The Palestinian Central Bureau of Statistics (PCBS) and

The Palestine Monetary Authority (PMA)

Decreasing imports during the fourth quarter of 2024, mainly led to a decline in the current account deficit to reach USD 480 million,

compared to USD 870 million during the third quarter.

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 fourth 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 fourth quarter of 2024 indicate a continued deficit in the current account (goods, services, income, and current transfers), amounting to USD 480 million with a decrease of 45% compared to the third quarter of 2024. The trade balance deficit for goods reached USD 1,075 million, in addition to a services balance deficit of USD 210 million.

The data indicates an increase in the net income account during the fourth quarter of 2024, by 5% compared to the previous quarter of 2024, reaching USD 289 million. Whereas, compensation for Palestinian workers in Israel increased by 15% compared to the previous quarter of 2024, reached USD 165 million. Meanwhile, foreign investment income amounted to USD 128 million, primarily resulting from interest earned on Palestinian deposits in foreign banks.

**An increase of 14% was recorded in the net current transfers from abroad during the fourth quarter of 2024 compared to the previous quarter of 2024.**

Results indicate a 14% increase in net current transfers, reaching USD 516 million compared to the previous quarter of 2024. Net current transfers to the government sector increased by 33% compared to the previous quarter of 2024, while transfers to other (non-government) sectors decreased by 5%. It is noted that current transfers to the government sector accounted for 53% of total current transfers from abroad, while current transfers to other sectors accounted for 47%. It is worth noting that transfers from donor countries represent approximately 56% of total current transfers from abroad

The preliminary results showed a surplus value for the Capital and Financial Account amounted to USD 491 million, mainly caused by the surplus in the Financial Account which amounted to USD 362 million. There was a decrease in the reserve assets at PMA amounted to USD 30 million, compared to an increase of USD 168 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 third and fourth quarters of 2024 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (Value in million USD) |  |  |  | |
| Indicator | Q3-2024 | Q4-2024 | |
| Current account (net) | -870 | |  | | --- | | -480 | | -1075 | | 660 | | 1735 | | -210 | | 141 | | 351 | | 289 | | 306 | | 178 | | 165 | | 128 | | 17 | | 516 | | 576 | | 306 | | 296 | | 270 |   29  60 | |
| Goods (net) | -1,333 |
| Exports (fob) | 612 |
| Imports (fob) | 1,945 |
| Services (net) | -263 |
| Exports | 131 |
| Imports | 394 |
| Income (net) | 275 |
| Receipts | 301 |
| Compensation of employees | 156 |
| Of which from Israel | 143 |
| Investment income | 145 |
| Payments | 26 |
| Current transfers (net) | 451 |
| Inflows | 511 |
| To the government sector | 230 |
| of which from Donors transfers | 221 |
| To the other sectors | 281 |
| of which from Donors transfers | 25 |
| Outflows | 60 |
| Capital and financial account (net) | 720 | 491  129  129  129  66  66  63  0  0 | |
| Capital account (net) | 88 |
| Capital transfers (net) | 88 |
| Inflows | 88 |
| To the government sector | 24 |
| of which from Donors transfers | 24 |
| To the other sectors | 64 |
| Outflows | 0 |
| Acquisition / disposal of non-Produced, non-financial assets non-financial assets (net) | 0 |

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| --- | --- | --- | --- | --- | --- |
| Table 1: Balance of Payments In Palestine for the third and fourth quarters of 2024 | | | | | |
| (Value in million USD) |  |  |  |
| Indicator | Q3-2024 | Q4-2024 | |
| Financial account (net)\*\* | 632 | 362  1-  0  1-  36  12  24  297  333  603  36-  34-  3-  11-  30-  30  0  30 | |
| Foreign Direct investment (net) | 87 |
| Change in investment abroad (net) | 0 |
| Change in investment in Palestine (net) | 87 |
| Foreign Portfolio investment (net) | -139 |
| Change in Assets (net) | -90 |
| Change in Liabilities (net) | -49 |
| Foreign Other investment (net) | 852 |
| Change in Assets (net) | 886 |
| Of which Currency and deposits\*\*\* | 1,033 |
| Change in Liabilities (net) | -34 |
| Of which Loans nonresidents | 11 |
| Of which Currency and deposits\*\*\*\* | -45 |
| Net errors and omissions | 150 |
| Overall balance | 168 |
| Financing | -168 |
| Exceptional financing | 0 |
| Change in Reserve assets (- = Increase/+= decrease) | -168 |

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| \*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. |