



سلطة النقد الفلسطينية  
PALESTINE MONETARY AUTHORITY



الجهاز المركزي للإحصاء الفلسطيني  
Palestinian Central Bureau of Statistics

## **Palestinian Central Bureau of Statistics (PCBS) and The Palestine Monetary Authority (PMA)**

### **The Deficit in Current Account is USD 775 Million of the Palestinian Balance of Payments – Second Quarter 2022**

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 second quarter of 2022 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.

#### **The deficit in trade balance of goods is the main reason behind the current account deficit**

An incessant deficit in the Current Account (goods, services, income, current transfers) which totaled USD 775 million. Mainly triggered by the deficit of the Trade Balance of Goods, which reached USD 1,936 million, as well as the deficit in Services Balance, which amounted to USD 380 million.

#### **The compensations of employees working in Israel are the main reason behind the income account surplus**

The surplus in Income Account (compensations of employees and investments income) amounted to USD 953 million. This surplus was due to compensations of the employees working in Israel, which reached USD 917 million. As for the received investments income, it amounted to USD 67 million; and was mainly caused by the income received on the portfolio investments abroad, in addition to the interest received on the Palestinian deposits in banks abroad.

#### **The current transfers from abroad to other (non-government) sectors are the main reason behind the current transfers surplus**

The Current Transfers achieved a surplus value amounted to USD 588 million. where the current transfers for the government sector constituted 17% of the total transfers from abroad, while the percentage of the transfers to other sectors reached 83%. The donors' current transfers constituted 13% of total transfers from abroad.

The preliminary results showed a surplus value for the Capital and Financial Account amounted to USD 1 billion, the surplus in the Capital and Financial Account was mainly caused by the surplus in Financial Account which amounted to USD 901 million. There was a

decrease in the reserve assets at PMA amounted to USD 34 million, compared to a decrease of USD 9 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 first and second quarters 2022**

(Value in million USD)

<i>Indicator</i>	<b>Q1- 2022</b>	<b>Q2- 2022</b>
<b>Current account (net)</b>	<b>-623</b>	<b>-775</b>
<b>Goods (net)</b>	<b>-1,810</b>	<b>-1,936</b>
Exports (fob)	622	601
Imports (fob)	2,432	2,537
<b>Services (net)</b>	<b>-347</b>	<b>-380</b>
Exports	239	231
Imports	586	611
<b>Income (net)</b>	<b>987</b>	<b>953</b>
Receipts	1,034	997
Compensation of employees	965	930
<i>Of which from Israel</i>	<i>952</i>	<i>917</i>
Investment income	69	67
Payments	47	44
<b>Current transfers (net)</b>	<b>547</b>	<b>588</b>
Inflows	642	682
To the government sector	88	114
<i>of which from Donors transfers</i>	<i>33</i>	<i>61</i>
To the other sectors	554	568
<i>of which from Donors transfers</i>	<i>25</i>	<i>25</i>
Outflows	95	94
<b>Capital and financial account (net)</b>	<b>514</b>	<b>1000</b>
<b>Capital account (net)</b>	<b>103</b>	<b>99</b>
Capital transfers (net)	103	99
Inflows	103	99
To the government sector	12	25
<i>of which from Donors transfers</i>	<i>12</i>	<i>25</i>
To the other sectors	91	74
Outflows	0	0
Acquisition / disposal of non-Produced, non-financial assets non-financial assets (net)	0	0

**Table 1 (Cont.): Balance of Payments In Palestine\* for the first and second quarters 2022**

(Value in million USD)

Indicator	Q1- 2022	Q2- 2022
<b>Financial account (net)**</b>	<b>411</b>	<b>901</b>
<b>Foreign Direct investment (net)</b>	<b>106</b>	<b>108</b>
Change in investment abroad (net)	5	8
Change in investment in Palestine (net)	101	100
<b>Foreign Portfolio investment (net)</b>	<b>17</b>	<b>157</b>
Change in Assets (net)	-1	100
Change in Liabilities (net)	18	57
<b>Foreign Other investment (net)</b>	<b>279</b>	<b>602</b>
Change in Assets (net)	290	659
<i>Of which Currency and deposits***</i>	<i>339</i>	<i>652</i>
Change in Liabilities (net)	-11	-57
<i>Of which Loans nonresidents</i>	<i>-4</i>	<i>35</i>
<i>Of which Currency and deposits****</i>	<i>-9</i>	<i>-93</i>
<b>Net errors and omissions</b>	<b>109</b>	<b>-225</b>
Overall balance	-9	-34
Financing	9	34
Exceptional financing	0	0
<b>Change in Reserve assets (- = Increase/+ = decrease)</b>	<b>9</b>	<b>34</b>

\*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.