



The Palestinian Central Bureau of Statistics (PCBS) and Palestine Monetary Authority (PMA) announce the preliminary results of the Palestinian Balance of Payments - 2009.

US\$ 736.8 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 2009 are:

The deficit value of the Current Account amounted to US\$ 736.8 million (10.9% of the GDP in current prices), compared with the surplus in year 2008 which amounted to US\$ 764.4 million. The deficit of Current Account was caused mainly by the deficit in the Trade Balance of goods which was US\$ 3,502.0 million (51.8% of the GDP in current prices). This deficit increased by 8.3% compared with the year 2008.

The deficit in Services Balance amounted to US\$ 281.5 million reflecting a decrease of 17.3% compared with the year 2008. The decrease in this deficit was caused by the increase of the exports in Travel and Transport Services in addition to the decrease of the imports in Travel Services from other side.

The surplus in Income Balance (compensations of employees and investments income) decreased by 12.1% compared with the year 2008. The surplus in Income Balance amounted to US\$ 808.1 million due to surplus in Compensations of Employees working in Israel which reached US\$ 626.7 million reflecting a decrease of 4.4% in year 2009 compared with 2008. Meanwhile, the received investments income amounted to US\$ 124.7 million showing a decrease of 63.2% in year 2009 compared with 2008. The decline was mainly caused by the decrease in the interest received on the Palestinian deposits in banks abroad.

According to the Net Current Transfers, the surplus value amounted to US\$ 2,238.6 million showing a decrease of 34.5% compared with the year 2008. The donors' current transfers was 79.2% of total value of receipts from abroad. This decline in the surplus of Net Current Transfers was due to the decrease of donors' transfers to both Government and Private sectors, and the decrease in Household sector from other side, which decreased by 21.6% compared with the year 2008.

The surplus value of Capital and Financial Account amounted to US\$ 802.6 million. This surplus was caused mainly by the surplus in the Capital Account (amounted to US\$ 719.0 million), surplus by the donors capital transfers, in addition to the surplus in Financial Account (Direct Investments, Portfolio Investments, Other Investments, and Reserve Assets) which amounted to US\$ 83.6 million.

The surplus of Financial Account was caused mainly by the surplus of Net Foreign Direct Investments (US\$ 279.9 million) and the surplus of Net Foreign Other Investments (US\$ 217.8 million). Meanwhile, the deficit of Net Foreign Portfolio Investments amounted to US\$ 366.7 million.

The changes on Reserve Assets flows (increase) amounted to US\$ 47.4 million in 2009, which are reflected in the Overall Balance surplus due to the absence of other financing resources.