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 5,268 million at the End of the Second Quarter of 2024

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 2024 and end of year 2023[1].

The primary results of the IIP (external assets – foreign liabilities) for Palestine at the end of the Second quarter 2024 revealed that the net IIP amounted to USD 5,268 million.

56% of the total external assets of the Palestinian economy are currency and deposits at the end of the second quarter of 2024, due to the absence of a Palestinian national currency, also an increase of 27% of clearance held by Israel compared with previous quarter.

The total stocks of External Assets for Palestinian economy amounted to USD 11,312 million, the Foreign Direct Investment Abroad contributed to 3%, and Portfolio Investments abroad reached 15%, while Other Foreign Investments Abroad (mainly currency and deposits) reached 71% and Reserve Assets amounted to 11%.

54% of the total foreign liabilities on the Palestinian economy at the end of the second quarter of 2024 are foreign direct investment

The total stocks of Foreign Liabilities in Palestine (stocks of non-residents invested in Palestine) amounted to USD 6,044 million, the Foreign Direct Investment in Palestine contributed to 54%, Portfolio Investments in Palestine reached 10%, and Other Investments in Palestine (mainly loans and deposits from abroad) amounted to 36%.

The Government's External Debt stock stabilized at about 1.3 billion US dollars at the end of the second quarter of 2024

The Gross External Debt on the Palestinian economic sectors reached USD 2,163 million increased by less than 1% compared with previous quarter. Debt on government sector represented 60%, 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 3%, and the lending between affiliated companies reached 1%.

[1] In parallel with this release, the annual data for 2023 will also be published on the websites of both institutions

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, 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.

Issued on: 25/09/2024

Table 1: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of the Second Quarter, 2024

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)*	**1,471**	**277**	**5,232**	**651-**	**1,061-**	**5,268**
Total External Assets	**1,471**	**1,600**	**7,280**	**918**	**43**	**11,312**
Foreign Direct Investment Abroad	0	0	0	301	2	303
Portfolio Investments Abroad	149	0	1,048	492	0	1,689
Other Investments Abroad	131	1,600	6,232	125	41	8,129
*Of which: currency and deposits***	131	0	6,192	12	41	6,376
Reserve Assets	1,191	0	0	0	0	1,191
Total Foreign Liabilities	**0**	**1,323**	**2,048**	**1,569**	**1,104**	**6,044**
Foreign Direct Investment in Palestine	0	0	1,115	1,040	1,104	3,259
Foreign Portfolio Investments in Palestine	0	0	162	471	0	633
Foreign Other Investments in Palestine:	0	1,323	771	58	0	2,152
Of which: loans from abroad	0	1,323	96	58	0	1,477
*Of which: currency and deposits****	0	0	675	0	0	675

***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, 2024 and Second Quarter, 2024

Value in million USD

Economic Sector	Stock at the end of the First Quarter 2024	Stock at the end of the Second Quarter 2024
General Government	**1,320**	**1,323**
Short-term	319	343
Long-term	1,001	980
Monetary Authorities	**0**	**0**
Short-term	0	0
Long-term	0	0
Banks	**778**	**771**
Short-term	332	336
Long-term	446	435
Other Sectors	**47**	**58**
Short-term	0	0
Long-term	47	58
Direct Investment: lending between affiliated companies	**11**	**11**
Debt liabilities to affiliated companies	0	0
Debt liabilities to direct investors	11	11
Gross External Debt Position	**2,156**	**2,163**

Table 3: International Investment Position (IIP) Stock by Economic Sectors for Palestine, at the end of 2023

Value in million USD

Economic Sector / Investments Stocks by Type of Investment	Monetary Authorities (PMA)	Government Sector	Banks Sector	Other Sectors		TOTAL
				Nonbank Financial Corporations, Non-Financial Corporations, and NGOs Sector	House-Holds Sector	
International Investment Position (net)*	**1,572**	**430-**	**4,861**	**710-**	**1,049-**	**4,244**
Total External Assets	**1,572**	**891**	**6,954**	**935**	**47**	**10,399**
Foreign Direct Investment Abroad	0	0	0	301	2	303
Portfolio Investments Abroad	160	0	1,034	508	0	1,702
Other Investments Abroad	89	891	5,920	126	45	7,071
*Of which: currency and deposits***	89	0	5,881	13	45	6,028
Reserve Assets	1,323	0	0	0	0	1,323
Total Foreign Liabilities	**0**	**1,321**	**2,093**	**1,645**	**1,096**	**6,155**
Foreign Direct Investment in Palestine	0	0	1,160	1,079	1,096	3,335
Foreign Portfolio Investments in Palestine	0	0	184	508	0	692
Foreign Other Investments in Palestine:	0	1,321	749	58	0	2,128
Of which: loans from abroad	0	1,321	75	58	0	1,454
*Of which: currency and deposits****	0	0	674	0	0	674

***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 2022, 2023

Value in million USD

Economic Sector	Stock at the end of 2022	Stock at the end of 2023
General Government	**1,302**	**1,321**
Short-term	221	297
Long-term	1081	1024
Monetary Authorities	**0**	**0**
Short-term	0	*0*
Long-term	0	*0*
Banks	**646**	**749**
Short-term	413	345
Long-term	233	404
Other Sectors	**47**	**58**
Short-term	0	0
Long-term	47	58
Direct Investment: lending between affiliated companies	**11**	**11**
Debt liabilities to affiliated enterprises	0	0
Debt liabilities to direct investors	11	11
Gross External Debt Position	**2,006**	**2,139**