



Palestinian Central
Bureau of Statistics



Ministry of Finance
& Planning

Press Release on the General Government Finance 2016

USD 4,600.7 million the total of gross expenses, USD 4,713.0 million the total of revenues, out of which 17.0% are foreign grants and aids.

The Palestinian Central Bureau of Statistics (PCBS) and the Ministry of Finance and Planning have announced the results of the general government finance for Palestine for the year 2016. The general government finance statistics were prepared according to the Government Finance Statistics Manual (GFSM 2001) issued by the International Monetary Fund in 2001.

The general government sector consists of many sub sectors; mainly, the central government that includes all government institutions that work as agencies or bureaus of the central authority and the local government such as municipalities, village councils and project committees.

Gross Expenses

Gross expenses include current expenses and net acquisition of non-financial assets (capital expenses).

The results showed that gross expenses (current and capital) of the general government amounted to USD 4,600.7 million in the year 2016, out of which USD 4,315.8 million was current expenses, whereas capital expenses (net acquisition of non-financial assets) amounted to USD 284.9 million.

The gross expenses of the central government amounted to USD 4,108.7 million, distributed as follows: 54.7% compensation of employees (salaries of civil and military employees), 20.6% social benefits, 16.6% expenses on use of goods and services, 1.9% interest, 1.3% other expenses, 0.8% grants, and 0.4% subsidies. While capital expenses represented 3.7% of the value of gross expenses of the central government.

The results also showed that the amount of local government gross expenses amounted to USD 492.0 million in the year 2016, distributed as follows: 30.4% use of goods and services, 22.3% compensation of employees (salaries of employees), 5.3% consumption of fixed capital, 12.4% other expenses such as (insurance and maintenance of vehicles, workers allowances, expenses for executing local projects, promotional discounts to repay debts), 2.6% social benefits, 0.2% grants, 0.2% subsidies. While capital expenses constituted 26.6% of the total amount of local government expenses.

Revenues

The results showed that the value of general government revenues amounted to USD 4,713 million in the year 2016, out of where 91.1% were central government revenues, of which 73.2% were tax revenues, 17.8% were grants and aids, and 9.0% were other revenues.

The results also highlighted that the value of local government revenues amounted to USD 419.1 million in the year 2016 (8.9% of general government revenues); distributed as follows:

77.7% other revenues (which include sales of water and electricity to the public), 12.8% taxes and fees, 9.2% grants, and 0.3% social contributions.

Net Operating Balance

The net operating balance is calculated by subtracting current expenses from total revenues. The surplus in operating balance amounted to USD 397.2 million in the year 2016. This showed that revenues exceeded current expenses by this amount.

Revenues of the central government exceeded its current expenses by USD 339.0 million. In addition, the revenues of the local government exceeded its current expenses by USD 58.2 million.

Net Lending and Borrowing

The net lending and borrowing is calculated by subtracting net acquisition of non-financial assets from net operating balance. The results showed that a surplus in net lending and borrowing amounted to USD 112.3 million in the year 2016.

Financial Assets and Liabilities

General government budget data showed that net acquisition of financial assets during the year 2016 amounted to USD 494.2 million out of which 90.2% were domestic and 9.8% were foreign.

Important note:

The general government finance statement is prepared according to GFSM 2001. Its methodology and classification are different from that used to prepare the monthly published reports on fiscal operations which reflect the budget.

It should be noted that in those reports, there is an item known as (net lending/borrowing), which is a key component of the budget. According to the methodology of GFSM 2001, this item is considered as a financial asset not an expense; therefore, it has been excluded from expenses and included in the acquisition of financial assets.

For more information, please contact:

Palestinian Central Bureau of Statistics **Or**
P.O Box 1647, Ramallah-Palestine.
Tel:(970/972) 2 2982700
Toll free: 1800300300
Fax: (970/972) 2 2982710
E-mail diwan@pcbs.gov.ps
Webpage: <http://www.pcbs.gov.ps>

Ministry of Finance and Planning
P.O Box 795, Ramallah-Palestine.
Tel: (970/972) 2 2978770
Fax: (970/972) 2 2978790
E-mail: info@pmof.ps
Webpage: <http://www.pmf.ps>

General Government Finance in Palestine* for the year 2016

Indicator	Value in million USD			Percentage Distribution for both Revenues and Expenses		
	General Government	Central Government	Local Government	General Government	Central Government	Local Government
1. Total Revenues	4,713.0	4,293.9	419.1	100.0	100.0	100.0
1.1 Taxes	3,197.6	3144.0	53.6	67.9	73.2	12.8
1.2 Social contributions	1.5	0.0	1.5	0.0	0.0	0.3
1.3 Grants and aids	800.6	762.2	38.4	17.0	17.8	9.2
1.4 Other revenues**	713.3	387.7	325.6	15.1	9.0	77.7
Gross Expenses (2+3.1)***	4,600.7	4,108.7	492.0	100.0	100.0	100.0
2. Current Expenses	4315.8	3,954.9	360.9			
2.1 Compensation of employees	2,352.0	2242.1	109.9	51.1	54.7	22.3
2.2 Use of goods and services	833.0	683.6	149.4	18.1	16.6	30.4
2.3 Consumption of fixed capital	25.9	0.0	25.9	0.6	0.0	5.3
2.4 Interest	79.5	79.3	0.2	1.7	1.9	0.0
2.5 Subsidies	18.7	17.9	0.8	0.4	0.4	0.2
2.6 Grants	33.2	32.0	1.2	0.7	0.8	0.2
2.7 Social benefits	858.2	845.5	12.7	18.7	20.6	2.6
2.8 Other Expenses ****	115.3	54.5	60.8	2.5	1.3	12.4
(N.O) Net Operating Balance (1-2)*****	397.2	339.0	58.2			
3.1 Transactions in nonfinancial assets (Net acquisition of):	284.9	153.8	131.1	6.2	3.7	26.6
3.1.1 Fixed assets	237.7	117.9	119.8			
3.1.2 Change in inventories	27.5	23.2	4.3			
3.1.3 Valuables	0.0	0.0	0.0			
3.1.4 Non-produced assets	19.7	12.7	7.0			
(N.L) Net lending (+)/ Borrowing (-), (N.O - 3.1) *****	112.3	185.2	-72.9			
3.2 Net acquisition of financial assets	494.2	438.6	55.6			
3.2.1 Domestic	445.6	390.8	54.8			
3.2.2 Foreign	48.6	47.8	0.8			
3.3 Net incurrence of financial Liabilities	338.2-	354.3-	16.1			
3.3.1 Domestic	330.6-	346.7-	16.1			
3.3.2 Foreign	7.6-	7.6-	0.0			

- Notes:**
- ✓ (*) The Data excludes Gaza Strip and those parts of Jerusalem which were annexed by Israel in 1967.
 - ✓ (**) It includes any fees collected for the resale of electricity and water, administrative fees, fines, property income and voluntary transfers other than grants.
 - ✓ (***) Gross Expenses = Current Expenses + Net acquisition of non-financial assets (Capital Expenses).
 - ✓ (****) It includes scholarships and any educational benefits, NGOs support and any emergency expenses for the central government, Insurance and maintenance of vehicles in addition to workers allowance.
 - ✓ (*****) Net operating balance = Revenues – Current expenses
 - ✓ (*****) Net lending/borrowing = Net operating balance - Net acquisition of non-financial assets.