



CITIZEN BUDGET 2024

Public Budget: A separate program for PA expenditures and revenues for a specific fiscal year, which includes yearly estimates for PA revenues, grants, loans and other earnings, along with expenditures and various payments.

Citizen Budget: A simplified publication of the General Budget, which summarizes government ministries' policies and approaches for the coming year, expressed in numbers in this budget. It familiarizes citizens with how expenditures and revenues are distributed and allows them to track public spending. The average citizen can easily understand it because it is based on simple and organized data and uses charts, graphs and pictures.

The 2024 public budget totaled **ILS19.4 billion**, while the 2023 public budget was **ILS21 billion**. Actual spending in 2023 was **ILS19.7 billion**.

Main features of the 2024 public budget

Total revenues	ILS 14.042 million
Net revenue	ILS 13,952 million
Public expenditures and net lending	ILS 19,410 million
Grants and external aid (support for public and development budget)	ILS 2,510 million
Funding gap "deficit"	ILS 2,948 million
Estimated illegal Israeli deductions	ILS 3,860 million
Deficit, including illegal Israeli deductions	ILS 6,808 million

In 2024, the government adopted the budget as an emergency cash budget, from which spending was according to the available cash flows in the Treasury

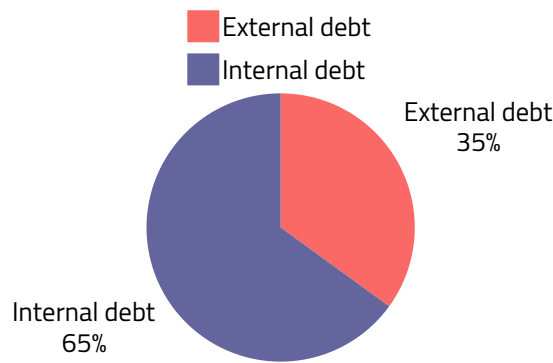
Public Debt:

At the beginning of 2024, the public debt was **ILS13.638 million**, while at the beginning of 2023 it was **ILS12,543 million**.

The public debt at the beginning of 2024 was distributed as follow:

- Internal debt of **ILS8,874 million**
- External debt of **ILS4,764 million**

Distribution of public debt at beginning of 2024 / million ILS



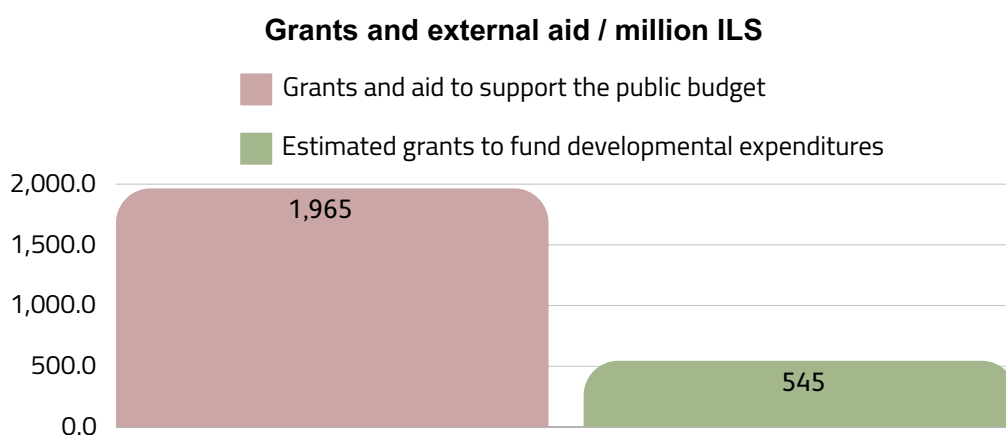
Most notable changes in revenues and the public budget due to the Israeli aggression on the Gaza Strip and West Bank and the genocidal war on the Gaza Strip

- Overall government revenues within the 2024 budget totaled ILS14,042 million, which is a decrease of 21.6% from the overall actual revenues in 2023, which totaled ILS17,906 million. It is also a decrease of 24.5% from the 2023 public budget, estimated at ILS18,611 million.
- Total revenues constitute 26% of the projected 2024 GDP, while total revenues in 2023 comprised 24% of the GDP.
- Clearance tax revenues totaled ILS9,336 million, decreasing 21.7% of the actual revenues in 2023, which totaled ILS11,918 million.
- In terms of domestic revenues, estimated at ILS4,706 million as part of the 2024 budget, they dropped by 21% compared with the actual revenues in 2023, which stood at ILS5,988 million. There was a decrease of 28.8% compared with the 2023 budget, estimated at ILS6,608 million.
- The total expenditures within the 2024 public budget totaled ILS19,410, with a decrease of 1.4% of the actual expenditures in 2023 and a decrease of 7.6% from the 2023 public budget. The estimated overall expenditures comprise 36% of the GDP, while the 2023 total expenditures comprised 28% of the GDP.
- External aid is expected to increase to ILS2,510 million as part of the 2024 public budget, which reflects an increase of 91% compared to the actual figure in 2023, which was ILS1.315, or an increase of 67% compared with the 2023 budget, estimated at ILS1.504 million.

The net deficit of the 2024 public budget after the illegal and ongoing Israeli deductions, is estimated at ILS6,808 million, or an increase of 172% from the actual deficit in the previous budget, which was ILS2,506 million and also a 228% increase from the projected deficit in the 2023 budget, which was ILS2,069 million.

Articles of the Public Budget:

- **Grants and external aid were estimated at ILS2,510 million and divided into:**
- Grants and aid to support the public budget at ILS 1,965 million
- Estimated grants to fund developmental expenditures of ILS 545 million



Overall revenues and their sources:

- Overall revenues: ILS14,042 million
- Tax returns: ILS-89.3 million
- Net revenues: ILS13,952 million

Tax returns: Projected tax returns throughout the year. Their sign is negative since the budget loses them.

Sources of revenue:

- Overall domestic revenues: ILS4,706 million
- Overall clearance tax revenues: ILS9,336 million

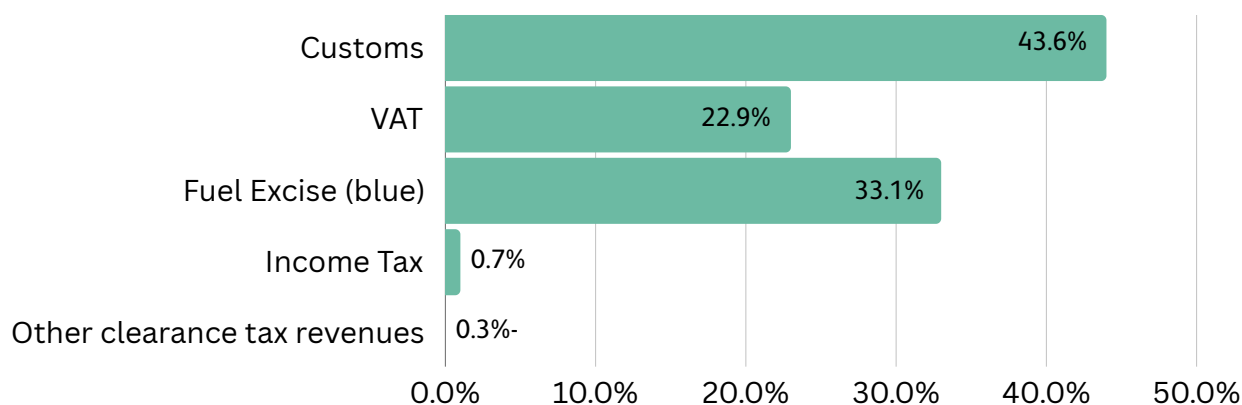
Clearance tax revenues constitute approximately 66% of overall revenues, while domestic revenues comprise 34%.

Domestic and clearance tax revenues / million ILS

Domestic revenues	ILS 4,706
Clearance tax revenues	ILS 9,336

Components of clearance tax revenues / million ILS

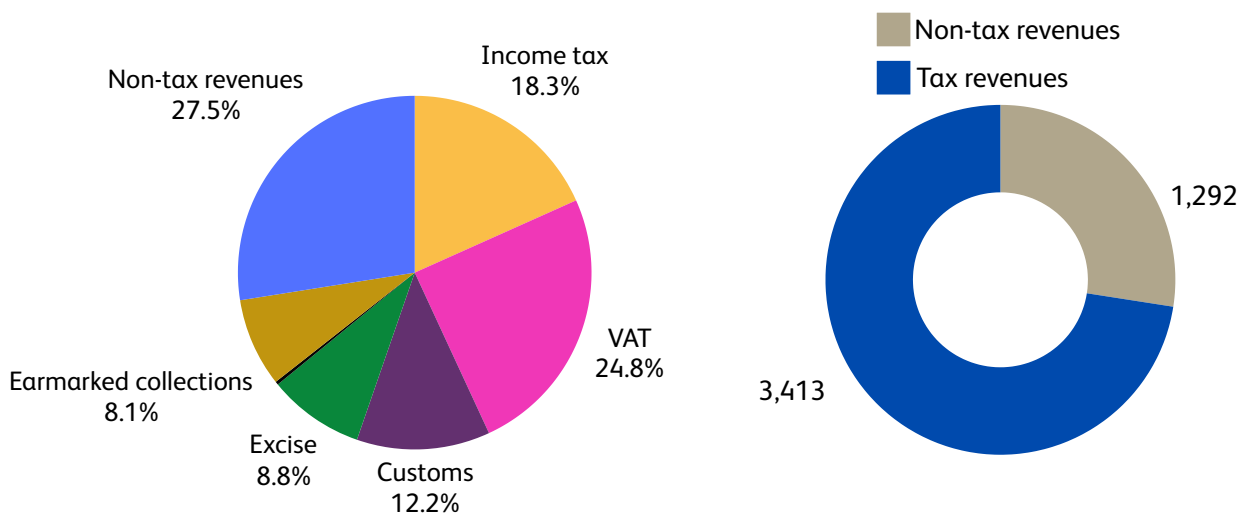
Item	Estimated budget	Percentage from overall clearance revenues
Customs	4,074	43.60%
VAT	2,142	22.90%
Fuel excise (blue tax)	3,087	33.10%
Income tax	62	0.70%
Other clearance revenues	-29	-0.30%
Total clearance tax revenues	9,336	100%

Percentages of clearance tax items

Components of domestic revenues / million ILS

Item	Estimated budget	Percentage from overall clearance tax revenues
Tax returns, including:	3,413	72.50%
Income tax	861	18.30%
VAT	1,166	24,80%
Customs	574	12.20%
Excise	415	8.80%
Property tax	15	0.3%
Earmarked collections	382	8.10%
Non-tax revenues	1,292	27.50%
Total domestic revenues	4,705	100%

Distribution of domestic revenues, by character / million ILS



Overhead structure

Item	budget/million shekels	Percentage
Salaries and wages	8,469	43.63%
Social contributions	830	4.28%
Goods and services	2,506	12.91%
Transfer expenditures	3,231	16.65%
Fuel subsidy	640	3.30%
Capital expenditures	130	0.67%
Interests	460	2.37%
Net lending	1,250	6.44%
Earmarked payments	382	1.97%
Developmental expenditures	1,512	7.79%
Total	19,410	100.00%

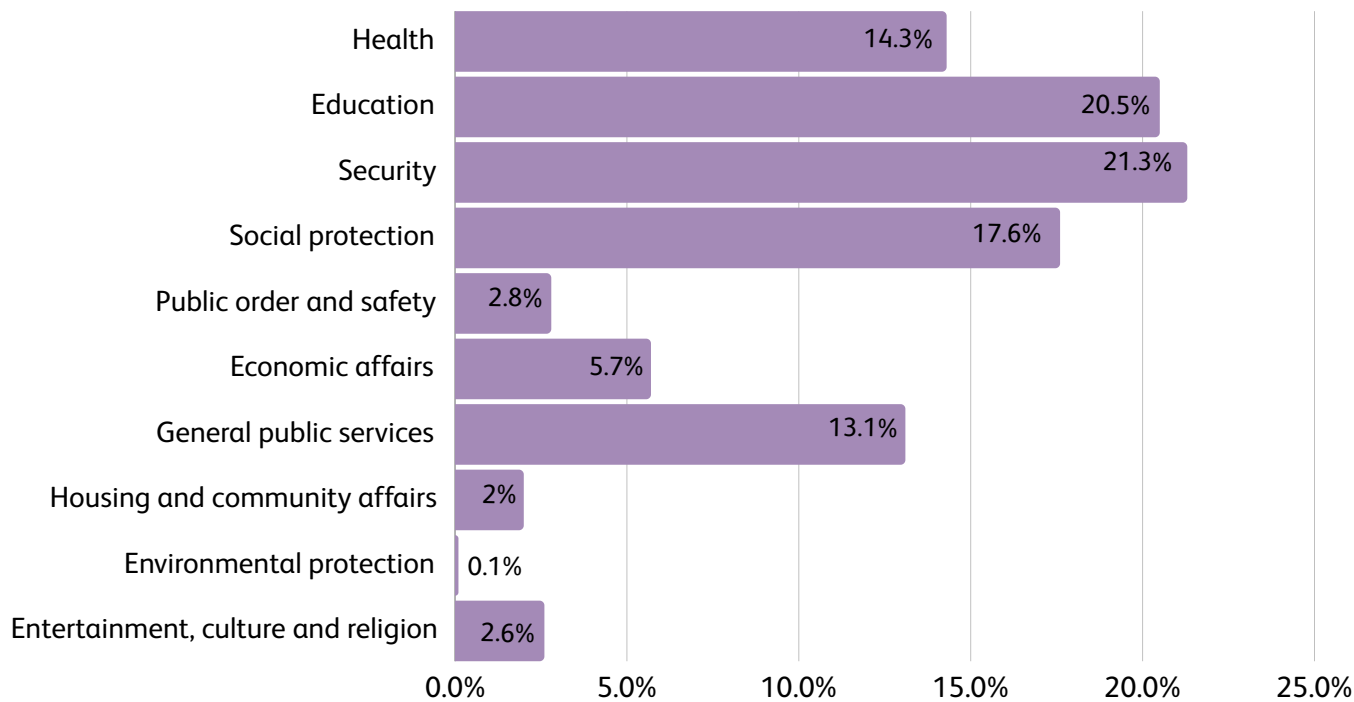
Public budget according to government's functions and priorities for the most important sectors

Sector	Percentage of public budget
Health	14.30%
Education	20.50%
Security	21.30%
Social protection	17.60%

In regards to the Ministry of Social Development after deductions to the CPT (Cash Transfer Program) into two programs, the budget for the Ministry of Social Development now comprises 3.3% of the overall public budget, at ILS571 million. It should be noted that the Ministry of Social Development Ministry constitutes 20% of the overall budget of the social protection sector.

The social protection sector includes the following: the Social Development Ministry, the Prisoner Affairs Commission, the Ministry of Women's Affairs, the Commission against the Wall and Settlements, the Palestinian Martyrs Fund, Pension Fund, Refugee Affairs Department and the Ministry of Jerusalem Affairs.

Distribution of 2024 public budget according to government occupational classification for all sectors



Public sector employees:

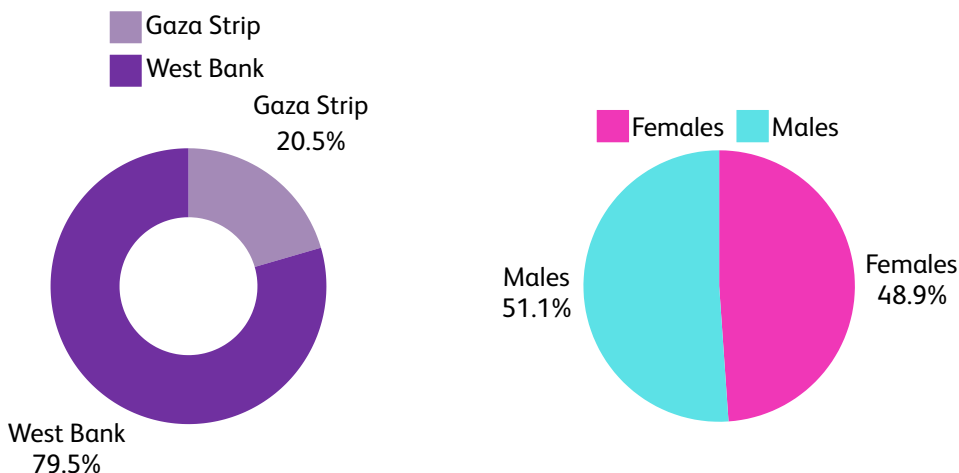
The payroll bill for employees in the civil and security sectors in 2024 is estimated at approximately ILS705 million a month, with an estimated annual bill of ILS8,469 million.

Note: Since November, 2021, public sector employees have suffered inconsistent payment of salaries due to PA financial crisis. The amount of accumulated dues owed to the public sector employees is around ILS3 billion and is likely to increase every month given that only partial salaries are being paid.

Table illustrating the number of civil servants, by sex and region

Region	Male	Female	Total
West Bank	34,315	37,596	71,911
Gaza Strip	11,948	6,648	18,596
Total	46,263	44,244	90,507

Distribution of civil servants, according to sex and region in percentages



Important Terms:

- **Revenues:** include tax revenues, non-tax revenues, grants, and all other revenues obtained by the State of Palestine.
- **Tax Revenues:** include taxes on income and profits, local taxes on goods and services, and any other taxes that are imposed occasionally.
- **Non-tax Revenues:** include profits from companies owned by the Palestinian Authority (PA) or their investors (directly or indirectly), as well as licensing, professional, and insurance fees and administrative fees, fines, seizures, and other non-tax revenues.
- **Clearance:** is the total revenue collected by Israel on behalf of the Palestinian National Authority and transferred to Palestine in Israeli Shekels. This includes income tax, value-added tax (VAT), purchase tax, and any other taxes and fees resulting from business exchange between Israel and the West Bank and Gaza Strip, in accordance with the Paris Protocol on Economic Relations.
- **Expenditures:** include current; capital; and developmental expenditures.
- **Current expenditures:** include salaries, wages, allowances, and the operational and transfer expenditures of ministries, public institutions, and executive bodies/agencies of the Palestinian state.
- **Operational expenditures (“Goods and Services”):** are the needed expenditures to operate public institutions (such as building-related fees, electricity fees, water, fuel, etc.). These expenditures are part of the current expenditures.
- **Transfer Expenditures:** are expenditures allocated from the General Budget for the benefit of third parties, such as aid provided through the Ministry of Social Development (MoSD) to poor families and other cases.
- **Capital Expenditures:** include the expenses paid for acquiring capital assets (e.g., buildings, lands, equipment, vehicles, etc.), as well as capital transfers related to projects. This item also includes expenses for capital development.
- **Developmental Expenditures:** are expenditures that have a different nature from current expenditures in terms of the life span and the return on expenditures (such as infrastructure projects).
- **Public Debt:** is the outstanding balance of unpaid financial dues that must be paid by the government.
- **External Public Debt:** are the financial dues to be paid by the government to repay the money lent from foreign countries and international organizations and bodies, in accordance with the law.
- **Internal Public Debt:** are financial dues to be paid by the government in return for loans acquired from government bonds, local banks, or other local financial institutions (Article (1) of Public Debt Law No. (24) of 2005).

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