Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA)

Results Announcement

Palestinian Balance of Payments – Fourth Quarter 2015

Deficit in Current Account is USD 449.8 Million

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) have announced the preliminary results of the Palestinian Balance of Payments (BoP) for the fourth quarter of 2015 under the joint issuance cycle for the Palestinian Balance of Payments (BoP). It should be noted that the data excludes that part of Jerusalem which was annexed forcefully by Israel following its occupation of the West Bank in 1967.

The preliminary results of BoP for the fourth quarter of 2015 showed:

- An incessant deficit in the Current Account which totaled USD 449.8 million marking a decrease of 23.3% compared to the previous quarter. The deficit in the Current Account was mainly triggered by the deficit in the Trade Balance of Goods, which reached USD 1,268.9 million with a decrease of 6.0% compared with the previous quarter.

- The deficit in Services Balance amounted to USD 45.8 million while it recorded a deficit of USD 69.4 million in the previous quarter. This deficit occurred due to the increase of the import of Transportation services, Other business services and Government services, and the decrease of the export of Other business services in addition to Government services.

- The surplus in Income Account (compensations of employees and investments income) amounted to USD 347.5 million with a decrease of 2.8% compared to the previous quarter. This surplus was due to compensations of employees working in Israel, which reached USD 317.3 million. As for the received investments income, it amounted to USD 36.7 million and was mainly caused by the interest received on deposits in banks abroad, in addition to the income received on the portfolio investments abroad.

- The Current Transfers achieved a surplus value amounting to USD 517.4 million with an increase of 8.9% compared with the previous quarter. This was due to an increase of the transfers of donors to the government sector. The transfers to the government sector contributed 23.8% of total transfers from abroad, while the transfers to other sectors (mainly private sector) was 76.2%. The donors' current transfers constituted 32.5% of total transfers from abroad.
- The results showed a surplus value for the Capital and Financial Account amounting to USD 570.4 million with an increase of 24.1% compared with the previous quarter, the surplus in the Capital and Financial Account was mainly caused by the surplus in the Capital Account which reached USD 112.3 million and the surplus in Financial Account which amounted to USD 458.1 million. there was an increase in the reserve assets

at PMA amounting to USD 32.3 million with a decrease of USD 81.6 million compared with the previous quarter.

It is worth mentioning that the Balance of Payments (BoP) is used to determine the position of a country compared to other countries worldwide and to calculate the size of its external debt. This data enables researchers and decision makers to devise informed economic policies and development plans to improve their external balance to guarantee the stability of the state and sustain the economic growth. BoP data was prepared according to the latest international recommendations taking into account the specificity of the Palestinian situation.

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