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

The Preliminary Results of the Palestinian Balance of Payments, Fourth Quarter,2025

The increase in current transfers during the fourth quarter of 2025 mainly led to a decrease in the current account deficit to US$337 million, compared to US$750 million during the third quarter of 2025.

Ramallah - (Palestinian Central Bureau of Statistics – 31/03/2026):

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 2025 under the joint issuance cycle. It should be noted that the data excludes those parts of Jerusalem ,which were annexed by Israeli occupation in 1967.

Preliminary data for the balance of payments in the fourth quarter of 2025 indicate a continued deficit in the current account (goods, services, income, and current transfers), amounting to USD 337 million with a decrease of 55% compared to the previous quarter. The trade balance deficit for goods reached USD 1,173 million, in addition to a services balance deficit of USD 227 million.

The data indicates an increase in the net income account during the fourth quarter of 2025 by 5% compared to the previous quarter, reaching USD 323 million. Whereas, compensation for Palestinian workers in Israel increase by 8% compared to the previous quarter reached USD 172 million. Meanwhile, foreign investment income decrease by 14%, reaching USD 140 million, primarily resulting from interest earned on Palestinian deposits in foreign banks.

Net current transfers from abroad increased during the fourth quarter of 2025 by approximately double compared to the previous quarter.

The data indicates an increase of 182% in the net current transfers, reaching USD 740 million compared to the previous quarter. Where the value of current transfers from abroad to government sector reaching USD 462 million, while it increased to other sectors (non-governmental) by 31% compared to the previous quarter. It is noted that current transfers to the government sector accounted for 58% of the total current

transfers from abroad, while transfers to other sectors constituted 42%. It is worth mentioning that donor transfers represented about 83% of the total current transfers from abroad.

The preliminary results showed a deficit value for the Capital and Financial Account amounted to USD -62 million, mainly caused by the deficit in the Financial Account, which amounted to USD 182 million. There was an increase in the reserve assets at PMA amounted to USD 494 million, compared to a decrease of USD 93 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.

Table 1: Balance of Payments In Palestine* for the third and fourth quarter 2025

(Value in million USD)

Indicator	Q3-2025	Q4-2025
Current account (net)	**-750**	**-337**
Goods (net)	**-1105**	**-1173**
Exports (fob)	795	881
Imports (fob)	1900	2054
Services (net)	**-214**	**-227**
Exports	170	188
Imports	384	415
Income (net)	**307**	**323**
Receipts	335	325
Compensation of employees	172	185
Of which from Israel	159	172
Investment income	163	140
Payments	28	2
Current transfers (net)	**262**	**740**
Inflows	317	795
To the government sector	63	462
of which from Donors transfers	61	459
To the other sectors	254	333
of which from Donors transfers	142	200
Outflows	55	55
Capital and financial account (net)	**292**	**-62**
Capital account (net)	**123**	**119**
Capital transfers (net)	123	119
Inflows	123	119
To the government sector	50	49
of which from Donors transfers	50	49
To the other sectors	73	70
Outflows	0	0
Acquisition / disposal of non-Produced, non-financial assets non-financial assets (net)	0	0

Table 1 (Cont.): Balance of Payments In Palestine* for the third and fourth quarter 2025

(Value in million USD)

Indicator	Q3-2025	Q4-2025
Financial account (net)**	**169**	**-181**
Foreign Direct investment (net)	**-155**	**111**
Change in investment abroad (net)	3	-3
Change in investment in Palestine (net)	-158	114
Foreign Portfolio investment (net)	**-112**	**444**
Change in Assets (net)	-133	355
Change in Liabilities (net)	21	89
Foreign Other investment (net)	**343**	-242
Change in Assets (net)	292	-197
*Of which Currency and deposits****	903	288
Change in Liabilities (net)	51	-45
Of which Loans nonresidents	3	-4
*Of which Currency and deposits*****	47	-41
Net errors and omissions	**458**	**399**
Overall balance	93**-**	**494**
Financing	93	0
Exceptional financing	0	0
Change in Reserve assets (- = Increase/+= decrease)	**93**	**-494**

*The data excludes those part of Jerusalem which were annexed by Israeli occupation in 1967.

**Include reserve assets.

***Currency and deposits: Including the cash of foreign currency in the banks and the deposits of the Palestinian institutions deposited abroad.

****Currency and deposits: Includes the deposits of non-residents deposited in Local banks.