

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

### **59% of the Total External Assets of the Palestinian Economy are Currency and Deposits**

**The net stock of the international investment position (IIP) amounted to USD  
8,614 million at the end of the second quarter of 2025**

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 2025 and end of 2024<sup>1</sup>.

The preliminary results of the IIP (external assets – foreign liabilities) for Palestine at the end of the second quarter of 2025 revealed that the net IIP amounted to USD 8,614 million.

**Currency and deposits accounted for 59% of the total external assets of the Palestinian economy at the end of the second quarter of 2025. This is mainly due to the absence of a Palestinian national currency, as well as a 23% increase in clearance revenues held by Israel compared with the previous quarter.**

The total stocks of External Assets for Palestinian economy amounted to USD 15,058 million, the Foreign Direct Investment Abroad contributed to 2%, and Portfolio Investments abroad reached 14%, while Other Foreign Investments Abroad (mainly currency and deposits) reached 75% and Reserve Assets amounted to 9%.

### **57% of the total foreign liabilities on the Palestinian economy at the end of the second quarter of 2025 are foreign direct investment**

The total stocks of foreign liabilities in Palestine (non-resident investments in Palestine) amounted to USD 6,444 million. Of this, foreign direct investment in Palestine accounted for 57%, ( mainly, banks, insurance and communication companies owned by non-residents in addition to buildings owned by non-residents households, amounted to USD 3,680 million), portfolio investments reached 10%, and other investments (mainly loans and deposits from abroad) amounted to 33%.

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<sup>1</sup> In parallel with this release, the annual data for 2024 will also be published on the websites of both institutions

## **The Government's External Debt stock stabilized at about 1.3 billion US dollars at the end of the second quarter of 2025**

The gross external debt of the Palestinian economic sectors reached USD 2,118 million, reflecting an increase of less than 1% compared with the previous quarter. Government sector debt represented 64% (this debt is to external arab and international financial institutions, mainly Al-Aqsa Fund, Qatar National Bank, and the World Bank), while debt of the banking sector (deposits of non-residents in banks operating in Palestine) accounted for 33%. Debt of other sectors (including non-bank financial corporations, non-financial corporations, NGOs, and the household sector) amounted to 2%, while intercompany lending between affiliated enterprises accounted for less than 1%.

The International Investment Position (IIP) is an accounting statement that records the stock of investments by residents in Palestine (individuals, institutions, and the government) in the rest of the world (abroad), under the category of *assets*. It compares these with the stock of investments held by non-residents (individuals, institutions, and the government abroad) in Palestine, under the category of *liabilities*.

The Balance of Payments Manual – fifth edition, issued by the International Monetary Fund in 1993 – divides assets and liabilities into direct investment (investment of 10% or more in non-resident capital), portfolio investment (investment of less than 10% in non-resident capital, as well as investment in bonds), and other investments. These other investments include stocks of trade credit, loans, currency and deposits, and any other assets or liabilities. In addition, the Manual identifies reserve assets, i.e., stocks held by central banks or monetary authorities to address imbalances in the balance of payments. It is worth mentioning that reserve assets are recorded only on the asset side.

The External Debt is an accounting statement that records the debt stocks of Palestinian economic sectors owed to non-residents. These include loans from non-residents, deposits of non-residents held in banks operating in Palestine, Palestinian bonds purchased by non-residents, and debt transactions between non-resident enterprises and their fellow enterprises in Palestine. They also encompass any other liabilities of the Palestinian economy. The data on external debt are extracted from the liabilities side of the International Investment Position (IIP) matrix (debt items). The preparation, classification, and publication of these data are based on the External Debt Statistics Manual, issued by the IMF in 2003, which 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 Second Quarter, 2025**

Value in million USD

Economic Sector  Investments Stocks by Type of Investment	Monetary Authorities	Government Sector	Banks Sector	Other Sectors		TOTAL
				Non-bank Financial Corporations , Non- Financial Corporations , and NGOs Sector	House- Holds Sector	
<b>International Investment Position (net)*</b>	<b>1,722</b>	<b>850</b>	<b>7,887</b>	<b>787-</b>	<b>1,058-</b>	<b>8,614</b>
<b>Total External Assets</b>	<b>1,722</b>	<b>2,201</b>	<b>10,133</b>	<b>942</b>	<b>60</b>	<b>15,058</b>
Foreign Direct Investment Abroad	0	0	0	318	2	320
Portfolio Investments Abroad	131	0	1,417	482	0	2,030
Other Investments Abroad	168	2,201	8,716	142	58	11,285
Of which: currency and deposits**	168	0	8,674	11	58	8,911
Reserve Assets	1,423	0	0	0	0	1,423
<b>Total Foreign Liabilities</b>	<b>0</b>	<b>1,351</b>	<b>2,246</b>	<b>1,729</b>	<b>1,118</b>	<b>6,444</b>
Foreign Direct Investment in Palestine	0	0	1,355	1,207	1,118	3,680
Foreign Portfolio Investments in Palestine	0	0	182	475	0	657
Foreign Other Investments in Palestine:	0	1,351	709	47	0	2,107
Of which: loans from abroad	0	1,351	65	47	0	1,463
Of which: currency and deposits***	0	0	<b>644</b>	0	0	644

**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 First Quarter, 2025 and Second Quarter, 2025**

Value in million USD

Economic Sector	Stock at the end of the First Quarter 2025	Stock at the end of the Second Quarter 2025
<b>General Government</b>	<b>1,332</b>	<b>1,351</b>
Short-term	427	353
Long-term	905	998
<b>Monetary Authorities</b>	<b>0</b>	<b>0</b>
Short-term	0	0
Long-term	0	0
<b>Banks</b>	<b>712</b>	<b>709</b>
Short-term	332	328
Long-term	380	381
<b>Other Sectors</b>	<b>58</b>	<b>47</b>
Short-term	0	0
Long-term	58	47
<b>Direct Investment: lending between affiliated companies</b>	<b>11</b>	<b>11</b>
Debt liabilities to affiliated companies	0	0
Debt liabilities to direct investors	11	11
<b>Gross External Debt Position</b>	<b>2,113</b>	<b>2,118</b>



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**Table 3: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of 2024**

Value in million USD

Economic Sector  Investments Stocks by Type of Investment	Monetary Authorities	Govern- ment Sector	Banks Sector	Other Sectors		TOTAL
				Nonbank Financial Corporations , Non- Financial Corporations , and NGOs Sector	House- Holds Sector	
<b>International Investment Position (net)*</b>	<b>1,635</b>	<b>465</b>	<b>6,480</b>	<b>806-</b>	<b>1,057-</b>	<b>6,717</b>
<b>Total External Assets</b>	<b>1,635</b>	<b>1,787</b>	<b>8,486</b>	<b>892</b>	<b>53</b>	<b>12,853</b>
Foreign Direct Investment Abroad	0	0	0	257	2	259
Portfolio Investments Abroad	149	0	1,133	492	0	1,774
Other Investments Abroad	158	1,787	7,353	143	51	9,492
<i>Of which: currency and deposits**</i>	158	0	7,311	12	51	7,532
Reserve Assets	1,328	0	0	0	0	1,328
<b>Total Foreign Liabilities</b>	<b>0</b>	<b>1,322</b>	<b>2,006</b>	<b>1,698</b>	<b>1,110</b>	<b>6,136</b>
Foreign Direct Investment in Palestine	0	0	1,146	1,202	1,110	3,458
Foreign Portfolio Investments in Palestine	0	0	159	449	0	608
Foreign Other Investments in Palestine:	0	1,322	701	47	0	2,070
<i>Of which: loans from abroad</i>	0	1,322	73	47	0	1,442
<i>Of which: currency and deposits***</i>	0	0	628	0	0	628

**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: This item include the residents' deposits in banks abroad, in addition to foreign exchange in Palestinian economy.
- \*\*\* Currency and deposits: This item include the deposits of non-residents deposited in resident banks.

**Table 4: Gross External Debt Position on Palestine,  
at the end of years 2023, 2024**

Value in million USD

Economic Sector	Stock at the end of 2023	Stock at the end of 2024
<b>General Government</b>	<b>1,321</b>	<b>1,322</b>
Short-term	297	404
Long-term	1024	918
<b>Monetary Authorities</b>	<b>0</b>	<b>0</b>
Short-term	0	0
Long-term	0	0
<b>Banks</b>	<b>749</b>	<b>701</b>
Short-term	345	325
Long-term	404	376
<b>Other Sectors</b>	<b>58</b>	<b>47</b>
Short-term	0	0
Long-term	58	47
<b>Direct Investment: lending between affiliated companies</b>	<b>11</b>	<b>11</b>
Debt liabilities to affiliated enterprises	0	0
Debt liabilities to direct investors	11	11
<b>Gross External Debt Position</b>	<b>2,139</b>	<b>2,081</b>