



**Press Release of the General
Government Finance
2011**

US \$ 3,403.5 million the total of the expenses, US \$ 3,461.0 million the total of revenues, approximately 31% of which are grants and aids.

In the context of the continuous and mutual cooperation between the Ministry of Finance and the Palestinian Central Bureau of Statistics, the general government finance statistical program for the year 2011 was implemented for the first time in compliance with the Government Finance Statistics Manual (GFSM 2001) issued by the International Monetary Fund in 2001.

The general government sector is composed of various sub sectors; the most important of which are: the central government that consists of 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.

Expenses

Results revealed that the total of the general government expenses amounted to US\$ 3,403.5 million in the year 2011, of which 92.7% were expenses of the Central Government, distributed mainly on compensation of employees (civil and military employees' salaries) with the percentage of 62.0%, while the percentage of expenses on use of goods and services was 16.9%, social benefits was 15.2%, and other expenses was 3.2%.

Whereas the results indicated that the amount of local government amounted to

US\$ 249.8 million in the year 2011, that was mainly distributed on other expenses (insurance and maintenance of vehicles, workers allowances, expenses for executing local projects, promotional discounts to repay debts) with a percentage of 33.7%, while the use of goods and services was 32.7% and compensation of employees (employees' salaries) was 30.0%.

Revenues

The results showed that the total of general government revenues amounted to US \$ 3,461.0 million in the year 2011, of which 90.6% were central government revenues, mainly distributed on tax revenues with a percentage of 62.7%, grants and aids was 33.7% and the other revenues was 3.6%.

Whereas the results showed that the total of the local government amounted to US \$ 326.2 million in the year 2011, which was mainly distributed on the other revenues (margins of water and electricity sales to the public) with the percentage of 82.8%, taxes and fees was 9.6%, and grants and social contributions were 6.6% and 1.0% respectively.

Net Operating Balance

The calculation of the net operating balance is calculated by subtracting the total of expenses from the total of the revenues, which amounted to US \$ 57.5 million in the year 2011, which means that the gross of revenues exceeded the gross of expenses by this amount. This is mainly because of the fact that the grants and aids formed 31.1% of the total amount of revenues. The expenses of the central government in comparison with its revenues amounted to 100.6%, while the percentage of the expenses of the local government was 76.6% .



**For further details please refer to the
attached table...**

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General Government Finance 2011

Indicator	Value in million US\$			Percentage Distribution for both Revenues and Expenses		
	General Government	Central Government	Local Government *	General Government	Central Government	Local Government
Total Revenues	3,461.0	3,134.8	326.2	100.0	100.0	100.0
Taxes	1998.1	1966.7	31.4	57.7	62.7	9.6
Social contributions	3.3	0.0	3.3	0.1	0.0	1.0
Grants and aids	1076.5	1054.9	21.6	31.1	33.7	6.6
Other revenues**	383.1	113.2	269.9	11.1	3.6	82.8
Total Expenses	3403.5	3,153.7	249.8	100.0	100.0	100.0
Compensation of employees	2030.0	1954.9	75.1	59.6	62.0	30.0
Use of goods and services	613.2	531.5	81.7	18.0	16.9	32.7
Consumption of fixed capital	0.2	0	0.2	0.0	0.0	0.1
Interest	59.6	59.6	0	1.8	1.9	0.0
Subsidies	0.1	0.1	0	0.0	0.0	0.0
Grants	24.8	24.8	0	0.7	0.8	0.0
Social benefits	489.3	480.6	8.7	14.4	15.2	3.5
Other expenses ***	186.3	102.2	84.1	5.5	3.2	33.7
Net operating balance ****	57.5	-18.9	76.4			
Transactions in nonfinancial assets (Net acquisition of):	225.8	192.5	33.3			
Fixed assets	196.5	163.2	33.3			
Change in inventories	0	0.0	0.0			
Valuables	0	0.0	0.0			
Non-produced assets	29.3	29.3	0.0			
Net lending (+) / borrowing (-) *****	-168.3	-211.4	43.1			
Net acquisition of financial assets	583.7	541.0	42.7			
Domestic	572.5	529.8	42.7			
Foreign	11.2	11.2	0.0			
Net incurrence of financial Liabilities	752.3	752.3	0.0			
Domestic	681.1	681.1	0.0			
Foreign	71.2	71.2	0.0			

Notes:

* The data of local government participating 95% of west bank, it also didn't includes Gaza strip data.

** Its included the revenues from resale electricity and water to the people.

*** Its included the expenses on scholarships, NGOs support and emergency expenses for central government, and insurance & maintenance of vehicles, workers allowances, expenses for executing local projects, promotional discounts to repay debts for local government.

**** Net operating balance = Revenues – Expenses

***** Net lending/ borrowing = Net operating balance - Net acquisition of nonfinancial assets.