



Building Bridges, Creating Opportunities



2nd EU-PALESTINE BUSINESS FORUM

24th October 2023, Bethlehem

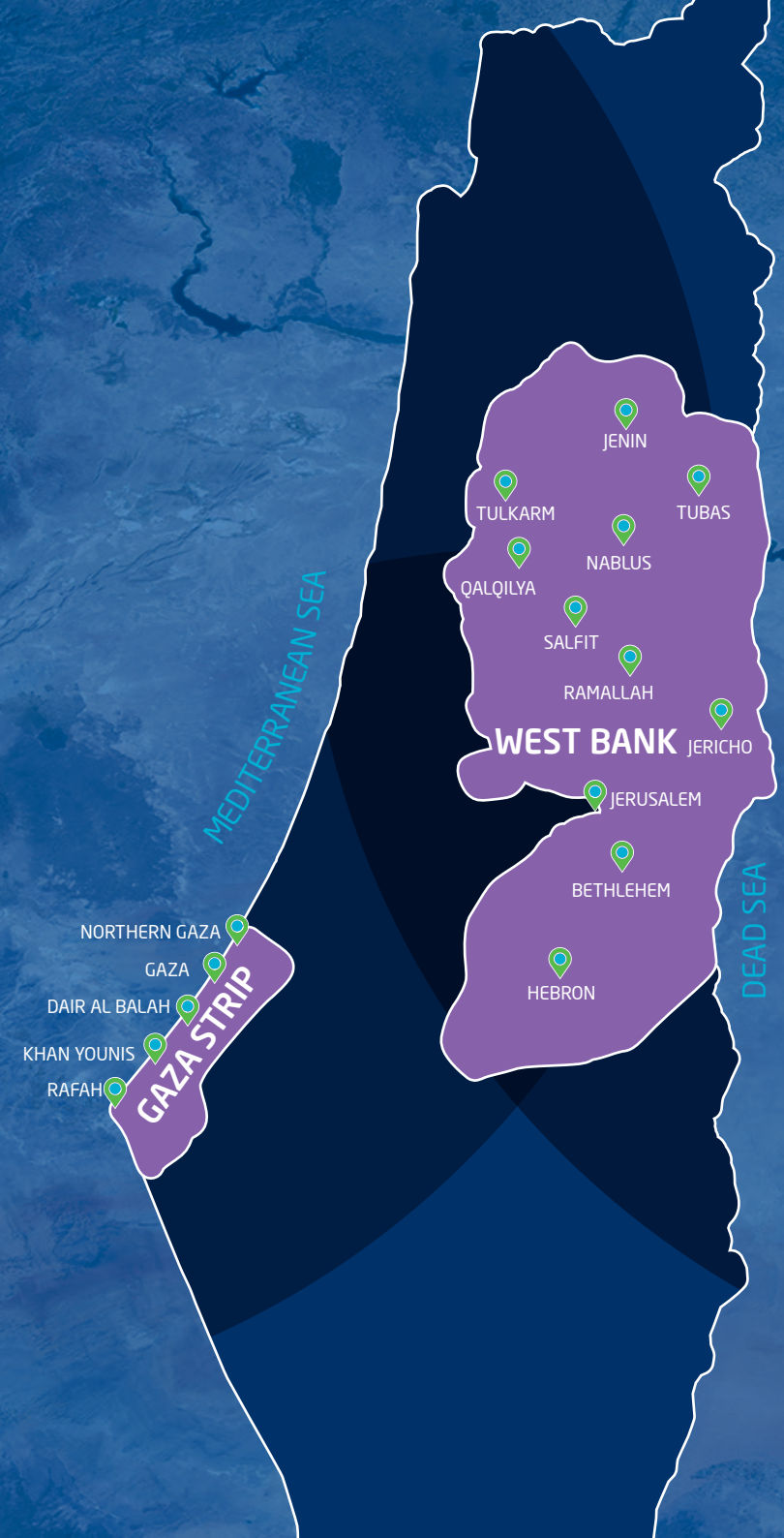
INTRODUCTION

Palestine's geographical location at the eastern end of the Mediterranean Sea makes it a crucial gateway between Europe, Asia, and Africa. Its position on ancient trade routes have contributed to its strategic importance in facilitating the movement of goods, ideas, and people between these continents.

Palestine has a rich cultural heritage and a diverse society. It attracts every year millions of tourists and pilgrims from all over the world.

Palestine offers several business and economic opportunities, and it benefits from a vibrant private sector and dynamic, young, educated and resilient population.

The second edition of the EU-Palestine Business Forum will be organized in Bethlehem, one of the most visited and internationally famous cities of Palestine. This Business Forum demonstrates Palestine's commitment to fostering and deepening solid partnerships between Europe and Palestine and it accelerates a green, digital, and sustainable Growth by Building Bridges and Creating Opportunities.



**2nd EU-PALESTINE
BUSINESS FORUM**

WHY TO INVEST IN PALESTINE

Palestine present well-established industrial zones, making it an attractive destination for investment. The Palestinian government has implemented a revitalized and modernized legal policy framework that supports and facilitates international business ventures.

Investment Incentives:

The Palestinian Government and international organizations offer incentives to attract investors, such as tax breaks, grants, non-tax incentives, and streamlined business procedures through a one-stop shop.

Vibrant Economic Sectors:

Palestine possesses vast untapped economic potential across diverse sectors such as tourism, agriculture, manufacturing, technology, and renewable energy. By strategically investing in these sectors, significant contributions can be made towards economic growth and development. Seizing the opportunity to invest in these sectors promises substantial business prospects.

Human Capital:

Palestine has a skilled and educated workforce, which can be an asset for businesses. The population has a strong entrepreneurial spirit and a desire for economic prosperity.

Strategic Location:

Palestine's location in the Middle East provides access to regional markets, making it a potential hub for trade and commerce.

Social Impact:

Investing in Palestine can have a positive social impact by promoting economic stability, creating employment opportunities, and supporting local communities.

Financial Sector:

Palestine boasts a robust and stable financial sector characterized by the presence of seven local banks and six foreign banks. This thriving sector operates on an international scale and plays a vital role in supporting businesses, including small and medium-sized enterprises (SMEs), in their international ventures.

SOCIO-ECONOMIC STATISTICS

The Palestinian economy demonstrated a strong recovery from the pandemic in 2022, with a noteworthy increase in Real Gross Domestic Product (GDP) growth. Following the impressive 7 percent rebound experienced in 2021, the economy continued its upward trajectory, achieving a growth rate of 3.9 percent for the full year.

Official data from the World Bank indicates that the Gross Domestic Product (GDP) in Palestine reached a value of \$19.11 billion in 2022. This positive trend was primarily fueled by a growing market size and an expansion of economic activity, leading to a significant increase in revenue for the Palestinian authority.

Regarding international trade, Palestine recorded exports amounting to \$1.58 billion in 2022, while imports totaled \$8.19 billion. This represents a year-on-year increase of 8.6 percent for exports and 27.6 percent for imports, according to data from the Palestinian Central Bureau of Statistics.

Overall, these economic indicators underscore the positive momentum and resilience of the Palestinian economy, as it rebounded from the challenges posed by the pandemic and continued to expand and thrive in 2022.

Palestine's young generation is vibrant, highly educated, and full of potential. Youth in Palestine comprise 30% of the population, of which 38.1% are adolescents aged 15-19 and 61.9% aged 20-29. With their passion for innovation, entrepreneurship, and driving positive change, they are poised to make a significant impact across various sectors. This educated youth population, fueled by ambition and a commitment to continuous learning, is a valuable asset for the future of Palestine. Additionally, the Palestinian labor force boasts an impressive 98 percent literacy rate, highlighting the emphasis on education. Furthermore, the West Bank and Gaza have embraced technology, resulting in high technology penetration. Palestinian businesses are renowned for their professionalism and the quality of their products. It is noteworthy that 99 percent of firms in the West Bank and Gaza are family-owned small and medium-sized enterprises (SMEs), further contributing to the resilience and entrepreneurial spirit of the Palestinian economy.

INVESTMENT AND TRADE OPPORTUNITIES

Investment opportunities in Palestine exist in various sectors and offer potential for growth and development. Here are a few sectors that present investment prospects:



Information Technology (IT)

The Palestinian IT sector is experiencing significant growth, with a skilled workforce and a thriving start-up ecosystem. Opportunities exist in software development, mobile applications, IT services, and outsourcing.



Renewable Energy

Palestine has abundant solar and wind resources, making renewable energy a promising sector. Investment opportunities are available in solar power plants, wind farms, and energy efficiency projects.



Tourism

Palestine's rich historical and cultural heritage, including religious sites, archaeological treasures, and natural landscapes, make it an attractive destination for tourists. Investing in hotels, restaurants, travel agencies, and tour services can tap into this potential.



Agriculture

Despite challenges related to limited water resources and access to land, the agricultural sector in Palestine offers investment opportunities. Investments can focus on modernizing farming techniques, value-added processing, organic farming, and export-oriented crops.



Manufacturing

There is potential for investment in manufacturing industries, including textiles, food processing, furniture, and handicrafts. By leveraging local skills and resources, investors can contribute to job creation and export-oriented growth.



Financial Services

Palestine's financial sector is growing, providing opportunities for investments in banking, insurance, microfinance, and fintech. Supporting financial inclusion and enhancing access to capital for small and medium-sized enterprises (SMEs) are areas of focus.



Healthcare

The Palestinian healthcare sector is in need of modernization and investment. Opportunities exist in hospitals, medical equipment and supplies, pharmaceuticals, and telemedicine services.

BUSINESS ENVIRONMENT

- » The Palestinian government, with the support of the European Union and international organizations, is actively engaged in efforts to establish favorable conditions for economic growth.
- » Transparent regulations, streamlined procedures, and intellectual property protection are being established to support business activities in Palestine.
- » Efforts are being made to ensure fairness and equal opportunities for both domestic and foreign investors.
- » Palestine has entered into free trade agreements, allowing for preferential market access to neighboring countries.
- » These agreements aim to reduce barriers and provide opportunities for businesses to expand their reach in the region.
- » Palestine recognizes the significance of a conducive business environment and is continuously working towards its enhancement.
- » The goal is to attract investment, foster economic development, and create opportunities for both local and international businesses in Palestine.

SUCCESS STORIES

it is inspiring to see European companies like Peugeot, Volkswagen, Asala Energy, Orange, Siemens and Unipal investing in Palestine and contributing to various sectors, such as automotive, renewable energy, telecommunications, manufacturing, and trading. These investments have not only provided job opportunities but also improved infrastructure, enhanced services, and fostered economic growth in Palestine. The success stories showcase the business opportunities of Palestinian economy and positive impact of foreign investment in Palestine and the region.



Peugeot: Peugeot, a renowned French automobile manufacturer, has established a presence in Palestine. In partnership with a local distributor, Peugeot offers a range of vehicles to Palestinian customers, catering to their transportation needs. This investment has not only provided Palestinians with access to quality automobiles but has also contributed to the development of the automotive sector in Palestine.



Volkswagen: In 2018, Volkswagen inaugurated its first showroom and service center in Palestine, marking its entry into the Palestinian market. The company aimed to cater to the growing demand for high-quality automobiles in the region and provide local employment opportunities. This investment by Volkswagen showcased confidence in the Palestinian market's potential.



Ericsson: Ericsson, a Swedish multinational networking and telecommunications company, has been involved in various IT and telecommunications projects in Palestine. They have provided infrastructure solutions, mobile network equipment, and services to enhance connectivity and communication capabilities in the region.



Orange: Orange, a telecommunications company based in France, has invested in Palestine's telecommunications sector. They have partnered with local service providers to enhance the communication infrastructure, expand network coverage, and offer innovative services to Palestinian consumers.



Siemens: Siemens, a German conglomerate, has been involved in various projects in Palestine. They have contributed to the development of renewable energy infrastructure, implemented smart city solutions, and supported initiatives in the healthcare and transportation sectors. Siemens' investments have aimed to drive sustainable development and improve the quality of life in Palestine.



Veolia: a French multinational company, operates globally and offers environmental services such as water management, waste management, and energy services. In Palestine, Veolia has engaged in water and wastewater management projects, collaborating with local authorities to improve water infrastructure and enhance wastewater treatment processes, contributing to sustainable development and water resource preservation.



Several prominent European food companies have established distribution agreements with Palestinian counterparts, facilitating the trade and collaboration between the European union and Palestine. These agreements have fostered fruitful partnerships, enabling the exchange of products, expertise, and market access, and contributing to the growth and development of the Palestinian food industry.

AS AN ATTENDEE, YOU CAN EXPECT THE FOLLOWING FROM THE 2nd EU-PALESTINE BUSINESS FORUM 2023

OBJECTIVES

We aim to promote Palestine as an attractive destination for trade and sustainable investments.

We aim to connect Palestinian project promoters and businessmen with European investors, financiers and economic actors.

We aim to foster and accelerate deployment of Team Europe financial instruments supporting Palestinian economy.

LOCATION : Bethlehem, located in the West Bank of Palestine, is a captivating and historically rich city that serves as an exceptional location for a conference. Bethlehem is conveniently located just a short distance (9 Km) away from Jerusalem, making it an ideal choice for conference participants who wish to explore both cities.

INDICATIVE AGENDA



October 24th, 2023

Insightful Panel Discussions: Engage in thought-provoking panel discussions led by industry experts and policymakers. Explore emerging trends, challenges, and opportunities in various sectors, such as technology, renewable energy, agriculture, healthcare, infrastructure, and more.

Networking Opportunities: Connect with influential individuals, business and decision-makers from both the EU and Palestine. Forge meaningful connections, foster collaborations, and establish business partnerships that can drive economic growth and create new avenues for mutual benefits.

Showcase of Promising Projects: Discover innovative projects and initiatives from Palestine, highlighting potential investment opportunities. Gain firsthand knowledge about the business landscape, market potential, and growth prospects, enabling you to make informed decisions and expand your business horizons.

Policy Insights: Gain valuable insights into the EU's policies and initiatives concerning Palestine. Understand the EU's vision for supporting economic development, social progress, and political stability in the region. Participate in discussions that influence policymaking, ensuring your perspectives and concerns are heard and taken into account.

Cultural Exchange: Immerse yourself in the rich cultural heritage of Palestine and foster a deeper understanding of the local customs, traditions, and aspirations. Experience Palestinian hospitality firsthand and create lasting bonds that transcend business interactions.

FUNDS INVESTED AND LEVERAGED BY THE EUROPEAN UNION AND TEAM EUROPE

The European Union, its Member States, and European Financial institutions, collectively known as "Team Europe," have actively supported investment projects in Palestine. In the past 15 years, the EU, EU Member States and European Development Partners (United Kingdom, Norway and Switzerland) have spent annually more than EUR 1 billion in official development assistance to Palestine and the Palestinians. Recent developments indicate a significant increase in European partners' investments leveraged in the Palestinian economy. The combined value of ongoing investments now stands at an impressive EUR 1.826,40 billion.



Nine European partners are engaged in Palestine to support private investments and over EUR 800 Millions leveraging a total of EUR 1.826,40 Billion.

Large majority of all funding that flows into SME finance are loans with EUR 1.314,51 Billion (72%).

Significant amount of financing is used to guarantee and de-risk operations by local partner finance institutions, including almost 51% of the loans.

Followed by loan guarantees EUR 306.28 Million (17%);

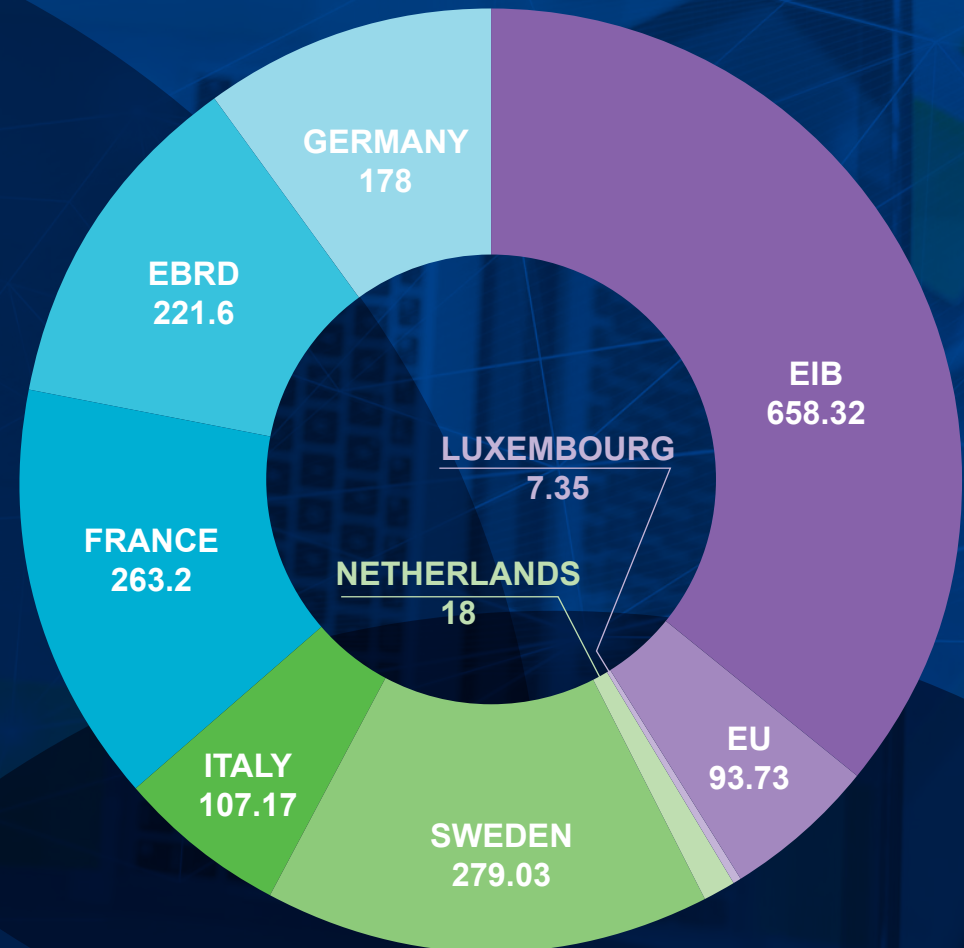
Equity 2% EUR 27.40 Million 2%;

Investment grant EUR 43 Million 2 %;

Micro credit EUR 96 Million 5 %;

Technical assistance EUR 39.2 Million 2 %.

TOTAL INVESTMENT LEVERAGED BY TEAM EUROPE IN MILLION EUR





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Contact Information:



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