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

Deficit in Current Account is USD 306 Million of the Palestinian Balance of Payments – First Quarter 2019

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 first quarter of 2019 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 306 million. This deficit in current account mainly triggered by the deficit of the Trade Balance of Goods, which reached USD 1,208 million, as well as the deficit in Services Balance, which amounted to USD 255 million.

The surplus in Income Account (compensations of employees and investments income) amounted to USD 640 million with an increase of 4% compared to the previous quarter. This surplus was due to compensations of the employees working in Israel, which reached USD 631 million. As for the received investments income, it amounted to USD 47 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 517 million with an increase of 2% compared to the previous quarter. The total transfers from abroad amounted to USD 598 million, of which 32% were the transfers to the government sector (with a decrease of 7% compared to the previous quarter), while the percentage of the transfers to other sectors reached 68%. The donors' current transfers constituted 32% of total transfers from abroad.

The preliminary results showed a surplus value for the Capital and Financial Account amounted to USD 167 million, the surplus in the Capital and Financial Account was mainly caused by the surplus in Financial Account which amounted to USD 192 million. There was an increase in the reserve assets at PMA amounted to USD 45 million, compared to an increase of USD 53 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.