



**Preliminary results of the International  
Investment Position and External Debt  
for Palestine 2012.**

**Stocks of Palestinian assets  
invested abroad are about USD  
5,262 million.  
while Stocks of foreign liabilities  
on the Palestinian economy are  
about USD 4,595 million**

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) have prepared a press release for the International Investment Position (IIP), and External Debt statistics in Palestine in 2012.

The primary results of the IIP (external assets – foreign liabilities) for Palestine by the end of 2012 revealed that the net IIP amounted to about USD 667 million, which means that the Palestinian economy of its various sectors had invested outside Palestine by more than the investment amount in Palestine from abroad. The cash deposits of local banks in foreign banks and foreign exchange in Palestinian economy contributed a major value in the external assets, which represented by 61.5 percent of their total value.

The total stocks of External Assets for Palestine (Stocks of residents in Palestine invested abroad) amounted to USD 5,262 million, The Foreign Direct Investment abroad had contributed to 4.4 percent, Portfolio Investments abroad reached 19.6 percent, while Other Foreign Investments abroad reached 62.4 percent, and Reserve Assets amounted to 12.6 percent. According to sectoral level, the external investments of banking sector contributed a major value in the external assets,

represented by 71.3 percent of the total value of external assets.

The total stocks of Foreign Liabilities in Palestine (Stocks of non-residents invested in Palestine) had amounted to USD 4,595 million, The Foreign Direct Investment in Palestine contributed 50.8 percent, Portfolio Investments in Palestine reached 14.7 percent, and Other Investments in Palestine amounted to 34.4 percent.

The International Investment Position (IIP) is defined as an accounting sheet records the investments stocks for the residents in Palestine (individuals, institutions and government) that was invested in the rest of the world (abroad) under the name of (assets), on the one hand, and the investments stocks owned by residents outside Palestine (individuals, institutions and governments) that was invested in Palestine under the name of (liabilities) on the other hand.

the Balance of Payments Manual - fifth edition, issued by the International Monetary Fund in 1993, divides the assets and liabilities to direct investment (investment by 10 percent and more in the non-resident capital), and portfolio investment (investment less than 10 percent in the non-resident capital as well as investment in bonds), and other investments (which are divided into stocks of trade credit, loans, currency and deposits and any other assets or liabilities), in addition to the Reserve Assets, which is defined as Stocks held by the Monetary Authority to address the imbalances in the balance of payments, it is worth mentioning that the reserve assets are only included in the asset side.



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**Palestine**

The External Debt is defined as an accounting sheet records the debt stocks on Palestinian economy sectors due to nonresidents, which include (loans from nonresident, the nonresidents deposits deposited in the banks sector in Palestine, the Palestinian bonds purchased by nonresidents, debt transactions between the non-resident enterprises and fellow enterprises in Palestine, in addition to 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 based on (External Debt Statistics Manual) issued by IMF in 2003, this manual is harmonized with 5<sup>th</sup> edition of Balance of Payments and International Investment Position Manual.

The total stocks of External Debt on the Palestinian economy sectors had amounted to USD 1,601 million, The debt on general government sector had contributed 68.5 percent, while debt on banks sector reached 27.7 percent, and debt on other sectors (non-financial, insurance enterprises NGOs and household sectors) amounted to 2.7 percent, the lending between affiliated companies contributed to 1.1 percent.

The first attached table explains the results of the IIP for Palestine by the end of 2012 in details (economic sector and type of investment), while the second table explains the stocks of gross external debt on Palestinian economy sectors.

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**Table 1: International Investment Position (IIP) stock by Economic Sectors For Palestine, at the end of 2012**

Value in million USD

Economic Sector  Investments Stocks by Type of Investment	Monetary Authorities (PMA)	Government Sector	Banks Sector	Other Sectors		TOTAL
				Non-Financial companies, Insurance companies and NGO's Sector	House- Holds Sector	
<b>International Investment Position (net)*</b>	<b>917</b>	<b>-1096</b>	<b>2304</b>	<b>-691</b>	<b>-767</b>	<b>667</b>
<b>Total External Assets</b>	<b>917</b>	<b>1</b>	<b>3750</b>	<b>488</b>	<b>106</b>	<b>5262</b>
Foreign Direct Investment Abroad	0	0	20	113	99	232
Portfolio Investments Abroad	75	0	650	303	2	1030
Other Investments Abroad	178	1	3080	72	5	3336
<i>Of which: currency and deposits**</i>	178	0	3035	16	5	3234
Reserve Assets	664	0	0	0	0	664
<b>Total Foreign Liabilities</b>	<b>0</b>	<b>1097</b>	<b>1446</b>	<b>1179</b>	<b>873</b>	<b>4595</b>
Foreign Direct Investment in Palestine	0	0	752	711	873	2336
Foreign Portfolio Investments in Palestine	0	0	251	425	0	676
Foreign Other Investments in Palestine	0	1097	443	43	0	1583
<i>Of which: Loans from abroad</i>	0	1097	0	43	0	1140
<i>Of which: currency and deposits***</i>	0	0	443	0	0	443

**Notes:**

- The Data in the Table Above are Closed to the Nearest Integer.

\* International Investment Position (net): Equals Total External Assets Minus total Foreign Liabilities.

\*\* Currency and deposits: Including Residents Deposits in Banks Abroad, In addition to Foreign Currency Cash in Palestinian Economy.

\*\*\* Currency And deposits: Include the Deposits of Non-residents Deposited in Local Banks.



**Table 2: Gross External Debt position on the Palestine, at the end of 2012**

Value in million USD

<b>Economic Sector</b>	<b>Stock at the end of 2012</b>
<b>General Government</b>	<b>1097</b>
Short-term	85
Long-term	1012
<b>Monetary Authorities</b>	<b>0</b>
Short-term	0
Long-term	0
<b>Banks</b>	<b>443</b>
Short-term	443
Long-term	0
<b>Other Sectors</b>	<b>43</b>
Short-term	7
Long-term	36
<b>Direct investment: lending between affiliated companies</b>	<b>18</b>
Debt liabilities to affiliated enterprises	0
Debt liabilities to direct investors	18
<b>Gross External Debt Position</b>	<b>1601</b>