



**The Palestinian Central Bureau of
Statistics (PCBS) and Palestine
Monetary Authority (PMA)
announce the preliminary results
of the Palestinian Balance of
Payments - 2010.**

**US\$ 690.9 million is the deficit in
Current Account.**

The Balance of Payments (BOP) is an account measuring transactions between residents and non-residents in a given period. It is considered to be the peak of efforts in preparing systematic economic statistics that are necessary for observing economic performance in general and for deriving essential data used in compiling the Rest of the World Account as part of the Palestinian National Accounts. BoP consists of two main accounts, the Current Account and the Capital and Financial Account.

The main findings of the preliminary results of BoP for year 2010 are:

The deficit value of the Current Account amounted to US\$ 690.9 million (8.3% of the GDP in current prices), compared with a deficit in year 2009 which amounted to US\$ 712.5 million.

The deficit in the Trade Balance of goods amounted to US\$ 3,652.8 million (43.8% of the GDP in current prices). This deficit increased by 4.2% compared with the year 2009.

The deficit in Services Balance amounted to US\$ 312.1 million reflecting a decrease of 11.3% compared with the year 2009. The decline in the deficit of Services Balance was caused by the increase of the exports in Government services, and

Travel Services in addition to the decrease of the imports in Communication Services on other side.

The surplus in Income Balance (compensations of employees and investments income) increased by 25.3% compared with the year 2009. The surplus in Income Balance amounted to US\$ 1,098.1 million due to surplus in Compensations of Employees working in Israel which reached US\$ 991.2 million reflecting an increase of 35.7% compared with 2009. Meanwhile, the Investments Income received from abroad amounted to US\$ 135.8 million showing an increase of 8.9% in year 2010 compared with 2009. This increase was mainly caused by the increase in the earnings received on Palestinian Foreign Direct Investments (FDI) and Portfolio Investments, invested abroad.

According to the Net Current Transfers, the surplus value amounted to US\$ 2,175.9 million showing a decrease of 4.0% compared with the year 2009. The donors' current transfers was 68.0% of total value of receipts from abroad, meanwhile the current transfers received from abroad other than donors was 32.0% of total current transfers from abroad.

The total value of receipts from abroad distributed as 49.0% for the government sector and 51.0% for other sectors (Private, Household and non-government organizations).

The surplus value of Capital and Financial Account amounted to US\$ 800.3 million. This surplus was caused mainly by the surplus in the Capital Account (amounted to US\$ 846.1 million), surplus by the donors capital transfers, Meanwhile the deficit in Financial Account (Direct Investments, Portfolio Investments, Other



Investments, and Reserve Assets) amounted to US\$ 45.8 million.

The deficit of Financial Account was caused mainly by the deficit of Net Foreign Portfolio Investments amounted to US\$ 453.4 million, Meanwhile the surplus of Net Foreign Other Investments amounted to US\$ 341.0 million, And the surplus of Net Foreign Direct Investments US\$ 103.0 million and,

The changes on Reserve Assets flows (increase) amounted to US\$ 36.4 million in 2010, which are reflected in the Overall Balance surplus due to the absence of other financing resources.

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