



سلطة النقد الفلسطينية
PALESTINE MONETARY AUTHORITY



الجهاز المركزي للإحصاء الفلسطيني
Palestinian Central Bureau of Statistics

The press release of the Palestinian Balance of Payments – Second and Third Quarters 2020.

Deficit in Current Account is USD 200 Million of the Palestinian Balance of Payments – Third Quarter 2020

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 third quarter of 2020 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 200 million. This deficit in current account mainly triggered by the deficit of the Trade Balance of Goods, which reached USD 1,144 million, as well as the deficit in Services Balance, which amounted to USD 207 million.

The surplus in Income Account (compensations of employees and investments income) amounted to USD 697 million. This surplus was due to compensations of the employees working in Israel, which reached USD 653 million (with an increase of 58% compared to the previous quarter). As for the received investments income, it amounted to USD 71 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 454 million with a decrease of 2% compared to the previous quarter. The total transfers from abroad amounted to USD 543 million, of which 22% were the transfers to the government sector, while the percentage of the transfers to other sectors reached 78%. The donors' current transfers constituted 19% of total transfers from abroad.

The preliminary results showed a surplus value for the Capital and Financial Account amounted to USD 22 million¹ the surplus in the Capital and Financial Account was mainly caused by the surplus in Capital Account which amounted to USD 84 million. There was a decrease in the reserve assets at PMA amounted to USD 74 million, compared to a decrease of USD 41 million in the previous quarter.

¹It includes the value of the claims on Israel from clearance revenues, during the 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.

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التعداد الزراعي
Agriculture Census

2020



Table 1: Balance of Payments In Palestine* for the second and third quarters 2020

(Value in million USD)

<i>Indicator</i>	Q2- 2020	Q3- 2020
Current account (net)	-232	-200
Goods (net)	-946	-1,144
Exports (fob)	369	469
Imports (fob)	1,315	1,613
Services (net)	-174	-207
Exports	150	191
Imports	324	398
Income (net)	424	697
Receipts	470	737
Compensation of employees	425	666
<i>Of which from Israel</i>	412	653
Investment income	45	71
Payments	47	41
Current transfers (net)	464	454
Inflows	534	543
To the government sector	188	117
<i>of which from Donors transfers</i>	163	79
To the other sectors	347	426
<i>of which from Donors transfers</i>	25	25
Outflows	70	89
Capital and financial account (net)	206	22
Capital account (net)	79	84
Capital transfers (net)	79	84
Inflows	79	84
To the government sector	41	27
<i>of which from Donors transfers</i>	41	27
To the other sectors	38	57
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 second and third quarters 2020

(Value in million USD)

Indicator	Q2-2020	Q3- 2020
Financial account (net)**	126	-62
Foreign Direct investment (net)	111	61
Change in investment abroad (net)	50	5
Change in investment in Palestine (net)	60	56
Foreign Portfolio investment (net)	-40	54
Change in Assets (net)	8	86
Change in Liabilities (net)	-48	-33
Foreign Other investment (net)	16	-251
Change in Assets (net)	64	-265
<i>Of which claims on Israel of clearance revenues</i>	<i>-78</i>	<i>-466</i>
<i>Of which Currency and deposits***</i>	<i>124</i>	<i>192</i>
Change in Liabilities (net)	-48	15
<i>Of which Loans nonresidents</i>	<i>5</i>	<i>9</i>
<i>Of which Currency and deposits****</i>	<i>-54</i>	<i>5</i>
Net errors and omissions	26	178
Overall balance	-41	-74
Financing	41	74
Exceptional financing	0	0
Change in Reserve assets (- = Increase/+ = decrease)	41	74

*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.