



The total foreign direct investment stock in resident enterprises in Palestine amounted to USD 1,732 million at the end of 2019

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) announced the preliminary results of the Foreign Investment Survey of Resident Enterprises in Palestine as of end of year 2019. This periodic survey constitutes the continuous efforts made by both of PCBS and PMA on a regular basis.

Results indicated that external investments by resident enterprises in Palestine were greater than investments by non-residents in resident enterprises in Palestine at the end of 2019, taking into consideration the specification of the Palestinian situation; that Palestine does not own a national currency, which is included in the other investments on the assets side.

In this regard, the total investment stock abroad of resident enterprises in Palestine (assets) is amounted to USD 7,102 million at the end of 2019, of which 63.9% is foreign exchange in these enterprises and their deposits in banks abroad.

In addition, the total foreign investment stock in resident enterprises in Palestine (liabilities) is amounted to USD 3,189 million at the end of 2019, of which 54.3% is foreign direct investment (FDI). (See table1).

The total investments stock abroad of resident enterprises in Palestine (assets) at the end of 2019 was distributed as: Other investments abroad amounted to USD 4,768 million with a percentage of 67.1% of total assets; portfolio investments abroad amounted to USD 1,416 million with a percentage of 19.9% of total assets; stock of reserve assets for the PMA amounted to USD 658 million with a percentage of 9.3% of total assets; and the foreign direct investments (FDI) abroad amounted to USD 260 million with a percentage of 3.7% of total assets at the end of 2019.

While the total foreign investment stock in resident enterprises in Palestine (liabilities) was distributed as: Foreign direct investments (FDI) amounted to USD 1,732 million with a percentage of 54.3% of total liabilities; portfolio investments were USD 714 million with a percentage of 22.4% of total liabilities; while other investments totaled USD 743 million with a percentage of 23.3% of total liabilities at the end of 2019.

Results showed that 64.3% of foreign direct investments (FDI) in resident enterprises in Palestine is concentrated in the financial intermediation activity. Whereas investments from Jordan contributed 82.6% of total stock of FDI in resident enterprises in Palestine.

Results also showed that 59.8% of total portfolio investments in resident enterprises in Palestine is concentrated in the financial intermediation activity. Whereas investments from Jordan contributed 51.2% of the total stock of Portfolio investments in resident enterprises in Palestine.

The Foreign Investment Survey is considered to be the primary tool for collecting data about the International Investment Position (IIP). It collects details on the flows and stocks of foreign investments, using special forms. The IIP is an account, which records the total balance of foreign financial assets and liabilities of the economy. Changes in IIP are categorized into two levels: The first level differentiates between assets and liabilities and the difference represents the net IIP; and the second level focuses on the division of assets and liabilities on a functional basis that is fully consistent with the basic elements of financial account in the balance of payments, in addition to changes between stocks at the beginning and at the end of the period. This may include changes in prices, currency exchange rates, or a quantitative change resulting from sudden profit or loss as a result of natural disasters or war. The Foreign Investment Survey was conducted in accordance with the recent international recommendations; taking into consideration the specification of the Palestinian situation.

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Table 1: Main Indicators of the Foreign Investment Survey of Resident Enterprises in Palestine (stocks) at end of 2019

Value in million USD

Indicator	Stock 2019	Percentage %
Total Assets*	7,102	100
Stocks of Foreign Direct Investment	260	3.7
Stocks of Portfolio Investments	1,416	19.9
of which: Equity securities	402	
of which: Debt securities	1,014	
Stocks of Other Investments:	4,768	67.1
of which: Trade credits	4	
of which: Loans	225	
of which: Currency and deposits	4,539	
of which: Other Assets	0	
Stocks of Reserves Assets	658	9.3
Total Liabilities**	3,189	100
Stocks of Foreign Direct Investment	1,732	54.3
Stocks of Portfolio Investments	714	22.4
of which: Equity securities	714	
of which: Debt securities	0	
Stocks of Other Investments:	743	23.3
of which: Trade credits	22	
of which: Loans	15	
of which: Currency and deposits	706	
<i>of which: Other Liabilities</i>	0	

*Assets are the investments abroad of Resident enterprises in Palestine

** Liabilities are the foreign investments in Resident enterprises in Palestine

Table 2: Percentage Distribution of Foreign Direct Investment (FDI) in Resident Enterprises in Palestine by Economic Activity at end of 2019

Economic Activity	Value (in Million USD)	Percentage %
Financial Intermediation	1,115	64.3
Services, Transport, Storage, communications & internal trade	519	30.0
Industry	60	3.5
Constructions	38	2.2
Total	1,732	100

Table 3: Percentage Distribution of Foreign Direct Investment (FDI) in Resident Enterprises in Palestine by Country at end of 2019

Country	Value (in Million USD)	Percentage %
Jordan	1,432	82.6
Qatar	146	8.4
Egypt	48	2.8
United States of America	36	2.1
Kingdom of Saudi Arabia	27	1.6
Cyprus	26	1.5
Other countries	17	1.0
Total	1,732	100

Table 4: Percentage Distribution of Foreign Portfolio Investment in Resident Enterprises in Palestine by Economic Activity at end of 2019

Economic Activity	Value (in Million USD)	Percentage %
Financial Intermediation	427	59.8
Services, Transport, Storage, Communications & Internal Trade	242	33.9
Industry	36	5.0
Constructions	9	1.3
Total	714	100

Table 5: Percentage Distribution of Foreign Portfolio Investment in Resident Enterprises in Palestine by Country at end of 2019

Country	Value (in Million USD)	Percentage %
Jordan	365	51.2
Saudi Arabia	73	10.2
Kuwait	66	9.2
United Arab Emirates	63	8.8
United States of America	35	4.9
Qatar	34	4.8
Other countries	78	10.9
Total	714	100