



سلطة النقد الفلسطينية
PALESTINE MONETARY AUTHORITY



الجهاز المركزي للإحصاء الفلسطيني
Palestinian Central Bureau of Statistics

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 3,659 million at the End of the fourth Quarter of 2021

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 fourth quarter 2021.

The primary results of the IIP (external assets – foreign liabilities) for Palestine at the end of the fourth quarter 2021 revealed that the net IIP amounted to USD 3,659 million, increased by 1% compared with previous quarter, which means that the Palestinian economy's investments outside Palestine outweighs investments in Palestine from abroad.

66% of the total external assets of the Palestinian economy are currency and deposits

The total stocks of External Assets for Palestinian economy amounted to USD 9,628 million, the Foreign Direct Investment Abroad contributed to 3%, Portfolio Investments abroad reached 16%, while Other Foreign Investments Abroad (mainly currency and deposits) reached 72% and Reserve Assets amounted to 9%. At sectoral level, the external investments of the banking sector represented a large share of the external assets (balances abroad, vault cash and portfolio investment) standing at 70% of the total value of external assets for Palestinian economy.

50% of the total foreign liabilities on the Palestinian economy are foreign direct investment

The total stocks of Foreign Liabilities in Palestine (stocks of non-residents invested in Palestine) amounted to USD 5,969 million, the Foreign Direct Investment in Palestine contributed to 50%, Portfolio Investments in Palestine reached 14%, and Other Investments in Palestine (mainly loans and deposits from abroad) amounted to 36%. At sectoral level, the foreign investments in banks sector contributed a major value in the foreign liabilities, represented by 36% of the total value of foreign liabilities on Palestinian economy.

decrease of Stock of external government debt by 0.3%, to reach about USD 1.3 billion at the end of the fourth quarter 2021

The Gross External Debt on the Palestinian economic sectors reached USD 2,159 million increased by 1% compared with previous quarter. Debt on government sector represented 61%, while debt on the banking sector (deposits of non-residents in banks operating in Palestine) reached 36%, and debt on other sectors (non-bank financial corporations, non-financial corporations, NGOs and households sector) amounted to 2%, and the lending between affiliated companies reached 1%.



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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, deposits of non-residents deposited in the banks operating in Palestine, the Palestinian bonds purchased by non-residents (where applicable), 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.

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Table 1: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of the Fourth Quarter, 2021

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)*	1,377	888-	4,588	405-	1,013 -	3,659
Total External Assets	1,377	431	6,720	1,058	42	9,628
Foreign Direct Investment Abroad	0	0	0	324	8	332
Portfolio Investments Abroad	78	0	839	619	0	1,536
Other Investments Abroad	426	431	5,881	115	34	6,887
<i>Of which: currency and deposits**</i>	426	0	5,855	2	34	6,317
Reserve Assets	873	0	0	0	0	873
Total Foreign Liabilities	0	1,319	2,132	1,463	1,055	5,969
Foreign Direct Investment in Palestine	0	0	1,028	893	1,055	2,976
Foreign Portfolio Investments in Palestine	0	0	324	527	0	851
Foreign Other Investments in Palestine:	0	1,319	780	43	0	2,142
<i>Of which: loans from abroad</i>	0	1,319	0	43	0	1,362
<i>Of which: currency and deposits***</i>	0	0	780	0	0	780

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.



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Table 2: Gross External Debt Position on Palestine, at the End of the Third Quarter, 2021 and Fourth Quarter, 2021

Value in million USD

Economic Sector	Stock at the end of the third Quarter 2021	Stock at the end of the fourth Quarter 2021
General Government	1,323	1,319
Short-term	168	191
Long-term	1,155	1128
Monetary Authorities	0	0
Short-term	0	0
Long-term	0	0
Banks	748	780
Short-term	394	378
Long-term	354	402
Other Sectors	43	43
Short-term	0	0
Long-term	43	43
Direct Investment: lending between affiliated companies	17	17
Debt liabilities to affiliated companies	0	0
Debt liabilities to direct investors	17	17
Gross External Debt Position	2,131	2,159