

The Palestinian Central Bureau of Statistics (PCBS) and Palestine Monetary Authority (PMA) announce, the preliminary results of International Investment Position (IIP) for Palestine at the end of the first quarter 2014.

**Stocks of Palestinian assets invested abroad are about USD 6,318 million, of which 62.5%
currency and deposits,**

While stocks of foreign liabilities on the Palestinian economy are about USD 4,977 million

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) have prepared a press release for the International Investment Position (IIP), and External Debt statistics for Palestine at the end of first quarter 2014.

The primary results of the IIP (external assets – foreign liabilities) for Palestine at the end of first quarter 2014 revealed that the net IIP amounted to about USD 1,341 million, which means that the Palestinian economy of its various sectors had invested outside Palestine by more than the investment amount in Palestine from abroad. The cash deposits of local banks in foreign banks and foreign exchange in Palestinian economy contributed a major value in the external assets, which represented by 58.2% of their total value.

The total stocks of External Assets for Palestine (Stocks of residents in Palestine invested abroad) amounted to USD 6,318 million, The Foreign Direct Investment abroad had contributed to 5.5%, Portfolio Investments abroad reached 21.2%, while Other Foreign Investments abroad reached 64.0%, and Reserve Assets amounted to 9.3%. According to sectoral level, the external investments of banking sector contributed a major value in the external assets, represented by 71.7% of the total value of external assets.

The total stocks of Foreign Liabilities in Palestine (Stocks of non- residents invested in Palestine) had amounted to USD 4,977 million, The Foreign Direct Investment in Palestine contributed 50.3%, Portfolio Investments in Palestine reached 15.6%, and Other Investments in Palestine amounted to 34.1%. According to sectoral level, the foreign investments in banking sector contributed a major value in the foreign liabilities, represented by 33.4% of the total value of foreign liabilities.

The International Investment Position (IIP) is defined as an accounting sheet records the investments stocks for the residents in Palestine (individuals, institutions and government) that was invested in the rest of the world (abroad) under the name of (assets), on the one hand, and the investments stocks owned by residents outside Palestine (individuals, institutions and governments) that was invested in Palestine under the name of (liabilities) on the other hand.

the Balance of Payments Manual - fifth edition, issued by the International Monetary Fund in 1993, divides the assets and liabilities to direct investment (investment by 10% and more in the non-resident capital), and portfolio investment (investment less than 10% in the non-resident capital as well as investment in bonds), and other investments (which are divided into stocks of trade credit, loans, currency and deposits and any other assets or liabilities), in addition to the Reserve Assets, which is defined as Stocks held by the Monetary Authority 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 defined as an accounting sheet records the debt stocks on Palestinian economy sectors due to nonresidents, which include (loans from non-resident, the non-residents deposits deposited in the banks sector in Palestine, the Palestinian bonds purchased by non-residents, debt

transactions between the non-resident enterprises and fellow enterprises in Palestine, in addition to any other liabilities on Palestinian economy) the data of external debt have been extracted from the liabilities side in the international investment position matrix (debt items). Preparing, classifying and publishing of the data based on (External Debt Statistics Manual) issued by IMF in 2003, this manual is harmonized with 5th edition of Balance of Payments and International Investment Position Manual.

The Gross External Debt position on the Palestinian economy sectors had amounted to USD 1,718 million, The debt on general government sector had contributed 64.4%, while debt on banks sector reached 32.1%, and debt on other sectors (non-financial, insurance enterprises NGOs and household sectors) amounted to 2.5%, the lending between affiliated companies contributed to 1.0%.

Table 1: International Investment Position (IIP) stock by Economic Sectors For Palestine, at the end of the First Quarter 2014

Value in million USD

Economic Sector Investments Stocks by Type of Investment	Monetary Authorities (PMA)	Government Sector	Banks Sector	Other Sectors		TOTAL
				Non- Financial companies, Insurance companies and NGO's Sector	House- Holds Sector	
International Investment Position (net)*	985	-1,104	2,866	-591	-815	1,341
Total External Assets	985	1	4,527	699	106	6,318
Foreign Direct Investment Abroad	0	0	0	247	99	346
Portfolio Investments Abroad	141	0	817	380	2	1,340
Other Investments Abroad	255	1	3,710	72	5	4,043
<i>Of which: currency and deposits**</i>	255	0	3,675	16	5	3,951
Reserve Assets	589	0	0	0	0	589
Total Foreign Liabilities	0	1,105	1,661	1,290	921	4,977
Foreign Direct Investment in Palestine	0	0	829	751	921	2,501
Foreign Portfolio Investments in Palestine	0	0	280	496	0	776
Foreign Other Investments in Palestine	0	1,105	552	43	0	1,700
<i>Of which: Loans from abroad</i>	0	1,105	0	43	0	1,148
<i>Of which: currency and deposits***</i>	0	0	552	0	0	552

Notes:

- The data in the above table are closed 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: Including residents deposits in banks abroad, In addition to foreign currency cash in Palestinian economy.
*** Currency and deposits: Include the deposits of non-residents deposited in local banks.

Table 2: Gross External Debt position on Palestine, at the end of the First Quarter 2014

Value in million USD

Economic Sector	Stock at the end of the First Quarter 2014
General Government	1,105
Short-term	78
Long-term	1,027
Monetary Authorities	0
Short-term	0
Long-term	0
Banks	552
Short-term	552
Long-term	0
Other Sectors	43
Short-term	7
Long-term	36
Direct investment: lending between affiliated companies	18
Debt liabilities to affiliated enterprises	0
Debt liabilities to direct investors	18
Gross External Debt Position	1,718

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