
Speech to the Hebron Chamber of Commerce by Minister of State for International Development, Alan Duncan
Speech by the Minister of State for International Development, the Rt Hon Alan Duncan MP, to the Hebron Chamber of Commerce, 10 April 2013. This is a transcript of the speech, exactly as it was delivered.

Your Excellency the Minister of National Economy Dr Jawad Naji, Your Excellency the Governor of Hebron Mr Kamel Hmeid , Mayor Dr Daoud Za'tari , Chairman Hirbawi, ladies and gentlemen.

Thank you for hosting us here today.

It is wonderful to visit Hebron for the first time. Hebron is renowned for its entrepreneurial success – even in China, where I am told Hebron has its very own diaspora community!

Your achievements here are all the more impressive given the environment in which you are working. Despite the impressive efforts of the Palestinian Authority, when you do business, you are doing so without full control over your own business environment, and in a political and security context which puts you at a major disadvantage compared to your competitors elsewhere.

Helping to redress these disadvantages is a major objective for the British Government. Today I want to talk about three ways in which we are doing this.

Firstly, to change the context for doing business, political progress is vital.

As William Hague, the British Foreign Secretary said recently, we believe that there is no more urgent foreign policy priority in 2013 than restarting negotiations between Israelis and Palestinians. If we do not make progress very soon, then the two-state solution could become impossible to achieve. There is a burning need for the United States to lead an effort to revive the peace process, supported by European, Arab and other nations.

The British Government is determined to do all we can in this crucial year to support any viable initiatives which can advance progress towards a two state solution. This includes playing whatever role we can in helping with the rapid business expansion and private sector investment which Senator Kerry talked about yesterday. This can help improve the economic security of the people living here as well as improve the security of people of Israel. I agree with him that economic growth can help provide a climate in which people have greater confidence about moving forward.

I am proud that we already consistently deliver regular financial support to the Palestinian Authority.

But rather than reliance on donor funding, developing a strong economy with a dynamic and productive private sector is the only sustainable basis for a future state. Business leaders like you provide vital jobs for Palestinians; you make sure that talented Palestinians stay in their homeland and help build a prosperous future for all Palestinians; you forge links with the neighbours you do business with.

So I commend your successes. But I also know that under different circumstances you could be doing even better. As the World Bank said recently, the continuation of restrictions and the absence of real opportunities to open up the Palestinian economy are having a lasting negative impact on overall competitiveness.

So the second way in which we are supporting you is by continuing to challenge - as we do, vigorously and often - the underlying movement and access restrictions that make doing business in this country so difficult for Palestinians.

For example this morning I was in the South Hebron Hills at Susiya. I saw the wasted potential of Area C, which is potentially the backbone and space for growth of a future Palestinian economy. We consistently call upon the Government of Israel to work with the Palestinian authorities to implement a more predictable and fair system for planning and issuing permits for Palestinian activity in Area C.

These restrictions, and many other difficulties, have been so far-reaching that there's a danger that even if they were to be eased now, it wouldn't be easy to benefit quickly and sufficiently from export opportunities.

And that's where the third aspect of our support comes in. On my way here today, I saw at first hand the productivity of Palestinian business, during my visit to a factory that produces grinding wheels in Hebron. Thanks to British funding under our previous Facility for New Market Development (FNMD) it has been able to meet new standards to enter a new market in the Gulf.

Yesterday in Gaza, I also saw two businesses – a textiles factory and an agricultural co-operative - where our support has helped to diversify and improve their products, enabling them to get them into European and British markets.

Building on the success of that programme I am pleased to announce a new programme, the Palestinian Market Development Programme. This new five-year programme is aimed specifically at demonstrating the ability of Palestinian firms to compete internationally.

I would like to thank his Excellency Jawad Naji the Minister of National Economy and his officials for the important role they played in the design of this programme. We hope that the programme will be a real partnership between us, along with the EU (who will be co-funding the programme) and of course, business representatives like you.

The new programme will do three main things:

First, it will provide matching grants and technical assistance directly to companies. The aim will be to help companies develop new products or services and enter into new markets. This will be a competitive process and will favour those taking the most risk with new products or target markets.

Second, it will help to analyse markets and value chains. It will aim to identify what factors affect the performance of Palestinian companies in particular market sectors, and what can be done to help across the whole of those sectors.

Third, the project will work to attract more Foreign Direct Investments by strengthening institutions such as the Palestine Investment Promotion Agency (PIPA.). And it will help to develop a new cadre of professional Palestinian commercial representatives based overseas, aiming to promote Palestinian goods and services in key markets. I am hoping there will be a representative in London!

I mentioned earlier the success of Palestinian business people abroad, from Jordan to China to Chile. They are a major potential resource. I hope that through this programme we can help and encourage them to invest and transfer their knowledge, skills and technology to their home country.

We hope the programme will start within the next three months, once the process of procuring an implementing agency is over. Please do watch out for more detailed information on how to take part. We will be very actively publicising the programme once it starts, with the help of the Chambers of Commerce across the country.

I am convinced that this programme can play a really important role in showing to Palestinian companies and to the world that you can compete. We in the British Government, as your friends and supporters, and as part of our long stated aim to see a viable and sovereign Palestinian state – hugely look forward to seeing how our programme can help you, and to more stories of Palestinian success, whether in the UK, China or anywhere else across the globe.