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

57% of the Total External Assets of the Palestinian Economy are Currency and Deposits

The net stock of the international investment position (IIP) amounted to USD 9,491 million at the end of the third quarter of 2025

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 third quarter 2025.

The preliminary results of the IIP (external assets – foreign liabilities) for Palestine at the end of the third quarter of 2025 revealed that the net IIP amounted to USD 9,491million.

Currency and deposits accounted for 57% of the total external assets of the Palestinian economy at the end of the third quarter of 2025. This is mainly due to the absence of a Palestinian national currency, as well as a 28% increase in clearance revenues held by Israel compared with the previous quarter.

The total stocks of External Assets for Palestinian economy amounted to USD 15,803 million, the Foreign Direct Investment Abroad contributed to 2%, and Portfolio Investments abroad reached 14%, while Other Foreign Investments Abroad (mainly currency and deposits) reached 76% and Reserve Assets amounted to 8%.

55% of the total foreign liabilities on the Palestinian economy at the end of the third quarter of 2025 are foreign direct investment

The total stocks of foreign liabilities in Palestine (non-resident investments in Palestine) amounted to USD 6,312 million. Of this, foreign direct investment in Palestine accounted for 55%, (mainly, banks, insurance and communication companies owned by non-residents in addition to buildings owned by non-residents households, amounted to USD 3,489 million), portfolio investments reached 11%, and other investments (mainly loans and deposits from abroad) amounted to 34%.

The Government's External Debt stock stabilized at about 1.3 billion US dollars at the end of the third quarter of 2025

The gross external debt of the Palestinian economic sectors reached USD 2,170 million, reflecting an increase 2% compared with the previous quarter. Government sector debt represented 62% (this debt is to external arab and international financial institutions, mainly Al-Aqsa Fund, Qatar National Bank, and the World Bank), while debt of the banking sector (deposits of non-residents in banks operating in Palestine) accounted for 35%. Debt of other sectors (including non-bank financial corporations, non-financial corporations, NGOs, and the household sector) amounted to 2%, while intercompany lending between affiliated enterprises accounted for less than 1%.

The International Investment Position (IIP) is an accounting statement that records the stock of investments by residents in Palestine (individuals, institutions, and the government) in the rest of the world (abroad), under the category of *assets*. It compares these with the stock of investments held by non-residents (individuals, institutions, and the government abroad) in Palestine, under the category of *liabilities*.

The Balance of Payments Manual – fifth edition, issued by the International Monetary Fund in 1993 – divides assets and liabilities into direct investment (investment of 10% or more in non-resident capital), portfolio investment (investment of less than 10% in non-resident capital, as well as investment in bonds), and other investments. These other investments include stocks of trade credit, loans, currency and deposits, and any other assets or liabilities. In addition, the Manual identifies reserve assets, i.e., stocks held by central banks or monetary authorities to address imbalances in the balance of payments. It is worth mentioning that reserve assets are recorded only on the asset side.

The External Debt is an accounting statement that records the debt stocks of Palestinian economic sectors owed to non-residents. These include loans from non-residents, deposits of non-residents held in banks operating in Palestine, Palestinian bonds purchased by non-residents, and debt transactions between non-resident enterprises and their fellow enterprises in Palestine. They also encompass any other liabilities of the Palestinian economy. The data on external debt are extracted from the liabilities side of the International Investment Position (IIP) matrix (debt items). The preparation, classification, and publication of these data are based on the External Debt Statistics Manual, issued by the 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, 2025

Value in million USD

Economic Sector / Investments Stocks by Type of Investment	Monetary Authorities	Government Sector	Banks Sector	Other Sectors		TOTAL
				Non-bank Financial Corporatios, Non-Financial Corporatios, and NGOs Sector	House-Holds Sector	
International Investment Position (net)*	**1,650**	**1,453**	**8,205**	**760-**	**1,057-**	**9,491**
Total External Assets	**1,650**	**2,808**	**10,347**	**933**	**65**	**15,803**
Foreign Direct Investment Abroad	0	0	0	315	2	317
Portfolio Investments Abroad	131	0	1,533	475	0	2,139
Other Investments Abroad	188	2,808	8,814	143	63	12,016
*Of which: currency and deposits***	188	0	8,768	12	63	9,031
Reserve Assets	1,331	0	0	0	0	1,331
Total Foreign Liabilities	**0**	**1,355**	**2,142**	**1,693**	**1,122**	**6,312**
Foreign Direct Investment in Palestine	0	0	1,182	1,185	1,122	3,489
Foreign Portfolio Investments in Palestine	0	0	203	461	0	664
Foreign Other Investments in Palestine:	0	1,355	757	47	0	2,159
Of which: loans from abroad	0	1,355	65	47	0	1,467
*Of which: currency and deposits****	0	0	692	0	0	692

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 Second Quarter, 2025 and Third Quarter, 2025

Value in million USD

Economic Sector	Stock at the end of the Second Quarter 2025	Stock at the end of the Third Quarter 2025
General Government	**1,351**	**1,355**
Short-term	353	372
Long-term	998	983
Monetary Authorities	**0**	**0**
Short-term	0	0
Long-term	0	0
Banks	**709**	**757**
Short-term	328	472
Long-term	381	285
Other Sectors	**47**	**47**
Short-term	0	0
Long-term	47	47
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	**2,118**	**2,170**