
**The Palestinian Central Bureau of Statistics (PCBS) and Palestine
Monetary Authority (PMA) announce a press release on the preliminary
results of the Palestinian Balance of Payments - 2008.**

The Palestine Monetary Authority (PMA) and the Palestinian Central Bureau of Statistics (PCBS) announce a press release about the preliminary results of the Palestinian Balance of Payments for the year 2008: US\$ 347.2 million was the surplus in the Current Account.

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

Main findings of the preliminary results for year 2008 are:

Current Account:

The surplus value of the Current Account amounted to US\$ 347.2 million (7.5% of the GDP), compared with the deficit in year 2007 which amounted to US\$ 440.5 million and was caused mainly by the surplus in current transfers which amounted to US\$ 3,417.7 million. Trade Balance of goods was announced as US\$ 3,646.7 million (79.3% of the GDP), This deficit increased by 16.9% compared with the year 2007.

The deficit in Services Balance amounted to US\$ 337.0 million increased by 22.4% compared with the year 2007, The decrease in this deficit was caused by the decrease of the deficit in Travel and Government Services .

The surplus in Income Balance (compensations of employees and investments income) increased by 22.1% compared with the year 2007. This surplus amounted to US\$ 913.2 million. This surplus was caused mainly by the surplus in Compensations of Employees working in Israel which was announced as US\$ 649.1 million, an increase of 31.7% in year 2008 when compared with the year 2007, inspite of the decrease in the compensations of Gaza Strip employees, meanwhile investments income was amounted to US\$ 174.1 million. an increase of 3.6% in year 2008 when compared with the year 2007

According to the Net Current Transfers, the surplus value amounted to US\$ 3,417.7 million increased by 44.5% compared with the year 2007. The donors' current transfers contribute was 80.4% of total receipts value from abroad. This increase in the surplus of Net Current Transfers was due to the increase of donors transfers to both sectors Government and Others Sector which increased by 175.4% compared with the year 2007.

Capital and Financial Account:

The deficit value of Capital and Financial Account amounted to US\$ 295.6 million. This deficit was caused mainly by the deficit in the Financial Account (Direct Investments, Portfolio Investments, Other Investments, and Reserve Assets) which amounted to US\$ 694.4 million. Meanwhile the surplus in Capital Account amounted to US\$ 398.8 million.

The Financial Account deficit caused mainly by the deficit of Net Other Investments which was announced as US\$ 179.9 million. and the deficit of Net Foreign Portfolio Investments amounted to US\$ 40.5 million meanwhile the surplus of Net Foreign Direct Investments amounted to US\$ 59.8 million.

The changes on Reserve Assets flows (increase) amounted to US\$ 533.8 million in 2008, which are reflected in the Overall Balance surplus in the Palestine case due to the absence of other financing resources.