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

The total foreign direct investment stock in resident enterprises in Palestine amounted to USD 1,975 million at the end of 2021

The Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority (PMA) announced the preliminary results of the Foreign Investment Survey of Resident Enterprises in Palestine as of end of year 2021. This periodic survey constitutes the continuous efforts made by both of PCBS and PMA on a regular basis.

Results indicated that external investments by resident enterprises in Palestine were greater than investments by non-residents in resident enterprises in Palestine at the end of 2021, taking into consideration the specification of the Palestinian situation; that Palestine does not own a national currency, which is included in the other investments on the assets side.

In this regard, the total investment stock abroad of resident enterprises in Palestine (assets) is amounted to USD 8,980 million at the end of 2021, of which 70.0% is foreign exchange in these enterprises and their deposits in banks abroad.
In addition, the total foreign investment stock in resident enterprises in Palestine (liabilities) is amounted to USD 3,709 million at the end of 2021, of which 53.3% is foreign direct investment (FDI). (See table1).

The total investments stock abroad of resident enterprises in Palestine (assets) at the end of 2021 was distributed as: Other investments abroad amounted to USD 6,364 million with a percentage of 70.9% of total assets; portfolio investments abroad amounted to USD 1,397 million with a percentage of 15.5% of total assets; stock of reserve assets for the PMA amounted to USD 873 million with a percentage of 9.7% of total assets; and the foreign direct investments (FDI) abroad amounted to USD 346 million with a percentage of 3.9% of total assets at the end of 2021.

While the total foreign investment stock in resident enterprises in Palestine (liabilities) was distributed as: Foreign direct investments (FDI) amounted to USD 1,975 million with a percentage of 53.3% of total liabilities; portfolio investments were USD 850 million with a percentage 22.9% of total liabilities; while other investments totaled USD 884 million with a percentage of 23.8% of total liabilities at the end of 2021.

Results showed that 64.3% of foreign direct investments (FDI) in resident enterprises in Palestine is concentrated in the financial intermediation activity. Whereas investments from Jordan contributed 81.5% of total stock of FDI in resident enterprises in Palestine.

Results also showed that 59.8% of total portfolio investments in resident enterprises in Palestine is concentrated in the financial intermediation activity. Whereas investments from Jordan contributed 46.4% of the total stock of Portfolio investments in resident enterprises in Palestine.

The Foreign Investment Survey is considered to be the primary tool for collecting data about the International Investment Position (IIP). It collects details on the flows and stocks of foreign investments, using special forms. The IIP is an account, which records the total balance of foreign financial assets and liabilities of the economy. Changes in IIP are categorized into two levels: The first level differentiates between assets and liabilities and the difference represents the net IIP; and the second level focuses on the division of assets and liabilities on a functional basis that is fully consistent with the basic elements of financial account in the balance of payments, in addition to changes between stocks at the beginning and at the end of the period. This may include changes in prices, currency exchange rates, or a quantitative change resulting from sudden profit or loss as a result of natural disasters or war. The Foreign Investment Survey was conducted in accordance with the recent international recommendations; taking into consideration the specification of the Palestinian situation.

Table 1: Main Indicators of the Foreign Investment Survey of Resident Enterprises in Palestine (stocks) at end of 2021

Value in million USD

Indicator	Stock 2021	Percentage %
Total Assets*	**8,980**	**100**
Stocks of Foreign Direct Investment	**346**	**3.9**
Stocks of Portfolio Investments	**1,397**	**15.5**
of which: Equity securities	458	
of which: Debt securities	939	
Stocks of Other Investments:	**6,364**	**70.9**
of which: Trade credits	12	
of which: Loans	69	
of which: Currency and deposits	**6,283**	
of which: Other Assets	0	
Stocks of Reserves Assets	**873**	**9.7**
Total Liabilities**	**3,709**	**100**
Stocks of Foreign Direct Investment	**1,975**	**53.3**
Stocks of Portfolio Investments	**850**	**22.9**
of which: Equity securities	850	
of which: Debt securities	0	
Stocks of Other Investments:	**884**	**23.8**
of which: Trade credits	0	
of which: Loans	104	
of which: Currency and deposits	780	
of which: Other Liabilities	0	

*Assets are the investments abroad of Resident enterprises in Palestine

** Liabilities are the foreign investments in Resident enterprises in Palestine

Table 2: Percentage Distribution of Foreign Direct Investment (FDI) in Resident Enterprises in Palestine by Economic Activity at end of 2021

Economic Activity	Value (in Million USD)	Percentage %
Financial Intermediation	1,270	64.3
Services, Transport, Storage, communications & internal trade	593	30.0
Industry	69	3.5
Constructions	43	2.2
Total	**1,975**	**100**

Table 3: Percentage Distribution of Foreign Direct Investment (FDI) in Resident Enterprises in Palestine by Country at end of 2021

Country	Value (in Million USD)	Percentage %
Jordan	1,610	81.5
Qatar	158	8.0
Kingdom of Saudi Arabia	109	5.5
Egypt	59	3.0
Cyprus	26	1.3
United Arab Emirates	8	0.4
Other Countries	5	0.3
Total	**1,975**	**100**

Table 4: Percentage Distribution of Foreign Portfolio Investment in Resident Enterprises in Palestine by Economic Activity at end of 2021

Economic Activity	Value (in Million USD)	Percentage %
Financial Intermediation	508	59.8
Services, Transport, Storage, Communications & Internal Trade	288	33.9
Industry	43	5.0
Constructions	11	1.3
Total	**850**	**100**

Table 5: Percentage Distribution of Foreign Portfolio Investment in Resident Enterprises in Palestine by Country at end of 2021

Country	Value (in Million USD)	Percentage %
Jordan	394	46.4
Kingdom of Saudi Arabia	98	11.5
United Arab Emirates	77	9.0
Kuwait	69	8.1
United States of America	45	5.3
Qatar	32	3.8
Other countries	135	15.9
Total	**850**	**100**