



**State of Palestine  
Palestinian Central Bureau of Statistics**

**Survey of the Perceptions of Owners/ Managers of Active  
Industrial Enterprises Regarding the Economic Situation  
Third Quarter 2014**

**Report on the Survey Results**

**October 2014**

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## Table of Contents

<b>Subject</b>	<b>Page</b>
<b>Main Results</b>	<b>[5]</b>
<b>Tables</b>	<b>9</b>



## **Main Results**

### **1. Improvement in performance of industrial enterprises during third quarter 2014 (compared with second quarter 2014)**

Around 26.1% of owners/ managers of active industrial enterprises believed that the overall performance of their enterprises in Palestine had improved during the third quarter 2014 compared with the second quarter 2014 (29.2% in the West Bank and 2.3% in Gaza Strip). In addition, 25.5% stated that the production situation of enterprises had improved during the third quarter 2014 compared with the second quarter 2014 (28.9% in the West Bank and 0.0% in Gaza Strip).

### **2. Changes in sales**

Around 13.7% of owners/ managers of active industrial enterprises in Palestine believed that the main reason for the fall in sales was due to a decline in consumer purchasing power in the third quarter 2014 (17.0% in the West Bank and 12.5% in Gaza Strip). And, 12.5% cited the arrival of military check points/ Israeli actions/ closures (9.4% in the West Bank and 13.6% in Gaza Strip).

### **3. Expectations for next quarter**

Around 32.1% of owners/ managers of active industrial enterprises in Palestine expected an increase in sales figures in the fourth quarter 2014 (25.8% in the West Bank and 79.1% in Gaza Strip). While, 31.5% expected an increase in production (25.2% in the West Bank and 79.1% in Gaza Strip). 30.7% of owners/ managers of active industrial enterprises anticipated an overall improvement in their situation for the fourth quarter 2014 (24.3% in the West Bank and 79.1% in Gaza Strip).

### **4. Satisfaction with services provided**

The level of satisfaction of owners/ managers of active industrial enterprises regarding the services provided by private and governmental enterprises during the third quarter 2014 varied according to the type of service provided. The results were as follows:

#### **4.1 Infrastructure and facilities**

Around 74.7% of owners/ managers of industrial enterprises in Palestine were satisfied with electricity supply (84.6% in the West Bank and 0.0% in Gaza Strip) and 68.2% were satisfied with transport and communications (76.3% in the West Bank and 7.0% in Gaza Strip).

#### **4.2 Judicial system and conflict resolution**

The results showed that 80.4% of owners/ managers of industrial enterprises in Palestine were satisfied with the fair treatment by police on issues related to their enterprises (86.8% in the West Bank and 32.6% in Gaza Strip), while 51.4% of owners/managers were satisfied with the effectiveness of the Palestinian courts (54.2% in the West Bank and 30.2% in Gaza Strip).

#### **4.3 Facilities**

Around 65.8% of owners /managers of industrial enterprises in Palestine were satisfied with the facilities provided by government institutions to obtain required permits and licenses, (71.1% in the West Bank and 25.6% in Gaza Strip). Also, 13.3% of owners/ managers of industrial enterprises in Palestine were satisfied with the promotion of policies to assist the development of enterprises (12.0% in the West Bank and 23.3% in Gaza Strip).

In addition, 13.0% of owners/managers were satisfied with the information provided to enterprises in Palestine (11.7% in the West Bank and 23.3% in Gaza Strip).

#### **4.4 Laws and regulations**

Around 67.9% of owners/ managers of industrial enterprises in Palestine were satisfied with the system of licenses and permits (75.4% in the West Bank and 11.6% in Gaza Strip). And 60.9% were satisfied with the Palestinian tax administration (67.7% in the West Bank and 9.3% in Gaza Strip).

Around 59.2% of owners/ managers of industrial enterprises in Palestine indicated satisfaction with the labor laws in Palestine (65.2% in the West Bank and 14.0% in Gaza Strip). And, 33.2% of owners/ managers of industrial enterprises in Palestine were satisfied with the Palestinian tax rate (36.6% in the West Bank and 7.0% in Gaza Strip).

#### **4.5 Services**

The results showed that 89.9% of owners/ managers of industrial enterprises in Palestine were satisfied with telecommunications services (96.0% in the West Bank and 44.2% in Gaza Strip), and 65.5% of owners/ managers of industrial enterprises in Palestine were satisfied with internet services (69.2% in the West Bank and 37.2% in Gaza Strip). Also, 9.0% of owners/ managers of industrial enterprises in Palestine were satisfied with access to information (8.0% in the West Bank and 16.3% in Gaza Strip). While, 7.1% of owners/ managers of industrial enterprises in Palestine were satisfied with the access available to government consulting and training services (5.8% in the West Bank and 16.3% in Gaza Strip).

#### **5. Requests for loans from banks or financial institutions**

Around 98.1% of owners/ managers of industrial enterprises in Palestine did not intend to request loans from banks operating in Palestine during the third quarter 2014 (97.8% in the West Bank and 100% in Gaza Strip), but 1.9% of active enterprises intended to request a loan once (2.2% in the West Bank and 0.0% in Gaza Strip) and no enterprise intended to request a loan more than once.

#### **6. Obstacles of export**

The owners/ managers of exporting industrial enterprises in the West Bank during the third quarter 2014 indicated several difficulties that hindered their ability to export goods. Around 75.0% of owners/ managers of exporting enterprises in the West Bank cited the closure of entries and border crossings as having the greatest negative impact on export activities, and 56.9% indicated that difficulty in customer payment guarantees is another obstacle.

#### **7. Local and external competition**

In Palestine, 96.5% of owners/ managers of active industrial enterprises indicated that the main product manufactured by their enterprises faced competition of some kind (96.3% in the West Bank and 97.7% in Gaza Strip).

According to 47.6% of owners/ managers of active industrial enterprises, their main item of production faced local competition, while 9.6% of owners cited foreign competition. In addition, 42.8% of owners/ managers of industrial enterprises stated that their main product faced both local and foreign competition.

### **8. Obstacles of expansion of production by industrial enterprises**

The owners/ managers of active industrial enterprises indicated a number of obstacles that hindered the expansion of production during the third quarter 2014. About 94.6% of owners/ managers of exporting enterprises in Palestine cited the difficult political situation as having the greatest negative impact on the expansion of production (94.5% in the West Bank and 95.3% in Gaza Strip), while 82.1% believed that the small size of the Palestinian market is an additional obstacle (80.3% in the West Bank and 95.3% in Gaza Strip). Also, 81.3% of owners/ managers of active industrial enterprises indicated that the increase in fuel prices in the Palestinian market was an obstacle to the expansion of production (79.4% in the West Bank and 95.3% in Gaza Strip).

### **9. Difficulties in finding qualified employees**

Around 28.0% of owners/ managers of active industrial enterprises in Palestine revealed that they were having difficulty in finding employees with appropriate experience relevant to the company in the third quarter 2014 (31.7% in the West Bank and 0.0% in Gaza Strip). Also, 20.7% of owners/ managers were having difficulty in finding employees with relevant training (23.4% in the West Bank and 0.0% in Gaza Strip), while 6.0% stated that they were having difficulty in finding employees with appropriate specialist academic qualifications (6.8% in the West Bank and 0.0% in Gaza Strip). In addition to that, 4.3% of owners/ managers of active industrial enterprises in Palestine were having difficulty in finding employees with appropriate language skills (4.9% in the West Bank and 0.0% in Gaza Strip).

