



State of Palestine
Ministry of Agriculture
FDIs and Agricultural Productivity in
Palestine

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Presentation Outline

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Introduction

- Agriculture is a main component of the Palestinian cultural and economic and social texture.
- Palestinians were pioneers in utilizing various agricultural techniques.
- Agriculture represents a symbol of attachment and steadfastness to the land which is being targeted by the Israeli settlers who seek the confiscation of the Palestinian land.
- Moreover, agriculture constitutes a source of income and food for the Palestinians

Contribution of Agriculture in GDP

Despite all kinds of restrictions and obstacles imposed by the Israeli occupation, the agricultural sector has remained for long time a contributor to the Palestinian Gross Domestic Product (GDP).

	2009	2010	2011	2012
Value of Production (million \$US)	893.2	1010	1080.6	1052.6
Added Value of Agriculture (million \$US)	293.2	360	380.6	332.6
Contribution of Agriculture in GDP	5.6%	5.0%	5.9%	4.9%

Source: PCBS

Main Agricultural Products

No.	Crops	Average production/dunum (tons)
1	Potato	3.34
2	Corn	1.26
3	Tomato (plastic house)	17.50
4	Tomato (open field)	4.74
5	Cucumber (plastic house)	9.31
6	Cucumber (open field)	2.74
7	Squash	1.94
8	Eggplant (plastic house)	5.82
9	Eggplant (open field)	5.08
10	Strawberry	2.50
11	Guava	2.04
12	Date palm	1.05

Law on the Encouragement of Investment in Palestine / Law No. (1) of 1998

- The Investment Promotion Law No. (1) of the year 1998 was one of the very first laws promulgated by the PNA.
- The law pertains a new legal framework for investment in Palestine for Palestinian, Arab and foreign investors.
- The law offers investors abundant, generous and competitive incentives ahead of any other country in the region

Law on the Encouragement of Investment in Palestine / Law No. (1) of 1998

- Some experts in this field have outlined the need for further amendments that would simplify investment procedures and improve their transparency.

A brief overview of Foreign Investments in Palestine

Main Indicators of the Foreign Investment Survey of Palestinian Enterprises (stocks) at the end of 2012

Value in million USD

Indicator	Stock 2012
Total Assets: investments abroad of the Palestinian enterprises.	5155.0
Stocks of Foreign Direct Investment	133.0
Stocks of Portfolio Investments	1028.0
of which: Equity securities	296.0
of which: Debt securities	732.0
Stocks of Other Investments:	3330.0
of which: Trade credits	7.0
of which: Loans	94.0
of which: Currency and deposits	3229.0
of which: Other Assets	0.0
Stocks of Reserves Assets	664.0

Main Indicators of the Foreign Investment Survey of Palestinian Enterprises (stocks) at the end of 2012

Value in million USD

Indicator	Stock 2012
Total Liabilities: foreign investments in the Palestinian enterprises	2625.0
Stocks of Foreign Direct Investment	1463.0
Stocks of Portfolio Investments	676.0
of which: Equity securities	676.0
of which: Debt securities	0.0
Stocks of Other Investments:	486.0
of which: Trade credits	0
of which: Loans	43.0
of which: Currency and deposits	443.0
of which: Other Liabilities	0.0

Points of strength

- The existence of agricultural institutions over the country, NGO's, qualified personnel, and skilled farmers.
- The available infrastructure (universities and training and research centers)
- The diversity of climate.
- The harmonized relationship and cooperation between the private and public sectors in the field of agricultural.

Opportunities

- The Arab and international sympathy and the support to the state of Palestine
- The increasing awareness in the world and among donors of the importance of supporting and encouraging the development of the agricultural sector.
- Bilateral and international trade agreements with the Arab and World communities
- The sympathy and support to the Holy Land products.

Challenges facing FDI in Palestine

- The law on the Encouragement of Investment in Palestine focused on large and new investments, paying little attention to investments in small and medium enterprises (SMEs).
- SMEs suffered severely because of the bad investment environment and the hostile occupation measures, which affected their competitive capabilities.

Thank you for your attention