



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

The Net Stock of the International Investment Position (IIP) amounted to USD 5,085 million at the End of the First Quarter of 2024

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 the end of the First Quarter of 2024.

The primary results of the IIP (external assets – foreign liabilities) for Palestine at the end of the First Quarter of 2024 revealed that the net IIP amounted to USD 5,085 million.

59% of the total external assets of the Palestinian economy are currency and deposits at the End of the First Quarter of 2024, due to the absence of a Palestinian national currency, there is also an increase of 12% of clearance held by Israel compared with the previous quarter.

The total stocks of External Assets for Palestinian economy amounted to USD 11,018 million, the Foreign Direct Investment Abroad contributed to 3%, and Portfolio Investments abroad reached 15%, while Other Foreign Investments Abroad (mainly currency and deposits) reached 71%, and Reserve Assets amounted to 11%.

53% of the total foreign liabilities on the Palestinian economy at the End of the First Quarter of 2024 are foreign direct investment

The total stocks of Foreign Liabilities in Palestine (stocks of non-residents invested in Palestine) amounted to USD 5,933 million, the Foreign Direct Investment in Palestine contributed to 53%, Portfolio Investments in Palestine reached 11%, and Other Investments in Palestine (mainly loans and deposits from abroad) amounted to 36%.

The Government's External Debt stock stabilized at about 1.3 billion US dollars at the end of the First Quarter of 2024

The Gross External Debt on the Palestinian economic sectors reached USD 2,156 million increasing by 1% compared with the previous quarter. Debt on the government sector represented 61%. In comparison, debt on the banking sector (deposits of non-residents in banks

operating in Palestine, external balances, and bank loans) reached 36% and debt on other sectors (non-banking financial institutions, non-financial corporations, NGOs, and household sectors) amounted to 2% and the lending between affiliated companies reached 1%.

The International Investment Position (IIP) is an accounting sheet that records the investment stocks of 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 investment 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, deposits of non-residents deposited in the banks operating in Palestine, the Palestinian bonds purchased by non-residents, and debt transactions between the non-resident enterprises and fellow enterprises in Palestine. They encompass as well any other liabilities on the 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 (The External Debt Statistics Manual) issued by IMF in 2003, this manual is harmonized with the fifth edition of the Balance of Payments Manual.

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Table 1: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of the First Quarter, 2024

Value in million USD

Economic Sector Investments Stocks by Type of Investment	Monetary Authorities (PMA)	Government Sector	Banks Sector	Other Sectors		TOTAL
				Non-bank Financial Corporations, Non-Financial Corporations, and NGOs Sector	House- Holds Sector	
International Investment Position (net)*	1,494	65-	5,254	535-	1,063-	5,085
Total External Assets	1,494	1,255	7,350	881	38	11,018
Foreign Direct Investment Abroad	0	0	0	292	0	292
Portfolio Investments Abroad	146	0	979	499	0	1,624
Other Investments Abroad	134	1,255	6,371	90	38	7,888
<i>Of which: currency and deposits**</i>	134	0	6,332	6	38	6,510
Reserve Assets	1,214	0	0	0	0	1,214
Total Foreign Liabilities	0	1,320	2,096	1,416	1,101	5,933
Foreign Direct Investment in Palestine	0	0	1,150	888	1,101	3,139
Foreign Portfolio Investments in Palestine	0	0	168	481	0	649
Foreign Other Investments in Palestine:	0	1,320	778	47	0	2,145
<i>Of which: loans from abroad</i>	0	1,320	105	47	0	1,472
<i>Of which: currency and deposits***</i>	0	0	673	0	0	673

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 resident's 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: Gross External Debt Position on Palestine, at the End of the Fourth Quarter, 2023 and First Quarter, 2024

Value in million USD

Economic Sector	Stock at the end of the Fourth Quarter 2023	Stock at the end of the First Quarter 2024
General Government	1,321	1,320
Short-term	297	319
Long-term	1024	1,001
Monetary Authorities	0	0
Short-term	0	0
Long-term	0	0
Banks	749	778
Short-term	345	332
Long-term	404	446
Other Sectors	47	47
Short-term	0	0
Long-term	47	47
Direct Investment: lending between affiliated companies	11	11
Debt liabilities to affiliated companies	0	0
Debt liabilities to direct investors	11	11
Gross External Debt Position	2,128	2,156