



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

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) announced the preliminary results of the International Investment Position (IIP), and External Debt statistics for Palestine as of the end of the second quarter 2022 and the end of year 2021¹.

The primary results of the IIP (external assets – foreign liabilities) for Palestine at the end of the second quarter 2022 revealed that the net IIP amounted to USD 3,073 million, decreased by 18% compared with the previous quarter, which means that the Palestinian economy's investments outside Palestine outweigh investments in Palestine from abroad.

65% of the total external assets of the Palestinian economy are currency and deposits at the End of the Second Quarter of 2022, due to the absence of a Palestinian national currency

The total stocks of External Assets for the Palestinian economy amounted to USD 9,227 million, the Foreign Direct Investment Abroad contributed to 3%, Portfolio Investments abroad reached 16%, while Other Foreign Investments Abroad (mainly currency and deposits) reached 72% and Reserve Assets amounted to 9%. At the sectoral level, the external investments of the banking sector represented a large share of the external assets (balances abroad, vault cash, and portfolio investment) standing at 70% of the total value of external assets in the Palestinian economy.

51% of the total foreign liabilities on the Palestinian economy at the End of the Second Quarter of 2022, are a foreign direct investment

The total stocks of Foreign Liabilities in Palestine (stocks of non-residents invested in Palestine) amounted to USD 6,154 million, where the Foreign Direct Investment in Palestine contributed to 51%, Portfolio Investments in Palestine reached 15%, and Other Investments in Palestine (mainly loans and deposits from abroad) amounted to 34%. At the sectoral level, the foreign investments in the banking sector contributed a major value in the foreign liabilities, represented by 34% of the total value of foreign liabilities in the Palestinian economy.

¹ The data related to the end of year 2021 are attached in the tables

A decrease in Stock of external government debt by 0.8%, to reach about USD 1.3 billion at the end of the second quarter 2022

The Gross External Debt of the Palestinian economic sectors reached USD 2,129 million decreased by 0.8% compared with the previous quarter. Debt on the government sector represented 61%, while debt on the banking sector (deposits of non-residents in banks operating in Palestine) reached 32%, and debt on other sectors (non-bank financial corporations, non-financial corporations, NGOs, and household sector) amounted to 5%, and the lending between affiliated companies reached 2%.

The International Investment Position (IIP) is a statistical record of the investments stocks for the residents in Palestine (individuals, institutions, and government) invested in the rest of the world (abroad) under the name of (assets), compared with the investments stocks owned by residents outside Palestine (individuals, institutions, and government) invested in Palestine under the name of (liabilities).

The Balance of Payments Manual - fifth edition, issued by the International Monetary Fund in 1993, divides the assets and liabilities into direct investment (investment by 10% and more in the non-resident capital). Portfolio investment (investment less than 10% in the non-resident capital as well as investment in bonds), and other investments (includes stocks of trade credit, loans, currency and deposits, and any other assets or liabilities). In addition to the Reserve Assets, i.e. Stocks held by the Central Banks/ Monetary Authorities to address the imbalances in the balance of payments. It is worth mentioning that the reserve assets are only included in the asset side.

The External Debt is a statistical record of the debt stocks on Palestinian economic sectors due to non-residents. These include (loans from non-residents, deposits of non-residents deposited in the banks operating in Palestine, the Palestinian bonds purchased by non-residents, and debt transactions between the non-resident enterprises and fellow enterprises in Palestine. They encompass as well any other liabilities on the Palestinian economy) the data of external debt have been extracted from the liabilities side in the international investment position matrix (debt items). Compiling and disseminating the data based on (The External Debt Statistics Manual) issued by IMF in 2003, which is harmonized with the fifth edition of the Balance of Payments Manual.

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Table 1: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of the Second Quarter, 2022

Value in million USD

Economic Sector Investments Stocks by Type of Investment	Monetary Authorities (PMA)	Government Sector	Banks Sector	Other Sectors		TOTAL
				Non-bank Financial Corporations, Non-Financial Corporations, and NGOs Sector	House- Holds Sector	
International Investment Position (net)*	1,294	784-	4,377	806-	1,008-	3,073
Total External Assets	1,294	521	6,498	855	59	9,227
Foreign Direct Investment Abroad	0	0	0	293	25	318
Portfolio Investments Abroad	111	0	819	505	0	1,435
Other Investments Abroad	353	521	5,679	57	34	6,644
<i>Of which: currency and deposits**</i>	353	0	5,651	2	34	6,040
Reserve Assets	830	0	0	0	0	830
Total Foreign Liabilities	0	1,305	2,121	1,661	1,067	6,154
Foreign Direct Investment in Palestine	0	0	1,092	981	1,067	3,140
Foreign Portfolio Investments in Palestine	0	0	350	576	0	926
Foreign Other Investments in Palestine:	0	1,305	679	104	0	2,088
<i>Of which: loans from abroad</i>	0	1,305	0	104	0	1,409
<i>Of which: currency and deposits***</i>	0	0	679	0	0	679

Notes:

- The data in the above table are close to the nearest integer.

- The data does not include the value of land owned by non-residents.

* International investment position (net): equals total external assets minus total foreign liabilities.

** Currency and deposits: Include the residents deposits in banks abroad, in addition to foreign exchange in Palestinian economy.

*** Currency and deposits: Include the deposits of non-residents deposited in resident banks.

Table 2: Gross External Debt Position on Palestine, at the End of the First Quarter, 2022 and Second Quarter, 2022

Value in million USD

Economic Sector	Stock at the end of the First Quarter 2022	Stock at the end of the Second Quarter 2022
General Government	1,316	1,305
Short-term	163	188
Long-term	1,153	1,117
Monetary Authorities	0	0
Short-term	0	0
Long-term	0	0
Banks	771	679
Short-term	402	309
Long-term	369	370
Other Sectors	43	104
Short-term	0	0
Long-term	43	104
Direct Investment: lending between affiliated companies	17	41
Debt liabilities to affiliated companies	0	0
Debt liabilities to direct investors	17	41
Gross External Debt Position	2,147	2,129

Table 3: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of 2021

Value in million USD

Economic Sector Investments Stocks by Type of Investment	Monetary Authorities (PMA)	Government Sector	Banks Sector	Other Sectors		TOTAL
				Nonbank Financial Corporations, Non-Financial Corporations, and NGOs Sector	House- Holds Sector	
International Investment Position (net)*	1,377	1,122-	4,588	694-	991-	3,158
Total External Assets	1,377	197	6,720	883	64	9,241
Foreign Direct Investment Abroad	0	0	0	346	25	371
Portfolio Investments Abroad	78	0	839	480	0	1,397
Other Investments Abroad	426	197	5,881	57	39	6,600
<i>Of which: currency and deposits**</i>	426	0	5,855	2	39	6,322
Reserve Assets	873	0	0	0	0	873
Total Foreign Liabilities	0	1,319	2,132	1,577	1,055	6,083
Foreign Direct Investment in Palestine	0	0	1,028	947	1,055	3,030
Foreign Portfolio Investments in Palestine	0	0	324	526	0	850
Foreign Other Investments in Palestine:	0	1,319	780	104	0	2,203
<i>Of which: loans from abroad</i>	0	1,319	0	104	0	1,423
<i>Of which: currency and deposits***</i>	0	0	780	0	0	780

Notes:

- The data in the above table are close to the nearest integer.

- The data does not include the value of land owned by non-residents.

* International investment position (net): equals total external assets minus total foreign liabilities.

** Currency and deposits: This item include the residents' deposits in banks abroad, in addition to foreign exchange in Palestinian economy.

*** Currency and deposits: This item include the deposits of non-residents deposited in resident banks.

Table 4: Gross External Debt Position on Palestine, at the end of years 2020, 2021

Value in million USD

Economic Sector	Stock at the end of 2020	Stock at the end of 2021
General Government	1,325	1,319
Short-term	120	191
Long-term	1205	1128
Monetary Authorities	0	0
Short-term	0	0
Long-term	0	0
Banks	684	780
Short-term	327	378
Long-term	357	402
Other Sectors	43	104
Short-term	0	0
Long-term	43	104
Direct Investment: lending between affiliated companies	17	41
Debt liabilities to affiliated enterprises	0	0
Debt liabilities to direct investors	17	41
Gross External Debt Position	2,069	2,244