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

Results Announcement

International Investment Position & External Debt – First Quarter 2017

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 First quarter of 2017 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 First quarter of 2017 showed:

- An incessant deficit in the Current Account (Goods, Services, Income, Current Transfers) which totaled USD 302.8 million marking a decrease of 17.1% compared to the previous quarter. This decrease in deficit of the Current Account was mainly triggered by the decrease in the deficit of the Trade Balance of Goods by 8.2%, which reached USD 1,034.3 million. As well as the decrease of deficit in Services Balance, about 9.2%, which amounted to USD 211.2 million. This deficit occurred due to the increase of the export of construction services in addition to government services and the decrease of the import of other business services in addition to government services.
- The surplus in Income Account (compensations of employees and investments income) amounted to USD 470.3 million with an increase of 15.1% compared to the previous quarter. This surplus was due to compensations of employees working in Israel, which reached USD 482.2 million. As for the received investments income, it amounted to USD 28.0 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 472.4 million with a decrease of 19.3% compared to the previous quarter. This was due to the decrease of the transfers to the other sectors. The transfers to the government sector contributed 33.3% of total transfers from abroad, while the transfers to other sectors (mainly private sector) was 66.7%. The donors' current transfers constituted 44.8% of total transfers from abroad.
- The preliminary results showed a surplus value for the Capital and Financial Account amounting to USD 176.8 million, the surplus in the Capital and Financial Account was mainly caused by the surplus in the Capital Account which reached USD 90.6 million, and the surplus in Financial Account which amounted to USD 86.2 million. There was an increase in the reserve assets at PMA amounting to USD 108.6 million, compared to a decrease of USD 22.6 million in 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.