Palestinian Central Bureau of Statistics
Economic Statistics Directorate

Economic Surveys Series – 2012

User's Guide

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Concepts and Definitions

This chapter defines the concepts used in the preparation of the survey tools on which data collection and processing were based. These concepts and their definitions are based on international recommendations in the fields of economic statistics and national accounts, while taking into consideration the particular aspects of the Palestinian Territory.

Statistical Unit:
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.

Employed Persons:
Persons aged 15 years and over who were work at least one hour during the reference period, or who were not at work during the reference period, but held a job or owned business from which they were temporarily absent (because of illness, vacation, temporarily stoppage, or any other reason) he\ she was employer, self employed, wage employed, unpaid family member or other. The employed person is normally classified in one of two categories according to the number of weekly work hours, i.e. 1–14 work hours and 15 work hours and above. Also the absence due to sick leave, vacation, temporarily stoppage, or any other reason considered employed from 1-14 hours.

Output:
This is 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-calledunder-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.

Intermediate Consumption:
It is the goods and services consumed as inputs, used up or transformed during the production process. It is measured during a specific period in time in a way similar to measuring production. Intermediate consumption is estimated by purchase price, The value of gross intermediate consumption on the level of the total economy is the same whether calculated by purchase or producers' price. However, on a detailed level, the two evaluations vary.

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.

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 Product:

These are taxes that are compulsory cash or in kind payments payable by producers to the general government. They consist of taxes on products payable on goods and services for production, sale, or exchange and other taxes payable on production by resident producers as a result of carrying out the production process.

Assets:

These are tangible or intangible (computer software, artistic, original) and are an output of the production process. They are used frequently or continuously in other production processes for longer than a one-year period.

Depreciation:

This is the value of the assets which can be reproduced and depreciated during the year: depreciation is calculated on the current substitutive value.

Gross Fixed Capital Formation:

Is the total value of producer acquisitions less disposals of fixed assets during the accounting period plus certain addition to the value of non-produced asset released by the production 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 processes of production for more than one year.

Main Economic Activity:

This is the main work of the enterprise based on the (ISIC, rev4) and that contribute to the large proportion of the value added, whenever more than one activity exists in the enterprise.

Survey Questionnaire

All of the economic surveys series used the same questionnaire, with a few different characteristics for each survey. The design of the 2012 questionnaire takes into account the major economic variables pertaining to the sector examined and the needs to be met to compile the National Accounts for Palestine.

The questionnaire included these variables:

1. The persons engaged in enterprise and compensation of these employees.
2. Value of output from the main activity and secondary activity.
3. Production inputs of goods and services.
4. Payments and transfers.
5. Taxes on production.
6. Assets and capital formation.

Data Set Linkage

In this CD-ROM there are 12 data file for questionnaire, with one key variable (Enterprise Number) in each file to allow the linkage between these files. Each file contains a variable of survey type: (1: Industry, 2: Constructions, 3: Internal Trade, 4: Services, 5: Transportation and storage, 6: Information and communication) The following table describes the files names, content, and identification variables

File Name	Content	Identification Variables
Main indicators	Economic Main indicators	Ent_no: Enterprise number
Identification data	Identification data	Ent_no: Enterprise number
Fixed assets	Data about enterprise Fixed assets.	Ent_no: Enterprise number
Good purchased for resale	Purchasing goods for selling purpose.	Ent_no: Enterprise number
Employment and Employees Compensation	Employed persons and their compensations	Ent_no: Enterprise number
Various payments and transfers	Various payments and transfers	Ent_no: Enterprise number
Other Production Expenditures	Other output expenses	Ent_no: Enterprise number
Goods Production Inputs	Goods production inputs	Ent_no: Enterprise number
Revenues of Services Rendered to Others	Revenues of services rendered to Others	Ent_no: Enterprise number
Fees and Taxes on Production	Taxes on production	Ent_no: Enterprise number
Various transfers and revenues	Various transfers and revenues	Ent_no: Enterprise number
Fuel and Oil	OIL and fuel	Ent_no: Enterprise number
Commodity Products	Commodity Products	Ent_no: Enterprise number
Dues of the contractors branches during the year survey	Data about dues of the contractors branches during the year survey (Construction survey)	Ent_no: Enterprise number
Output from the main activity	Data about output from the main activity (Construction survey)	Ent_no: Enterprise number

Target population

PCBS depends on the International and Industrial Classification of all economic activities, version 4, (ISIC – 4) by the United Nation to classify the economic activities. All enterprises and establishments are classified according to the Establishments Census 2012, which works in agreement with (ISIC – 4).

Economic Survey Series covers all establishments of the following main activities:

Survey	Economic Activity	Code Activity
Industry Survey	1. Mining and quarrying.	(05-09)
	2. Manufacturing.	(10-33)
	3. Electricity, gas, steam and air conditioning supply.	(35)
	4. Water supply and sanitation activities and waste management and treatment.	(36-39)
Construction Survey	1. Construction of buildings.	(41)
	2. Civil engineering.	(42)
	3. Specialized construction activities.	(43)
Trade Survey	1. Wholesale and retail trade and repair of motor vehicles and motorcycles.	(45)
	2. Wholesale trade, except of motor vehicles and motorcycles.	(46)
	3. Retail trade, except of motor vehicles and motorcycles.	(47)
Transport and Storage Survey	1. Land transport and transport via pipelines.	(49)
	2. Warehousing and support activities for transportation.	(52)
	3. Postal and courier activities.	(53)
Communication and Information Survey	1. Publishing activities.	(58)
	2. Motion picture video and television programme production sound recording and music publishing activities.	(59)
	3. Programming and broadcasting activities.	(60)
	4. Telecommunications.	(61)
	5. Computer programming consultancy and related activities.	(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 is a single-stage stratified random-systematic sample in which the enterprise constitutes the primary sampling unit (PSU). Three levels of strata were used to draw up an efficient representative sample (i.e., economic activity, size of workforce and geographical location). The sample size in 2012 was 9,860 enterprises out of the 126,323 enterprises comprising the survey frame.

Weighting and Estimation

Weighting Calculation:
The sampling weight of the enterprise is the mathematical turned of the possibility selection of that enterprise. It is necessary to use weights in the estimation of the survey society because of the differentiation in the possibility of enterprises' selection from another one.

Estimation Calculation:
To calculate a variable as Y in a partial society as A on a study as D, we use the following:

$$\hat{Y}AD = \sum_{h}^{D} \sum_{J \in A} W_{hj} Y_{hj} \ldots (1)$$

$\hat{Y}_{AD}$: it the estimated sum of the variable Y in a partial society A in a study D.

h: Strata code.

J: the register code in the data file of the partial society A.

A: a partial group from the registers related to a specific partial society.

D: a study scope as a specific governorate.

W_{hj}: the weight of the analytical unit No. "j" in a partial society A in a strata h in a study D.

Variance Calculation

It is necessary to associate with an estimated statistical number by a sampling survey another one which refers to the existing accuracy in the estimation.

Variance Account of Industry Survey over the Palestine, 2012

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	72478,	1,607.2	2.0%	67 75,5	87181,
Output	US$ 1000	.0059,983,7	122,438.0	3.2%	4.07,943,55	0.175,84,03
Gross Value Added	US$ 1000	.01401,710,	52,997.0	3.8%	1,606,207.0	0.074,41,81
Intermediate Consumption	US$ 1000	2,087,919.0	79,789.7	3.1%	0.442,311,9	2,244,396.0
Compensation of Employees	US$ 1000	.2413388,	9,180.8	2.4%	4.408370,	0.418406,

Variance Account of Construction Survey over the Palestine, 2012

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	0 11,29	965.9	8.6%	9,384	13,196
Output	US$ 1000	670,052.0	46,356.7	6.9%	578,589.7	761,514.4
Gross Value Added	US$ 1000	.4911,023	37,747.7	6.0%	228,434.6	377,388.1
Intermediate Consumption	US$ 1000	7.140,673	22,036.3	12.5%	662.7,323	410,618.6
Compensation of Employees	US$ 1000	89,337.0	10,084.2	11.3%	69,440.6	109,233.4

Variance Account of Internal Trade Survey over the Palestine, 2012

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	34152,0	4,799.4	3.2%	142,622	161,447
Output	US$ 1000	4.000,42,86	102,889.5	3.6%	2,662,224.0	3,065,783.0
Gross Value Added	US$ 1000	4.0342,336,	92,693.5	3.7%	2,154,560.0	2,518,128.0
Intermediate Consumption	US$ 1000	527,660.1	19,774.7	4.0%	488,879.3	566,440.9
Compensation of Employees	US$ 1000	345,192.3	18,684.8	5.4%	308,548.9	381,835.7

Variance Account of Services Survey over the Palestine, 2012

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	124,014	3,582.2	2.7%	116,992	131,042
Output	US$ 1000	9.865,8141,	53,396.1	3.0%	1,652,730.0	1,862,163.0
Gross Value Added	US$ 1000	3.213,771,3	43,299.9	4.0%	1,234,878.0	1,404,711.0
Intermediate Consumption	US$ 1000	437,652.6	17,555.8	3.3%	403,223.4	472,081.7
Compensation of Employees	US$ 1000	586,180.4	27,126.1	4.6%	532,982.8	639,378.1

Variance Account of Transport and Storage Survey over the Palestine, 2012

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	6,849	276.5	4.0%	6,300	7,389
Output	US$ 1000	175,325.5	8,057.2	4.6%	159,460.6	191,190.5
Gross Value Added	US$ 1000	105,420.3	4,240.4	7.3%	97,070.6	113,769.9
Intermediate Consumption	US$ 1000	69,905.3	5,132.4	4.0%	59,799.4	80,011.1
Compensation of Employees	US$ 1000	40,021.5	1,874.7	5.1%	32,805.1	40,187.9

Variance Account of Communications and Information Survey over the Palestine, 2012

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	6,792	145.2	2.1%	6,504	7,077
Output	US$ 1000	741,484.5	11,541.8	1.6%	718,704.4	764,264.5
Gross Value Added	US$ 1000	630,819.1	10,135.3	3.2%	610,815.0	650,823.2
Intermediate Consumption	US$ 1000	110,665.4	3,582.9	1.6%	103,593.7	117,737.0
Compensation of Employees	US$ 1000	90,228.6	1,783.1	2.0%	86,709.3	93,748.0

The tables above illustrate the variation of the most distinct variables of economic activities for the Palestine. These tables demonstrate that there is no problem in the calculation of variation for the Palestine as a whole, nor on published levels.

Reference Date

It is the period which data are gathered about, the period of this data is 2012 (1/1/2012 – 31/12/2012).

Data Collecting

Workers Selection and Training:
The interviewers in the fieldwork are selected from the experienced ones in the statistical work and they are also trained theoretically and practically.

Fieldwork operations:
They are initiated after the recruitment and training of qualified interviewers. The PCBS's Fieldwork Directorate administers fieldwork activities including interviewing activities.

Data Gathering Method:
Data are gathered by using an interview with the enterprise owner or general manager by applying the survey questionnaire.

Fieldwork Editing:

The interviewer and supervisor firstly edit technically the questionnaire according to editing rules.

Office Editing:

The office editor also edits the questionnaire in order to be ready to be sent to coding and data entry.

Coding:

After the editor finishes editing the questionnaire, a coding are used according to (ISIC – 4), then the questionnaire is transferred to data entry.

Response Rate

A: Non response of which:

1. Completely closed after or through 2012.

2. Temporarily closed

3. Could not reach the address

4. Refusal

5. The Balance isn't ready

6. Israeli Ownership

7. Different Ownership

8. Other

B: Over Coverage of which:

1. Completely closed before 2012.

2. Enterprises practice economic activities out of the survey.

3. Repeated

4. Central government

5. Agricultural Appropriation

6. Branch Keep No Records

7. Isn't an enterprise as Recognized

C: Net Sample = Sample – Over Coverage

D: Over coverage ratio mistakes $= \dfrac{\text{sum of over coverage stages}}{\text{Sample}} * 100\%$

E: Non response $= \dfrac{\text{non response stages}}{\text{Net sample}} * 100\%$

F: Response ratio = 100% - non response ratio

Response rate values:
- Sample size in 2012 was 9,860 enterprises in Palestine.
- Non-response cases: 1,372
- Over-coverage cases: 539
- Net sample: 9,860-539= 9,321
- Response rate: 85.2%
- Non-response rate: 14.8%

Data Quality

1. Accuracy of the Data:

1.1 Statistical Errors:
The findings of the survey are affected by statistical errors due to using sampling in conducting the survey for the units of the target population, which increases the chances of having variances from the actual values we expect to obtain from the data had we conducted the survey using comprehensive enumeration.. The variance of the key goods in the survey was computed and dissemination was carried out on the level of Palestinian Territory for reasons related to sample design and computation of the variance of the different indicators.

1.2 Non-Statistical Errors
These types of errors could appear on one or all the survey stages that include data collection and data entry: Response errors: these types of errors are related to, responders, fieldworkers, and data entry personnel's. And to avoid mistakes and reduce the impact has been a series of actions that would enhance the accuracy of the data through a process of data collection from the field and the data processing.

2. Comparability
Published data in this report are compatible with ISIC-4 on economic activities, as in the 2011 and 2010 series of economic surveys. Previous reports are compatible to ISIC-3 on economic activities.

3. Data Quality Control

1.3 Fieldwork
- A specialized fieldwork team with a background in economics was selected and, trained theoretically and practically on the surveys' questionnaire.
- The main fieldwork team was selected based on skills acquired from the training course.
- Field work visits were made by both fieldwork and project management staff to monitor and follow up the data collection process and the progress of work. Around 95% of

completed questionnaires were reviewed and corrected if needed; comments and notes were directed to the team accordingly.

- Different levels of supervision and monitoring took place according to the following division:
  - Fieldworkers
  - Fieldworkers supervisors
  - Fieldwork coordinator. (Each with monitoring responsibilities.)
- Project management received a daily report on progress and response rates
- A refresher training course was conducted during the stage of data collection to reinforce the main points made in training and to answer questions by fieldworkers about issues faced in the field.
- Some institutions were visited by field workers for a second time to confirm the accuracy of the data obtained in the first interview. These institutions were selected at random by withdrawing a random sample of original sample of the survey and these data were compared with data from the series surveys.

2.3 Data Processing

To ensure the quality and consistency of data, a set of measures was introduced as follows:

- Creation of a data entry program prior to the collection of data to ensure this would be ready.
- 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 a few questionnaires, including incorrect information, and checking its efficiency in capturing the incorrect information.
- Well-trained data entry personnel were selected and trained for main data entry.
- Weekly data files were received by project management to be checked for accuracy and consistency: correction notes were provided to data entry management for implementation.

4. Notes on Data

1. Financial data were collected in NIS, US $ and JD.

2. The services survey covers profit, non-profit enterprises, and output of non-profit enterprises in the National Accounts System 1993 (SNA 93) equal to the value of intermediate consumption and the value of employee compensation, in addition to the value of net taxes and fees on production and the value of depreciation of fixed assets.

3. Data of economic surveys series 2012 depends on Establishment Census 2012, while data of economic surveys series 2011 depends on Establishment Census 2007,. By comparing results of the two reports, they indicated a rise in the number of establishments as a result of a gap between Census of 2012 and Census of 2007 in the number of establishment as a central business register is not available for updating the frame.

5. Exchange rates

USD / NIS = 3.7299
USD / JD = 0.7090