



CITIZENS' BUDGET 2025

Public Budget: A detailed 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.

Public Budget Law (7) of 1998, Article 1

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.

In 2025, the public budget was adopted as an austerity budget, which is closer to an emergency budget that take into consideration the current circumstances and which spending is disbursed according to available cash flows.

The 2025 public budget totaled **ILS20.6 billion**, while the 2024 public budget was **ILS19.4 billion**. Actual spending in 2025 was **ILS19.37 billion**.

Main features of the 2025 public budget

Total revenues	ILS 16,041 million
Net revenue	ILS 15,875 million
Public expenditures and net lending	ILS 20,632 million
Grants and external aid (support for public and development budget)	ILS 1,776 million
Funding gap "deficit"	ILS 2,981 million
Estimated illegal Israeli deductions	ILS 3,930 million
Deficit, including illegal Israeli deductions	ILS 6,911 million

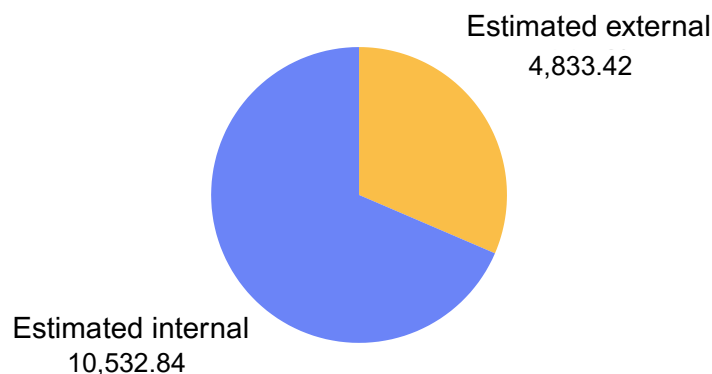
Public Debt:

At the beginning of 2025, the public debt was **ILS15,366,26 million**, while at the beginning of 2024 it was **ILS13,638,32 million**.

The public debt at the beginning of 2025 was distributed as follows:

- Estimated internal debt of **ILS10,532.84 million**
- Estimated external debt of **ILS4,833.42 million**

Distribution of public debt at beginning of 2025 / million ILS



Most notable changes in revenues and the 2025 public budget:

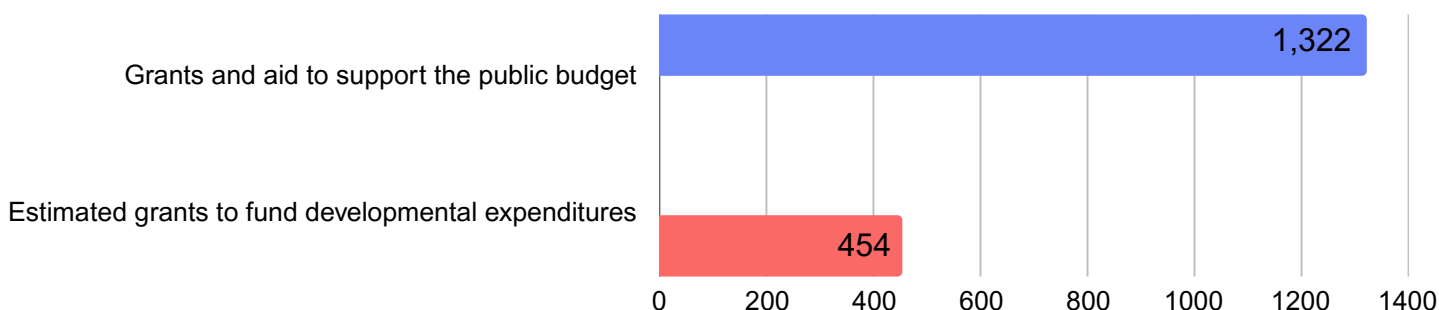
- The 2025 public budget will reflect a growth in net revenues of 13.8% over the estimated revenues in the 2024 budget, from ILS13,952 million to ILS15,875 million. Net revenues for 2025 are expected to constitute 32% of the GDP.
- The 2025 public budget will reflect a 6.3% increase in overall expenditures over the overall expenditures estimated in the 2024 budget, from ILS19,410 million to NIS 20,632 million. It is expected that expenditures will constitute 42% of the GDP.
- The 2025 public budget will reflect a 17.5% decrease in development expenditures compared to the development expenditures estimated in the 2024 budget, from ILS1,512 million to ILS1,248 million.
- The 2025 public budget will reflect a 29.2% decline in grants and foreign aid compared to the grants and aid estimated in the 2024 budget, from ILS 2,510 million to ILS 1,776 million.
- If illegal Israeli deductions continue, projections are that the deficit after these deductions will reach ILS 6,911 million, or 33.5% of the total public budget, and approximately 14% of the GDP.

Articles of the Public Budget:

Grants and external aid were estimated at **ILS1,776 million** and divided into:

- Grants and aid to support the public budget at **ILS 1,322 million**
- Estimated grants to fund developmental expenditures of **ILS 454 million**

Grants and external aid/ILS million



Overall revenues and their sources:

- Overall revenues: **ILS16,041 million**
- Tax returns: **ILS-166 million**
- Net revenues: **ILS15,875 million**

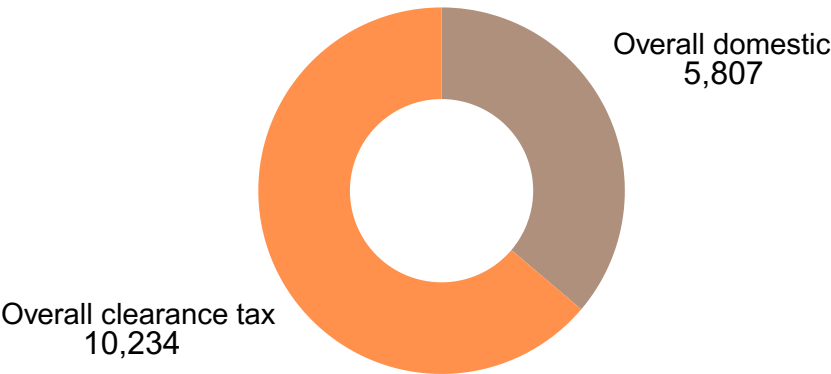
Tax returns: Projected tax returns throughout the year. Their sign is negative since the budget loses them

Sources of revenue:

- Overall domestic revenues: ILS5,807 million
- Overall clearance tax revenues: ILS10,234 million

Clearance tax revenues constitute approximately 64% of overall revenues, while domestic revenues comprise 36%

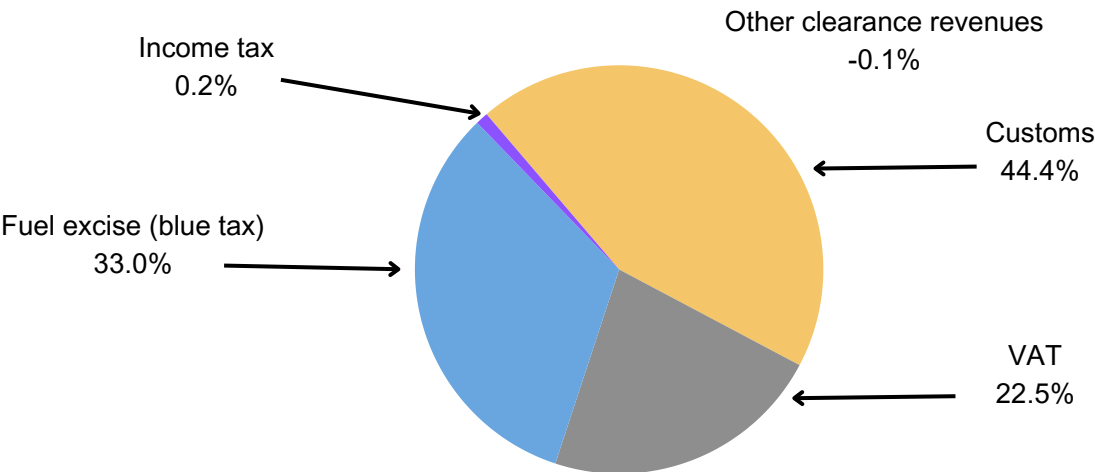
Domestic and clearance tax revenues/ILS million



Components of clearance tax revenues / ILS million

Item	Estimated budget	Percentage from overall clearance revenues
Customs	4,543	44.4%
VAT	2,301	22.5%
Fuel excise (blue tax)	3,377	33.0%
Income tax	25	0.2%
Other clearance revenues	-12	-0.1%
Total clearance tax revenues	10,234	100%

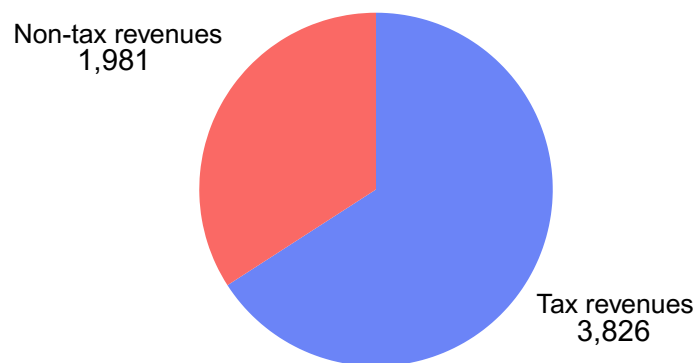
Percentages of clearance tax revenue components



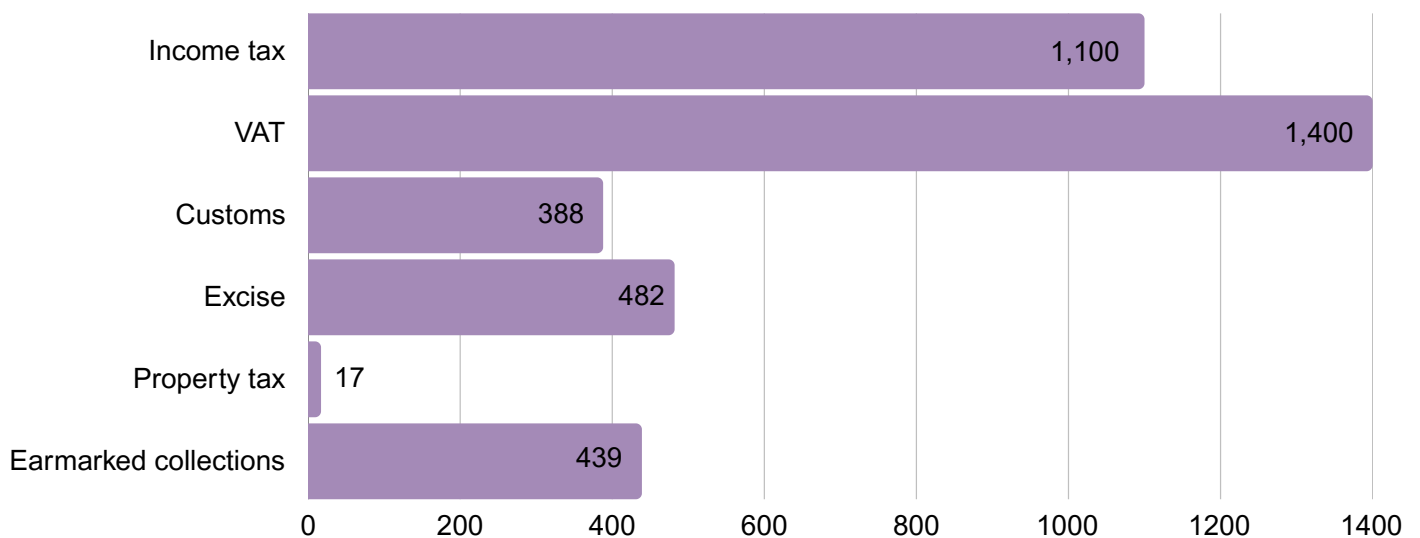
Domestic revenue components:

Item	Estimated budge	Percentage of overall domestic revenue
Tax revenues	3,826	65.9%
Income tax	1,100	18.9%
VAT	1,400	24.1%
Customs	388	6.7%
Excise	482	8.3%
Property tax	17	0.3%
Earmarked collections	439	7.6%
Non-tax revenues	1,981	34.1%
Total domestic revenues	5,807	100.0%

Distribution of domestic revenues according to type/ ILS million



Distribution of projected domestic tax revenues



Overhead structure:

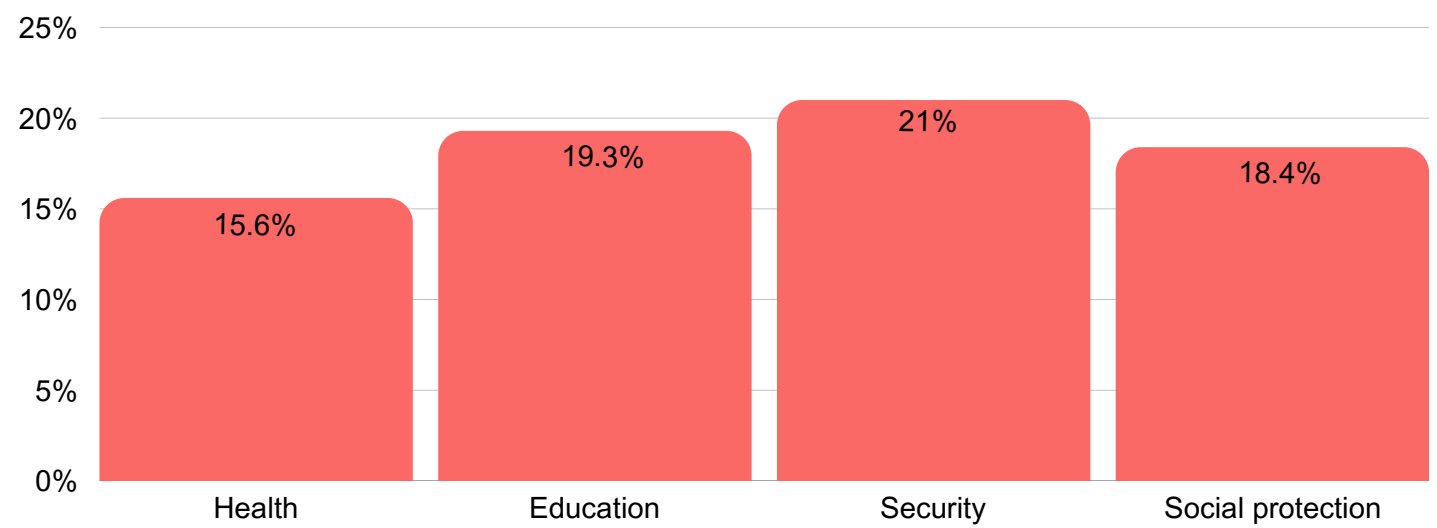
Item	Budget/ILS million	Percentage
Salaries and wages	8,622	41.79%
Social contributions	851	4.12%
Goods and services	3,103	15.04%
Referral expenditures	3,648	17.68%
Fuel subsidy	820	3.97%
Capital expenditures	124	0.60%
Interests	578	2.80%
Net lending	1,200	5.82%
Earmarked payments	439	2.13%
Development expenditures	1,248	6.05%
Total	20,633	100.0%

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

No.	Sector	Percentage
1	Health	15.6%
2	Education	19.3%
3	Security	21%
4	Social protection	18.4%

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 and the State Ministry for Relief Affairs.

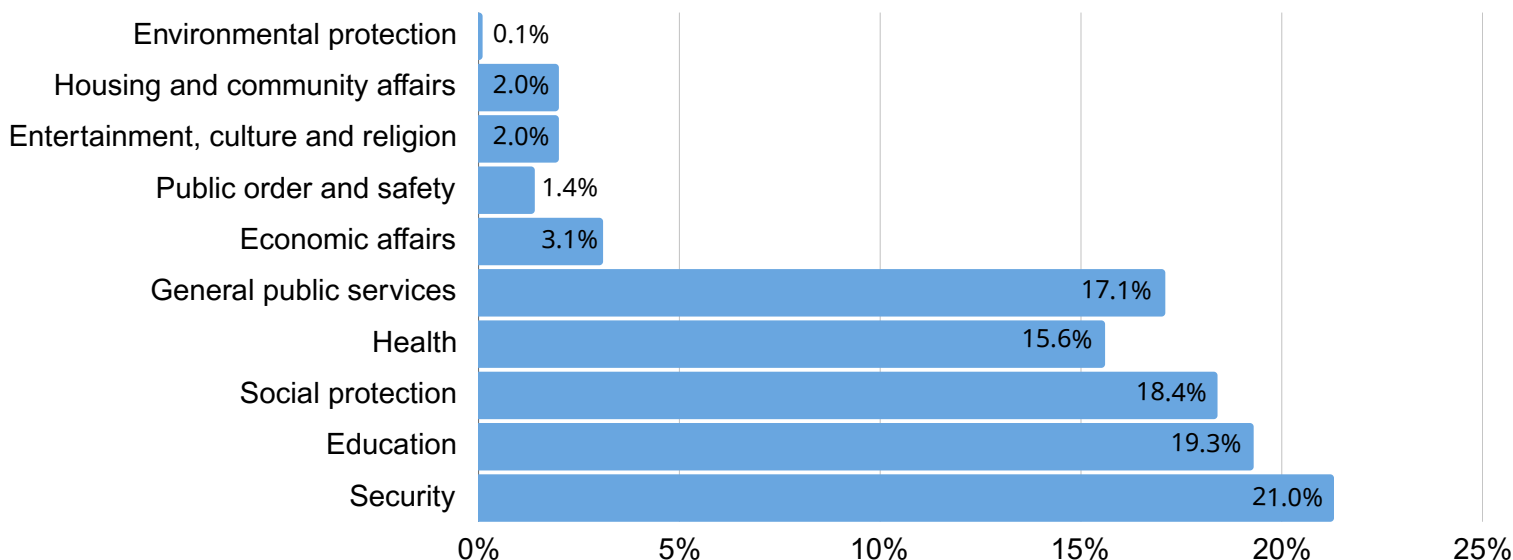
Priorities of government funding for the most important sectors



2025 public budget according to government occupational classification for all sectors:

Sector	Percentage
Entertainment, culture and religion	2.0%
Environmental protection	0.1%
Housing and community affairs	2.0%
General public services	17.1%
Economic affairs	3.1%
Public order and safety	1.4%
Social protection	18.4%
Security	21.0%
Education	19.3%
Health	15.6%
Total	100.0%

Distribution of 2025 public budget according to government occupational classification for all sectors



Gender indicators in the 2025 public budget:

- Earmarking ILS890 million in 2025 with an increase of ILS247 million over the 2024 budget, for medicines, medical consumables, lab materials and rentals of lab equipment within the Ministry of Health budget
- Raising the ceiling of medical referrals to ILS750 million at an increase of approximately ILS250 million compared to the previous public budget within the Ministry of Health budget.
- Earmarking an additional sum to the Ministry of Social Development at an amount of ILS159 million for the CTP, as a result of calculating three and a half payments over 10.5 months, while the 2024 budget only included two installments.
- Increase of ILS180 million in fuel subsidies in the 2025 public budget compared to the 2024 public budget.

Public sector employees:

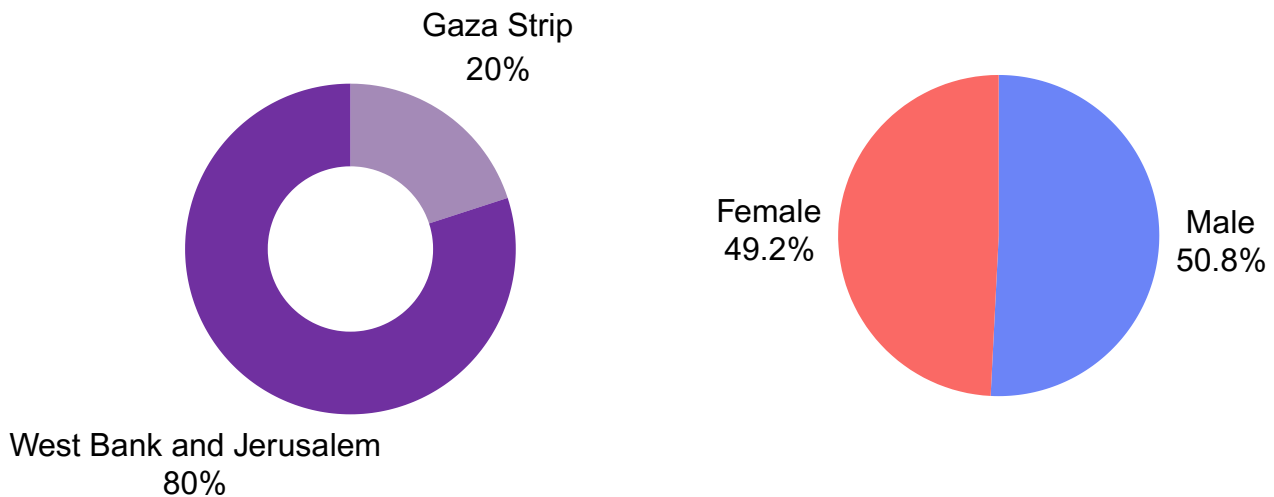
The payroll bill for employees in the civil and security sectors in 2025 is estimated at approximately ILS718.5 million a month, with an estimated annual bill of ILS8,622,3 million.

Note: Since November, 2021, public sector employees have suffered inconsistent payment of salaries due to PA financial crisis.

Number of civil servants, by gender and region

Region	Male	Female	Total
West Bank	34,623	38,263	72,886
Gaza Strip	11,575	6,502	18,077
Total	46,198	44,765	90,963

Distribution of civil servants according to job category and gender



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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Annex: Classification of senior government bodies

Name of government bodies	Job classification
Ministry of Waqf and Religious Affairs	Entertainment, culture and religion
Ministry of Culture	Entertainment, culture and religion
Ministry of Information	Entertainment, culture and religion
Higher Council for Youth and Sports	Entertainment, culture and religion
Palestinian Dar Al Ifta	Entertainment, culture and religion
Palestinian Broadcasting Corporation	Entertainment, culture and religion
Palestinian News Agency – WAFA	Entertainment, culture and religion
Al Hayat for press, printing and publishing	Entertainment, culture and religion
National Committee for Summer Camps	Entertainment, culture and religion
Ministry of Education	Education
Ministry of Higher Education and Scientific Research	Education
National Commission for vocational and technical education and training	Education
National School	Education
Prisoner Affairs Commission	Social protection
Ministry of Social Development	Social protection
Ministry of Women's Affairs	Social protection
Wall and Settlements Commission	Social protection
Palestinian Martyrs Fund	Social protection
Retirees	Social protection
Refugee Affairs Department	Social protection
Ministry of Jerusalem Affairs	Social protection
Central Financial Administration	Defense
Ministry of Agriculture	Economic affairs
Ministry of Labor	Economic affairs
Ministry of National Economy	Economic affairs

Ministry of Communications and IT	Economic affairs
Ministry of Tourism and Archeology	Economic affairs
Ministry of Transportation	Economic affairs
Risk Mitigation Fund	Economic affairs
Palestinian Investment Promotion Agency	Economic affairs
Ministry of Entrepreneurship and Empowerment	Economic affairs
National Committee for Education, Culture and Science	Economic affairs
Palestinian National Fund	Economic affairs
National Guidance Commission	Economic affairs
Negotiations Affairs Department	Economic affairs
Palestinian Natural Resources	Economic affairs
-	Economic affairs
Institute of Specifications and standards	Economic affairs
Palestinian Agricultural Credit Institute	Economic affairs
Ministry of Health	Health
Ministry of Interior – Central	Public order and safety
Ministry of Justice	Public order and safety
Ministry of Planning and administrative development	Public order and safety
Border and Crossings Authority	Public order and safety
Chief Justice Bureau	Public order and safety
Administrative Courts	Public order and safety
Attorney General	Public order and safety
Anti-Corruption Commission	Public order and safety
Supreme Constitutional Court	Public order and safety
Palestinian Judicial Institute	Public order and safety
Environment Quality Authority	Environment protection
President's Office – central	Public services
Prime Minister's Office	Public services
Ministry of Finance	Public services
Ministry of Foreign Affairs	Public services
Central Elections Committee	Public services
Fatwa and Sharia Bureau	Public services
NGO Affairs Commission	Public services
Cabinet General Secretariat	Public services

Embassies	Public services
Financial and administrative oversight office	Public services
Financial reserves	Public services
Civil Servants Bureau	Public services
Civil Affairs General Authority	Public services
Istqlal Bank for Development and Investment	Public services
Non-governmental institutions – central	Public services
Palestinian Central Bureau of Statistics	Public services
Palestinian Legislative Council (PLC)	Public services
Palestinian National Council (PNC)	Public services
Public Debt Service	Public services
Public expenditures	Public services
Higher Council for Public Procurement Policies	Public services
Deputy Prime Minister's office	Public services
Cooperative Action Authority	Public services
Bethlehem governorate	Public services
Central Gaza governorate	Public services
Hebron governorate	Public services
Jenin governorate	Public services
Jericho governorate	Public services
Jerusalem governorate	Public services
Khan Younis governorate	Public services
Nablus governorate	Public services
Northern Gaza governorate	Public services
Qalqilya governorate	Public services
Rafah governorate	Public services
Ramallah/AI Bireh governorate	Public services
Salfeet governorate	Public services
Tubas governorate	Public services
Tulkarm governorate	Public services
Ministry of Local Government	Housing and community affairs
Ministry of Public Works and Housing	Housing and community affairs
Land Authority	Housing and community affairs
Palestinian Water Authority	Housing and community affairs
Land Settlement and Water Authority	Housing and community affairs