Palestinian Central Bureau of Statistics
Economic Statistics Directorate

Economic Surveys Series – 2018

User's Guide

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Concepts and Definitions

The following terms and indicators are defined in accordance with the glossary and guide statistical indicators issued by PCBS and certified on the latest international recommendations in statistics and consistent with international systems.

Statistical Unit:
Statistical unit in economic survey series is an enterprise, and defined as an economic entity that is capable, in its own right, of owning assets, incurring liabilities, and engaging in economic activities and transactions with other entities.

Number of Employed Persons:
This includes unpaid owners and family members, and paid employees both permanent and temporary.

Output:
It is defined as the goods and services produced by an establishment, excluding the value of any goods and services used in an activity for which the establishment does not assume the risk of using the products in production, and excluding the value of goods and services consumed by the same establishment except for goods and services used for capital formation (fixed capital or changes in inventories) or own final consumption.

Intermediate Consumption:
Consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as consumption of fixed capital.

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 output less the value of intermediate consumption. The net value added is defined as the gross value less the value of fixed capital consumption.

Value of Compensation of Employees (Indicator):
Measures the total value of cash and kind wages in enterprises, including social security contributions, which is paid to any employee for work performed.

Taxes on production:
Compulsory cash or in kind payments payable by producers to the general government. It consist of taxes on products payable on goods and services at production, sale, or exchange and other taxes payable on production by resident producers as a result of carrying out the production process.

Fixed Assets:
Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year.

Market Value of an assets:
The present value of the stream of net income generated from that year until the assets is scrapped.

Consumption of fixed capital:
It is the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage.

Gross Fixed Capital Formation:
Gross fixed capital formation consists of the value of producers' acquisitions of new and existing products of produced assets less the value of their disposals of fixed assets of the same type.

Economic Activity:
Referring to a process consisting of actions and activities carried out by a certain entity that uses labor, capital, goods and services to produce specific products (goods and services). In addition to that, the main economic activity refers to the main work of the enterprise based on the (ISIC) and that contribute by the large proportion of the value added, whenever more than one activity exist in the enterprise.

Survey Questionnaire

The design of the 2018 questionnaire took into account the major economic variables pertaining the sector examined and met with the National Accounts for Palestine according to SNA 2008. All of the economic surveys series used the same questionnaire, with a few different characteristics pertaining to each survey.

The questionnaire included these variables:
1. Number of employed persons and compensation of employees.
2. Value of output from the main activity and the secondary activities.
3. Production inputs of goods and services.
4. Fees, taxes and subsidies on production.
5. Assets and capital formation.

Sample population

Sample population of survey included all enterprises working in any of the following activities (industry, construction, internal trade, information and communication, transportation and storage, and services), which collect data for 2018.

Survey	Economic Activity	Code Activity
Industry Survey	1. Mining and quarrying. 2. Manufacturing. 3. Electricity, gas, steam and air conditioning supply. 4. Water supply and sanitation activities and waste management and treatment.	(05-09) (10-33) (35) (36-39)
Construction Survey	1. Construction of buildings. 2. Civil engineering. 3. Specialized construction activities.	(41) (42) (43)
Trade Survey	1. Wholesale and retail trade and repair of motor vehicles and motorcycles. 2. Wholesale trade, except of motor vehicles and motorcycles. 3. Retail trade, except of motor vehicles and motorcycles.	(45) (46) (47)
Transport and Storage Survey	1. Land transport and transport via pipelines. 2. Warehousing and support activities for transportation. 3. Postal and courier activities.	(49) (52) (53)
Communication and Information Survey	1. Publishing activities. 2. Motion picture video and television programme production sound recording and music publishing activities. 3. Programming and broadcasting activities. 4. Telecommunications. 5. Computer programming consultancy and related activities.	(58) (59) (60) (61) (62)

	6. Information service activities.	(63)
Services Survey	1. Hotels and restaurants activities.	(55-56)
	2. Real estate activities.	(68)
	3. Professional, scientific and technical activities.	(69-75)
	4. Administrative and support service activities.	(77-82)
	5. Education.	(85)
	6. Human health and social work activities.	(86-88)
	7. Arts, entertainment and recreation activities.	(90-93)
	8. Other service activities.	(94-96)

Sample and Frame

The sample of the economic surveys series was One-Stage Stratified Systematic Random Sample in which enterprises were divided into two types: the first type covered overall enterprises taken comprehensively, the second type covered enterprises selected in a systematic random way in which the enterprise constituted the sampling unit.

Three levels of strata were used to draw up an efficient representative sample.

1. The frame is separated into two geographical locations: the West Bank excludes those parts of Jerusalem which were annexed by Israeli occupation in 1967, and the Gaza Strip.
2. Strata are created based on the fourth digit of ISIC-4, exclude services sector based on the second in which every activity presents actual stratum.
3. Within each stratum, new strata are created according to employment size.

The sample size in Palestine (excludes those parts of Jerusalem which were annexed by Israeli occupation in 1967) in 2018 was 9,501 enterprises out of 139,778 enterprises comprising the survey sampling frame.

Weighting

Weight Calculation:
The weight of statistical units (sampling unit) in the sample was defined as the mathematical inverse of the selection probability where the sample of the survey is one-stage stratified systematic random sample, so we calculated the weight of each enterprise depending on the selection probability of each enterprise (a systematic random sample), then weights were adjusted based on interview result.

Variance Calculation

Variance Calculations of Industry Survey of Palestine*, 2018

Variable	Estimate		Standard Error	C.V	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	112,835	11,050	.10	91,175	134,497
Compensation of Employees	USD 1,000	594,737.5	23,766.2	.04	548,149.3	641,326.5
Output	USD 1,000	4,956,010.4	171,705.3	.03	4,619,418.9	5,292,601.1
Intermediate Consumption	USD 1,000	2,851,640.1	103,222.6	.04	2,649,294.9	3,053,985.8
Gross Value Added	USD 1,000	2,104,370.3	96,275.6	.05	1,915,642.2	2,293,097.0

* Data excluded those parts of Jerusalem which were annexed by Israeli Occupation in 1967.

Variance Calculations of Construction Survey of Palestine*, 2018

Variable	Estimate		Standard Error	C.V	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	10,128	942	.09	8,280	11,974
Compensation of Employees	USD 1,000	87,843.6	10,564.8	.12	67,133.5	108,553.5
Output	USD 1,000	735,286.8	69,991.5	.10	598,083.5	872,490.0
Intermediate Consumption	USD 1,000	377,332.5	63,635.1	.17	252,589.8	502,075.6
Gross Value Added	USD 1,000	357,954.3	23,816.1	.07	311,267.7	404,640.4

* Data excluded those parts of Jerusalem which were annexed by Israeli Occupation in 1967.

Variance Calculations of Internal Trade Survey of Palestine*, 2018

Variable	Estimate		Standard Error	C.V	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	191,182	7,662	.04	176,162	206,203
Compensation of Employees	USD 1,000	567,166.7	28,286.4	.05	511,717.4	622,616.0
Output	USD 1,000	4,473,969.5	228,626.8	.05	4,025,796.2	4,922,142.7
Intermediate Consumption	USD 1,000	807,498.9	34,647.4	.04	739,580.2	875,417.8
Gross Value Added	USD 1,000	3,666,470.6	218,537.8	.06	3,238,074.4	4,094,866.5

* Data excluded those parts of Jerusalem which were annexed by Israeli Occupation in 1967.

Variance Calculations of Services Survey of Palestine*, 2018

Variable	Estimate		Standard Error	C.V	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	151,660	3,230	.02	145,326	157,989
Compensation of Employees	USD 1,000	696,887.0	25,856.0	.04	646,202.2	747,572.5
Output	USD 1,000	2,474,231.7	107,959.2	.04	2,262,601.5	2,685,862.6
Intermediate Consumption	USD 1,000	654,689.6	24,389.7	.04	606,880.1	702,501.4
Gross Value Added	USD 1,000	1,819,542.1	99,175.8	.05	1,625,128.7	2,013,953.9

* Data excluded those parts of Jerusalem which were annexed by Israeli Occupation in 1967.

Variance Calculations of Transportation and Storage Survey of Palestine*, 2018

Variable	Estimate		Standard Error	C.V	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	7,425	308	.04	6,822	8,028
Compensation of Employees	USD 1,000	43,643.2	2,146.7	.05	39,435.0	47,851.4
Output	USD 1,000	234,163.0	22,001.7	.09	191,033.7	277,292.8
Intermediate Consumption	USD 1,000	88,317.9	8,311.5	.09	72,025.1	104,611.0
Gross Value Added	USD 1,000	145,845.1	19,033.6	.13	108,533.9	183,156.5

* Data excluded those parts of Jerusalem which were annexed by Israeli Occupation in 1967.

Variance Calculations of Communications and Information Survey of Palestine*, 2018

Variable	Estimate		Standard Error	C.V	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	8,815	156	.02	8,511	9,123
Compensation of Employees	USD 1,000	144,761.2	1,889.9	.01	141,056.2	148,465.9
Output	USD 1,000	672,734.2	6,083.9	.01	660,808.0	684,660.5
Intermediate Consumption	USD 1,000	134,180.8	1,236.6	.01	131,757.0	136,605.1
Gross Value Added	USD 1,000	538,553.4	5,590.7	.01	527,594.0	549,512.5

* Data excluded those parts of Jerusalem which were annexed by Israeli Occupation in 1967.

The tables above illustrate the most important indicators of economic activities in Palestine showing that variance for Palestine as a whole did not pose a problem for dissemination and publication of data.

Reference Date

It is the period which data are gathered about, the period of this data is 2018 (1/1/2018 – 31/12/2018).

Data Collection

Data were collected by trained fieldworkers through personal interviews with the owners of the enterprises by entering data through PC-Tablets in the West Bank and Gaza Strip.

Response Rate

Response rate values:
Response rate values:
- The size of the selected sample in Palestine was 9, 501 enterprises before the fieldwork.
- The size of the achieved sample from the field was 8,445 enterprises in Palestine.

- Non-response cases: 479.
- Over-coverage cases: 577.
- Net sample: 9, 501 - 577= 8,924
- Response rate: 96.4%.
- Non-response rate: 5.4 %.
- Over-coverage rate: 6.1%.

Quality

1. Accuracy
The economic survey series data were collected by sampling method, making them vulnerable to sampling and non-sampling errors.

1.1 Sampling Errors:
Data of this survey affected by sampling errors due to use of the sample. Therefore, certain differences were expected in comparison with the real values obtained through censuses. Variance were calculated for the most important indicators as shown in tables below. Dissemination of results at the national level did not pose a problem.

2.1 Non-Sampling Errors
These types of errors could appear on one or on all of the survey stages that include data collection and data entry; they related to, respondents, fieldworkers, and data entry personnel. To avoid errors and mitigate their impact, a number of procedures were applied to enhance the accuracy of the data through a process of data collection from the field and data processing.

2. Comparability
Published data in this report are compatible with ISIC-4 for economic activities, which was used for the first time in 2010. Previous reports (1994-2009) were compatible with ISIC-3 for economic activities.

3. Field Operations

1.3 Training and Hiring
- A specialized field work team with a background in economics was selected and trained theoretically and practically on the surveys' questionnaire.
- The main field work team was selected based on passed the evaluation exam at the end of training course.

2.3 Field Editing and Supervising
- Various levels of supervision and monitoring took place according to the following hierarchy:
  – Field workers
  – Field work supervisors
  – Field work coordinator (each with monitoring responsibilities).
- Project management received a daily report on the progress and response rates.
- Programs were designed to check and extract data through the web by project management.

- A refreshment training course was conducted during the stage of data collection to reinforce the main points made during the training, and to answer questions by field workers about issues they faced in the field.
- Field visits were conducted from the project management team to check and progress of work for all governorates in the West Bank and Gaza Strip.

3.3 Office Editing and Coding
- **Editing:** PC-Tablets were used in collecting data in the West Bank and Gaza Strip, the sample was loaded on the tablets and automated rules applied to the program.
- **Coding:** After finishing editing process, the completed questionnaires are subject to coding process to be prepared to the data entry process.

4. Data Processing

1.4 Programming Consistency Check
- Creation of a data entry program prior to the collection of data to ensure this would be ready in advance.
- A set of validation rules were applied to the program to check the consistency of data.
- The efficiency of the program was pre-tested by entering several questionnaires including incorrect information and checking its efficiency in capturing the incorrect information.

2.4 Data Cleaning
A set of validation rules were applied to the program to check the consistency of data.
There are two steps:
First: The entering program for PC-Tablets was designed to prevent entering any contrasting data during data entry.
Second: List of questionnaires that included errors related to the logically of the data after entering the data by field worker.

Notes on Data

1. The data excluded those parts of Jerusalem which were annexed by Israeli Occupation in 1967.
2. The services survey covers profit, non-profit enterprises, and output of non-profit enterprises in the National Accounts System 2008 (SNA'2008) equals to the value of intermediate consumption, and the value of employee compensation, and the value of depreciation of fixed assets, in addition to the value of net taxes and fees on production.
3. The data of some large enterprises were obtained through the Ministry of Finance and Planning.
4. Data collection and processing of statistical data was depending on classifications adopted by PCBS according to international standards compatible with Palestinian privacy as following:
   - ✓ Classification of economic activity was according to Palestinian Industrial Classification for Economical Activities (fourth digits), and this classification was prepared based to International Standard Industrial Classification of All Economic Activities (ISIC-4) issued from the United Nations.
   - ✓ Classification of product (CPC 2.0) also was adopted in coding the internal pages of questionnaire that includes commodity products and good purchased for sale.

5. Financial data were collected in NIS, USD and JD, but were converted and published in USD using the average exchange rate during the reference period 2018.
   USD / NIS = 3.5932
   USD / JD = 0.7090