



### Note to users

Based on the visit of a technical mission from the International Monetary Fund to the Palestinian Central Bureau of Statistics and the Palestine Monetary Authority on 27 November 2011, regarding the balance of payments and international investment Position, the following recommendations were made:

- Excluding the Stocks of currency and deposits in Jordanian dinars from the stock of reserve assets of the Palestine Monetary Authority, because its non-applicability of standards reserve assets.
- Estimates the value of buildings owned by individuals or households residing outside the Palestinian territories. based on data from the Population, Housing and Establishments Census 2007.
- [Old Press release](#)

### **First ever preliminary results of the International Investment Position for the Palestinian Territory 2010.**

### **The Palestinian Economy Investments Outside the Palestinian Territory, is more than the Foreign Investments in the Palestinian Territory.**

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) have prepared for the first time, the press release for the International Investment Position (IIP) of the Palestinian territory in 2010.

The primary results of the IIP (external assets – foreign liabilities) for the *Palestinian territory by the end of 2010* revealed that the net IIP had amounted to about US \$ 1286 million , which means that the Palestinian economy of its various sectors had invested outside Palestinian territory by more than the investment amount in the Palestinian territory from abroad. The cash deposits of local banks

in foreign banks and the foreign exchange in the Palestinian economy had contributed of major value in the external assets, which represented 58% of the total value of external assets.

The total stocks of External Assets for the Palestinian territory (Stocks of residents in the Palestinian territory invested abroad) had amounted to US \$ 5424 million, The Foreign Direct Investment abroad had contributed to 4.0%, Portfolio Investments abroad reached 15.0%, while Other Foreign Investments abroad reached 71.0%, and Reserve Assets amounted to 10.0%. According to sectoral level, the external investments of banking sector had contributed a major value in the external assets, represented 71% of the total value of external assets.

The total stocks of Foreign Liabilities at the Palestinian territory (Stocks of non-residents invested in the Palestinian territory) had amounted to US\$ 4138 million ,The Foreign Direct Investment in the Palestinian territory had contributed 52.6%, Portfolio Investments in the Palestinian territory reached 14.8%, and Other Investments in the Palestinian territory amounted 32.6%.

The International Investment Position (IIP) is defined as an accounting sheet records the investments stocks for the residents in the Palestinian territory (individuals, institutions and government) that is 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 Palestinian territory (individuals, institutions and governments) that is invested in the Palestinian territory under the name of (liabilities) on the other hand.



the balance of payments Manual - fifth edition, issued by the International 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 attached table explains the results of the IIP for the palestinian territory by the end of 2010 in details (economic sector and type of investment).

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International Investment Position (IIP) by Economic Sectors For the Palestinian Territory, at end of 2010

Value in US million \$

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	
<b>International Investment Position (net)*</b>	<b>933</b>	<b>-995</b>	<b>2773</b>	<b>-730</b>	<b>-695</b>	<b>1286</b>
<b>Total External Assets</b>	<b>933</b>	<b>48</b>	<b>3857</b>	<b>483</b>	<b>103</b>	<b>5424</b>
Foreign Direct Investment Abroad	0	0	17	129	95	241
Portfolio Investments Abroad	0	0	617	184	5	806
Other Investments Abroad	402	48	3223	170	3	3846
<i>Of which: currency and deposits**</i>	<i>402</i>	<i>0</i>	<i>3165</i>	<i>101</i>	<i>3</i>	<i>3671</i>
Reserve Assets	531	0	0	0	0	531
<b>Total Foreign Liabilities</b>	<b>0</b>	<b>1043</b>	<b>1084</b>	<b>1213</b>	<b>798</b>	<b>4138</b>
Foreign Direct Investment in Palestine	0	0	690	689	798	2177
Foreign Portfolio Investments in Palestine	0	0	166	445	N.A	611
Foreign Other Investments in Palestine	0	1043	228	79	0	1350
<i>Of which: Loans from abroad</i>	<i>0</i>	<i>1043</i>	<i>0</i>	<i>76</i>	<i>0</i>	<i>1119</i>
<i>Of which: currency and deposits***</i>	<i>0</i>	<i>0</i>	<i>228</i>	<i>N.A</i>	<i>N.A</i>	<i>228</i>

Notes:

- The Data in the Table Above are Closed to the Nearest Integer.
- Reserve Assets have been Updated by Shifting the amount of Jordanian Currency from it to the Currency and Deposits in Other Investments Abroad.
- Value of the Buildings belong to Non-resident Individuals and Families have been Added to the Foreign Direct Investment in Palestine in the Household Sector Depending on Estimates of Population, Housing and Establishments Census 2007.

\* 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.