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

Deficit in Current Account is USD *399* Million of the Palestinian Balance of Payments – Fourth Quarter 2018

The deficit in current account for the Palestinian Balance of Payments mainly triggered by the deficit of the Trade Balance, which reached around USD 1.5 billion

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) announced the preliminary results of the Palestinian Balance of Payments (BoP) for the fourth quarter of 2018 under the joint issuance cycle for the Palestinian Balance of Payments (BoP). It should be noted that the data excludes those parts of Jerusalem which were annexed by Israel occupation in 1967.

An incessant deficit in the Current Account (goods, services, income, current transfers) which totaled USD 399 million marking a decrease of 10% compared to the previous quarter. This deficit in current account mainly triggered by the deficit of the Trade Balance of Goods, which reached USD 1,256 million, as well as the deficit in Services Balance, which amounted to USD 264 million.

The compensation of the employees working in Israel reached USD 533 million, mainly caused the surplus of income account

The surplus in Income Account (compensations of employees and investments income) amounted to USD *612*million with an increase of 1% compared to the previous quarter. This surplus was due to compensations of the employees working in Israel, which reached USD *533* million. As for the received investments income, it amounted to USD 118 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 received from abroad reached USD 601 million, two thirds were received by non-government sectors

The Current Transfers achieved a surplus value amounted to USD *509* million with an increase of 9% compared to the previous quarter. The total transfers from abroad amounted to USD 601 million, of which 35% were the transfers to the government sector, while the percentage of the transfers to other sectors reached 65%. The donors' current transfers constituted 35% of total transfers from abroad.

The Capital and Financial Account recorded a surplus of USD 328 million

The preliminary results showed a surplus value for the Capital and Financial Account amounted to USD 328 million, the surplus in the Capital and Financial Account was mainly caused by the surplus in the Capital Account which reached USD 105 million, and the surplus in Financial Account which amounted to USD 223 million. There was an increase in the reserve assets at PMA amounted to USD 53 million, compared to a decrease of USD 40 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.