



سلطة النقد الفلسطينية
PALESTINE MONETARY AUTHORITY



الجهاز المركزي للإحصاء الفلسطيني
Palestinian Central Bureau of Statistics

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

A sharp decline in the compensation of Palestinian workers in Israel and net current transfers during the third quarter of 2024 compared to the corresponding quarter of 2023, led to an increase in the current account deficit, reaching USD 870 million

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 2024 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 third quarter of 2024 indicate a continued deficit in the current account (goods, services, income, and current transfers), amounting to USD 870 million with an increase of 175% compared to the corresponding quarter of 2023. The trade balance deficit for goods reached USD 1,333 million, in addition to a services balance deficit of USD 263 million.

The data indicates a decrease in the net income account during the third quarter of 2024, by 79% compared to the corresponding quarter of 2023, reaching USD 275 million. Whereas, compensation for Palestinian workers in Israel decreased by 88% compared to the corresponding quarter of 2023, reached USD 143 million. Meanwhile, foreign investment income amounted to USD 145 million, primarily resulting from interest earned on Palestinian deposits in foreign banks.

A decrease of 21% was recorded in the net current transfers from abroad during the third quarter of 2024 compared to the corresponding quarter of 2023.

The data indicates a 21% decrease in the net current transfers, reaching USD 451 million compared to the corresponding quarter of 2023. Where the net current transfers from abroad to other sectors (non-governmental) decreased by 52% compared to the corresponding quarter of 2023. This decline is primarily attributed to the ongoing Israeli aggression against the Gaza Strip and the West Bank, significantly affecting the financial and economic activities in the region. It is noted that current transfers to the government sector accounted for only 45% of the total current transfers from abroad, while transfers to other sectors constituted 55%. It is worth mentioning that donor transfers represented only about 48% of the total current transfers from abroad.

The preliminary results showed a surplus value for the Capital and Financial Account amounted to USD 720 million, mainly caused by the surplus in the Financial Account which amounted to USD 632 million. There was an increase in the reserve assets at PMA amounted to USD 168 million, compared to a decrease of USD 23 million in the previous quarter.



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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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For further details, please contact:

**Palestinian Central Bureau of
Statistics**

**P.O BOX 1647, Ramallah, P6028179,
Palestine.**

Tel: (972/970) 2 2982700

Email: diwan@pcbs.gov.ps

Website: <http://www.pcbs.gov.ps>

Palestine Monetary Authority

**P.O.Box 452, Ramallah-
Palestine.**

Or

Tel: (972/970) 2 2415250

Email: info@pma.ps

Website: <http://www.pma.ps>



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Table 1: Balance of Payments In Palestine*
for the third quarter 2023 and the second and third quarters 2024

(Value in million USD)

<i>Indicator</i>	Q3-2023*	Q2-2024	Q3-2024
Current account (net)	-316	-774	-870
Goods (net)	-1,848	-1,064	-1,333
Exports (fob)	697	521	612
Imports (fob)	2,545	1,585	1,945
Services (net)	-366	-210	-263
Exports	149	111	131
Imports	515	321	394
Income (net)	1,327	191	275
Receipts	1,340	207	301
Compensation of employees	1,216	131	156
<i>Of which from Israel</i>	<i>1,205</i>	<i>118</i>	<i>143</i>
Investment income	124	76	145
Payments	13	16	26
Current transfers (net)	571	309	451
Inflows	715	365	511
To the government sector	124	114	230
<i>of which from Donors transfers</i>	<i>35</i>	<i>106</i>	<i>221</i>
To the other sectors	591	251	281
<i>of which from Donors transfers</i>	<i>38</i>	<i>25</i>	<i>25</i>
Outflows	144	56	60
Capital and financial account (net)	188	653	720
Capital account (net)	144	73	88
Capital transfers (net)	144	73	88
Inflows	144	73	88
To the government sector	50	20	24
<i>of which from Donors transfers</i>	<i>50</i>	<i>20</i>	<i>24</i>
To the other sectors	94	53	64
Outflows	0	0	0
Acquisition / disposal of non-Produced, non-financial assets non-financial assets (net)	0	0	0

*Data of third quarter of 2023 are revised based on the actual annual data of balance of payments for 2023



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**Table 1 (Cont.): Balance of Payments In Palestine*
for the third quarter 2023 and the second and third quarters 2024**

(Value in million USD)			
Indicator	Q3-2023	Q2-2024	Q3-2024
Financial account (net)**	44	580	632
Foreign Direct investment (net)	21	77	87
Change in investment abroad (net)	0	-11	0
Change in investment in Palestine (net)	21	88	87
Foreign Portfolio investment (net)	-78	-87	-139
Change in Assets (net)	-67	-71	-90
Change in Liabilities (net)	-11	-16	-49
Foreign Other investment (net)	124	567	852
Change in Assets (net)	102	571	886
<i>Of which Currency and deposits***</i>	241	947	1,033
Change in Liabilities (net)	22	-4	-34
<i>Of which Loans nonresidents</i>	7	-6	11
<i>Of which Currency and deposits****</i>	14	2	-45
Net errors and omissions	128	121	150
Overall balance	23	-23	168
Financing	-23	23	-168
Exceptional financing	0	0	0
Change in Reserve assets (- = Increase/+ = decrease)	-23	23	-168

*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.