

Table (V - 8)

Gross national product, by economic branch

	1978		1979		Av. 78/79
	IL mill.	% of GDP	IL mill.	% of GDP	
Agriculture - including subsidies	4,722	31.2	3,222	36.2	25.1
Industry	893	5.9	539	6.0	4.5
Construction	2,336	15.5	1,225	13.7	11.2
Public and community services	1,680	11.1	1,004	11.3	8.5
Transport, trade, other services	5,485	36.3	2,920	32.8	26.5
GDP at factor cost	15,116	100.0	8,910	100.0	
Net factor payments	5,078		2,583		24.2
GNP at factor cost	20,194		11,493		100.0

Source: Administered Territories Statistics Quarterly 1980, op. cit., p. 69.

The breakdown of gross national product reveals the significant role of remittances accrued to factor payments (largely labour) employed in Israel and abroad. On average, agriculture, business services, and factor remittances have contributed each around one fourth of GNP. However, when all services are lumped together their contribution rises to 35%. Though relatively high, this ratio is still much lower than that of Jordan, estimated at 55%.<sup>1</sup>

The following is a brief review of major economic sectors.

<sup>1</sup> Jordan's Five Year Plan for Economic Development 1976-80, op. cit., p. 29

### Industry

The Industrial sector occupies a noticeably minor role in the West Bank economy, whether in terms of its share in the GNP (5%) or of the employed labour force (14%). Industrial firms consist predominantly of small household handicraft outfits in which family labour and capital are of primary significance. According to a recent study, about 93% of industrial firms had 1 - 9 workers in each, and there were only seven firms which had 100 workers or more.<sup>1</sup> The most common types of industrial firms included blacksmiths (15%), carpenters (15%), repair garages (16%), sewing and trico (14%), and stone-cutting and block-making (15%).<sup>2</sup>

Industrial development is hampered by many problems and constraints arising mostly from the onset of an occupation which aims at exploiting the market potential of the occupied territories to its own advantage. This has been effected by inequitable competition of local produce with Israeli goods, scarcity of finance facilities, competition with Israeli firms for local labour, and excessive tax harassments. Furthermore, industrial growth is hampered by Israel's inflation problems, the lack of abundant minerals and raw materials, and the boycott regulations enforced by neighbouring Arab States against Israel which, in several cases, actually affect the economy of the West Bank itself.

### Construction

This sector has developed at rates which are much lower than those

<sup>1</sup> Hisham Awartani, A Survey of Industries in the West Bank and Gaza Strip (West Bank: Birzeit University, 1979) pp. 1 - 3.

<sup>2</sup> Ibid, p. 26.