



P a l e s t i n e

Land of Opportunities

2022

Investment Promotion
and Industrial Estate
Agency (IPIEA)

لبناء فلسطين المستقبل

BUILDING A BETTER FUTURE



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Official Commitment to Develop National Economy and Encourage Investment in Palestine

PRIVATE SECTOR IS A KEY DRIVER FOR ECONOMIC DEVELOPMENT Where emphasis is on attracting and promoting local and foreign investments to build the pillars of a **Palestinian economy**. Through concentration on the Construction, Tourism, Agriculture, IT and Energy

Sectors. Developing Palestinian exports, expanding the Palestinian scope in the global trade, designing and implementing the national infrastructure projects needed to develop the Palestinian economy, providing support for start-up businesses, developing small and medium sized enterprises (SMEs), affording the legal environment and administrative procedures that enhance business sector, providing the needed Information Technology and liberalizing Information Technology Sector from domination, piracy and enhancing cyber security, concentrating on supporting and protecting national products and increasing its competitiveness and its market share in the local market, and through rebuilding the production sectors to reinforce the Palestinian industries.

Sectoral Strategy for Developing National Economy (2017-2022)



دولة فلسطين

State of Palestine



هيئة تشجيع الاستثمار والمدن الصناعية

Investment Promotion and Industrial Estate Agency



Minister of National Economy and IPIEA Chairman –
H.E Khaled OSAILY

Welcome to Palestine (facts and roadmap)

1



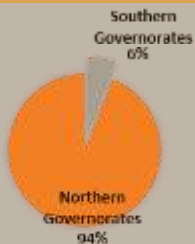
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Welcome to Palestine (facts and roadmap)

6,450 Square Kilometer



A Democratic State With Free Economy

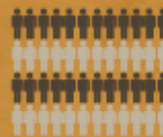
1

Population

4,976,685

Expat and Diaspora

13,000,000



2

language



Arabic/ official language



English/ business language



French



German

3

Currencies Used:

- US Dollar(USD)

- EURO

- Jordanian Dinar (JD)

- New Israeli Shekel (NIS)

4

Border Crossing



1. Aljalmeh
2. Altaybah
3. Alkarma
4. The Palestinian Commerce
5. Betounia
6. Tarqomyia
7. Almontar
8. Alshuja'ya
9. Bet Hanoun
10. Karem Abu Saelm
11. Ala'wdeh
12. Rafah

5

Ports and Airports



1. Al Ludd (Ben Gurion) Airport
2. Alia international Airport
3. Al Arish International Airport
4. Haifa Port
5. Ashdod Port
6. Al Aqaba port

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Welcome to Palestine (facts and roadmap)

1

1 Employment and Wages

44.3%

18.1% Female

Labor Force Participation Rate

1,291,000 Workers

US \$ 29 Average Daily Wages

2 Proportion Unemployed

25.9%

41.2% Female

Unemployment Rate

335 Thousand Unemployed

40.1% Unemployment Rate Among (15-24)

3 Inflation rate

1.24%

2021

4 Economy

14,037.4

USD Million

Gross Domestic Products

23.6% Investment contribution of GDP

26.4% Growth Rate during last 10 years

5 Export

-4.5%

Decrease Rate of Exports

US thousands \$1,054,600 (Good & services 2021)

6 Import

-8.3%

Decrease Rate of Imports

US \$ thousands 6,063,400 (Good & services 2021)

PCBS, 2020

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Welcome to Palestine (facts and roadmap)

1

7 Financial Transaction & Finance

14%

Gross Value Added of
Financial Sector

13 Banks, 6 Foreign Banks



Palestine Exchange is the first stock exchange in the Arab world that using a computerized system, and wholly owned by the private sector, it is adopting the publicly trading. "Al Quds" market index achieved high confident level among investors.

48

Listed Securities

Financial Sector, Investing Sector,
Industrial Sector, and Services Sector



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Welcome to Palestine (facts and roadmap)

1

8 Foreign Investments Record Success Stories In Palestine

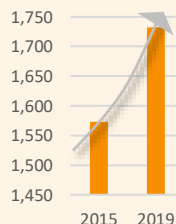
%10.1

Foreign Investments Balance In Residing Institutions (Base year 2015-2019)

US \$ 3,189,000,000

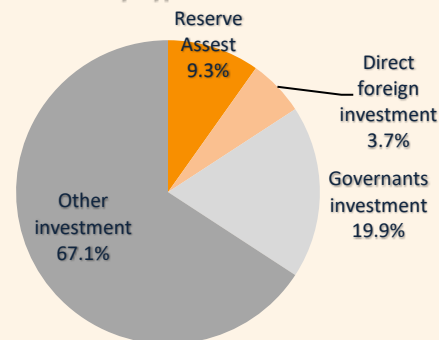
US K \$ 1,732,000 Foreign Direct Investment

The increase in foreign direct investment values in Palestine between 2015 and 2019

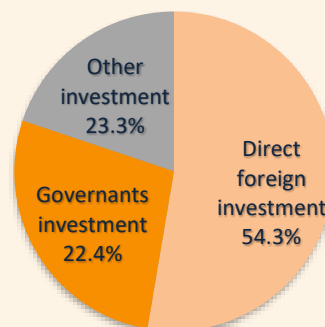


PCBS. 2020

Net Foreign Assets of Institutions In Palestine by Type of Investment



Percentage Distribution of Foreign Liabilities Stocks in Resident Enterprises in Palestine by Type of Investment



The expropriation and nationalization of foreign investments shall be prohibited only in exceptional cases determined by law on the basis of fair compensation based on market prices

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Invest in Palestine video

2



Opportunities, Guarantees, Incentives ... Palestine Awaits

3



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1

Ease To Access Palestine And Start Your Direct Business Their

- To facilitate the access of the investor to Palestine and explore the available investment opportunities, a request for an investor to visit Palestine shall be submitted. Palestinian Investment Promotion Agency follow up with the relevant institutions to prepare the request.
- The investor is entitled to obtain a permanent residence permit to implement the activities of the investment in a simple and clear steps.



The Investment Promotion and Industrial Estate Agency provides and follow up all procedures related to the commencement of the investment & implementing it's activities

The request for an investor to visit palatine can be submitted electronically through the portal of PIPA www.pipa.ps

2

Laws Regulating And Promoting Foreign And Domestic Investments

- A modern law specializing in promoting investments, that gives foreign investors as well as local investors a range of tax and non-tax incentives, customs incentives and guarantees.

- Investor may freely choose legal form of investment, with easy and simple steps
- Investor may freely own the investment within unlimited percentage
- Investor may freely invest in all major and subsidiary economic sectors
- Investor may freely invest in any capital size
- No conditions on the investor to put an initial capital in banks
- Investor may freely transfer all financial resources
- Investment Incentives Packages include tax, non-tax and customs
- Contract packages of incentives for specific development areas or priority

Investments have various tax facilities

A labor law regulates the relationship between the investor, and the workers, and preserves the rights of two parties

A social security law operates financial funds to invest long-term economic projects

Type of Companies

Regular Public Companies

Limited Ordinary Companies

Limited Public Holding Companies

Limited Private Holding Companies



- Jenin Industrial Free Zone
- Tulkarem Industrial Estate
- Qalqilia Industrial Estate
- Jericho Agro-industrial Park
- Bethlehem Industrial Estate
- Hebron Industrial Estate
- Gaza Industrial Estate

3 Industrial Zones Fully Qualified To Absorb Foreign Investment

- Suitable industrial zones with distinct infrastructure
- Industrial zones distributed throughout Palestine

Investment Size Exceeds
US \$ 100,000,000



Areas Are Over
4,328 Dunum



Ability To Accommodate
14,500 workers



More Than 100 Investors Have Initiated
Their Work In The Industrial Free Zones

For more information please visit the Palestine industrial
estate and free zones authority
www.piefza.ps

PIEFZA. 2012

4

Guarantees And International Agreements Are A Window To Global Markets

- A set of international agreements signed with Palestine that provides an opportunity for the enjoyment of incentives for inter-exchange between the concerned parties



Bilateral & Multilateral Agreements

Americas market



Customs Exemption



Declaration of Free Trade Exchange



Free Trade Agreement

European & Russian Markets



Free Trade Interim Partnership Agreement



Trade Cooperation Agreement



Palestine signed number of International Agreements to encourage the External Trade



Investment Promotion & Protection Agreement



Full Membership of GAFTA



Free Economic Interim Partnership Agreement

Neighbor in markets



Arabic World



Islamic World



Preferential Trade



Preferential Trade



1. Gaza Industrial Estate (GIE)



2. Bethlehem Industrial Estate (BIE)



3. Jericho Agro Industrial Park (JAIP)



4. Jenin Industrial Free Zone (JIFZ)





1. Gaza Industrial Estate (GIE)

4.1

- 155 Km to Haifa seaport
- 110 Km to Jordan Borders
- 30 Km to Egypt Borders
- 40 Km to Ashdod seaport
- 100 Km to JAIP (Jericho)
- 135 Km to JIFZ (Jenin)
- 50 Km to Tarqomyia (Hebron)





2. Bethlehem Industrial Estate (BIE)

4.2

125 Km to Haifa seaport

35 Km to Jordan Borders

55 Km to Ashdod seaport

30 Km to JAIP (Jericho)

90 Km to JIFZ (Jenin)

70 Km to GIE (Gaza)

25 Km to Tarqomyia (Hebron)





3. Jericho Agro Industrial Park (JAIP)

4.3

115 Km to Haifa seaport

8 Km to Jordan Borders

80 Km to Ashdod seaport

75 Km to JIFZ (Jenin)

100 Km to GIE (Gaza)

55 Km to Tarqomyia (Hebron)

30 Km to BIE (Bethlehem)





4. Jenin Industrial Free Zone (JIFZ)

4.4

40 Km to Haifa seaport
30 Km to Jordan Borders
90 Km to Ashdod seaport
135 Km to GIE (Gaza)
100 Km to Tarqomyia (Hebron)
75 Km to JAIP (Jericho)
90 Km to BIE (Bethlehem)



Promising Sectors

5



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Palestine Is The Land Of Opportunities ... Invest In Its Agriculture Sector 5

Agricultural Sector

Contribution
to GDP

7 %

\$ 1,103,508,000

Labor
Contribution

6.1 %

More than 60,000 Workers

**Palestinian
Agricultural
Exports**

Olive oil, dates, grains,
grapes, spices, flowers,
medicinal and aromatic
herbs, vegetables and
fruits and strawberries

Investment Opportunities

1. Fish Farms
2. Avocado cultivation
3. Development of cattle farms
4. Palm Farm
5. Cultivation of medicinal and aromatic herbs
6. Extraction of oils from medicinal and aromatic herbs
7. Industries related to the agricultural sector
8. Poultry Breeding Farms
9. Feed manufacturing
10. Field Crop Production
11. Wheat silos

**The First Exporting Company In 2016
Within The Agriculture Sector**



Palestine Is The Land Of Opportunities ... Invest In Its Industrial Sector

5

Industrial sector

Contribution
to GDP

13 %

\$ 2,049,372,000

Labor
Contribution

12.3%

More than 124,000 workers

Palestinian
Industrial
Exports

Stone and marble,
plastic industries,
leather shoes, metal
and wood furniture,
food industries

Investment Opportunities

1. Leather products.
2. Design Services (Clothing, Footwear).
3. Production of stone and artificial stone.
4. Agricultural Equipment Industry.
5. Wood & metal industries.
6. Perfume, Cosmetics & Dead Sea Cosmetics.
7. Plastic industry and plastic recycling.
8. Manufacture of various type of carton.
9. Production of agricultural and veterinary medicines.
10. Food and beverage processing Industry and meat industries.

The First Exporting Company In 2016
Within The Industrial Sector



NASSAR
stone



ROYAL



APC
PAINTS



Construction Sector

Contribution
to GDP

6 %

\$ 945,846,000

Labor
Contribution

17.4 %

More than 176,000 workers

Investment Opportunities

1. Construction materials (cement, sand, industrial sand)
2. Electrical Cable Wire Manufacturers and Suppliers
3. Real estate development projects and low-income housing projects
4. Public-Private Partnerships for Infrastructure Development



Palestine Is The Land Of Opportunities ... Invest In Its ICT Sector

5

ICT Sector

Contribution
to GDP

3 %

\$ 472,932,000

Labor
contribution

1.1 %

More than 8 thousand workers

Palestinian
ICT Exports

Outsourcing
services, software,
contracting with
development centers

Investment Opportunities

1. Investment funds to target ICT companies
2. IT solutions for banks and financial institutions
3. Outsourcing services and call centers
4. Software localization
5. Online Marketing Companies

The First Exporting Company In
2016 Within The ICT Sector

UNITone
Information & Communication Technology



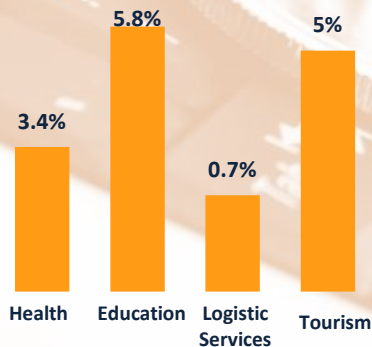
Palestine Is The Land Of Opportunities ... Invest In Its Service Sector

5

Service Sector

Contribution to GDP

47 %



Tourism Sector

Worker
Hotel
Room
Room Occupancy Rate
Guests

More than 3,025
125
7,245
44.5%
746,911

- Tours and tour operator
- Religious Tourism
- Tourism Industries Resorts
- Entertainment Centers

Logistic Services Sector

Worker
Institution
Export
Import

More than 7,000
1,000
\$ 116,000
\$ 95,000

- Packaging Centers
- Marketing
- Transport and Post

Education Sector

Worker
Teacher
School/private school
University/Private
University
College/Private College
TVET center

More than 16,000
More than 69,000
3,075 / 444
14/11
13/7
37

- International Training Centers
- Language Schools
- Technical institutes
- R&D Centers

Health Sector

Worker
Health Foundation
Hospital / Bed
Coverage ratio

More than 23,000
More than 5,000
84/6,435
12.9 per 10,000 inhabitants

- Specialized Centers and Hospitals
- Industries Related to the Health Sector

Palestine Is The Land Of Opportunities ... Invest In Its Energy Sector

5

Energy sector

Contribution
to GDP

3 %

Investment Opportunities

1. Generating and storage Power Plants
2. Rooftop PV Systems
3. Energy Efficiency Projects
4. Vocational Training



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Competitiveness of Palestine

6



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1

Official commitment to develop the national economy and encourage investment

Economic independence is a national priority towards sustainable development"

Palestine will strive to build its economy, strengthen its local industries, create decent jobs for its people, and provide an appropriate investment environment

3

91.1 % Percentage of education for those over 15 years of age

Education rate in Palestine by sex is; 89.3% of females, and 81.2% of males

Illiteracy rate over the world is 85%

Palestine uses Arabic, English, French, Spanish, and German languages.

Most languages use: Arabic, English, French, Spanish, and German.

2

Liberal laws allowing establishing investment easily

The encouragement of investment law in Palestine provides a range of incentives and facilities

4

Guarantees and agreements with Arabic and Islamic countries, the European Union countries, Russia and the Americas

Many investments and trade agreements, and guarantees include, but are not limited to:

1. No distinction between foreign or domestic investors.
2. Freedom to transfer capital abroad at any time and currency which accepted by the investor
3. Freedom to own projects while ensuring that property is not expropriated



Competitiveness of Palestine

6

Public Private Partnership , Industrial zones

1. Partnership in formulating Economic Policies.
2. Institutions representing the private sector.
3. Industrial zones and free one operated by private sector.
4. Programs to support the national economy.



The Palestine Investment Fund (PIF) is a national sovereign fund for the State of Palestine, established in 2003 as a public shareholding company with a total assets of US \$ 1 billion. PIF has a competitive advantage in various economic sectors



Governmental institutions where the private sector is part of their BoD



Institutions represent the private sector



Palestine is Beautiful ... The sky's the limit (video) 7



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The Investment Encouragement law

IPIEA is targeting the following economic sectors:

Sector	Activities	Incentives
Agriculture	Roses, strawberry, dates, olive, oil, fish, fish farms and typical farms	(0%) Income tax on Agriculture projects
ICT	Incubators, R&D centers, centers of excellence, call centers, telecom., and wireless access and software.	<p>Industrial, tourism, and agricultural projects, any investments that their production exports are more than (40%), any investments that use more than (70%) of local content, and any investments that employ or add at least 25 worker, will have the following incentives:</p> <ol style="list-style-type: none"> 1. (5%) Income tax for five years, commencing from the date of realizing profit, but not exceeding four years, whichever is earlier. 2. (10%) Income tax for three years, commencing from the end of the first phase, thereafter, calculated based on the applicable and in effect percentages and segments. 3. Customs incentives on the equipment and production inputs
Industry	Light industries, stone and marble, food and beverage, pharmaceuticals, cosmetics, and construction industries	
Health	Specialized treatment centers	
Logistic Services & Transportation	Storage and packaging, shipping, and transportation	
Tourism	Religious & environmental tourism, internal and regular tourism	
Environment	Recycling and green energy	Incentive packages targeting specific sectors and geographical areas
Energy	Renewable energy, gas and refining	



Our Mission

To build a better future for all Palestinians, provide constantly improved customer service to foreign and domestic investors, and facilitate cooperation between the private sector and the government through; utilizing an effective One-Stop-Shop, granting special investment incentives and attracting new investment using the latest promotional means, to create a competitive investment environment in Palestine.

Our Role

- Contribute in developing an enabling environment for investment through follow-up of legislation and procedures that are impeding it,
- Represent the private sector through the Board of Directors and ensure its attention to the interests of the private sector,
- Strengthen the partnership between public and private sectors through the Board of Directors,
- Provide tax incentives and non-tax incentives,
- Work to enable the investment environment and provide guarantees
- Contribute in developing the national economy,
- Facilitate investment attractiveness and implementation,
- Providing the one-stop-shop services and after care to the investor.



For any suggestions or inquiries, please do not hesitate to contact us

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Palestinian Investment Promotion Agency