



State of Palestine Palestinian Central Bureau of Statistics

Introduction by the President of PCBS

On March 13th, Dr. Ola Awad, issued a statement confirming that the Palestinian Central Bureau of Statistics will continue to work remotely in light of the emergency that the state of Palestine due to the Corona virus, in order to fully continue with its mission, especially at this sensitive stage that requires statistics to provide relevant and updated data to the Government and policy makers in various areas and aspects of life, especially the economic reality that we live in this difficult stage.

Dr. Awad, mentioned that an economic forecasts for 2020 in light of the current outbreak of the Coronavirus was prepared in a timely manner. The forecast on the expected losses resulting from the current health crisis was based on three scenarios assuming the crisis will continue for 1 month (scenario 1) or for 3 months (scenario 2) or for 6 months (scenario 3). The forecast was submitted to the Prime Minister and the Ministry of Finance and Planning in which the emergency budget was prepared upon. The plan was also shared with all partners and stakeholders for guidance and insight.

Dr. Awad wishes to express sincere gratitude to all parties who have worked in close cooperation with PCBS to come out with this valuable product including the Ministry of Finance and Planning and the PCBS staff.

Economic forecasts for 2020 in light of the current outbreak of the Coronavirus

The economic model adopted by the PCBS was used to formulate economic forecasts for the year 2020 in light of the current Corona virus crisis. Where three scenarios were developed based on the assumptions of the general financial policy obtained from the Ministry of Finance. It's worth noting that the emergency budget which was prepared by the Ministry of Finance was based on these forecasts.

These scenarios indicated a decline in the performance of the productive activity of the vital sectors for different periods according to each scenario and the consequent impact on the internal and external commercial movement and the direct effects on vital sectors such as the tourism sector, internal trade in addition to transportation and communications. Thus a weakening of the macroeconomic productive base and the consequent decrease in the value of local taxes and added value.

The three scenarios about the impact of the crisis resulting from the Corona virus were prepared based on the base scenario for 2020, which was published at the end of December 2019 (Status quo), in which the result was the GDP's growth at constant prices increased by 2.4% compared to 2019 to reach USD 16.2 billion.

Scenario framework:

The first scenario: the impact of the crisis caused by the Corona virus for a month and its impact on the year 2020

The second scenario: The impact of the crisis resulting from the Corona virus continues for 3 months and its impact on the year 2020

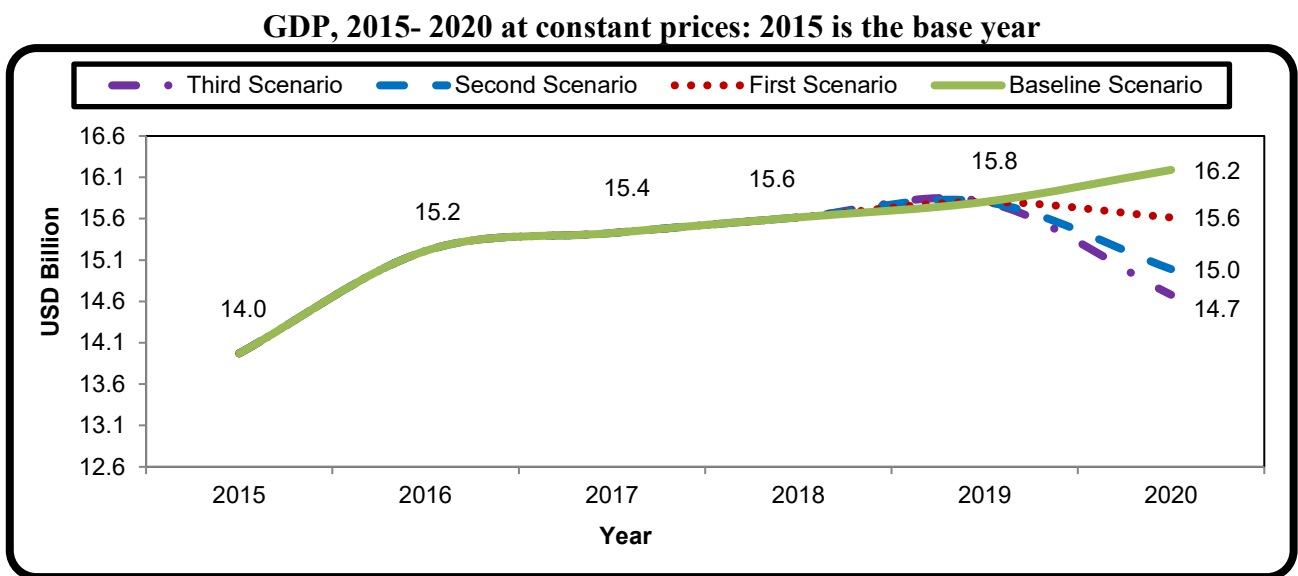
The third scenario: the impact of the crisis caused by the Corona virus for 6 months and its impact on the year 2020.

Results:

- In the first scenario: there will be a decline in GDP for the year 2020 by 1.2% compared to the year 2019 in case the conditions continue for a month, and this means a decrease in (GDP) by USD 576 million compared to the basic scenario for the year 2020.

- In the second scenario: there will be a decline in GDP for the year 2020 by 5.1% compared to the year 2019 if the situation continues for a period of 3 months, and this means a decline in (GDP) by USD 1.2 billion compared to the basic scenario for the year 2020

In the third scenario: there will be a decline in GDP for the year 2020 by 7.1% compared to the year 2019 if the situation continues for a period of 6 months, and this means a decrease in (GDP) by USD 1.5 billion compared to the basic scenario for 2020 .



Transportation sector losses:

The added value of the transportation sector in the West Bank, according to the Economic Surveys data of 2018, amounted to about USD 218 million. In the state of emergency because of the (Corona virus), the estimated losses in the transportation sector amounted to about USD 3 million per week is due to the closure of universities and educational sector in general, the closure of the city of Bethlehem and the impact of local and inbound tourism in particular.

Inbound tourism sector losses in Bethlehem Governorate due to the quarantine imposed during March 2020

- The percentage of overnight tourists stay in hotels during the month of March, 2020 in the West Bank is 10.4%, therefore, according to the data for 2019, the total tourist arrivals consumption in Bethlehem Governorate was equivalent to approximately USD 150 million annually - and depending on the number

of Bethlehem residents during the month of March , 2019 - The value of what is spent by incoming tourists in Bethlehem Governorate during the month of March 2020 is approximately 10.2 million USD.

The equivalent of 10.8% of the total number of overnight nights at Bethlehem Governorate has been in March 2019.

About 60% of hotel guests in the West Bank were registered in Bethlehem in 2019.

Total expenditure of inbound tourism in the West Bank and Bethlehem Governorate during each month.

