



**The Palestinian Central Bureau of
Statistics (PCBS) and Palestine
Monetary Authority (PMA)
announce the preliminary results
of the Palestinian Balance of
Payments - 2011.**

**USD 2,192.6 million is the deficit
in 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 part of the Palestinian National Accounts. BoP consists of two main accounts, the Current Account and the Capital and Financial Account.

The main findings of the preliminary results of BoP for year 2011 are:

The deficit value of the Current Account amounted to USD 2,192.6 million (21.5% of the GDP in current prices), compared with a deficit in year 2010 which amounted to USD 690.9 million.

The deficit in the Trade Balance of goods amounted to USD 4,626.0 million (45.5% of the GDP in current prices). This deficit increased by 26.6% compared with the year 2010.

The deficit in Services Balance amounted to USD 103.6 million reflecting a decrease of 66.8% compared with the year 2010. The decline in the deficit of Services Balance was caused by the increase of the

Exports in Travel services, and decrease of imports of government Services.

The Income Balance: The surplus of USD 1,217.2 million was recorded in this account, showing an increase of 10.8% compared with year 2010. The surplus was caused mainly by the surplus in Compensations of Employees working in Israel which reached USD 1,152.7 million, reflecting an increase of 16.3% compared with the year 2010, Meanwhile, the investments income received from abroad amounted to USD 99.3 million showing a decrease of 26.9% compared with the year 2010, caused mainly by a decrease in the earnings received on the Palestinian Foreign Direct Investments (FDI) and Portfolio Investments, invested abroad.

According to the Net Current Transfers, the surplus value amounted to USD 1,319.8 million showing a decrease of 39.3% compared with the year 2010. The donors' current transfers was 43.4% of total value of receipts from abroad, meanwhile the current transfers received from abroad other than donors was 56.6% of total current transfers from abroad.

The total value of receipts from abroad distributed as 38.0% for the government sector and 62.0% for other sectors (Private, Household and non-government organizations).

The surplus in the Financial Account (Direct Investments, Portfolio Investments, Other Investments, and Reserve Assets) which amounted to USD 1,619.5 million, caused mainly by the surplus in the item of currency and deposits in other investments, meanwhile the surplus in Capital Account amounted to USD 536.2 million



The changes on Reserve Assets flows (decrease) amounted to USD 33.7 million in 2011, which are reflected in the Overall Balance surplus due to the absence of other financing resources.

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Issued on 18/12/2012