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 3,360 million at the End of the Third Quarter of 2022

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 third quarter 2022.

The total stocks of External Assets for the Palestinian economy amounted to USD 9,450 million, the Foreign Direct Investment Abroad contributed to 3%, and Portfolio Investments abroad reached 17%, while Other Foreign Investments Abroad reached 69% and Reserve Assets amounted to 11%.

49% of the total foreign liabilities on the Palestinian economy at the End of the Third Quarter of 2022 are a foreign direct investment

The total stocks of Foreign Liabilities in Palestine (Balances of non-residents invested in Palestine) amounted to USD 6,090 million, where Foreign Direct Investment in Palestine contributed to 49%, Portfolio Investments in Palestine reached 15%, and Other Investments in Palestine (mainly loans and deposits from abroad) amounted to 36%. At the sectoral level, foreign investments in the banking sector contributed a major value in the foreign liabilities, represented by 36% of the total value of foreign liabilities in the Palestinian economy.

A decrease in Stock of external government debt by 2%, to reach about USD 1.2 billion at the end of the third quarter 2022

The Gross External Debt of the Palestinian economic sectors reached USD 2,215 million increased by 4% compared with the previous quarter. Debt on the government sector represented 57%, while debt on the banking sector (deposits of non-residents in banks operating in Palestine) reached 36%, and debt on other sectors (non-banking financial institutions, non-financial corporations, NGOs, and household sector) amounted to 5%, and the lending between affiliated companies reached 2%.

The International Investment Position (IIP) is a statistical record of 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), compared with 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). Portfolio investment (investment less than 10% in the non-resident capital as well as investment in bonds), and other investments (includes 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 on the asset side.

The External Debt is a statistical record of 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 in the Palestinian economy) the data of external debt have been extracted from the liabilities side in the international investment position matrix (debt items). Compiling and disseminating the data based on (The External Debt Statistics Manual) issued by IMF in 2003, which is harmonized with the fifth edition of the Balance of Payments Manual.

Table 1: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of the Third Quarter, 2022

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)*	**1,424**	**717-**	**4,332**	**665-**	**1,014-**	**3,360**
Total External Assets	**1,424**	**561**	**6,552**	**854**	**59**	**9,450**
Foreign Direct Investment Abroad	0	0	0	293	25	318
Portfolio Investments Abroad	161	0	915	504	0	1,580
Other Investments Abroad	259	561	5,637	57	34	6,548
*Of which: currency and deposits***	259	0	5,610	2	34	5,905
Reserve Assets	1,004	0	0	0	0	1,004
Total Foreign Liabilities	**0**	**1,278**	**2,220**	**1,519**	**1,073**	**6,090**
Foreign Direct Investment in Palestine	0	0	1,065	859	1,073	2,997
Foreign Portfolio Investments in Palestine	0	0	363	556	0	919
Foreign Other Investments in Palestine:	0	1,278	792	104	0	2,174
Of which: loans from abroad	0	1,278	105	104	0	1,487
*Of which: currency and deposits****	0	0	687	0	0	687

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.

Table 2: Gross External Debt Position on Palestine, at the End of the Second Quarter, 2022 and Third Quarter, 2022

Value in million USD

Economic Sector	Stock at the end of the Second Quarter 2022	Stock at the end of the Third Quarter 2022
General Government	**1,305**	**1,278**
Short-term	188	197
Long-term	1,117	1,081
Monetary Authorities	**0**	**0**
Short-term	0	0
Long-term	0	0
Banks	**679**	**792**
Short-term	309	308
Long-term	370	484
Other Sectors	**104**	**104**
Short-term	0	0
Long-term	104	104
Direct Investment: lending between affiliated companies	**41**	**41**
Debt liabilities to affiliated companies	0	0
Debt liabilities to direct investors	41	41
Gross External Debt Position	**2,129**	**2,215**