



سلطة النقد الفلسطينية  
PALESTINE MONETARY AUTHORITY



الجهاز المركزي للإحصاء الفلسطيني  
Palestinian Central Bureau of Statistics

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## **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 first quarter of 2024 compared to the corresponding quarter of 2023, led to the increase in the current account deficit, reaching USD 836 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 first 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 first quarter of 2024 indicate a continued deficit in the current account (goods, services, income, and current transfers), amounting to USD 836 million with an increase of 29% compared to the corresponding quarter of 2023, which reached USD 1,124 million, as well as the deficit in Services Balance, which amounted to USD 154 million.

The data indicates a decrease in the net income account during the first quarter of 2024, by 88% compared to the corresponding quarter of 2023, reaching USD 123 million. Meanwhile, foreign investment income amounted to USD 69 million, primarily resulting from interest earned on Palestinian deposits in foreign banks.

**A decrease of 52% was recorded in the net current transfers from abroad to other sectors (non-governmental) during the first quarter of 2024 compared to the corresponding quarter of 2023.**

The data indicates a 44% decrease in the net current transfers, reaching USD 319 million compared to the corresponding quarter of 2023. This decline is primarily attributed to the ongoing Israeli aggression against 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 27% of the total current transfers from abroad, while transfers to other sectors constituted 73%. It is worth mentioning that donor transfers represented only about 32% of the total current transfers from abroad.

The preliminary results showed a surplus value for the Capital and Financial Account amounted to USD 819 million, the surplus in the Capital and Financial Account was mainly

caused by the surplus in Financial Account which amounted to USD 744 million. There was a decrease in the reserve assets at PMA amounted to USD 109 million, compared to an increase of USD 85 million in the previous 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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**Table 1: Balance of Payments In Palestine\* for the first and fourth quarter 2023 and the first quarter 2024**

(Value in million USD)

<i>Indicator</i>	<b>Q1- 2023</b>	<b>Q4- 2023</b>	<b>Q1- 2024</b>
<b>Current account (net)</b>	<b>-647</b>	<b>-1,105</b>	<b>-836</b>
<b>Goods (net)</b>	<b>-1,930</b>	<b>-1,306</b>	<b>-1,124</b>
Exports (fob)	710	509	558
Imports (fob)	2,640	1,815	1,682
<b>Services (net)</b>	<b>-299</b>	<b>-198</b>	<b>-154</b>
Exports	247	177	194
Imports	546	375	348
<b>Income (net)</b>	<b>1,012</b>	<b>83</b>	<b>123</b>
Receipts	1,034	140	155
Compensation of employees	979	92	86
<i>Of which from Israel</i>	<i>966</i>	<i>79</i>	<i>73</i>
Investment income	55	48	69
Payments	22	57	32
<b>Current transfers (net)</b>	<b>570</b>	<b>316</b>	<b>319</b>
Inflows	674	370	373
To the government sector	100	65	99
<i>of which from Donors transfers</i>	<i>41</i>	<i>60</i>	<i>94</i>
To the other sectors	574	305	274
<i>of which from Donors transfers</i>	<i>25</i>	<i>25</i>	<i>25</i>
Outflows	104	54	54
<b>Capital and financial account (net)</b>	<b>486</b>	<b>892</b>	<b>819</b>
<b>Capital account (net)</b>	<b>84</b>	<b>131</b>	<b>75</b>
Capital transfers (net)	84	131	75
Inflows	84	131	75
To the government sector	18	77	21
<i>of which from Donors transfers</i>	<i>18</i>	<i>77</i>	<i>21</i>
To the other sectors	66	54	54
Outflows	0	0	0
Acquisition / disposal of non-Produced, non-financial assets non-financial assets (net)	0	0	0

**Table 1 (Cont.): Balance of Payments In Palestine\* for the first and fourth quarter 2023 and the first quarter 2024**

(Value in million USD)

Indicator	Q1- 2023	Q4- 2023	Q1- 2024
<b>Financial account (net)**</b>	<b>402</b>	<b>761</b>	<b>744</b>
<b>Foreign Direct investment (net)</b>	<b>271</b>	<b>47</b>	<b>-11</b>
Change in investment abroad (net)	0	0	0
Change in investment in Palestine (net)	271	47	-11
<b>Foreign Portfolio investment (net)</b>	<b>-21</b>	<b>-155</b>	<b>42</b>
Change in Assets (net)	-83	-115	85
Change in Liabilities (net)	62	-40	-43
<b>Foreign Other investment (net)</b>	<b>433</b>	<b>954</b>	<b>604</b>
Change in Assets (net)	450	945	576
<i>Of which Currency and deposits***</i>	<i>521</i>	<i>1,238</i>	<i>710</i>
Change in Liabilities (net)	-17	9	28
<i>Of which Loans nonresidents</i>	<i>-1</i>	<i>15</i>	<i>28</i>
<i>Of which Currency and deposits****</i>	<i>-16</i>	<i>-8</i>	<i>-1</i>
<b>Net errors and omissions</b>	<b>161</b>	<b>213</b>	<b>17</b>
Overall balance	281	85	-109
Financing	-281	-85	109
Exceptional financing	0	0	0
<b>Change in Reserve assets (- = Increase/+ = decrease)</b>	<b>-281</b>	<b>-85</b>	<b>109</b>

\*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.