

Macroeconomics Overview of Palestine

Latest Data Overview

- Preliminary estimates at constant prices showed an increase of 5.9 percent in GDP in Palestine for the year 2012 compared to the year 2011, and it showed an increase of 5.3 percent in GDP in Palestine during the 4th quarter 2012 compared to the 4th quarter 2011, and it showed an increase of 1.5 percent at constant prices compared to the 3rd quarter 2012, noting that the base year is 2004. In West Bank, GDP increased by 5.9 percent during the 4th quarter 2012 compared to the 4th quarter 2011. In Gaza Strip, GDP increased by 3.5 percent during the 4th quarter 2012 compared to the 4th quarter 2011. GDP for the 4th quarter 2012 at constant prices was USD 1,303 million for West Bank and USD 430 million for Gaza Strip.
- GDP per Capita for Palestine at constant prices was USD 1,679 for the year 2012, it increased by 2.7 percent for the year 2012 compared to the year 2011, and it was USD 424 during the 4th quarter 2012, it showed an increase of 2.1 percent compared to the 4th quarter 2011. As for West Bank at constant prices it was USD 537 during the 4th quarter 2012, it showed an increase by 3.1 percent during the 4th quarter 2012 compared to the 4th quarter 2011, and for Gaza Strip was USD 258 during the 4th quarter 2012, and it showed a decline by 0.1 percent during the 4th quarter 2012 compared to the parallel quarter 2011.
- **A deficit in the Trade Balance of goods caused the Balance of Payment to decrease in the fourth quarter 2012:** The incessant deficit of the Current Account amounted to USD 658.1 million (24.2 percent of the GDP at current prices for the 4th quarter of 2012) with a decrease of 2.1 percent compared to the previous quarter. The deficit of Current Account was caused mainly by the deficit in the Trade Balance of goods which was USD 1,159.3 million (42.6 percent of the GDP at current prices) with a decrease of 5.9 percent compared to the previous quarter.
- **Inflation rate in the Palestinian Territories is relatively low compared to other Arab Countries, but is higher than Israel:** Palestinian Territories' inflation rate reached 2.4 percent in the fourth quarter of 2012, compared with the fourth quarter of 2011. On the other hand, it reached 0.46 percent compared with the third quarter of 2012. Although the inflation rate in 2012Q4 came slightly higher than it was in 2011Q4, it came lower than it was in 2012Q3. The inflation rate in the Palestinian Territories reached 2.8 percent on average during 2012 compared with 2011. This inflation rate is relatively low, compared with other Arab countries, but is higher than in Israel (1.6 percent).
- **A decrease in Net Trade Balance on registered goods in January 2013:** exports showed stability in January, 2013 compared to December, 2012 and increased by 1.0 percent compared to January, 2012, and reached USD 62.3 Million. Imports decreased in January, 2013 by 0.8 percent compared to December, 2012. On the other hand, imports increased by 7.5 percent compared to January, 2012 and reached USD 363.6 Million. The trade balance which represents the difference between exports and imports showed a decrease in trade deficit by 1.0 percent compared to December, 2012 and increased by 9.0 percent compared to January, 2012 and reached USD 301.3 Million.

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- **Producer price index:** The overall Quantity of Industrial Production Index (IPI) in Palestine reached 106.66 during February 2013 (base month January 2011=100) with a decrease of 8.13% compared to the previous month (January 2013).
- **Consumer Price Index:** the overall Consumer Price Index (CPI) for Palestine during February 2013 decreased by 0.47% compared with January 2013 (decreased by 0.76% in the West Bank, and by 0.51% in Jerusalem, and by 0.41% in Gaza Strip).
- **The overall Construction Cost Index:** the overall Construction Cost Index (CCI) reached 113.26 with an increase of 0.31% in the West Bank during February 2013 compared to January 2013 (base month December 2007=100).
- **Industrial Production Index :** the overall Quantity of Industrial Production Index (IPI) in Palestine reached 116.09 during January 2013 (base month January 2011=100) with an increase of 1.49% compared to the previous month (December 2012).
- **47.6% of Palestine's total population is individuals under the age of 18 in mid 2012:** the estimated number of children in Palestine totaled to 2.04 million out of 4.29 million individuals (the total population in the Palestine) in the mid of 2012.
- The percentages of hotel guests increased by 11% in the fourth quarter 2012 compared to the fourth quarter 2011 and also increased by 4% compared to third quarter of 2012.

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Report's Sources

- Palestine Central Bureau of Statistics—PCBS.
- Monthly Statistical Newsletters— PEX.
- Palestine Stock Exchange Media Center.
- Sahem Trading & Investment Database.
- Palestine Monetary Authority— PMA

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