

Palestinian Central Bureau of Statistics

Press Release about the results of the Informal Sector Survey -2003 8% of Households in the Palestinian Territory Practicing Economic Activities in the Informal Sector

70.0% of the Operating Establishments Were Established for Job Creation

The disseminated data in this release depends on the main findings of the survey implemented by the Palestinian Central Bureau of Statistics (PCBS) on the Informal Sector Economy in the Palestinian Territory for the reference year 2003. The released data represent the main findings of the two parts of the survey (Household and establishments) in 2003, where the sample size was 7,180 establishments and 12,720 households for the reference year.

Main findings on the establishment part of the survey:

The results indicate that 20.5% of the working establishments in the informal sector, in which its number 54,885 establishments according to the assigned measures of the survey frame, are not officially registered anywhere, 93.2% of them are managed by proprietors, 70.0% of them are established for generating income. On other side, the results indicate that 95.6% of establishments are connected to the public electricity network, 65.1% are connected to the public water network.

The rate of owners of the working establishments in the informal sector are 51.1% (they do not employ others with them), while 48.9% are self employed (at least they employ one person with them), the results indicate that 85.0% of persons employed are family members, while the remaining are paid employees. As of the distribution of operators by age, the results show that 10.5% of employers in the informal sector are less than 30 years old, and 35.7% of them are more than 50 years old, and the results show that 71.3% of them have experience more than 10 years.

On the marketing side of products and the sources of raw materials, the results indicate that 89.2% of the establishments in West Bank market their production in the same governorate, 2.9% distribute their production inside the Israeli markets and Arab localities, while in Gaza Strip the results show that 75.5% of the establishments production is distributed in the same governorate, 1.1% market their production in Israeli markets and Arab localities.

On the sources of the raw materials, the results indicate that 38.2% of the raw materials in West Bank are purchased directly from sources in West Bank market, while 12.9% come from Israel, while 48.9% come from other sources. In Gaza Strip, 18.0% of raw materials are purchased from the Gaza Strip market, 24.8% from Israel, while 57.2% come from other sources.

The survey results indicate that 53.2% of the establishments consider the weak purchasing power as their main problem which affects on the establishment work and level of production, 35.3% of the establishments consider the high competition as their first important problem.

The closure and other Israeli measures have negatively impacted the Palestinian economy; the survey results indicate that some of the establishments had permanently closed while

others were temporary closed. In detail, the survey results show that 17.1% of the industrial establishments were permanently out of operation, 3.6% were temporary closed, and in the construction activities 23.1% of the establishments were permanently closed and 2.6% were temporary closed, and in the internal trade activities 14.2% were permanently, and 2.4% temporary closed, and in the services activities 21.6% were permanently and 3.0% temporary closed, while for transport, storage and communication activities 11.1% were permanently and 5.1% temporary closed in the year 2003.

Main findings on the household part of the survey:

The survey results indicate that the number of persons engaged in the informal economy through household projects (outside the establishments) was 82,203 persons, 91.6% out of them are males and 8.4% are females in 2003. While those who have second job in the informal sector were 5,058, 74.8% out of them are males and 25.2% are females.

The persons engaged are distributed as 9.9% proprietors in the first job, 97.7% out of them are males and 2.3% are females, while the proprietors in the second job constitute 6.3%, all of them are males 100.0%. Self employed persons in the first job are 63.1%, 90.0% out of them are males, 10.0% are females, while the rate of self employed in the second job are 89.5%, 71.6% out of them are males, and 28.4% are females.

The results show that 8.4% of the employees in the informal sector are working in industrial sector as a first job, and 11.0% as a second job, 24.3% in the internal trade as a first job, and 20.9% as a second job, 37.5% in construction as a first job, and 16.6% as a second job, 23.0% in transport, storage and communication as a first job, and 19.1% as a second job, and 6.8% in services activities as a first job, and 32.4% as a second job.

As for the place of practicing the first households informal activity, the results indicate that 28.7% of male employers practice their activities in an independent place (inside the governorate), while 13.5% practice their activities in the building sites, while 47.5% of females practice their first activities inside the house, while 18.0% practice their activities in an independent place of the house.

Regarding the characteristics of operators of the household projects (employers) the results show that 27.8% of male operators in the first job in 2003 are less than 30 years old, 38.0% of them are between 30 and 39 years old, while 12.1% of female operators are less than 30 years old, 35.7% are between 30 and 39 years old.