



Palestinian Central Bureau of Statistics

Economic Statistics Directorate

Economic Surveys Series – 2014

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:

Males and females working in the enterprise, including owners, self-employed, unpaid family members, or waged workers who receive their compensations in cash or in kind during a specific reference period. However, this term does not include trainees, those on assignments outside the enterprises, or on long unpaid leave.

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.

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:

Those are taxes that are compulsory cash or in kind payments payable by producers to the general government. It consists 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.

Assets:

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

Market Value:

The highest estimated price that a buyer would pay and a seller would accept for an item in an open and competitive market.

Depreciation:

It is the decline, during the course of the accounting period, in the historical 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, rev4) 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 2014 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 according to SNA 2008. All of the economic surveys series used the same questionnaire, with a few different characteristics for each survey.

The questionnaire included these variables:

1. Number of employed persons and compensation of waged employees.
2. Value of output from the main and the secondary activity.
3. Production inputs of goods and services.
4. Taxes on production.
5. Assets and capital formation.

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	(62)

	related activities.	
	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 enterprises were divided into two types: the first type is overall enterprises taken comprehensively; the second type is enterprises chosen in a symmetric random way in which the enterprise constitutes the primary sampling unit (PSU). Three levels of strata were used to draw up an efficient representative sample.

1. The frame was separated into three geographical locations: the West Bank excluding the areas of Jerusalem annexed by Israel in 1967; the Gaza Strip; and the areas of Jerusalem annexed by Israel in 1967.
2. Strata were created based on the fourth digit of ISIC-4, in which every activity presents actual strata.
3. Within each strata, new strata were created according to employment size.

The sample size in 2014 was 9,167 enterprises out of the 130,747 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:

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

\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 Industrial Activity of Palestine, 2014

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	86,253	1,504.7	0.02	83,300	89,200
Output	USD 1000	54,102,943.	123,731.4	0.03	3,860,390.7	4,345,496.9
Gross Value Added	USD 1000	1,712,368.0	88,848.7	0.05	1,538,196.3	1,886,540.1
Intermediate Consumption	USD 1000	52,390,575.	50,446.2	0.02	2,291,684.9	2,489,466.2
Compensation of Employees	USD 1000	8.0490,97	11,481.3	0.02	468,464.0	513,478.1

Variance Account of Construction Activity of Palestine, 2014

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	38,02	652.8	0.08	6,744	9,304
Output	USD 1000	7596,256.	71,255.9	0.12	456,572.3	735,941.2
Gross Value Added	USD 1000	310,582.2	57,398.4	0.18	198,063.1	423,101.5
Intermediate Consumption	USD 1000	285,674.5	30,569.4	0.11	225,748.6	345,600.4
Compensation of Employees	USD 1000	253,152.	4,879.3	0.09	43,587.2	62,717.1

Variance Account of Internal Trade Activity of Palestine, 2014

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	4166,33	3,297.0	0.02	159,872	172,798
Output	USD 1000	3,350,372.7	129,369.5	0.04	3,096,767.2	3,603,978.3
Gross Value Added	USD 1000	2,611,818.9	122,796.4	0.05	2,371,098.6	2,852,539.2
Intermediate Consumption	USD 1000	738,553.8	21,985.6	0.03	695,454.9	781,652.7
Compensation of Employees	USD 1000	469,568.0	19,762.3	0.04	430,827.5	508,308.4

Variance Account of Services Activity of Palestine, 2014

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	5138,68	3,800.7	0.03	131,232	146,133
Output	USD 1000	2,017,858.1	89,201.1	0.04	1,842,995.3	2,192,720.9
Gross Value Added	USD 1000	1,377,915.6	61,036.9	0.04	1,258,263.9	1,497,567.5
Intermediate Consumption	USD 1000	639,942.5	42,865.3	0.07	555,912.6	723,972.2
Compensation of Employees	USD 1000	9810,184.	62,728.1	0.08	687,217.6	933,151.9

Variance Account of Transportation and Storage Activity of Palestine, 2014

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	36,72	426.6	0.06	5,887	7,560
Output	USD 1000	184,297.7	11,898.3	0.06	160,973.2	207,622.2
Gross Value Added	USD 1000	103,802.3	8,637.6	0.08	86,869.8	120,734.6
Intermediate Consumption	USD 1000	480,495.	4,849.3	0.06	70,989.4	90,001.6
Compensation of Employees	USD 1000	47,143.1	4,351.9	0.09	38,611.9	55,674.2

Variance Account of Communications and Information Activity of Palestine, 2014

Variable	Estimate		Standard Error	CV	95% Confidence Interval	
	Unit	Value			Lower	Upper
Number of Employed Persons	Number	37,45	153.8	0.02	7,150	7,753
Output	USD 1000	694,539.0	4,851.8	0.01	685,027.9	704,050.1
Gross Value Added	USD 1000	505,832.5	4,486.5	0.01	497,037.7	514,627.6
Intermediate Consumption	USD 1000	5188,706.	897.6	0.00	186,946.6	190,466.0
Compensation of Employees	USD 1000	9.4141,31	1,092.6	0.01	139,173.1	143,457.0

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 2014 (1/1/2014 – 31/12/2014).

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.

Response Rate

Response rate values:

- The size of the selected sample in Palestine was 9,167 enterprises before the fieldwork.
- The size of the achieved sample from the field is 7,351 enterprises in Palestine.
- Non-response cases: 877.
- Over-coverage cases: 939.
- Net sample: $9,167 - 939 = 8,228$
- Response rate: 89.3%.
- Non-response rate: 10.7 %.
- Over-coverage rate: 10.2%.

Data Quality

1. Accuracy of the Data:

1.1 Sampling Errors:

The findings of the survey may be affected by sampling errors due to the use of sampling in conducting the surveys for units of the target population. This increases the chance of variances occurring from the actual values obtained from comprehensive enumeration. The variance of the key items in the survey was computed and dissemination was carried out on Palestine as a whole for reasons related to sample design and computation of the variance of the different indicators.

1.2 Non-Sampling 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 for economic activities, which was used for the first time in 2010. Previous reports are compatible with ISIC-3 for economic activities.

3. Data Quality Control

1.3 Fieldwork

- 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 skills acquired from the training course.
- Field work visits were made by the staff of both field work and project management to make sure that the data collection process proceeded in an accurate manner in all governorates in the West Bank.
- Various levels of supervision and monitoring took place according to the following hierarchy:
 - Field workers
 - Field worker supervisors
 - Field work coordinator (each with monitoring responsibilities).
- Project management received a daily report on progress and response rates.
- Programs were designed to check and extract data through the web by project management and field worker managers.
- 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 field workers 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 by withdrawing a random sample from the original survey sample and comparing data with data from the series surveys.

2.3 Data Processing

To ensure the quality and consistency of data, several measures were introduced as follows:

- 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.
- 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. The services survey covers profit, non-profit enterprises, and output of non-profit enterprises in the National Accounts System 2008 (SNA 2008) 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.
2. The data of some large enterprises was estimated due to delays in accessing their data in the period of the survey.
3. The number of enterprises represents the enterprises in the 2013, in addition to growth rates in enterprises from the Labor Force Survey database.
4. 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.

a. Exchange rates 2014

USD / NIS = 3.5769

USD / JD = 0.7090