

Palestinian Central Bureau of Statistics

Press Release Preliminary Estimates of Gross Domestic Product (First Quarter 2005)

May, 2005

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All correspondence should be directed to: Dissemination and Documentation Department/Division of User Services Palestinian Central Bureau of Statistics P.O.Box 1647, Ramallah - Palestine.

Tel: (972/970) 2 240 6340	Fax: (972/970) 2 240 6343
E-Mail: <u>Diwan@pcbs.gov.ps</u>	Web-site: <u>http://www.pcbs.gov.ps</u>



Palestinian Central Bureau of Statistics

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Notice to users of this report

PCBS would like to indicate to users of this press release that the data presented is at constant prices, where the year 1997 is the base year.

PCBS indicates also that all data related to quarters of the year 2005 will be revised based on the availability of the related short-term indicators for those quarters. Meanwhile, data for the first quarter of the year 2005 represents preliminary estimates (flash estimates) issued for the first time in accordance with the estimated short-term indicators; data will be revised when the necessary short-term indicators are available within the requested periodicity.

Based on the international recommendations for the compilation of the QNA revisions, the final report of the Quarterly National Accounts will be released after finalizing the Annual National Accounts for Production and Expenditure sides at constant prices.

Press Release

Main Estimates for the Gross Domestic Product (First Quarter 2005)

In the First Quarter 2005, GDP grew by 1.8% compared with the fourth quarter 2004

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 2004) and the parallel quarter of the previous year 2004 (First Quarter 2004).

GDP for the year 2005

The preliminary estimates for the year 2005 at constant prices based on the available short term indicators showed that the value of the GDP of the Remaining West Bank and Gaza Strip will reach US\$ 4,254.6 million with an increase of 3.0%. Therefore, the value of GDP per capita will be US\$ 1,210.9 during the year 2005 with a substantial decline of 0.6% compared to the year 2004.

GDP grew in the First Quarter 2005

The preliminary estimates at constant prices for the first quarter of 2005 show substantial increase in the performance of the economy in the Remaining West Bank and Gaza Strip. The GDP estimates increased substantially during the first quarter of 2005 by 1.8% compared with the fourth quarter of the previous year, and showed a decrease of 0.7% compared to the first quarter of the year 2004 at constant prices.

This growth in the first quarter of the year 2005 compared to the fourth quarter of the previous year was a result of the growth in the main economic activities within the available short term indicators for each activity. There was growth in the Mining, Wholesale and Retail Trade, Hotels, Education in addition to Public Administration and Defense.

In addition, the preliminary estimates for the Gross Domestic Product per capita for the Remaining West Bank and Gaza Strip during the first quarter 2005 increased by 1.4% compared to the fourth quarter of the previous year, while it showed a decrease of 3.7% compared to the same quarter of the year 2004.

Performance of Main Economic Activities

The performance of different activities during the first quarter of the year 2005 compared to both the fourth quarter of the year 2004 and the same quarter of the previous year was as follows:

- The gross value added for **Agriculture** activity declined by 9.3% during the first quarter of 2005 in relation to the fourth quarter, while it declined sbstantially by 25.9% compared with the parallel quarter of the year 2004.
- The gross value added for **Manufacturing** activities in Remaining West Bank and Gaza Strip declined during the first quarter 2005 compared to the fourth quarter of the year 2004 by 6.4%, while it declined by 12.0% compared to the first quarter of the year 2004.
- The gross value added for **Construction** activity declined by 1.9% during the first quarter of the year 2005 compared to the fourth quarter 2004; however this activity recorded an increase of 3.4% compared to the same quarter of the year 2004.

- The gross value added for **Transport** grew during the first quarter of the year 2005 by 29.7% compared to the fourth quarter of 2004. On other hand, this activity decreased by 15.6% compared to the first quarter of the year 2004.
- The gross value added for **Financial Intermediation** activity decreased by 7.7% during the first quarter 2005 compared to the fourth quarter of the year 2004, while it increased by 5.3% compared to the first quarter of the year 2004.
- The gross value added grew for **Wholesale and Retail Trade** by 17.3% compared to the fourth quarter of the year 2004; however, when compared to the same quarter of the year 2004, this activity recorded a growth rate of 7.6%.
- The gross value added for **Education** grew during the first quarter of the year 2005 by 9.6% compared to the fourth quarter of the previous year, while it showed an increase of 8.4% compared to the first quarter of the year 2004.
- The gross value added for **Hotels** grew by 16.3% compared to the fourth quarter of the year 2004, while it increased by 27.1% compared to the first quarter of the year 2004.
- The gross value added for **Real Estate, Renting and Business Services** declined by 14.3% during the first quarter of the year 2005 compared to the fourth quarter of the previous year, and decreased by 7.5% compared to the parallel quarter of the year 2004.

The following graph shows the general trend for the quarterly GDP during the various quarters of the years 2004 and 2005:

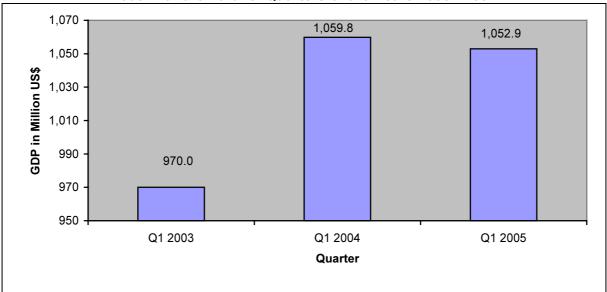
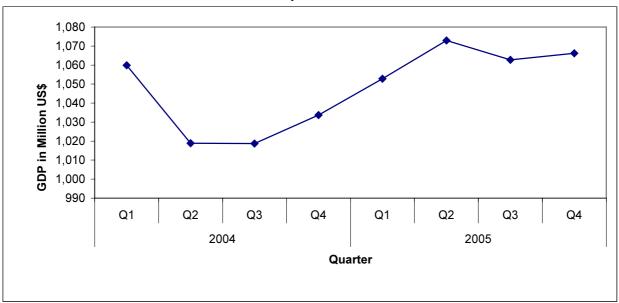


Figure1: Comparison for the Quarterly GDP between the First Quarter of the Year 2005 with the Parallel Quarters of the Years 2003 - 2004

Figure 2: The General Trend for the Quarterly GDP in the Remaining West Bank and Gaza Strip 2004-2005



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 or 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.

Remaining West Bank

The West Bank excluding that part of Jerusalem that was annexed after the 1967 occupation by Israel.

جدول (1): الناتج المحلي الاجمالي في باقي الضفة الغربية وقطاع غزة حسب النشاط الاقتصادي للأرباع الخاصة بعام 2005 بالأسعار الثابتة: سنة الأساس 1997

Table (1): GDP in Remaining West Bank and Gaza Strip by Economic Activity for the Quarters of year 2005at Constant Prices (1997 is the base year)

Value in million US\$

القيمة بالمليون دولار أمريكي

			2005			
Economic Activity	الربع الرابع*	الربع الثالث*	الربع الثاني*	الربع الاول*	القيم السنوية*	النشاط الاقتصادي
	Q IV	Q III	QII	QI	Annual Data	
Agriculture and fishing	112.3	96.4	114.9	84.8	408.4	الزراعة وصيد الاسماك
Mining, manufacturing, electr. and water	110.5	120.2	125.4	135.4	491.5	التعدين، الصناعة التحويلية والمياه والكهرباء
Mining and quarrying	7.1	7.0	6.8	6.7	27.6	التعدين واستغلال المحاجر
Manufacturing	91.5	100.2	105.0	113.9	410.6	الصناعة التحويلية
Electricity and water supply	11.9	13.0	13.6	14.8	53.3	امدادات المياه والكهرباء
Construction	50.7	58.1	46.4	44.1	199.3	الاشاءات
Wholesale and retail trade	101.5	103.5	105.9	108.9	419.8	تجارة الجملة والتجزئة
Transport, Storage and Communications	87.0	85.1	83.4	83.8	339.3	النقل والتخزين والاتصالات
Financial intermediation	35.9	36.7	34.0	34.0	140.6	الوساطة المالية
Other services	271.0	267.6	273.6	279.1	1,091.3	الخدمات
Real estate, renting and business services	118.1	117.1	116.1	114.7	466.0	الانشطة العقارية والايجارية والتجارية
Community, social and personal services	6.8	6.8	7.4	7.6	28.6	أنشطة الخدمة المجتمعية والاجتماعية والشخصية
Hotels and restaurants	19.7	20.6	21.9	27.1	89.3	المطاعم والفنادق
Education	92.1	93.3	97.6	98.1	381.1	التــــــــــــــــــــــــــــــــــــ
Health and social work	34.3	29.8	30.6	31.6	126.3	الصــــــــــــــــــــــــــــــــــــ
Public administration and defense	190.8	194.8	188.8	184.9	759.3	الإداره العا مه والدفاع
Households with employed persons	1.9	1.9	2.0	2.1	7.9	الخدمات المنزلية
Less: FISIM	-31.2	-33.8	-32.2	-31.4	-128.6	ناقص: خدمات الوساطة المالية المقاسة بصورة غير مباشرة
Plus: Customs duties	68.6	65.4	64.0	60.7	258.7	زائد: الرسوم الجمركية
Plus: VAT on imports, net	67.2	66.8	66.7	66.4	267.1	زائد: صافي ضريبة القيمة المضافة على الواردات
Quarterly Gross Domestic Product	1,066.2	1,062.7	1,072.9	1,052.8	4,254.6	الناتج المحلي الاجمالي الربعي

* Flash Estimates

* تقدير ات أولية (الاصدار الأول)

جدول (2): نسبة مساهمة الانشطة الاقتصادية في الناتج المحلي الاجمالي في باقي الضفة الغربية وقطاع غزة للارباع الخاصة بعام 2005 Table (2):Percentage Contribution to GDP in Remaining West Bank and Gaza Strip by Economic Activity for the Quarters of year 2005

			2005	Joan 200		
Economic Activity	الربع الرابع*	الربع الثالث*	الربع الثاني*	الربع الاول*	القيم السنوية*	النشاط الاقتصادى
	QIV	Q III	QII	QI	Annual Data	Υ.
Agriculture and fishing	10.5	9.1	10.7	8.1	9.6	الزراعة وصيد الاسماك
Mining, manufacturing, electr. and water	10.4	11.3	11.7	12.8	11.6	التعدين، الصناعة التحويلية والمياه والكهرباء
Mining and quarrying	0.7	0.7	0.6	0.6	0.6	التعدين واستغلال المحاجر
Manufacturing	8.6	9.4	9.8	10.8	9.7	الصناعة التحويلية
Electricity and water supply	1.1	1.2	1.3	1.4	1.3	امدادات المياه والكهرباء
Construction	4.8	5.5	4.3	4.2	4.7	الاشـــــاءات
Wholesale and retail trade	9.5	9.7	9.9	10.3	9.9	تجارة الجملة والتجزئة
Transport, Storage and Communications	8.2	8.0	7.8	8.0	8.0	النقل والتخزين والاتصالات
Financial intermediation	3.4	3.5	3.2	3.2	3.3	الوساطة المالية
Other services	25.3	25.1	25.5	26.5	25.8	الخدمــــــــــــــــــــــــــــــــــــ
Real estate, renting and business services	11.1	11.0	10.8	10.9	11.0	*الانشطة العقارية والايجارية والتجارية
Community, social and personal services	0.6	0.6	0.7	0.7	0.7	أنشطة الخدمة المجتمعية والاجتماعية والشخصية
Hotels and restaurants	1.8	1.9	2.0	2.6	2.1	المطاعم والفنادق
Education	8.6	8.8	9.1	9.3	9.0	التــــــــــــــــــــــــــــــــــــ
Health and social work	3.2	2.8	2.9	3.0	3.0	الصــــــــــــــــــــــــــــــــــــ
Public administration and defense	17.9	18.3	17.6	17.6	17.8	الإداره العا مه والدفاع
Households with employed persons	0.2	0.2	0.2	0.2	0.2	الخدمات المنزلية
Less: FISIM	-2.9	-3.2	-3.0	-3.0	-3.1	ناقص: خدمات الوساطة المالية المقاسة بصورة غير مباشرة
Plus: Customs duties	6.4	6.2	6.0	5.8	6.0	زائد: الرسوم الجمركية
Plus: VAT on imports, net	6.3	6.3	6.1	6.3	6.2	زائد: صافي ضريبة القيمة المضافة على الواردات
Total	100.0	100.0	100.0	100.0	100.0	المجموع

* Flash Estimates

* تقديرات أولية (الاصدار الأول)

جدول (3): نصيب الفرد من الناتج المحلي الإجمالي للأرباع الخاصة بالعام 2005 بالأسعار الثابتة: سنة الأساس1997 Table (3): GDP Per Capita by Quarters in 2005 at Constant Prices: (1997 is the base year)

Value in US\$

القيمة بالدولار الأمريكي

Indicator		" المؤشر				
Region	التقدير السنوي Annual Estimate	الربع الرابع Q IV	الربع الثالث Q III	الربع الثاني Q II	الربع الأول Q	المنطقة
Remaining West Bank and Gaza Strip	1,210.9	299.5	301.1	306.7	303.6	باقي الضفة الغربية وقطاع غزة

جدول (4): الناتج المحلي الاجمالي في باقي الضفة الغربية وقطاع غزة حسب النشاط الاقتصادي والربع للعامين 2004، 2005 بالاسعار الثابتة: سنة الاساس1997 Table (4): GDP in Remaining West Bank and Gaza Strip by Economic Activity and Quarter for the years 2004, 2005 at Constant Prices (1997 is the base year)

Value in million US\$

القيمة بالمليون دولار أمريكي

		20	05			20	04		
Economic Activity	الربع	الربع	الربع	الربع	الربع	الربع	الربع	الربع	النشاط الاقتصادي
	الرابع**	الثالث **	الثاني**	الاول**	الرابع*	الثالث*	الثاني*	الاول*	ي پ
	QIV	Q III	QII	QI	QIV	QIII	QII	QI	
Agriculture and fishing	112.3	96.4	114.9	84.8	93.5	77.0	118.1	114.4	الزراعة وصيد الاسماك
Mining, manufacturing, electr. and water	110.5	120.2	125.4	135.4	144.7	142.5	144.9	153.9	التعدين، الصناعة التحويلية والمياه والكهرباء
Mining and quarrying	7.1	7.0	6.8	6.7	4.6	5.9	8.8	8.9	التعدين واستغلال المحاجر
Manufacturing	91.5	100.2	105.0	113.9	124.0	120.9	120.5	128.4	الصناعة التحويلية
Electricity and water supply	11.9	13.0	13.6	14.8	16.1	15.7	15.6	16.6	امدادات المياه والكهرباء
Construction	50.7	58.1	46.4	44.1	45.0	54.0	47.2	42.6	الانشــــــاءات
Wholesale and retail trade	101.5	103.5	105.9	108.9	92.9	100.8	106.2	101.2	تجارة الجملة والتجزئة
Transport, Storage and Communications	87.0	85.1	83.4	83.8	64.6	65.4	86.6	99.3	النقل والتخزين والاتصالات
Financial intermediation	35.9	36.7	34.0	34.0	36.8	36.3	34.1	32.3	الوساطة المالية
Other services	271.0	267.6	273.6	279.1	281.7	266.1	251.7	272.0	الخدمــــــات
Real estate, renting and business services	118.1	117.1	116.1	114.7	133.8	118.1	101.9	123.9	الانشطة العقارية والايجارية والتجارية
Community, social and personal services	6.8	6.8	7.4	7.6	5.0	5.6	8.8	8.6	أنشطة الخدمة المجتمعية والاجتماعية والشخصية
Hotels and restaurants	19.7	20.6	21.9	27.1	23.3	30.0	20.5	21.3	المطاعم والفنادق
Education	92.1	93.3	97.6	98.1	89.5	82.2	91.1	90.5	التـــــعايـــــــــــــــــــــــــــــــ
Health and social work	34.3	29.8	30.6	31.6	30.1	30.2	29.4	27.7	الصـــــحة والعمل الاجتمــــــــاعي
Public administration and defense	190.8	194.8	188.8	184.9	177.7	169.0	156.7	150.5	الإداره العا مه والدفاع
Households with employed persons	1.9	1.9	2.0	2.1	1.4	1.5	2.4	2.3	الخدمات المنزلية
Less: FISIM	-31.2	-33.8	-32.2	-31.4	-30.0	-29.5	-28.5	-27.6	ناقص: خدمات الوساطة المالية المقاسة بصورة غير مباشرة
Plus: Customs duties	68.6	65.4	64.0	60.7	57.1	60.1	45.8	53.7	زائد: الرسوم الجمركية
Plus: VAT on imports, net	67.2	66.8	66.7	66.4	68.3	75.5	53.7	65.3	زائد: صافي ضريبة القيمة المضافة على الواردات
Gross Domestic Product	1,066.2	1,062.7	1,072.9	1,052.8	1,033.7	1,018.7	1,018.9	1,059.9	الناتج المحلي الاجمالي

* Second Revision

** Flash Estimates

* التنقيح الثاني

** تقدير ات أولية (الاصدار الأول)

جدول (5): الناتج المحلى الاجمالي في باقي الضفة الغربية وقطاع غزة حسب النشاط الاقتصادي للأعوام 1999- 2005 بالاسعار الثابتة: سنة الاساس1997 Table (5): GDP in Remaining West Bank and Gaza Strip by Economic Activity for the years 1999- 2005 at Constant Prices (1997 is the base year)

Economic Activity	**2005	*2004	2003	2002	2001	2000	
Agriculture and fishing	408.4	403.0	422.1	380.0	345.1	388.0	
Mining, manufacturing, electr. and water	491.5	586.0	489.7	584.7	595.0	668.7	
Mining and quarrying	27.6	28.2	16.3	32.7	28.5	32.6	
Manufacturing	410.6	493.8	381.3	496.3	501.4	570.2	
Electricity and water supply	53.3	64.0	92.1	55.7	65.1	65.8	
Construction	199.3	188.8	145.2	87.6	191.7	270.4	
Wholesale and retail trade	419.8	401.1	378.6	418.2	367.2	472.7	
Transport, Storage and Communications	339.3	315.9	378.5	379.9	320.7	292.5	

القيمة بالمليون دولار أمريكي

النشاط الاقتصادى

1999

Agriculture and fishing	408.4	403.0	422.1	380.0	345.1	388.0	470.7	الزراعة وصيد الاسماك
Mining, manufacturing, electr. and water	491.5	586.0	489.7	584.7	595.0	668.7	655.5	التعدين، الصناعة التحويلية والمياه والكهرباء
Mining and quarrying	27.6	28.2	16.3	32.7	28.5	32.6	35.7	التعدين واستغلال المحاجر
Manufacturing	410.6	493.8	381.3	496.3	501.4	570.2	566.4	الصناعة التحويلية
Electricity and water supply	53.3	64.0	92.1	55.7	65.1	65.8	53.4	امدادات المياه والكهرباء
Construction	199.3	188.8	145.2	87.6	191.7	270.4	616.9	الاشـــــاءات
Wholesale and retail trade	419.8	401.1	378.6	418.2	367.2	472.7	495.2	تجارة الجملة والتجزئة
Transport, Storage and Communications	339.3	315.9	378.5	379.9	320.7	292.5	231.0	النقل والتخزين والاتصالات
Financial intermediation	140.6	139.5	139.6	145.0	141.7	189.6	168.0	الوساطة المالية
Other services	1,091.3	1,071.5	975.5	877.2	882.1	935.0	877.8	الخدمــــــات
Real estate, renting and business services	466.0	477.7	457.5	427.9	429.6	504.7	403.0	الانشطة العقارية والايجارية والتجارية
Community, social and personal services	28.6	28.0	39.0	32.3	28.3	32.2	28.3	أنشطة الخدمة المجتمعية والاجتماعية والشخصية
Hotels and restaurants	89.3	95.1	19.8	8.5	17.7	35.7	57.0	المطاعم والفنادق
Education	381.1	353.3	342.2	285.5	287.2	243.7	261.7	التــــــــــــــــــــــــــــــــــــ
Health and social work	126.3	117.4	117.0	123.0	119.3	118.7	127.8	الصــــــــــــــــــــــــــــــــــــ
Public administration and defense	759.3	653.9	647.6	523.2	593.1	559.3	497.7	الإداره العا مه والدفاع
Households with employed persons	7.9	7.6	8.7	8.4	7.8	9.1	8.7	الخدمات المنزلية
Less: FISIM	-128.6	-115.6	-118.9	-109.6	-117.4	-154.4	-129.5	ناقص: خدمات الوساطة المالية المقاسة بصورة غير مباشرة
Plus: Customs duties	258.7	216.7	144.9	184.2	219.9	196.3	208.6	زائد: الرسوم الجمركية
Plus: VAT on imports, net	267.1	262.8	470.3	217.2	266.7	264.9	254.4	زائد: صافي ضريبة القيمة المضافة على الواردات
Gross Domestic Product	4,254.6	4,131.2	4,165.3	3,838.9	3,988.5	4,261.1	4,511.7	الناتج المحلي الاجمالي

* Second Revision

Value in million US\$

** Flash Estimates

* التنقيح الثاني

** تقديرات أولية (الاصدار الأول)