



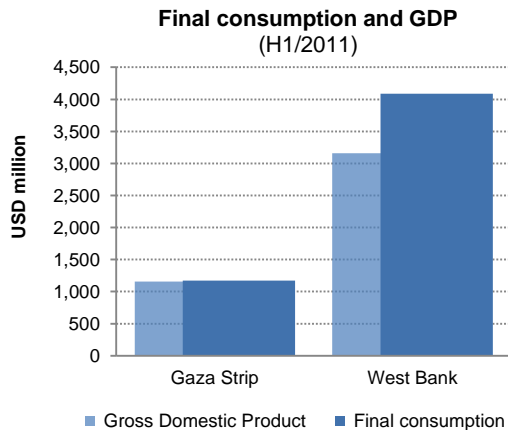
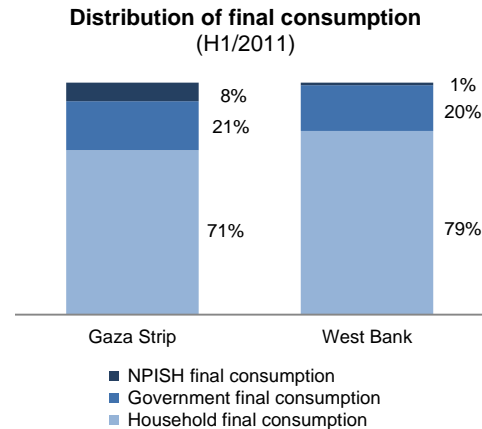
SOCIO-ECONOMIC REPORT NOVEMBER 2011

Supplement: Final consumption in GDP¹

Consumption is a main expenditure component of GDP. ‘Final consumption’ encompasses actual individual consumption expenditure on goods and services by households, by government (e.g. education and health services) and by non-profit institutions serving households (NPISH, e.g. social, cultural, charitable or religious institutions that provide goods and services for free to households).

Final consumption in the oPt in the first half of 2011 (H1/2011) amounted to USD5,259.7 million, of which USD4,088.9 million (78%) was attributed to the West Bank and USD1,170.8 million (22%) to the Gaza Strip.

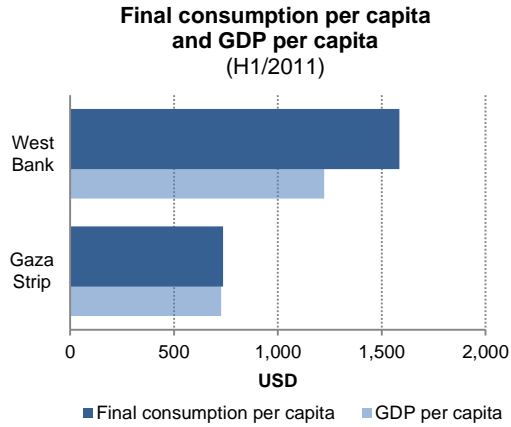
The distribution of final consumption by its components shows important differences between the West Bank and the Gaza Strip. In particular, a significantly higher proportion of final consumption in H1/2011 was attributed to non-profit organizations in Gaza than in the West Bank: 8% vs. 1% of the total. Government consumption relative to the total was approximately the same in both regions, but household consumption was proportionately greater in the West Bank than in Gaza: 79% vs. 71%.



A salient feature of consumption in the oPt is the fact that it surpassed the value of production (GDP) by more than 20%. Final consumption in Gaza in H1/2011 was about 1% above GDP, but in the West Bank it was 29% higher. In the West Bank, even household final consumption alone was above GDP, a situation not found in the Gaza Strip.

In contrast, gross capital formation represented 18% and exports only 12% of total GDP in the oPt in the same period.

¹ The data used in this supplement are in nominal terms and represent primary results from PCBS's National Accounts.



Final consumption per capita is often considered a good measure of the economic welfare of individuals because it comprises the individual goods and services that households actually consume irrespective of whether they are purchased by households themselves or are provided to them by the government or non-profit organizations.

In the oPt, final consumption per capita² in the West Bank in H1/2011 was more than twice the level seen in the Gaza Strip. Even though there is a significant gap between the two regions in terms of GDP per capita, the gap widened by 70% when looking at consumption per capita.

² National account data were divided by population projection figures released by PCBS for the year 2011 to estimate GDP and final consumption per capita figures.