



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

The Net Stock of the International Investment Position (IIP) amounted to USD 1,921 million at the End of the Second Quarter 2019

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 the second quarter 2019 and end of year 2018¹.

The primary results of the IIP (external assets – foreign liabilities) for Palestine at the end of the second quarter 2019 revealed that the net IIP amounted to USD 1,921 million, increased by 11% compared with previous quarter, which means that the Palestinian economy's investments outside Palestine outweighs investments in Palestine from abroad.

The total stocks of External Assets for Palestinian economy amounted to USD 7,255 million at the end of the second quarter 2019, the Foreign Direct Investment Abroad contributed to 5%, Portfolio Investments abroad reached 19%, while Other Foreign Investments Abroad (mainly currency & deposits, clearance revenue) reached 68% and Reserve Assets amounted to 8%. At sectoral level, the external investments of banks sector represented a large share of the external assets, standing at 60% of the total value of external assets for Palestinian economy.

The total stocks of Foreign Liabilities in Palestine (stocks of non-residents invested in Palestine) amounted to USD 5,334 million at the end of the second quarter 2019, the Foreign Direct Investment in Palestine contributed to 53%, Portfolio Investments in Palestine reached 15%, and Other Investments in Palestine (mainly loans and deposits from abroad) amounted to 32%. At sectoral level, the foreign investments in banks sector contributed a major value in the foreign liabilities, represented by 39% of the total value of foreign liabilities on Palestinian economy.

Stock of external government debt amounted to about USD 1 billion at the end of the Second quarter 2019.

The Gross External Debt on the Palestinian economic sectors reached USD 1,729 million at the end of the second quarter 2019 increased by 3% compared with previous quarter, the debt on government sector represented 61%, while debt on banks sector reached 36%, and debt on other sectors (nonbank financial corporations, non-financial corporations, NGOs and households sector) amounted to 2%, and the lending between affiliated companies reached less than 1%.

¹ The data related to the end of year 2018 are attached in the tables

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 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 are based on (External Debt Statistics Manual) issued by IMF in 2003, this manual is harmonized with the fifth edition of Balance of Payments Manual.

For further details please contact:

Palestinian Central Bureau of Statistics
P.O. Box 1647, Ramallah - Palestine.

Tel: (972/970) 2 2982700

Email: diwan@pcbs.gov.ps

Website: <http://www.pcbs.gov.ps>

Or Palestine Monetary Authority
P.O. Box 452, Ramallah - Palestine.

Tel: (972/970) 2 2415250

Email: info@pma.ps

Website: <http://www.pma.ps>



Table 1: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of the Second Quarter, 2019

Value in million USD

Economic Sector Investments Stocks by Type of Investment	Monetary Authorities (PMA)	Governme nt Sector	Banks Sector	Other Sectors		TOTAL
				Nonbank Financial Corporations, Non-Financial Corporations, and NGOs Sector	House- Holds Sector	
International Investment Position (net)*	963	-102	2,297	-265	-972	1,921
Total External Assets	963	958	4,359	939	36	7,255
Foreign Direct Investment Abroad	0	0	0	316	10	326
Portfolio Investments Abroad	71	0	908	417	0	1,396
Other Investments Abroad	293	958	3,451	206	26	4,934
Of which: currency and deposits**	293	0	3,367	35	26	3,721
Reserve Assets	599	0	0	0	0	599
Total Foreign Liabilities	0	1,060	2,062	1,204	1,008	5,334
Foreign Direct Investment in Palestine	0	0	1,053	770	1,008	2,831
Foreign Portfolio Investments in Palestine	0	0	382	398	0	780
Foreign Other Investments in Palestine:	0	1,060	627	36	0	1,723
Of which: loans from abroad	0	1,060	0	14	0	1,074
Of which: currency and deposits***	0	0	627	0	0	627

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: Include the residents deposits in banks abroad, in addition to foreign exchange in Palestinian economy.

*** Currency and deposits: Include the deposits of non-residents deposited in resident banks.

Table 2: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of 2018

Value in million USD

Economic Sector Investments Stocks by Type of Investment	Monetary Authorities (PMA)	Governme nt Sector	Banks Sector	Other Sectors		TOTAL
				Nonbank Financial Corporations, Non- Financial Corporations, and NGOs Sector	House- Holds Sector	
International Investment Position (net)*	879	-906	2,838	-264	-959	1,588
Total External Assets	879	126	4,581	932	39	6,557
Foreign Direct Investment Abroad	0	0	0	315	10	325
Portfolio Investments Abroad	71	0	942	412	0	1,425
Other Investments Abroad	270	126	3,639	205	29	4,269
<i>Of which: currency and deposits**</i>	270	0	3,552	34	29	3,885
Reserve Assets	538	0	0	0	0	538
Total Foreign Liabilities	0	1,032	1,743	1,196	998	4,969
Foreign Direct Investment in Palestine	0	0	1,003	755	998	2,756
Foreign Portfolio Investments in Palestine	0	0	323	405	0	728
Foreign Other Investments in Palestine:	0	1,032	417	36	0	1,485
<i>Of which: loans from abroad</i>	0	1,032	0	14	0	1,046
<i>Of which: currency and deposits***</i>	0	0	417	0	0	417

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: Include the residents deposits in banks abroad, in addition to foreign exchange in Palestinian economy.

*** Currency and deposits: Include the deposits of non-residents deposited in resident banks.

Table 3: Gross External Debt Position on Palestine, at the End of the First and Second Quarters, 2019

Value in million USD

Economic Sector	Stock at the end of the First Quarter 2019	Stock at the end of the Second Quarter 2019
General Government	1,031	1,060
Short-term	123	137
Long-term	908	923
Monetary Authorities	0	0
Short-term	0	0
Long-term	0	0
Banks	563	627
Short-term	276	319
Long-term	287	308
Other Sectors	42	36
Short-term	4	22
Long-term	38	14
Direct Investment: lending between affiliated companies	44	6
Debt liabilities to affiliated enterprises	41	0
Debt liabilities to direct investors	3	6
Gross External Debt Position	1,680	1,729

Table 4: Gross External Debt Position on Palestine, at the end of years 2017,2018

Value in million USD

Economic Sector	Stock at the end of 2017	Stock at the end of 2018
General Government	1,042	1,032
Short-term	77	117
Long-term	965	915
Monetary Authorities	0	0
Short-term	0	0
Long-term	0	0
Banks	603	417
Short-term	368	196
Long-term	235	221
Other Sectors	42	36
Short-term	4	22
Long-term	38	14
Direct Investment: lending between affiliated companies	44	6
Debt liabilities to affiliated enterprises	41	0
Debt liabilities to direct investors	3	6
Gross External Debt Position	1,731	1,491