



**The press conference of the General
Government Finance
2010**

US\$ 3,293.5 million the total of the expenses, US\$ 3,589.7 million the total of revenues, 36.5% of which are grants and aid.

For the continuity of mutual cooperation between Ministry of Finance and the Palestinian Central Bureau of Statistics, the general government finance statistical program for the year 2010 in compliance with the preparing Government Finance Statistics Manual (GFSM 2001) issued by the International Monetary Fund in 2001, was executed for the first time. Which is considered to be the most recent international issuance in this regard. The general government sector composes of various sub sectors the most important of which are central government that consists of all government institutions that work as agents or bureaus of the central authority and the local government such as municipalities, village councils and projects committees.

Expenses

Results revealed that the total of the general government expenses had mounted US\$3,293.5 million through the year 2010, of which 93.3% are expenses of the Central Government, distributed mainly on compensation of employees (employees' salaries civil and militants) with the ratio of 56.5%, social benefits 15.6%, while the percentage of expenses on use of goods and services and other expenses were 15.0%, 11.1% respectively.

Whereas the results indicate that the amount of local government totaled US\$220.0 million through the year 2010, that was mainly distributed on other

expenses such as (insurance and maintenance of vehicles, workers allowances, expenses for executing local projects, promotional discounts to repay debts) with ratio of 33.6%, the use of goods and services with 32.8%, compensation of employees (employees' salaries) as 30.1%.

Revenues

The results show that the total of general government revenues totaled US\$3,589.7 million through the year 2010, of which were 91.3% as central government revenues, mainly distributed on tax revenues with 55.4%, grants and aids with 39.3%, other revenues with 5.3%.

Whereas the results show that the total of the local government mounted US\$312.2 million through the year 2010, which was mainly distributed on the other revenues which are (margins sales of water and electricity to the public) with the ratio of 82.8%, taxes and fees with 9.6%, and grants and social contributions with 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 the revenues, which amounted to US\$296.2 million, which means that the gross of revenues exceeded the gross of expenses by this amount, this is mainly because of the grants and aids which formed the 36.5% of the total amount of revenues. The central government expenses to its revenues totaled the ratio of 93.8%, while the ratio of local government was 70.5 %.

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

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General Government Finance 2010

Indicator	Value in million US\$			Percentage Distribution for both Revenues and Expenses of		
	General Government	Central Government	Local Government *	General Government	Central Government	Local Government
Revenues						
Taxes	1,846.4	1,816.3	30.1	51.4	55.4	9.6
Social contributions	3.2	0.0	3.2	0.1	0.0	1.0
Grants	1,309.4	1,288.7	20.7	36.5	39.3	6.6
Other revenues**	430.7	172.5	258.2	12.0	5.3	82.8
Total Revenues	3,589.7	3,277.5	312.2	100.0	100.0	100.0
Expenses						
Compensation of employees	1,804.7	1,738.5	66.2	54.7	56.5	30.1
Use of goods and services	532.1	460.0	72.1	16.2	15.0	32.8
Consumption of fixed capital	0.0	0.0	0.0	0.0	0.0	0.0
Interest	45.4	45.4	0.0	1.4	1.5	0.0
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
Grants	9.2	9.2	0.0	0.3	0.3	0.0
Social benefits	487.4	479.7	7.7	14.8	15.6	3.5
Other expenses ***	414.7	340.7	74.0	12.6	11.1	33.6
Total Expenses	3,293.5	3,073.5	220.0	100.0	100.0	100.0
Net operating balance ****	296.2	204.0	92.2			
Transactions in nonfinancial assets (Net acquisition of):	59.6	27.9	31.7			
Fixed assets	59.6	27.9	31.7			
Change in inventories	0.0	0.0	0.0			
Valuables	0.0	0.0	0.0			
Non-produced assets	0.0	0.0	0.0			
Net lending (+) / borrowing (-) *****	236.6	176.1	60.5			
Net acquisition of financial assets	333.9	273.4	60.5			
Domestic	286.2	225.7	60.5			
Foreign	47.7	47.7	0.0			
Net incurrence of financial Liabilities	91.1	91.1	0.0			
Domestic	106.8	106.8	0.0			
Foreign *****	-15.7	-15.7	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.

***** The negative sign in net incurrence of financial liabilities means repayments of foreign loans.