



## **The Palestinian Central Bureau of Statistics (PCBS) and Palestinian Monetary Authority (PMA) announce a press release about the preliminary results of the Palestinian Balance of Payments - 2003.**

### **420.8 Million US\$ The Deficit in Current Account**

The Palestinian Monetary Authority (PMA) and Palestinian Central Bureau of Statistics (PCBS) announce a press release about the preliminary results of the Palestinian Balance of Payments in 2003.

The Balance of Payments (BOP) is an account measuring transactions between residents and non-residents in a given period, it is considered as the peak of efforts in preparing systematic economic statistics, which are necessary to observe the economic performance in general and to derive the essential data, which are necessary to compile the Rest of the World Account as a part of Palestinian National Accounts. It consists of two main accounts, the Current Account and the Capital and Financial Account.

The main findings of the preliminary results are:

#### **Current Account:**

The Deficit in the current account amounted to 420.8 Million US\$, (11.9.% of the GDP) comparing with year 2002, because of the surplus in current transfers which amounted to 1,420.5 Million US, while the trade balance goods amounted to 1,397.7 Million US (39.7% of the GDP).

The amount to services balance in 2003 goes down by 20.0% compared with the year 2002, this deficit amounted to 726.7 Million US\$.

The surplus in the income balance in 2003 goes up by 26.2% compared with the year 2002. This surplus amounted to 283.1 Million US\$, this surplus caused mainly by the increase in the value of compensations of employees in Israel which amounted to 167.6 Million US\$, the compensations goes up by 58.0% compared with the year 2002.

According to Balance of Current Transfers, the value of surplus amounted to 1,420.5 Million US\$, in 2003. The donors current transfers contribute by 49.5% of total receipts from abroad.

#### **Capital and Financial Account:**

The surplus in the Capital and Financial Account amounted to 457.6 Million US\$, this surplus caused mainly by the surplus in capital account which amounted to 161.8 Million US\$ and the surplus in financial account including, (Direct Investments, Portfolio Investments, Other Investments, and Reserve Assets), which amounted to 295.8 Million US\$ in 2003.

The surplus in the financial account caused mainly by the surplus in Other Investments which amounted to 907.5 Million US\$, in 2003. While the deficit in the Balance of Direct investments amounted to 365.1 Million US\$, and the deficit in the Balance of Portfolio Investments amounted to 103.9 Million US\$, in 2003.

The changes on flows of Reserve Assets (increase) amounted to 142.7 Million US\$, in 2003. which reflect the over all Balance surplus in Palestine case, because of the absence of other financing recourses.

**It is important to note that we adopt Remaining West Bank<sup>1</sup> and Gaza Strip results**

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<sup>1</sup> **Remaining West Bank** : The West Bank except for those parts of Jerusalem, which were annexed after 1967 occupation by Israel.