



## **Palestinian Central Bureau of Statistics**

### **The performance of the Palestinian economy during the year 2010**

#### **Growth in the majority of economic activities during the first three quarters of 2010**

##### **The Gross Domestic Product (GDP)**

The GDP recorded an increase by about 9% during the three quarters of 2010 compared with the same period of 2009. The growth was concentrated in economic activities with largest share to the GDP mainly Agriculture and Fishing, Construction, Wholesale and retail trade, Transport, Storage and Communications, Services, and Public Administration. The construction activity recorded the highest growth rate during that period by about 36%

##### **GDP Per Capita during 2010**

The Gross Domestic Product per capita for the Palestinian Territory increased by 5% during the third quarter of 2010 compared with the same quarter of 2009.

##### **Increase in the number of workers**

%3 increase in the total number of workers during the first three quarters of 2010 compared with same period of 2009 due to increase in the number of workers in the construction, industry and services sector in the Palestinian Territory.

##### **Decline in the unemployment rate during the first three quarters of 2010**

The unemployment rate during the first three quarters of 2010 reached about 24% compared with 25% during the same period in 2009. The unemployment rate declined in the West Bank from 17.7% to 17.3% and in the Gaza Strip from 38.4% to 37.9%.

##### **Increase in imports and exports**

Regarding trade movement in Palestine (the total exports and imports), there was an increase during 2010 in revenues of the Value added Tax related to trade exchange with Israel. In 2010, exports increased by 8% compared with 2009, while imports increased by 6% compared with 2009.

## **Compensation of employees - one of the sources of income in the Palestinian Territory**

Of every 100 workers, 11 work in Israel and Settlements compared to 10 workers in 2009 and with average daily wage of about 155 NIS.

## **Prices**

Consumer prices had increased from January to November 2010 by 3.58% compared with the same period in 2009 and that resulted in the decline of the purchasing power.

## **Increase in revenues of the government**

The year 2010 had witnessed additional government reforms in tax collection in line with the Reform and Development Plan that the Government has been implementing since 2007. Local revenues (tax and non-tax) accounted for about 38% of total revenues and that covered part of current expenditures, thus reducing dependence on foreign support to cover the budget.

Government revenues had increased by 17.3% during the first three quarters of 2010 compared with the same period in 2009, while government expenditures declined by 2.7%. In addition, the deficit in the general budget declined by 22.5% during the first three quarters of 2010 compared with the same period in 2009.

## **The construction sector represents 9.2% of GDP**

The value added for Construction Activity increased by 36% during the first three quarters of 2010 compared with the same period in 2009. Administrative records showed an increase by 23% in the number of issued building licenses in the West Bank.

Quantities of imported cement had increased by 10% during the first three quarters of 2010, while prices of construction materials had increased by 1.4% compared with the same period in 2009.

The total number of workers in the Construction Sector had increased by 22% during the first three quarters of 2010 compared with the same period of 2009.

## **Palestinian economy is service economy.**

The Service Sector comprises about 22% of GDP in the Palestinian Territory. This sector has witnessed slight improvement during the first three quarters of 2010 by about 1% compared with the same period in 2009. The total number of workers in the Service Sector had increased by 3% during the first three quarters of 2010 compared with the same period of 2009 (2.5% in the West Bank and 4.4% in the Gaza Strip).

## **Industrial activity constitutes about 13% of GDP**

The Industrial Sector had witnessed a decline by 6% during the first three quarters of 2010 compared with the same period in 2009. The total number of workers in the Industrial Sector had increased by 2% during the first three quarters of 2010 compared with the same period of 2009 (Increase by 2.3% in the West Bank and a decrease by 2.4% in the Gaza Strip).

### **Increase in the number of Hotel guests during the first three quarters of 2010 compared with the same period in 2009**

The total number of hotel guests in the Palestinian Territory during the first three quarters of 2010 amounted to about 402 thousand guest, while the number of nights spent in these hotels reached about 909 thousand night with an increase of about 32%. The average number of employees in these hotels was 1,764 during the first three quarters of 2010 compared with 1,453 employee during the same period of 2009.

### **Increase in the value of deposits for residents in local banks**

According to the consolidated balance sheet of the banks issued by Palestine Monetary Authority, there has been an increase in the resident deposits by 14.2% to reach at the end of 2010 about US\$ 6.8 billion compared with US\$ 6.0 billion in 2009. Deposits by PNA's comprised 9.5% of total resident deposits during

The banking services provided during 2010 to finance the purchase of cars and vehicles recorded an increase by 62% compared with 2009 (US\$ 92 million in 2010 compared with US\$ 57 million in 2009 )