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

Results Announcement

Palestinian Balance of Payments – Third Quarter 2016

Deficit in Current Account is USD 314.4 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 third quarter of 2016 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 third quarter of 2016 showed:

- An incessant deficit in the Current Account (Goods, Services, Income, Current Transfers) which totaled USD 314.4 million marking a decrease of 19.6% compared to the previous quarter. This decrease in deficit of the Current Account was mainly triggered by the decline in the deficit of the Trade Balance of Goods by 4.5%, which reached USD 1,066.8 million. As well as the decline of deficit in Services Balance about 4.4%, which amounted to USD 221.7, This deficit occurred due to the decrease of the import of transportation services in addition to other business services.

- The surplus in Income Account (compensations of employees and investments income) amounted to USD 401.3 million with a decrease of 0.7% compared to the previous quarter. This surplus was due to compensations of employees working in Israel, which reached USD 377.3 million. As for the received investments income, it amounted to USD 46.7 million and was mainly caused by the income received on the portfolio investments abroad, in addition to the interest received on deposits in banks abroad.

- The Current Transfers achieved a surplus value amounting to USD 572.8 million with an increase of 3.5% compared to the previous quarter. This was due to the increase of the transfers of donors to the government sector. The transfers to the government sector contributed 22.0% of total transfers from abroad, while the transfers to other sectors (mainly private sector) was 78.0%. The donors' current transfers constituted 31.9% of total transfers from abroad.

- The results showed a surplus value for the Capital and Financial Account amounting to USD 281.6 million with an increase of 2.4% compared to the previous quarter, the surplus in the Capital and Financial Account was mainly caused by the surplus in the Capital Account which reached USD 86.6 million and the surplus in Financial Account which amounted to USD 195.0 million. There was a decrease in the reserve assets at PMA amounting to USD 66.6 million, with a decrease of USD 62.0 million compared to the previous quarter.

It is worth mentioning that the Balance of Payments (BoP) is used to determine the economic 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.

For further details, please contact:

Palestinian Central Bureau of Statistics
P.O.Box 1647, Ramallah- Palestine.

Tel: (972/970) 2 2982700
Fax: (972/970) 2 2982710
Toll free: 1800300300
E-Mail: diwan@pcbs.gov.ps
Web-site: http://www.pcbs.gov.ps

Or

Palestine Monetary Authority
P.O.Box 452, Ramallah- Palestine.

Tel: (972/970) 2 2415250
Fax: (972/970) 2 2409922

E-Mail: Info@pma.ps
Web-site: http://www. pma.ps

Issued on: 21/12/2016