

INFORMATION NOTE

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12/11/08**UNCTAD unveils strategy for retaining and expanding investment in Palestinian territory**

Geneva, 12 November 2008 - UNCTAD's Division on Investment and Enterprise and its Programme of Assistance to the Palestinian people have completed a tailor-made proposal for "aftercare" strategy to retain and expand investment in the occupied Palestinian territory. With only US\$27 million in average annual inflows of foreign direct investment to the territory since 2002, there is a need to take care of existing investors - foreign and domestic - that could not be clearer. The UNCTAD project builds on the organization's vast international experience in investment promotion.

The strategy was presented at a workshop in Ramallah on 29 October under the patronage of the Palestinian Authority (PA) Minister of National Economy, Mohammad Hassouneh. UNCTAD's strategy received positive feedback from the PA, investors, and key enterprise support institutions.

The theme of the workshop was "Tailor-made Aftercare for Existing Investments in Palestine: A Stakeholder Forum." UNCTAD based the strategy on its experience as the United Nations focal point for the collection and dissemination of best practices in international investment policy and promotion. The meeting attracted 65 representatives from the Palestinian government, leading enterprise support institutions, national and foreign enterprises, concerned donors, and international agencies operating in the occupied Palestinian territory. Minister Hassouneh said the workshop will "allow for finalizing the aftercare strategy, thus laying the ground for its implementation." He added that the PA's recent reform and development plans "accord priority to investment promotion" and pointed out that a revision of the existing investment-promotion law has been prepared for consideration by the Palestinian Legislative Council. The revised law reduces red tape and provides a wider range of incentives for national and foreign investors, he said.

UNCTAD's proposed Aftercare Strategy builds on the findings of a comprehensive field survey conducted by the Palestinian Investment Promotion Agency (PIPA) in cooperation with UNCTAD, with financial support from the Government of Norway. Intended to increase the contributions of national and foreign enterprises to Palestinian economic recovery and sustained growth, the strategy outlines practical steps for maintaining and expanding existing national and foreign investments in the West Bank and Gaza. The strategy proposes a plan for prioritizing and sequencing its components in two phases.

The aim is to ensure effective attention to investors' immediate and long-term strategic business development needs.

Implementation of the strategy will depend largely on PIPA's capacity as the focal point for dealing with investors and for formulating and implementing investment policies in the occupied Palestinian territory. It will also depend on the policy space available to the PA, on prevailing political and security conditions, and on the ability of all involved to build the capacities of PIPA and existing market-support institutions.

Financial and technical support for PIPA is critical for enabling the agency to implement and sustain the strategy through the medium term. Palestinian officials have requested UNCTAD's technical assistance and guidance in coordinating this capacity-building so that the programme is also sustainable over the long term.

For more information, please contact:

UNCTAD Press Office
T: +41 22 917 5828
E: unctadpress@unctad.org
Web: www.unctad.org/press