

###### State of Palestine

### Palestinian Central Bureau of Statistics

# Press Report

# Preliminary Estimates of Quarterly National Accounts

# (First Quarter 2025)

July, 2025

**PAGE NUMBERS OF ENGLISH TEXT ARE PRINTED IN SQUARE BRACKETS.**

**TABLES ARE PRINTED IN THE ARABIC ORDER (FROM RIGHT TO LEFT)**

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**Important Notes**

* Statistics presented at constant prices, using 2015 as the base year.

* Data related to the first quarter of 2025 are flash estimates, and it is preliminary and will be revised based on the available short-term indicators, taking into consideration that the final version of the Quarterly National Accounts will be issued after finalizing the Annual National Accounts. The under-coverage of exports and imports data was estimated based on the balancing procedure for the Supply and Use sides of the economy.
* This press release was issued in light of the Israeli occupation’s aggression against the Gaza Strip and the accompanying repercussions on the West Bank. The quarterly national accounts data for the West Bank were prepared based on the available short-term indicators, while the national accounts for Gaza Strip were prepared based on the Economic Forecasts press release for the year 2025.
* The value of final household consumption at current prices in the Gaza Strip decreased due to the sharp decline in consumer prices, while the value increased at constant prices, which indicates that the quantity of consumption increased.

Main Results[[1]](#footnote-1)

**Palestine's Gross Domestic Product declined by 1% during the first quarter of 2025 compared to the fourth quarter of 2024 as a result of the ongoing Israeli aggression against Palestine. This was accompanied by a 1.1% decline in the West Bank economy.**

Primary estimates for GDP showed a decrease of Gross Domestic Product in Palestine by 1% during the 1st quarter of 2025 compared to the 4th quarter of 2024, most of economic activities recorded a decline in value-added in Palestine, as agriculture, forestry and fishing activity declined by 3%, Mining, Manufacturing, Electricity and Water activity declined by 6%, Construction activity by 16%, Transportation and Storage declined by 17%. GDP for the 1st quarter of 2025 was USD 2,740 million for the West Bank and USD 84 million for the Gaza Strip.

**Gross Domestic Product Per Capita decreased by 1% in Palestine during the 1st quarter of 2025**

GDP per Capita for Palestine was USD 531 during the 1st quarter of 2025, which showed a decrease of 1% compared to the 4th quarter of 2024. As for the West Bank, it showed a decrease of 2% compared to the same period, while the Gaza Strip showed an increase of 4% compared to the same period.

**GDP by quarter in Palestine at Constant Prices, 2021-2025**

**Terms and Indicators**

**Statistical Unit**:

The United Nations System of National Accounts, SNA' 2008, defines two main types of statistical units:

**- Institutional Unit-Enterprise**

It 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, that is situated in a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added.

**Economic Activity:**

Referring to a process, that is to say, to the combination of actions carried out by a certain entity that uses labor, capital, goods and services to produce specific products (goods and services).

**Production (Output):**

the value of the final products of goods and services produced by a certain establishment capable of being provided to other units though they can be self-consumed or for the purposes of self-gross fixed capital formation. Production includes two categories: Final products and the so-called under-operating products, which means products that take a long time to produce such as livestock and establishment works. The value of the majority of goods can be estimated at the moment the production process is completed. However, the production of some goods may exceed the accounting period (such as the case of under-operating products). The value of such products is estimated and registered during that accounting period as, for example, the case of establishment works and winter crops.

**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.

**Gross Domestic Product or GDP (Indicator):**

Gross Domestic Product or GDP is intended to be a measure of the value created by the productive activity of resident institutional units 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.

There are three approaches to estimate the GDP: Output or Production approach, Expenditure approach, and Income approach.

**Deflating:**

It is the process of 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 this could be done by choosing suitable base year.

**Short-Term Indicators:**

All indicators that have a periodicity for less than a year, usually 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's the difference between the rate paid to banks by borrowers and the reference rate plus the difference between the reference rate and the rate actually paid to depositors.

**- Final Consumption Groups:**

**Final Consumption:**

It is the consumption of households, government, and non-profit institutions. Therefore, the establishments’ consumption is not considered final consumption since products used in the production process are considered as intermediate consumption.

**Households Final Consumption**:

It is the expenditure on all goods and services excluding expenditure on building and construction, which are considered gross fixed capital formation for the property owners. Renting accommodation is classified as final consumption spent by households.

**Government and Non-Profit Institutions Consumption**:

Expenditure of the two sectors can be divided into two types: individual and collective. The first includes spending that benefits individuals on medical services, for instance. Collective expenditure has a public nature such as the government’s spending on defense and security.

**- Gross Capital Formation:**

Gross capital formation can be divided into three components: gross fixed capital formation, change in inventory, and net acquisitions of valuables. Henceforth, gross capital formation (or investment) can be defined as the total value of the three aforementioned components. It is measured at purchase price.

**Gross fixed Capital Formation:**

Is the total value of producers acquisitions less disposals of fixed asset during the accounting period plus certain addition to the value of non-produced assets released by the productive activity of institutional units, fixed assets are tangible or intangible assets produced as from process of production that are themselves used repeatedly or continuously in other process of production for more than one year.

**Change in the Inventory:**

the value of the goods entering the inventory less the value of the goods leaving the inventory. Goods must be valued at current prices, i.e., their prices at the time they enter or leave the inventory in order to avoid calculating unreal earnings of ownership. Change in the inventory also includes “under operating products”.

**Exports:**

It refers to whole commodities (goods and services) that are exported or re-exported outside the country, conditioned with ownership transcription to another   economy or to free customs regions as a discount from the notional economy which results from transaction with a non-resident economy.

**Imports:**

 It refers to whole commodities (goods and services) entering the country by air, land and sea that are used in consumption, for conversion in the manufacturing sector and for re-exportation.

1. The data excluded those parts of Jerusalem which were annexed by Israeli Occupation in 1967 [↑](#footnote-ref-1)