



سلطة النقد الفلسطينية  
PALESTINE MONETARY AUTHORITY



الجهاز المركزي للإحصاء الفلسطيني  
Palestinian Central Bureau of Statistics

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

### **Results Announcement**

#### **International Investment Position & External Debt – First Quarter 2017**

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 end of first quarter 2017.

The primary results of the IIP (external assets – foreign liabilities) for Palestine at the end of first quarter 2017 revealed that the net IIP amounted to about USD 1,415 million, which means that the Palestinian economy's investment outside Palestine outweighs investment in Palestine from abroad. The Resident cash deposits in foreign banks and foreign exchange in the Palestinian economy accounted for the bulk of the external assets, constituting 64.4% of the total value of external assets.

The total stocks of External Assets for Palestine amounted to USD 6,547 million, The Foreign Direct Investment abroad had contributed to 6.7%, Portfolio Investments abroad reached 16.7%, while Other Foreign Investments abroad (mainly currency and deposits) reached 70.1% and Reserve Assets amounted to 6.5%. At sectoral level, the external investments of banks sector represented a large share of the external assets, standing at 74.4% 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 5,132 million, the Foreign Direct Investment in Palestine contributed to 50.2%, Portfolio Investments in Palestine reached 12.5% and Other Investments in Palestine (mainly loans and deposits from abroad) amounted to 37.3%. According to sectoral level, the foreign investments in banks sector contributed a major value in the foreign liabilities, represented by 38.5% of the total value of foreign liabilities on Palestinian economy.

The Gross External Debt on different sectors of the Palestinian economy reached USD 1,917 million, The debt on government sector represented 55.0%, while debt on banks sector reached 41.5%, and debt on other sectors (Nonbank financial corporations, non-financial corporations, NGOs and household sector) amounted to 3.3%, the lending between affiliated companies reached to 0.2%.

The International Investment Position (IIP) is an accounting sheet that records 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), and compares them to 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), and portfolio investment (investment less than 10% in the non-resident capital as well as investment in bonds), and other investments. It divides these other investments into 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 an accounting sheet that records the debt stocks on Palestinian economic sectors due to non-residents. These include (loans from non-residents, 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. They encompass as well 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 5<sup>th</sup> edition of Balance of Payments and International Investment Position Manual

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**Table 1: International Investment Position (IIP) stock by Economic Sectors For Palestine, at the end of the First Quarter 2017**

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	
<b>International Investment Position (net)*</b>	<b>794</b>	<b>-876</b>	<b>2,891</b>	<b>-566</b>	<b>-828</b>	<b>1,415</b>
<b>Total External Assets</b>	<b>794</b>	<b>179</b>	<b>4,868</b>	<b>592</b>	<b>114</b>	<b>6,547</b>
Foreign Direct Investment Abroad	0	0	0	350	91	441
Portfolio Investments Abroad	125	0	879	90	0	1,094
Other Investments Abroad	247	179	3,989	152	23	4,590
<i>Of which: currency and deposits**</i>	247	0	3,922	23	23	4,215
Reserve Assets	422	0	0	0	0	422
<b>Total Foreign Liabilities</b>	<b>0</b>	<b>1,055</b>	<b>1,977</b>	<b>1,158</b>	<b>942</b>	<b>5,132</b>
Foreign Direct Investment in Palestine	0	0	893	743	942	2,578
Foreign Portfolio Investments in Palestine	0	0	288	352	0	640
Foreign Other Investments in Palestine	0	1,055	796	63	0	1,914
<i>Of which: Loans from abroad</i>	0	1,055	0	60	0	1,115
<i>Of which: currency and deposits***</i>	0	0	796	0	0	796

**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: 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 resident banks.

**Table 2: Gross External Debt position on Palestine, at the end of the Fourth Quarter 2016 and the end of the First Quarter 2017**

Value in million USD

<b>Economic Sector</b>	<b>Stock at the end of the Fourth Quarter 2016</b>	<b>Stock at the end of the First Quarter 2017</b>
<b>General Government</b>	<b>1,044</b>	<b>1,055</b>
Short-term	79	86
Long-term	965	969
<b>Monetary Authorities</b>	<b>0</b>	<b>0</b>
Short-term	0	0
Long-term	0	0
<b>Banks</b>	<b>496</b>	<b>796</b>
Short-term	259	475
Long-term	237	321
<b>Other Sectors</b>	<b>63</b>	<b>63</b>
Short-term	3	3
Long-term	60	60
<b>Direct investment: lending between affiliated companies</b>	<b>3</b>	<b>3</b>
Debt liabilities to affiliated enterprises	0	0
Debt liabilities to direct investors	3	3
<b>Gross External Debt Position</b>	<b>1,606</b>	<b>1,917</b>