



## The Palestinian Central Bureau of Statistics (PCBS) And The Palestine Monetary Authority (PMA) Announced the preliminary results of the Foreign Direct Investment at the end of 2022

## The total foreign direct investment stock in resident enterprises in Palestine amounted to USD 2,144 million at the end of 2022

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 2022. This periodic survey constitutes the continuous efforts made by both of PCBS and PMA on a regular basis.

Results indicated that, the total investment stock abroad of resident enterprises in Palestine (assets) is amounted to USD 8,852 million at the end of 2022, of which 67% is foreign exchange in these enterprises and their deposits in banks abroad, taking into consideration the specification of the Palestinian situation; that Palestine does not own a national currency, which is included in the other investments.

In addition, the total foreign investment stock in resident enterprises in Palestine (liabilities) is amounted to USD 3,693 million at the end of 2022, of which 58% is foreign direct investment (FDI). (See table 1).

The total investments stock abroad of resident enterprises in Palestine (assets) at the end of 2022 was distributed as: Other investments abroad (Currency & deposits, trade credits, loans, and other assets) amounted to USD 6,032 million with a percentage of 68% of total assets; portfolio investments abroad amounted to USD 1,632 million with a percentage of 19% of total assets; stock of reserve assets for the PMA amounted to USD 896 million with a percentage of 10% of total assets; and the foreign direct investments (FDI) abroad amounted to USD 292 million with a percentage of 3% of total assets at the end of 2022.

While the total foreign investment stock in resident enterprises in Palestine (liabilities) was distributed as: Foreign direct investments (FDI) amounted to USD 2,144 million with a percentage of 58% of total liabilities; portfolio investments were USD 856 million with a percentage 23% of total liabilities; while other investments (Currency & deposits, trade credits, loans, and other liabilities) totaled USD 693 million with a percentage of 19% of total liabilities at the end of 2022.

Results showed that 64% of foreign direct investments (FDI) in resident enterprises in Palestine is concentrated in the financial intermediation activity. Whereas investments from Jordan contributed by 82% of total stock of FDI in resident enterprises in Palestine.

Results also showed that 60% of total portfolio investments in resident enterprises in Palestine is concentrated in the financial intermediation activity. Whereas investments from Jordan contributed by 46% 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 2022

Value in million USD

Indicator	Stock 2022	Percentage %
Total Assets*	8,852	100.0
Stocks of Foreign Direct Investment	292	3.3
Stocks of Portfolio Investments	1,632	18.4
of which: Equity securities	530	
of which: Debt securities	1,102	
Stocks of Other Investments:	6,032	68.2
of which: Trade credits	11	
of which: Loans	106	
of which: Currency and deposits	5,915	
of which: Other Assets	0	
Stocks of Reserves Assets	896	10.1
Total Liabilities**	3,693	100.0
Stocks of Foreign Direct Investment	2,144	58.0
Stocks of Portfolio Investments	856	23.2
of which: Equity securities	856	
of which: Debt securities	0	
Stocks of Other Investments:	693	18.8
of which: Trade credits	0	
of which: Loans	47	
of which: Currency and deposits	646	
of which: Other Liabilities	0	

<sup>\*</sup>Assets are the investments abroad of Resident enterprises in Palestine

<sup>\*\*</sup> 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 2022

Economic Activity	Value (in Million USD)	Percentage %
Financial Intermediation	1,379	64.3
Services, Transport, Storage, communications & internal trade	643	30.0
Industry	75	3.5
Constructions	47	2.2
Total	2,144	100

Table 3: Percentage Distribution of Foreign Direct Investment (FDI) in Resident Enterprises in Palestine by Country at end of 2022

Country	Value (in Million USD)	Percentage %
Jordan	1,765	82.3
Qatar	149	7.0
Kingdom of Saudi Arabia	124	5.8
Egypt	50	2.3
Cyprus	21	1.0
United Arab Emirates	16	0.7
Bahrain	13	0.6
Other Countries	6	0.3
Total	2,144	100

Table 4: Percentage Distribution of Foreign Portfolio Investment in Resident Enterprises in Palestine by Economic Activity at end of 2022

Economic Activity	Value (in Million USD)	Percentage %
Financial Intermediation	512	59.8
Services, Transport, Storage, Communications & Internal Trade	290	33.9
Industry	43	5.0
Constructions	11	1.3
Total	856	100

Table 5: Percentage Distribution of Foreign Portfolio Investment in Resident Enterprises in Palestine by Country at end of 2022

Country	Value (in Million USD)	Percentage %
Jordan	397	46.4
Kingdom of Saudi Arabia	99	11.5
United Arab Emirates	77	9.0
Kuwait	69	8.1
United States of America	45	5.3
Qatar	33	3.8
Other countries	136	15.9
Total	856	100