.8	58.8
Mining, Manufacturing, Electricity and water	162.6	175.2	194.5	190.5	188.8	187.9	187.1
Construction	157.1	137.4	100.9	92.2	99.0	106.7	84.9
Wholesale and Retail Trade	156.3	152.0	143.7	145.2	138.4	132.9	134.5
Transport, Storage and Communications	124.2	121.3	114.0	115.6	110.5	109.1	110.5
Financial Intermediation	78.9	77.9	78.4	76.5	74.7	69.3	64.5
Services	304.0	316.7	306.3	302.3	306.2	315.0	295.1
Real estate, Renting and Business Services	100.3	113.2	107.8	103.7	113.8	124.3	117.1
Community, Social and Personal services	24.3	27.3	25.2	22.6	24.7	25.1	21.8
Hotels and Restaurants	24.1	23.4	20.5	19.5	19.4	16.2	9.6
Education	118.1	115.0	116.0	118.3	111.3	111.9	109.8
Health and Social Work	37.2	37.8	36.8	38.2	37.0	37.5	36.8
Public Administration and Defense	204.4	201.9	197.7	195.3	186.3	181.9	180.4
Households with Employed Persons	1.2	1.3	1.2	1.1	1.2	1.2	1.1
FISIM	-69.9	-68.1	-68.3	-71.9	-71.0	-67.1	-63.9
Customs duties	89.9	85.7	73.9	77.7	80.6	77.4	62.5
VAT on imports, net	145.3	138.6	134.2	134.1	138.3	117.7	98.4
Quarterly Gross Domestic Product	1,409.5	1,417.8	1,344.3	1,327.4	1,307.1	1,298.8	1,213.9

* The data 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 : 2010 * :3

Table 3: Value added in West Bank* by economic activity and quarter for the year 2010 at constant prices: (2004 is the Base Year)

Value In US\$ Million

Economic Activity	2010		
	*** Q III***	** Q II**	** Q I**
Agriculture and Fishing	35.8	60.3	43.3
Mining, Manufacturing, Electricity, and water	145.1	160.9	171.7
Construction	94.7	101.0	85.5
Wholesale and Retail Trade	119.6	117.5	109.7
Transport, Storage and Communications	109.5	107.5	100.4
Financial Intermediation	66.7	65.5	65.4
Services	188.5	187.0	179.8
Real estate, Renting and Business Services	61.9	64.0	59.0
Community, Social and Personal services	18.3	19.3	17.5
Hotels and Restaurants	20.1	22.1	19.3
Education	65.3	58.1	61.2
Health and Social Work	22.9	23.5	22.8
Public Administration and Defense	118.9	123.5	119.4
Households with Employed Persons	1.2	1.3	1.2
FISIM	-59.9	-57.9	-58.1
Customs duties	76.1	72.6	62.6
VAT on imports, net	123.1	117.4	113.7
Quarterly Gross Domestic Product	1,019.3	1,056.6	994.6

* The data 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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Table 4: Value added in Gaza Strip by economic activity and quarter for the year 2010 at constant prices: (2004 is the base year)

Value In US\$ Million

Economic Activity	2010		
	** Q III**	* Q II*	* Q I*
Agriculture and Fishing	19.7	17.6	24.5
Mining, Manufacturing, Electricity, and water	17.5	14.3	22.8
Construction	62.4	36.4	15.4
Wholesale and Retail Trade	36.7	34.5	34.0
Transport, Storage and Communications	14.7	13.8	13.6
Financial Intermediation	12.2	12.4	13.0
Services	115.5	129.7	126.5
Real estate, Renting and Business Services	38.4	49.2	48.8
Community, Social and Personal services	6.0	8.0	7.7
Hotels and Restaurants	4.0	1.3	1.2
Education	52.8	56.9	54.8
Health and Social Work	14.3	14.3	14.0
Public Administration and Defense	85.5	78.4	78.3
Households with Employed Persons	0.0	0.0	0.0
FISIM	-10.0	-10.2	-10.2
Customs duties	13.8	13.1	11.3
VAT on imports, net	22.2	21.2	20.5
Quarterly Gross Domestic Product	390.2	361.2	349.7

* Preliminary Estimates ** Flash Estimates

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Table 5: 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 III*** (%)	** Q II** (%)	** Q I** (%)	** Q IV** (%)	** Q III** (%)	** Q II** (%)	** Q I** (%)
Agriculture and Fishing	3.9	5.5	5.0	5.2	4.1	5.1	4.8
Mining, Manufacturing, Electricity and water	11.5	12.4	14.5	14.4	14.4	14.5	15.4
Construction	11.1	9.7	7.5	6.9	7.6	8.2	7.0
Wholesale and Retail Trade	11.1	10.7	10.7	10.9	10.6	10.2	11.1
Transport, Storage and Communications	8.8	8.6	8.5	8.7	8.5	8.4	9.1
Financial Intermediation	5.6	5.5	5.8	5.8	5.7	5.3	5.3
Services	21.6	22.3	22.8	22.8	23.4	24.3	24.4
Real estate, Renting and Business Services	7.2	8.0	8.0	7.8	8.7	9.6	9.7
Community, Social and Personal services	1.7	1.9	1.9	1.7	1.9	1.9	1.8
Hotels and Restaurants	1.7	1.7	1.5	1.5	1.5	1.2	0.8
Education	8.4	8.0	8.7	8.9	8.5	8.7	9.1
Health and Social Work	2.6	2.7	2.7	2.9	2.8	2.9	3.0
Public Administration and Defense	14.5	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	0.1
FISIM	-5.0	-4.8	-5.1	-5.4	-5.4	-5.2	-5.3
Customs duties	6.5	6.0	5.5	5.8	6.2	6.0	5.1
VAT on imports, net	10.3	9.8	10.0	10.1	10.5	9.1	8.1
Total	100	100	100	100	100	100	100

* The data 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

Table 6: 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	***368.4	351.8	
Fourth Quarter	-	354.6	
Annual Value	-	1,389.9	

* The data 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

(-) The data is not available

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2004

Table 7: GDP Per Capita in West Bank* and Gaza Strip by the quarters of the year 2010 at constant prices: (2004 is the base year)

Value in US\$

Quarter \ Region	قطاع غزة Gaza Strip	الضفة الغربية West Bank	
First Quarter**	230.5	441.4	**
Second Quarter**	236.2	465.8	**
Third Quarter***	253.1	446.3	***

* The data 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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Table 8: 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, Electricity. 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

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

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** Preliminary Estimates, 1997 is the base year for 1999-2003, 2004 is the base year for 2004-2009

2009-2004

2004 2003-1999

1997

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