



**Palestinian Central
Bureau of Statistics**



سلطة النقد الفلسطينية
PALESTINE MONETARY AUTHORITY

Results Announcement

International Investment Position & External Debt –2016

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 2016.

The primary results of the IIP (external assets – foreign liabilities) for Palestine at the end of 2016 revealed that the net IIP amounted to about USD 1,173 million, which means that the Palestinian economy's investments outside Palestine outweighs investments 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 63.9% of the total value of external assets.

The total stocks of External Assets for Palestine amounted to USD 6,101 million, the Foreign Direct Investment abroad contributed to 6.6%, Portfolio Investments abroad reached 18.2%, while Other Foreign Investments abroad (mainly currency and deposits) reached 70.1% and Reserve Assets amounted to 5.1%. At sector level, the external investments of banks sector represented a large share of the external assets, standing at 74.6% of the total value of external assets.

The total stocks of Foreign Liabilities in Palestine (Stocks of non-residents invested in Palestine) amounted to USD 4,928 million, the Foreign Direct Investment in Palestine contributed to 54%, Portfolio Investments in Palestine reached 13.4% and Other Investments in Palestine (mainly loans and deposits from abroad) amounted to 32.6%. According to sectoral level, the foreign investments in banks sector contributed a major value in the foreign liabilities, represented by 34% of the total value of foreign liabilities on Palestinian economy.

The Gross External Debt on different sectors of the Palestinian economy reached USD 1,615 million, The debt on government sector represented 64.7%, while debt on banks sector reached 30.7%, and debt on other sectors (Nonbank financial corporations, non-financial corporations, NGOs and household sectors) amounted to 4.3%, and the lending between affiliated companies reached 0.3%.

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 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 an accounting sheet that records the debt stocks on Palestinian economic sectors due to non-residents. These include (loans from non-residents, the deposits of the non-residents 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 5th 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 2016

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, NGOs sector	House- Holds Sector	
International Investment Position (net)*	726	-889	2,875	-647	-892	1,173
Total External Assets	726	155	4,550	603	67	6,101
<i>Foreign Direct Investment Abroad</i>	0	0	0	357	43	400
<i>Portfolio Investments Abroad</i>	157	0	866	89	0	1,112
<i>Other Investments Abroad</i>	256	155	3,684	157	24	4,276
Of which: currency and deposits**	256	0	3,619	0	24	3,899
Reserve Assets	313	0	0	0	0	313
Total Foreign Liabilities	0	1,044	1,675	1,250	959	4,928
Foreign Direct Investment in Palestine	0	0	912	789	959	2,660
Foreign Portfolio Investments in Palestine	0	0	267	391	0	658
Foreign Other Investments in Palestine	0	1,044	496	70	0	1,610
Of which: Loans from abroad	0	1,044	0	43	0	1,087
Of which: currency and deposits***	0	0	496	0	0	496

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 years 2015,
2016**

Value in million USD

Economic Sector	Stock at the end of 2015	Stock at the end of 2016
General Government	1,071	1,044
Short-term	79	79
Long-term	992	965
Monetary Authorities	0	0
Short-term	0	0
Long-term	0	0
Banks	530	496
Short-term	270	259
Long-term	260	237
Other Sectors	63	70
Short-term	3	3
Long-term	60	67
Direct Investment: lending between affiliated companies	3	5
Debt liabilities to affiliated enterprises	0	0
Debt liabilities to direct investors	3	5
Gross External Debt Position	1,667	1,615