The Palestinian Central Bureau of Statistics (PCBS) And

The Palestine Monetary Authority (PMA)

Announce preliminary results of the Foreign Investment Survey at the end of 2023

The total foreign direct investment stock in resident enterprises in Palestine amounted to USD 2,239 million at the end of 2023

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) have released the preliminary results of the Foreign Investment Survey of Resident Enterprises in Palestine as of the end of 2023. This survey is part of the periodic release of foreign investment data, representing the continuation of efforts made by both institutions.

Key Findings

The total investment stock abroad of resident enterprises in Palestine (assets) amounted to USD 9,461 million at the end of 2023, of which 63% was foreign currency in these enterprises and their deposits in banks abroad. Considering the specific situation of Palestine, Palestine does not own a national currency, which is included in the other investments on the assets side.

In addition, the total foreign investment stock in resident enterprises in Palestine (liabilities) amounted to USD 3,738 million at the end of 2023, with 60% being foreign direct investment (FDI). (See table 1).

The total investments stock abroad of resident enterprises in Palestine (assets) at the end of 2023 was distributed as Other investments (trade credit, loans, currency and deposits, other assets) abroad amounted to USD 6,135 million, with a rate of 65% of total assets; portfolio investments abroad amounted to USD 1,702 million, with a rate of 18% of total assets; stock of reserve assets for the PMA amounted to USD 1,323 million, with a rate of 14 % of total assets; and the foreign direct investments (FDI) abroad amounted to USD 301 million, with a rate of 3% of total assets at the end of 2023.

While the total foreign investment stock in resident enterprises in Palestine (liabilities) was distributed as Foreign Direct Investments (FDI) amounted to USD 2,239 million, with a rate of 60% of total liabilities; portfolio investments were USD 692 million, with a rate 19% of total liabilities; while other investments (trade credit, loans, currency and deposits, other liabilities) totaled USD 807 million with a rate of 22% of total liabilities at the end of 2023.

Results showed that 56% of foreign direct investments (FDI) in resident enterprises in Palestine concentrated in the financial intermediation activity. Whereas investments from Jordan contributed 81% of the total stock of FDI in resident enterprises in Palestine.

Results also showed that 59% of total portfolio investments in resident enterprises in Palestine concentrated in the financial intermediation activity. Whereas investments from Jordan contributed 58% of the total stock of Portfolio investments in resident enterprises in Palestine.

The Foreign Investment Survey serves as a fundamental tool for compiling international investment position (IIP) data on private economic activities. It captures flows and balances of investments made by resident enterprises in Palestine abroad. In addition to balances and flows of foreign investments in resident enterprises in Palestine. The survey provides a clear depiction of Palestine’s external financial assets and liabilities, categorized by economic activity and country. It aligns with international recommendations and considers Palestine’s unique circumstances. Data classification follows functional categories consistent with financial account components in the balance of payments and IIP, incorporating adjustments for non-economic transaction-related changes.

This ongoing effort underscores the commitment to international standards, while acknowledging Palestine’s distinctive economic context.

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| Table 1: Main Indicators of the Foreign Investment Survey of Resident Enterprises  in Palestine (stocks) at end of 2023  Value in million USD | | | |
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| Indicator | Stock 2023 | Percentage (%) |
|  |  |
| Total Assets\* | 9,461 | 100 |
| Stocks of Foreign Direct Investment | 301 | 3.2 |
| Stocks of Portfolio Investments | 1,702 | 18.0 |
| of which: Equity securities | 525 |  |
| of which: Debt securities | 1,177 |  |
| Stocks of Other Investments: | 6,135 | 64.8 |
| of which: Trade credits | 11 |  |
| of which: Loans | 141 |  |
| of which: Currency and deposits | 5,983 |  |
| of which: Other Assets | 0 |  |
| Stocks of Reserves Assets | 1,323 | 14.0 |
| Total Liabilities\*\* | 3,738 | 100 |
| Stocks of Foreign Direct Investment | 2,239 | 59.9 |
| Stocks of Portfolio Investments | 692 | 18.5 |
| of which: Equity securities | 692 |  |
| of which: Debt securities | 0 |  |
| Stocks of Other Investments: | 807 | 21.6 |
| of which: Trade credits | 0 |  |
| of which: Loans | 133 |  |
| of which: Currency and deposits | 674 |  |
| of which: Other Liabilities | 0 |  |
| \*Assets are the investments abroad of Resident enterprises in Palestine  \*\* Liabilities are the foreign investments in Resident enterprises in Palestine | |

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| Table 2: Percentage Distribution of Foreign Direct Investment (FDI) in Resident Enterprises in Palestine by Economic Activity at end of 2023 | | |
|
| Economic Activity | Value (in Million USD) | Percentage (%) |
| Financial Intermediation | 1,267 | 56.6 |
| Services, Transport, Storage, communications & internal trade | 561 | 25.1 |
| Constructions | 216 | 9.6 |
| Industry | 195 | 8.7 |
| Total | 2,239 | 100 |

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| Table 3: Percentage Distribution of Foreign Direct Investment (FDI) in Resident Enterprises in Palestine by Country at end of 2023 | | |
|
| Country | Value (in Million USD) | Percentage (%) | |
| Jordan | 1,803 | 80.6 | |
| Qatar | 137 | 6.1 | |
| Kingdom of Saudi Arabia | 85 | 3.8 | |
| Egypt | 58 | 2.6 | |
| Cyprus | 50 | 2.2 | |
| United Arab Emirates | 45 | 2.0 | |
| Bahrain | 32 | 1.4 | |
| Other Countries | 29 | 1.3 | |
| Total | 2,239 | 100 | |

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| Table 4: Percentage Distribution of Foreign Portfolio Investment in Resident Enterprises in Palestine by Economic Activity at end of 2023 | | |
|
| Economic Activity | Value (in Million USD) | Percentage (%) |
| Financial Intermediation | 409 | 59.1 |
| Services, Transport, Storage, Communications & Internal Trade | 189 | 27.3 |
| Constructions | 50 | 7.2 |
| Industry | 44 | 6.4 |
| Total | 692 | 100 |

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| Table 5: Percentage Distribution of Foreign Portfolio Investment in Resident Enterprises in Palestine by Country at end of 2023 | | |
|
| Country | Value (in Million USD) | Percentage (%) |
| Jordan | 402 | 58.1 |
| Kingdom of Saudi Arabia | 81 | 11.7 |
| United Arab Emirates | 63 | 9.1 |
| Kuwait | 33 | 4.8 |
| Qatar | 30 | 4.3 |
| Bahrain | 14 | 2.0 |
| Cyprus | 13 | 1.9 |
| Greece | 13 | 1.9 |
| United Kingdom | 10 | 1.4 |
| United States of America | 9 | 1.3 |
| Other | 24 | 3.5 |
| Total | 692 | 100 |