EVENT CONTRIBUTION

Konrad-Adenauer-Stiftung e.V.

AL-AYYAM, RAMALLAH

9. Mai 2008

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Fayyad called on the international community to pressure Israel to open crossings Authority and his government is determined to impose security and provide a suitable environment for investment.

Dr. Salam Fayyad, the Prime Minister, on May 7th, 2008, called the international community to shoulder its responsibility to exert pressure on Israel, to remove barriers to the advancement of the Palestinian economy, especially lifting of the embargo and open the crossings leadings to the Gaza Strip.

Dr. Fayyad was speaking in front of dozens of businessmen in a conference of the Public - Private Dialogue on the Private Sector Agenda, held in Ramallah at the Best Eastern Hotel, supported by Konrad-Adenauer-Stiftung, he said that the PNA is doing all it can to ensure the lifting of the siege on the Gaza Strip, to reopen the crossings under the supervision of the Palestinian Authority itself, so as to preserve the unity of the Palestinian territories, " And lift our people from suffering serious humanitarian problems and free movement of goods and raw materials, and to enable the private sector to regain its role and its contribution to building the national economy. "

Government is committed to supporting the private sector

Dr. Fayyad stressed the Government's commitment to supporting the private sector, as the main engine of the national economy.

He said that the Congress (Public – Private Dialogue on Private Sector Agenda), which

is dealing in particular with the industrial policies "demonstrates the will of the Palestinian industrialists in particular and the private sector in general, to promote and develop the capacity of national economy and raise its efficiency and competitiveness, thus contributing to strengthening the capacity of our people to stand firm and protect their just and legitimate national freedom and independence". "This conference coincides with the launch of events to revive the sixtieth anniversary of the Palestinian catastrophe (Al-Nakba), calling on participants to visit the camp that was held beside the Presidential headquarters in Ramallah, as symbol and a sincere effort to preserve the national memory of the Palestinian people.

The Prime Minister said that the government gives special attention to the demands of the private sector and this is clearly expressed by paying a good share of this sector's accumulating debts. The government has been always keen to facilitate the necessary legislative and administrative development in order to encourage the investment environment.

Fayyad pointed out that the government started "structured dialogue with the private sector to strengthen the partnership in order to assume responsibility and create the most appropriate mechanisms to schedule all priorities in order to find practical and



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concrete solutions, and ensure their implementations as soon as possible."

He added: "The government announced its absolute commitment to the general guidelines for this dialogue, taking into consideration the private sector's contribution to developing the vision of the priorities of public sector investments, and the government's determination to work together to overcome the obstacles imposed by Israel against the capacity and the growth of the Palestinian economy.

The Prime Minister also said that the government is committed to this dialogue leading to a national work plan capable of advancing the economic conditions, as it is "committed to the forms of cooperation including the implementation of development projects, especially in the Gaza Strip and Jerusalem, to enhance the ability of our people to withstand."

Investment Conference

Fayyad expressed his satisfaction with the preparations underway to ensure the success of the Investment Conference, to be held in Bethlehem from the 21th to the 23rd of May, in cooperation with private sector institutions, pointing out the great attention of the international community to this upcoming conference, expressed "through the broad participation expected- at the highest levels."

He stressed that the Authority is determined to provide suitable investment environment capable of attracting and encouraging investment, including infrastructure development through the establishment of industrial zones, and the development of the performance of all institutions concerned to ensure the effectiveness of these zones and their ability to work and contribute to tackling unemployment, in addition to continuing the development of legislations and the development of human resources that are capable of achieving this goal.

Security is top priority

Fayyad stressed that restoring security is a top priority for his government.

He said that "what is being done by the national authority to impose security and public order and to ensure the restoration of a sense of security and safety for all citizens is a top priority for us; to ensure the protection of the singleness of the authority and the kudos of the government's institutions and to rebuild the institution's foundations to enable them to provide better services to enhance the persistence of citizens in all Areas, and to provide the appropriate environment for the private sector to regain its health and its ability to expand and implement investment projects.

He added that this requires speeding up the reform of the judiciary system, and following up the overall administrative reforms needed to build strong institutions capable of enabling the National Authority to meet its obligations towards the needs of its citizens as well as the different economic and social sectors.

Blair: International efforts to ease Israeli restrictions

The Quartet Special Envoy Mr. Tony Blair revealed upcoming international efforts to ease the Israeli restrictions and confirmed the reality of many international measures exerted soon in order to bring fundamental changes in Israeli actions in the Palestinian territories.

He said that the support provided by the international community at Paris Conference to the Palestinian Authority "must lead to the support of development and economic and social projects that the Palestinian people want." Mr. Blair also described Bethlehem conference by saying that" it creates hope for a better future and enjoys international support."

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Institutionalize the relationship between the Palestinian Authority and the Private Sector

The participants recommended at the end of the conference to create a real partnership and institutionalize the relationship between the Authority and the private sector, and identify the mechanism for activating the public institutions and the agencies that has to do with the economic interaction.

Participants also called for building a common vision for the adoption of legal references and removing inconsistencies among such references and to prevent duplication of implementation, and called for the establishment of special commercial courts to sentence cases of financial and business disputes in reasonable time periods, and the activation of arbitration as a means of resolving commercial disputes.

Participants also called for opening the file of trade and economic agreements concluded by the Palestinian Authority with other countries and alliance and adopting laws as the private sector prioritizes.

They also asked to ensure private sector's participation in the negotiations concerning Israeli influence on the economic aspect, and to guarantee the active participation of the private sector in every respect to the organization of economic and trade relations with the Israeli side, at the current stage and in the future, and work with the government to obtain the rights of the Palestinian private sector by the Israeli side and develop legal and financial mechanisms for collecting these rights.

Khoury: The Economy is a hostage to the Israeli actions

The Chairman of the General Federation of Industries Bassem Khoury, stated that the Palestinian economy is a "hostage to the Israeli actions, and donors have financed occupation." He added that the best that can be achieved now is to maintain the current status of the private sector and he also warned against a complete collapse of the situation at the Gaza Strip.

He called on a comprehensive review of donor's support for the Palestinian people, saying that "unfortunately, many of the aid offered did not meet the need of the private sector, and therefore we must design projects from the bottom up, and fund projects in line with government's priorities and the private sector plans."

Khoury said that the agenda set by the private sector contains the necessary reforms and steps to be taken. "We believe that there is a solution in the future, in any case, we need the reforms, and we have to focus on the economic agenda, and develop trade and financial policies and a legal framework, without forgetting the larger problem of occupation, the wall, settlements and closures. This agenda deals with the industrial policy and detailed actions to be taken by all parties: the government, the international community and Israel as an occupying force and the Palestinian private sector". He explained that the purpose of this agenda is "to provide a legal environment and to build institutions, infrastructure, and to develop human sources and resettlement of technology, trade and reorientation of commerce towards sustainable development classification."

He said that there is "an opportunity for a successful dialogue between the private and public sectors which we did not have before, because we have a very responsible government, however, we have to institutionalize this relationship in the hope of reaching a serious partnership between the private and the public sectors."

Herbawi: Agenda for urgent dialogue

The head of the Coordinating Council of the private sector institutions Mohammed Herbawi opened the conference by calling for creating "an urgent agenda of dialogue with the government."

He said that the Palestinian private sector "demands more than ever to unify its positions and carry out its responsibilities to take its role in the process of construction and reform, in addition to the mobilization

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of all energies under the fact that the private sector interests are common ones."

The conference discussed the agenda in its first section, by the industrial advisor for the Palestinian Federation of Industries Saeb Bameyh, and Shawqi Makhtoob, the director of industrial planning (PFI), Dr. Samir Huleileh, the new General Manager of "PADICO", and Iyad Joudeh, the General Manager of Hulul Business Solutions.