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**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 4,730 million

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 532 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% 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%, Portfolio Investments abroad reached 19.6%, while Other Foreign Investments abroad reached 63.4%, and Reserve Assets amounted to 12.6%. According to sectoral level, the external investments of banking sector contributed a major value in the external assets, represented by 71.3% 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 4,730 million ,The Foreign Direct Investment in Palestine contributed 49.4%, Portfolio Investments in Palestine reached 17.1%, and Other Investments in Palestine amounted to 33.5%.

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 Fund in 1993, divides the assets and liabilities to 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 (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.

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 5th 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%, while debt on banks sector reached 27.7%, and debt on other sectors (non-financial, insurance enterprises NGOs and household sectors) amounted to 2.7%, the lending between affiliated companies contributed to 1.1%.

The 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.

