Palestinian Central Bureau of Statistics

سلطة النقد الفلسطينية
PALESTINE MONETARY AUTHORITY

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

Results Announcement
Palestinian Balance of Payments – Second Quarter 2017
Deficit in Current Account is USD 467.4 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 second 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 second quarter of 2017 showed:

- An incessant deficit in the Current Account (Goods, Services, Income, Current Transfers) which totaled USD 467.4 million marking an increase of 54.4% compared to the previous quarter, mainly triggered by the deficit of the Trade Balance of Goods, which reached USD 1,055.9 million, as well as the deficit in Services Balance, which amounted to USD 213 million.

- The remarkable increase in deficit of the Current Account mainly triggered by the decrease of compensations of the Palestinians working in Israel with 16.2%, in addition to the remarkable decrease of current transfers of donors to government sector by 53.5% compared to the previous quarter.

- The surplus in Income Account (compensations of employees and investments income) amounted to USD 418.7 million with a decrease of 11% compared to the previous quarter. This surplus was due to compensations of the employees working in Israel, which reached USD 404.1 million. As for the received investments income, it amounted to USD 39.4 million; and was mainly caused by the income received on the portfolio investments abroad, in addition to the interest received on the Palestinian deposits in banks abroad.

- The Current Transfers achieved a surplus value amounted to USD 382.8 million with a decrease of 19% compared to the previous quarter. This was due to the decrease of the transfers of donors to the government sector. The transfers to the government sector contributed with .196% of total transfers from abroad, while the transfers to other sectors (mainly private sector) was 80.4%. The donors' current transfers constituted 33.7% of total transfers from abroad.

- The preliminary results showed a surplus value for the Capital and Financial Account amounted to USD 564.1 million, the surplus in the Capital and Financial Account was mainly caused by the surplus in the Capital Account which reached USD 89.6 million, and the surplus in Financial Account which amounted to USD 474.5 million. There was an increase in the reserve assets at PMA amounted to USD 38 million, compared to an increase of USD 108.6 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.

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