

Basic data

- A population of 4.2 million inhabitants in 2010, 43.9% of whom less than 14 years old
- A surface area of 6,020 km²: 5,655 on the West Bank (463.5 hab/km²) and 365 in the Gaza strip (3945.4 hab/km²)
- Main cities: Gaza, East Jerusalem, Ramallah, Naplouse, Bethlehem, Jenin
- Languages: Arabic (official language), English
- Currencies used: New Shekel (NIS), US dollar, Jordanian dinar

Palestine in 2011, means:

- A strategic position and enormous needs in infrastructure which involves massive investments in the medium term.
- More than 442 million € of foreign direct investment since 2003
- Access of SMEs to private financing facilitated by the new programme Microfinance, launched by the World Bank in partnership with Al Rafah Microfinance Bank and Capital Markets Authority
- A tourist sector with plenty of opportunities (religious trips) and still largely under-exploited as a result of the political situation
- A highly educated population and qualified labour force (2006 literacy rate: 93.5% among adults (more than 15 years of age) and 99.1% among young people (between 15 and 24 years of age).
- Despite the difficulties, several industrial projects undertaken by international investors have been launched since 2008, such as the construction of a solar power plant by the German company Ferrostaal, the project for the construction of a new business park at Bethlehem, or the creation of a pharmaceutical production unit via a Palestino-Maltese JV

Useful links

- Palestinian Investment Promotion Agency www.pipa.gov.ps
- ANIMA, Invest in Med www.anima.coop
- Palestinian Central Bureau of Statistics www.pcbs.gov.ps
- Palestinian Ministry of ICT www.pmtit.ps
- Paltrade www.paltrade.org
- Palestinian Ministry of National Economy www.mne.gov.ps
- Palestinian Ministry of Tourism and Antiquities www.mota.gov.ps
- The Palestine Information and Communications Technology Incubator www.picti.ps
- Zawya, Middle East news and company directory www.zawya.com



Palestine

Business: some significant events in 2010-2011

- The private investment fund, Siraj Palestine Fund has just received \$60 M (44 ME) to finance local start-ups
- Israel announced in 2011 economic support measures, in particular in the Gaza Strip. This notably included a project for the modernisation of certain electricity power plants, water treatment and water production stations, as well as an increase in the export quotas from the Gaza Strip
- Jericho has created an agro-industrial park to facilitate the export of local agricultural goods and equipment, via neighbouring Jordan
- France announced in 2010 its intention to finance a project for a business park in Bethlehem which is to cover 20 hectares and should create between 500 and 1,000 jobs in the private sector
- The opening of new boutiques is accelerating on the West Bank: several thousands of new boutiques have opened their doors in the territories, with close to 600 new outlets for the town of Jenin alone
- In April 2011, a new investment fund dedicated to the high-tech sector, Sadara Ventures, was launched with the backing, among others, of the EIB and Cisco. The fund is counting on making 2 to 3 investments per year, with the aim of developing a portfolio of 10 to 15 companies

Investment capital is developing in Palestine

In 2010, several new funds were launched in Palestine, all with a Head Office in the country and planning to invest there: among them the Bedaya Seed Fund, managed by the incubator PICTI and dedicated to starting up young local talents, the Siraj Palestine Fund targeting more specifically technological businesses as well as the Palestinian Growth Capital Fund, intended to co-invest in partnership with the start-up fund of Abraaj, the Abraaj RED Growth Fund.

ICT: a strategic sector for the country's economy

- More than one hundred technological start-ups operate in the Palestine territories, calling on a reservoir of several tens of thousands of Palestinian ICT professionals!
- The American computer equipment manufacturer, Cisco Systems plans to invest several million dollars in risk capital for the benefit of Palestinian start-ups!

Focus: Israeli businesses are increasingly externalising towards their Palestinian neighbour in the ICTs

A dozen Israeli start-ups and foreign companies operating in Israel have relocated to the West Bank, reports Mercy Corps, an international aid association which encourages this type of cooperation.

Rather like Cisco Systems, the American giant which claims to be the first multinational operating in Israel to have externalised to the West Bank. The Israeli branches of Hewlett-Packard, Intel and Microsoft followed its example in 2010.

While the Israeli company Mellanox Technologies has just announced in April 2010 its decision to externalise a part of its activities to the West Bank, the American State Department is planning a programme of aid which aims at promoting and financing projects to externalise American technological companies in Palestine.

Growth regained in 2010

GDP growth rate (Source: COFACE)

