

U.S. Country Commercial Guides



West Bank and Gaza 2020

Table of Contents

<i>Doing Business in West Bank and Gaza</i> _____	4
Market Overview _____	4
Market Challenges _____	5
Market Opportunities _____	5
Market Entry Strategy _____	6
<i>Leading Sectors for U.S. Exports and Investment</i> _____	7
Healthcare _____	7
Information and Communication Technology _____	8
Franchising _____	10
Energy _____	11
Food and Beverage _____	13
<i>Customs, Regulations and Standards</i> _____	14
Trade Barriers _____	14
Import Tariffs _____	14
Import Requirements and Documentation _____	14
Labeling and Marking Requirements _____	14
U.S. Export Controls _____	15
Temporary Entry _____	16
Prohibited and Restricted Imports _____	16
Customs Regulations _____	16
Standards for Trade _____	16
Trade Agreements _____	17
Licensing Requirements for Professional Services _____	17
<i>Selling U.S. Products and Services</i> _____	18
Distribution & Sales Channels _____	18
eCommerce _____	20
Selling Factors & Techniques _____	20
Trade Financing _____	22
Protecting Intellectual Property _____	23
Selling to the Public Sector _____	25
<i>Business Travel</i> _____	27
<i>Investment Climate Statement (ICS)</i> _____	30
<i>Political & Economic Environment</i> _____	31

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Doing Business in West Bank and Gaza

Market Overview

Ample opportunities for doing business exist within the Palestinian market in the West Bank and Gaza, despite the unique challenges present. The West Bank economy (comprising for the purposes of this guide Areas A and B under Palestinian Authority (PA) administrative control), in particular, has shown growth in past years before a more recent downturn. Israeli and Egyptian security restrictions following the 2007 Hamas takeover in Gaza have made it very difficult for goods to enter or leave the Gazan market. The economies of the West Bank and Gaza have grown increasingly separate since 2007.

- In 2019, nominal GDP of the West Bank and Gaza was estimated at \$15.76 billion, and per capita GDP was \$3,365.
- In 2019, the Palestinian population stands at 5 million, with 3 million in the West Bank and 2 million in Gaza, according to the Palestinian Central Bureau of Statistics. Thirty-nine percent of the population is under 14 years.
- Despite relatively low per capita GDP, (West Bank and Gaza are rated as a lower middle income country), there is a sizeable middle/upper-middle class in the West Bank. The West Bank and Gaza boast one of the highest per capita rates of university graduates in the Arab world. Palestinians have a long-standing tradition of spending generously on higher education, which is regarded as an asset.
- In 2019, Palestinian imports of goods and services were \$5.78 billion and exports were \$1.07 billion. West Bank and Gaza imports come mainly from Israel, Turkey, and China; imports from Jordan have risen in recent years.
- The Palestinian market relies heavily on Israel as a trading partner. In 2019, Palestinian imports from Israel were \$3.63 billion and exports were \$968 million. Business people in the West Bank are eager to diversify the number and location of their trading partners.
- In 2019, imports from the United States, both direct and indirect, were estimated at \$800 million, based on private sector sources.
- The information and communication technology (ICT) sector is a growing area of the Palestinian market, as are cellular and landline telephone services. Palestinian stone and marble exports have remained strong, in particular to the United States. The handicraft market has begun to expand into export markets for a range of products.
- International donor investment in basic and social infrastructure in the West Bank and Gaza will continue to present opportunities for U.S. contractors, despite recent declines in overall investment. Between 1994 and 2017, the U.S. Agency for International Development (USAID) provided more than \$5.5 billion in economic assistance to Palestinians living in the West Bank and Gaza. However, USAID programs were halted in 2018.

Top five reasons why U.S. Companies should consider exporting to the West Bank and Gaza:

- Duty-free treatment for American imports
- Market relies on importing 90% of its needs
- American products are perceived to be of high quality

- Small but growing market population growing at an estimated at 3% per year
- Ease of getting paid through an efficient banking sector

Market Challenges

- The Second Intifada that began in the fall of 2000 significantly damaged the West Bank and Gazan economic and commercial environment. Movement of goods into and out of Palestinian markets has been heavily restricted ever since, despite the end of the intifada in 2005.
- The June 2007 takeover of the Gaza Strip by Hamas has resulted in the closure of borders with Israel and Egypt and the cessation of most trade between Gaza and the outside world, including the West Bank. In addition, Israeli security restrictions on the movement and access of goods and people between the West Bank, Gaza, and external markets continue to have a damaging effect on the private sector and limit economic growth.
- The West Bank and Gaza remain highly dependent on Israeli supplies and export opportunities. Almost all Palestinian exports must go through Israel or Israeli-controlled checkpoints. The Israeli government regularly adjusts operations on short notice in response to major security incidents. Routine Israeli security checks can also result in lengthy delays.
- The Palestinian economy is small and heavily influenced by political events.
- Exports are important for private sector growth.
- The Standards Institute of Israel (SII) sets standards for all goods entering via Israel. Lengthy standards testing on products entering the West Bank and Gaza can delay shipments into Palestinian markets. The [Palestine Standards Institution](#) plays a minor role because the Palestinian Authority (PA) has no control over borders and can only apply additional Palestinian standards on imports entering its areas.
- The inadequate provision of public goods including road infrastructure, utility networks, and health provision across municipalities affect the welfare of the Palestinian economy.

Market Opportunities

Infrastructure development, both donor and privately financed, has slowed in the West Bank. Potential major projects that have yet to be authorized by the Israeli government include a gas-fired power generation plant in the West Bank; expansion of telecommunications infrastructure and services (4G in the West Bank and 3G in Gaza); sanitation upgrades and expansion, waste disposal, and water services; and road upgrades.

In the West Bank, expected future demand for private housing construction for middle and lower-middle-income families is expected to rise. There is a growing trend toward building large commercial and multi-story residential buildings. In response, Palestinian developers have embarked on major development projects such as “Rawabi,” a residential city with co-located shopping, entertainment, educational facilities, and work spaces that is located north of Ramallah. Another example of a combined commercial and residential project is “El Ersal,” located in Ramallah.

In the West Bank and Gaza, expansion can be expected in the local production of processed foods, olive oil, hardware, wood and cane furniture, plastics, and housewares. Expansion can be expected in the local production of pharmaceuticals. In addition, franchising and distributorships are popular, with the best prospects traditionally found in fast food and apparel. In addition, imports of healthcare products, such as medical equipment and disposables, are increasing due to continued international donor support and population increase.

The current limitations and constraints in Gaza often require non-traditional solutions and technologies. Many Gaza-based infrastructure projects are donor financed and require approvals from relevant Israeli authorities.

Market Entry Strategy

- Palestinian Authority (PA) regulations require foreign companies to establish local agents and distributors in the West Bank and Gaza. U.S. firms selling goods to Israel through an Israeli agent or distributor should sign up separate Palestinian agencies and distributorships for the Palestinian market.
- The U.S. Commercial Service in Jerusalem provides U.S. companies with marketing services, such as the International Partner Search and Gold Key Matchmaking Services. For more information on these services and our other programs and trade promotion services, please visit the [U.S. Commercial Service](#) in Jerusalem.

Leading Sectors for U.S. Exports and Investment

Healthcare

Overview

Total spending on healthcare is heavily influenced by international donors support for specific health projects carried out in the West Bank and Gaza. The sector faces tough challenges related to the Palestinian Authority's (PA's) inability to pay local Palestinian suppliers of medical equipment and pharmaceuticals; it is estimated that the PA owes those suppliers around \$100 million, with some arrears stretching back to 2017.

Most of the Palestinian population relies on medical services provided by public hospitals that are run by the Palestinian Ministry of Health under a general health insurance program. The Ministry is in charge of providing all medical equipment and supplies, but the costs are entirely paid for by international donor funds, such as the World Bank Emergency Services Support Program, the European Union (EU), United Nations agencies, and the Islamic Bank for Development. The total number of public, private, and NGO hospitals in the West Bank and Gaza is 81, and the total number of beds is 5,939.

The overall healthcare market in the West Bank and Gaza is currently estimated at \$100 million. Spending is concentrated on medical capital equipment, medical supplies, lab equipment, and disposable lab supplies. There is no domestic production of medical equipment and supplies (with the exception of local pharmaceutical manufacturing and very limited, donor-financed production of personal protective equipment necessary to counter the COVID-19 pandemic), so Palestinians depend on imports. The U.S. share of the market is roughly 15% of the total. Germany, the UK, and Japan are the primary sources of imports, followed by Turkey and other European and Asian countries, the United States, and Israel. Recently, more imports of healthcare disposables have been coming from India.

There are no import duties on U.S.-made goods entering the West Bank and Gaza, but they are subject to a 16% value-added tax (VAT). Israeli and Palestinian Ministry of Health approvals and registrations are required prior to shipping for any pharmaceuticals, medical equipment, or device that to be imported into the West Bank and Gaza.

Leading Sub-Sectors

- Medical disposables
- X-Ray machines
- Surgery equipment
- MRI devices
- Dialysis machines

Opportunities

The Palestinian Ministry of Health issues tenders twice a year to procure pharmaceuticals, medical equipment, and supplies. Only prequalified Palestinian importers/distributors are allowed to make bids.

Resources

[Palestinian Ministry of Health](#)

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Information and Communication Technology

Overview

The Palestinian Information and Communication Technology (ICT) sector employs around 5,000 individuals in 250 companies in the West Bank and Gaza. Around 50% of these companies have partnerships outside the West Bank and Gaza and 40% export to international markets. All types of ICT companies exist including computer hardware and office equipment importers, software development houses, business consulting services, cloud-based software development, automation, mobile computing, digital media, Internet Service Providers, and telecommunication companies. In 2019, total investment in the sector was estimated at \$637 million and the sector contributed 4% of GDP. With the development of the Palestinian ICT sector, local demand for computers and peripherals, telecommunication equipment, mobile handsets, outsourcing services and web designing services is growing.

In 2018, the ICT sector took a major step forward with the launch of 3G services in the West Bank and with the introduction of Ooredoo (mobile phone company) phone and data service in Gaza. [Jawwal](#) and [Ooredoo](#), the two mobile phone companies operating in the West Bank and Gaza, have a combined 4.3 million mobile subscribers. Currently, only 2G service is available in Gaza. [Paltel](#) is the fixed line operator in the West Bank that currently has around 472,000 subscribers.

Internet serves as an important communication tool within the West Bank and Gaza and with the outside world. Today, around 80% of Palestinian households have home Internet access. Also, 29 high broadband internet providers with relatively high average speed for the region have recently entered the West Bank and Gaza, where there are 375,000 broadband ADSL subscribers. Most Palestinians use the Internet for knowledge, research, studying, business-to-business activities, and entertainment.

In 2019, 33% of Palestinian households owned computers. Most West Bank and Gaza computer hardware companies import directly from international vendors. However, Israel imposes restrictions on ICT imports that are listed as “Dual Use” products. Exports are limited to software, research and development, and outsourcing services. Some software companies have outsourcing and developing projects for regional and international companies.

The Palestinian ICT sector is represented by the Palestinian IT Association of Companies (PITA), a membership-based non-profit organization. With its 170 members, PITA has been very active in representing the interests of its members, developing the Palestinian ICT sector, and increasing public-private sector partnerships.

Leading Sub-Sectors

- Telecommunication equipment
- Computer hardware
- Software
- Networking equipment
- Audio-visual equipment

Opportunities

Good opportunities exist for U.S. exporters of telecommunication equipment, computer networking equipment, cybersecurity, servers, and consumer electronics. Also, good prospects exist for providing 4G service in the West Bank and 3G in Gaza respectively.

Resources

[Ministry of Telecommunications & Information Technology](#)

[Palestinian IT Association of Companies](#)

[Palestinian ICT Incubator](#)

[Paltel](#)

[Jawwal](#)

[Ooredoo Palestine](#)

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Franchising

Overview

The number of direct franchises in the Palestinian markets is still small. Coca-Cola has a bottling plant in Ramallah and more recently began operations in Gaza; Pepsi has one plant in Gaza which has been operating since 1962, and another one recently started operation in Jericho, West Bank. Five fast food franchises are currently operating in the West Bank: KFC; Pizza Hut; Domino's Pizza; Hardee's; and Popeyes.

A niche market exists for additional franchisors of fast food restaurants, hardware, garments, electronic equipment, and office supplies. Palestinian business people generally prefer a direct franchise agreement with the parent company, not through an Israeli franchisee.

Keys to successful franchising in the West Bank include cost competitiveness, brand recognition, strong management and marketing, and initial and ongoing training programs. Fast food franchisors, for example, have to take into consideration cultural and dietary customs of the general population; for example, neither alcohol nor pork meat nor pork byproducts, such as gelatin, are acceptable, and only halal meats (prepared in compliance with Islamic law) can be used. It is also very helpful if food products, such as chicken and beef, are sourced locally.

There is no franchising law in the West Bank and Gaza, and franchising agreements may come under agent/distributor laws. American franchisors are encouraged to work with a local law firm when drafting a franchising agreement.

Leading Sub-Sectors

- Fast food
- Apparel retail

Opportunities

- Hamburgers, doughnuts, coffee chains, and pizza
- Apparel for children and adults

For further information, please contact:

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Energy

Overview

Investment in the energy sector in the West Bank and Gaza is one of the requisites for economic growth and development. The electricity system requires substantial upgrading and expansion to meet current demand. Insufficient power supply is a serious impediment to Palestinian economic growth. Over the next few years, infrastructure development, including upgrading the electricity network and establishing two gas-fired power plants in Jenin and Tarqumyia in the West Bank, could be an area for growth if capital for this investment becomes available.

The total supply of electricity in the West Bank is estimated at 850 MW. Currently, around 65 MW is generated from renewable energy sources, Jordan supplies 35 MW, and Israel supplies the remaining 750 MW. Five electricity distribution companies operate in the West Bank: the Jerusalem District Electricity Company (JDECO), which serves Jerusalem, Jericho, Ramallah and Bethlehem; the North Electricity Distribution Company (NEDCO) and Toubas Electricity Distribution Company (TEDCO), which serve the northern parts of the West Bank; and the Hebron Electric Power Company (HEPCO) and the Southern Electric Company (SELCO), which serve the southern parts of the West Bank. The Palestinian Authority (PA) has recently established the Palestinian Electricity Transmission Company (PETL), which is the single buyer of electricity from the Palestine Power Generation Company (PPGC), Israel, and other neighboring countries.

In Gaza, the Palestine Electric Company (PEC), under its Gaza Power Generating Company (GPGC), operates a power station, the Gaza Power Plant, which currently operates at partial capacity only due to reliance on less efficient diesel fuel (versus natural gas) and limited funds for the purchase of diesel fuel. The full capacity of GPGC is 140 MW. The total demand for electricity in Gaza is roughly 450 MW. Egyptian power lines have been inoperational for several years. As a result, daily electricity cuts affect water, sanitation, education, agriculture, telecommunications as well as healthcare services.

Leading Sub-Sectors

- Renewable Energy
- Electricity Infrastructure

Opportunities

The sector offers opportunities for U.S. companies that specialize in major network equipment, power generation and transmission, diesel generators, and solar equipment and solutions. Over the next few years, infrastructure development, including upgrading of the electricity network will be a major growth sector. Another opportunity exists for establishing one or two gas-fired power plants in the West Bank and converting the diesel-based Gaza Power Plant to operate on gas.

The Palestinian government encourages the development of renewables as alternative sources of energy. Accordingly, the Palestinian Energy Strategy is to generate 50% of power locally from gas-fired power plants, import 40% from neighboring countries, and generate 10% from renewable energy sources. By 2026, the plan states that 200 MW of electricity will be generated from solar energy (utility-scale solar PV farms and rooftop solar PV panels). At the same time, the [Palestine Power Generation Company](#) continues to plan for the establishment of one to two combined-cycle power plants in the West Bank with a total capacity of up to 250 MW each on a Build Own and Operate (BOO) basis. Implementation of the first phase will involve a pilot project at a total cost of \$150 million in the North of the West Bank, which is expected to start in mid-2021. The two power plants will cover 50% of the demand for electricity in the West Bank. Construction has yet to begin.

More than a decade ago, natural gas was discovered off the shore of Gaza. British Gas and Shell held the license to explore the gas fields, but off-and-on negotiations with private gas developers and Israel have not yielded a supply

agreement. If an agreement is reached and the infrastructure to transport the gas is developed, the power plants in Gaza and the West Bank could consume an estimated 1.1 BCM/ya.

Resources

[Palestine Electricity Transmission Co. Ltd.](#)

[Palestine Power Generation Co.](#)

[Jerusalem District Electricity Co.](#)

[Hebron Electric Power Co.](#)

[Southern Electricity Co.](#)

[Northern Electricity Distribution Co.](#)

[Palestine Electric Co.](#)

[Gaza Electricity Distribution Co.](#)

For further information, please contact:

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Food and Beverage

Overview

U.S. food and beverage exporters seeking to enter the Palestinian market must use agents and distributors in the West Bank and Gaza. Palestinian importers carry limited inventory, sufficient to satisfy immediate demand and maintain distribution channels. Palestinian consumers are familiar with high quality American food brands and internationally recognized names.

The food sector is one of the most rapidly developing sectors in the West Bank and Gaza as it accounts for 20% of total local production, has a total market size of \$600 million, and a labor force of more than 15,000 workers. According to industry sources, Palestinians spent around 38% of their disposable income on food in 2019. Palestinian consumers appreciate American brands and have traditionally been willing to pay for good quality and internationally recognized names. The potential for U.S. processed food exports, therefore, is very promising.

The Palestinian Food Industries Union assists local food producers in improving and promoting locally manufactured products, providing management and marketing training, and assisting them in expanding exports to regional and international markets. Some of the Union's members are also importers of food and beverage products and raw materials needed for production.

Leading Sub-Sectors

- Snack foods
- Beverages
- Dairy products
- Canned fruit and vegetable products
- Processed meat

Opportunities

- Condiments and seasoning
- Baking and cake mixes
- Juices and energy drinks
- Confectioneries

Resources

[Palestinian Food Industries Union](#)

For further information, please contact:

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Customs, Regulations and Standards

Trade Barriers

The 1994 Paris Protocol governing Palestinian Authority (PA)-Israeli economic relations provides that the PA not impose tariffs on goods of Israeli origin, although the PA does impose purchase taxes on many durable goods imported from other countries, generally at Israeli rates. All West Bank and Gaza-bound imports that enter through Israeli ports are assessed a 17% VAT. This amount is transferred to the PA that imposes a VAT of 16% on all goods sold in the West Bank and Gaza. The 1% difference is eventually rebated to Palestinian importers via the PA, at times after long delays.

Import Tariffs

In accordance with duty-free arrangements between the United States and the Palestinian Authority (PA), the PA does not impose tariffs on U.S. products.

Import Requirements and Documentation

Import licenses for the West Bank and Gaza, when required, are issued by the Palestinian Authority (PA). The importer must be a trader registered with the PA and must present a pro-forma invoice. The Paris Protocol mandates that the PA must inform the Israeli Ministry of Industry and Trade of each import request. While the PA may import some items freely, other items are subject to quantitative restrictions (determined by the A1, A2 list) set forth in the Paris Protocol.

Effective January 10, 2018, U.S. exporters to the West Bank are no longer required to provide Israeli authorities a hard copy Certificate of Origin (commonly referred to as the “Green Form” or “Form A”) to qualify for preferential access to the Palestinian market under the U.S.-Israel FTA. Instead, U.S. exporters are required to print and sign a declaration on the invoice regarding U.S. content. American exporters are advised to ensure that they carefully review and understand the language of the FTA’s Rules of Origin Provision before they sign the *Invoice Declaration*. Please contact Senior Commercial Specialist Assad Barsoum at Assad.Barsoum@trade.gov or phone +972-2-625-4742 to get a copy of the *Invoice Declaration* guidelines and the frequently asked questions.

Some products are subject to testing by the Standards Institute of Israel. In some instances of differing standards, Israeli standards authorities will defer to their Palestinian counterparts on the condition that the importer provides satisfactory assurance that the product(s) in question will remain inside the West Bank and Gaza.

Israel imposes licensing requirements and quantitative restrictions on a wide range of foods and agricultural products. Items subject to quotas – mainly agricultural produce and processed foods – are negotiated annually. The Palestinian share is determined based on estimated consumption requirements and past quota utilization.

All health-related imports, such as food and pharmaceuticals, require approval by both the Israeli Ministry of Health and the Palestinian Ministry of Health, whose standards are nearly identical. However, the Pharmacy Department at the Israeli Ministry of Health has announced that Palestinian pharmaceutical companies are not permitted to import raw materials acting as active ingredients for products that have a single registration in Israel unless the Palestinian companies get approval from the party that registered the related product.

Labeling and Marking Requirements

Goods entering the West Bank and Gaza may be subject to marking and labeling requirements in order to prevent “leakage” back into Israel. Some goods, such as cigarettes and laundry powders, now have Arabic or Arabic/English stamps labeled “Only for sale in the West Bank and Gaza.” U.S. businesses should check with a Palestinian importer for exact specifications.

All products imported or brought into the West Bank and Gaza must carry labels in Arabic in addition to the original labels. The labels must carry information on the product ingredients, production and expiry dates, and consumer

warnings for hazardous products such as cigarettes and flammable materials. For more information contact Commercial Specialist Issa Noursi at: Issa.Noursi@trade.gov

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry

The Palestinian Authority (PA) has not yet established specific provisions for temporary entry of goods. It is currently using the Israeli regulation, which in general follows international standards and regulations. Trade samples of negligible or low value (under \$1), non-merchandise samples and printed advertising material are usually exempt. Trade samples with a value up to \$100 should have an ATA Carnet if brought into the West Bank and Gaza and Israel. If valued over \$100 an import license is required. Duty paid may be redeemed providing the goods are re-exported before the end of six months.

Prohibited and Restricted Imports

Although the Palestinian Authority (PA) has no published import prohibitions, U.S. companies should check with local Palestinian distributors to see if restrictions apply in certain cases (e.g., food products, firearms, etc.). Also, telecommunication, medical, and laboratory products that are marked by Israel as “Dual Use” are not allowed to be imported into the West Bank and Gaza or require special licenses by Israeli authorities.

Customs Regulations

U.S. exporters should consult with Palestinian or Israeli freight forwarders who have access to the list of goods that are liable to purchase tax. Some products are subject to additional taxes and levies.

Palestinian Ministry of Finance

Contact: Mr. Fouad Shobaki, VAT & Excise Director General
Ramallah, West Bank
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Standards for Trade

Overview

The Palestinian Authority (PA) has pledged to apply international standards requirements (e.g., ISO 9000 usage) to all imports. The [Palestine Standards Institution \(PSI\)](#), established in 1994, has been working to develop Palestinian standards, but currently the PA widely uses those standards adopted by the Standards Institute of Israel (SII). PSI is expected to assume its role regarding all standards issues in the future. Due to SII testing requirements, there are frequent delays for goods entering Palestinian markets.

Standards

Most standard testing is conducted in Israeli labs, although the Palestinian Ministry of Health has begun to institute some testing procedures of its own. PSI currently provides product testing and standards certification to Palestinian companies in the sectors of chemicals, construction materials, electronic equipment, elevators and escalators, energy and hydraulic equipment and systems, furniture, household electrical appliances, leather, processed food, paper, plastics, pressurized vessels, central gas installations and textiles, tourism and hospitality and toys. Concrete and construction materials as well as some food products are also being tested at Bir Zeit University and other Palestinian testing labs.

Testing, Inspection and Certification

Since all West-Bank-and-Gaza-bound goods enter through Israeli controlled ports and border crossings, product certification is made according to Israeli standards, except for products on the limited list of A1 and A2 list that allows the PA to conduct its own standards testing. There are currently no mutual recognition agreements between the PA and U.S. organizations.

Publication of Technical Regulations

There is a National Gazette in the West Bank and Gaza; the [Palestinian Legal and Judicial System “Al-Muqtafi”](#) where regulations are occasionally published.

Contact Information

Palestinian Standards Institution (PSI)

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Ramallah, West Bank
Email: info@psi.pna.ps

Although the PA is not currently a member of the World Trade Organization (WTO), U.S. exporters should be aware that members of the WTO are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO of proposed technical regulations and conformity assessment procedures that could affect trade. [Notify U.S.](#) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Trade Agreements

In October 1996, President Clinton signed a proclamation granting duty-free import status to items produced in or imported from the West Bank and Gaza. The EU has a preferential trade agreement with the West Bank and Gaza similar to that of the U.S. Generalized System of Preferences program. The Palestinian Authority (PA) has more restrictive trade agreements with Jordan and Egypt. Under the terms of the Paris Protocol, there are no tariffs on trade between the West Bank and Gaza and Israel (the trade regime with Israel is a “defacto customs union” administered by Israel). However, West Bank and Gaza exports entering Israel are subject to inspections, principally to conform with Israeli market access measures.

Licensing Requirements for Professional Services

Any U.S. service provider looking to establish a business in the West Bank and Gaza is highly encouraged to work with a Palestinian law firm. The [U.S. Embassy](#) in Jerusalem maintains a list of law firms in the West Bank and Gaza.

Selling U.S. Products and Services

Distribution & Sales Channels

Overview

The West Bank population is heavily concentrated in the four major towns of Nablus, Ramallah, Jenin, and Tulkarem in the northern part of the West Bank, and in Bethlehem and Hebron in the southern part. In Gaza, the population is heavily concentrated in or near the urban centers of Gaza City.

The West Bank and Gaza has no ports or freight-handling airports, so goods must transit Israeli, Jordanian, or Egyptian ports. The Palestinian Authority (PA) and the governments of Israel, Egypt, and Jordan have concluded agreements to allow goods across the Allenby Bridge from Jordan into the West Bank markets and through the Salah al-Din Gate from Egypt into Gaza. All commercial goods can only enter and exit Gaza to/from Israel through the Kerem Shalom checkpoint and delays due to Israeli security and standards inspections are common.

U.S. companies are strongly advised to work with local clearing agents to expedite goods through the customs-clearance process. Currently, only Israeli firms are licensed as customs-clearance agents. The U.S. Commercial Service in Jerusalem routinely assists in expediting delayed or blocked U.S. shipments into Palestinian markets.

Using an Agent or Distributor

Many American companies have reoriented their marketing efforts to acknowledge the Palestinian market as culturally, economically, and commercially distinct from the Israeli market. Palestinian Authority (PA) regulations require foreign companies selling goods in the West Bank and Gaza to operate through a PA-registered, local, direct importer, distributor, or agent. Using local agents and distributors allows U.S. firms to maximize their sales exposure to the local market by taking advantage of linguistics/cultural expertise and local connections. Also, since Palestinian agents and distributors typically demand a considerably smaller profit margin than Israeli firms, American products may be more competitive.

There are numerous small and mid-sized West Bank and Gaza distributorships available for U.S. food products, household products, computer and telecommunications equipment, medical supplies, and pharmaceuticals.

Local distributors import goods on their own, carry limited stocks sufficient to satisfy immediate needs, and maintain their own sales organizations. When concluding a representation agreement, U.S. companies should include the following elements:

- Contract duration
- Exclusivity (if applicable)
- Compensatory amount as a function of contract duration, in case of termination of exclusivity
- Promotional input by agent and volume of sales
- Dispute settlement mechanisms, if possible

The U.S. Commercial Service in Jerusalem offers a variety of promotional services and programs, including company-to-company matchmaking services, single company promotions, the Featured U.S. Exporter (FUSE) service, and company background check services. CS Jerusalem also provides information about local [Business Service Providers](#) that may be of interest to U.S. exporters and visiting American executives.

Establishing an Office

Given the complexity of jurisdictional authority between the Palestinian Authority (PA) and Israel, U.S. businesses should work closely with local partners and the U.S. Commercial Service in Jerusalem.

Foreign companies wishing to conduct business in the West Bank and Gaza have the same registration requirements as locally established companies. They must file copies of both their certificate of incorporation and memorandum and articles of association, all authenticated by the registrar of companies located where they are incorporated. These documents must be translated into Arabic. Registration fees for foreign companies are not the same as those for locally established companies.

All new West Bank and Gaza commercial enterprises must also register with the Ministry of National Economy, the Ministry of Finance, and open income tax and Value Added Tax (VAT) accounts.

For assistance with authentication of company documents and agreements, please contact Commercial Specialist Issa Noursi at Issa.Noursi@trade.gov or phone: +972-2-625-5201.

Franchising

The franchising sector, especially in fast food, has witnessed a great expansion in the last five years. A niche market exists for franchisors of fast food restaurants, garments, electronic equipment, and office supplies. Palestinian businesspeople generally prefer a direct franchise agreement with the parent company and not through the Israeli franchisee.

Keys to successful franchising in the West Bank include cost competitiveness in relation to comparable items, brand recognition, strong management and marketing, and initial and ongoing training programs. To be able to succeed in the Palestinian market, fast food franchisors have to take into consideration the cultural and dietary customs of the general population; for example, neither alcohol nor pork meat or its byproducts, like gelatin, are acceptable, and only halal meats can be used. It is also very helpful if food products, such as chicken and beef, are sourced locally.

There is no franchising law in the West Bank and Gaza and franchising agreements may come under agent/distributor laws. American franchisors are encouraged to work with a local law firm when drafting a franchising agreement.

U.S. companies that want to develop local franchising arrangements should contact Commercial Specialist Issa Noursi at Issa.Noursi@trade.gov or phone: +972-2-625-5201.

Direct Marketing

Local companies importing American-made products have introduced direct marketing in the West Bank. Other companies are also following this new trend. Printed flyers and ads in local newspapers and TV stations are heavily used; telemarketing, social media platforms, and SMS marketing are also on the rise.

Joint Ventures/Licensing

Palestinian businesses in the West Bank are eager to develop joint-venture arrangements. Larger local companies, particularly those with export experience, may be reliable partners for U.S. companies. Several small-scale joint ventures with U.S. companies currently operate in the West Bank.

Express Delivery

There are several express delivery firms within the West Bank that are very reliable. Delivery time, however, is impacted by the number of Israeli military check points between the different cities.

Due Diligence

American firms interested in doing business in the West Bank and Gaza are advised to perform due diligence before concluding any kind of business deal. However, this service has not been available to U.S. companies since Hamas took over Gaza in 2007. U.S. companies can avail themselves of the [U.S. Commercial Service's](#) International Company Profile (ICP) service to check on potential local partners. An ICP provides information about a local company or entity, its financial standing, reputation in the business community and includes a site visit to the local company and a confidential interview with the company management.

eCommerce

According to the 2017 Electronic Transactions Law, eCommerce transactions in the West Bank and Gaza are regulated by the Palestinian Ministry of Telecom and Information Technology. In 2019, 8% of Palestinian internet users purchased goods and services online ranging from clothes, shoes, and sportswear to cosmetics, furniture, and toys. Given the existence of a good telecommunication infrastructure, an established banking system, and advanced IT applications that guarantee Internet security, the eCommerce market in the West Bank and Gaza has significant growth potential. The major telecommunication company, Paltel, has introduced e-payment services that allow customers either to delegate to a bank the responsibility of electronically paying their bills or to directly pay online by credit cards. eCommerce in the Palestinian handicraft industry has also developed, especially in Hebron, where wholesalers sell Palestinian pottery online. Packages sent to the West Bank and Gaza via Jordan from Arab countries lacking diplomatic relations with Israel can experience long delays.

Selling Factors & Techniques

Overview:

U.S. businesses should note the influence of a comparatively large, formerly U.S.-based Palestinian community, which has transferred American consumer preferences and buying habits to the West Bank. These cultural and consumption links are important factors in local Palestinian knowledge of American products. Although price is critical for successful sales in the West Bank and Gaza, local purchasers increasingly seek American quality, particularly for computers, electronic equipment, and consumer items.

Trade Promotion and Advertising

- U.S. products face stiff competition from European, Israeli, and locally-made goods; however, interest in American-made products has increased due to the fall in the U.S. dollar exchange rate against the Israeli shekel.
- Competitively-priced U.S. brand names are popular, particularly with well-to-do Palestinian consumers, and many American brands of processed food are imported from the United Arab Emirates.
- American imports into the West Bank and Gaza enter duty free. The Palestinian Authority (PA) does not have any restrictions on advertising except for tobacco products and alcohol. For labelling, all products coming into the West Bank and Gaza must have Arabic labels in addition to the original label. Placing Arabic-language sticker labels on original packaging is generally acceptable.
- Most advertising is done through local Arabic newspapers, although advertising through Palestinian radio and television stations is possible also. A few companies have begun billboard advertising, which should expand over the next few years. Advertising in the West Bank is comparatively cheap by world standards and prime-time Palestinian radio time costs about \$35 per minute.
- Major Arabic Daily Newspapers:
 - [Al Quds](#)
 - [AL Ayyam](#)
 - [Al Hayat Al Jadida](#)
- Local Palestinian Television Stations:
 - [Palestinian Broadcasting Corporation PBC](#)
- Visit the Commercial Service websites for trade promotion services: [U.S. Commercial Service Trade Events](#)

Pricing

Price is a major factor affecting purchasing decisions by Palestinian companies and consumers. U.S. companies may want to gain market share by introducing products into the Palestinian market at locally competitive prices. All business transactions in the West Bank and Gaza are subject to VAT at the current rate of 16%.

Most goods are sold in small family-owned retail outlets. Local consumers are price-conscious, although upper-middle class consumers prefer American brand names. Moreover, even with shipping costs, American-made consumer products are sometimes cheaper than relatively high-priced, comparable Israeli items currently being sold in Palestinian stores.

Sales Service/Customer Support

Both after-sales service and customer support are important in the West Bank and Gaza markets. They are strong selling points for U.S. goods, as well. However, competitive pricing will remain the key to building a customer base.

Local Professional Services

U.S. companies should also seek professional legal and/or accountancy advice whenever engaged in complicated contractual arrangements in the West Bank and Gaza. These activities include establishing an office, investing, or applying for IPR registration. Please contact Assad.Barsoum@trade.gov for more information. There are three international accounting firms operating in the West Bank and Gaza:

[Ernst & Young](#)

[PriceWaterhouseCoopers](#)

[Deloitte Touche](#)

Principal Business Associations

The Palestinian-American Chamber of Commerce

Mr. Said Baransi, Chairman

Tel: +970-2-297-4417 Fax: +970-2-297-4092

Ramallah, West Bank

Email: Said.Baransi@amcham.ps

Website: [Palestinian-American Chamber of Commerce](#)

Federation of Palestinian Chambers of Commerce

Mr. Khalil Rizeq, Chairman

Tel: +970-2-298-5556 Fax: +970-2-298-2757

Ramallah, West Bank

Email: Khalil.Rizeq@pal-chambers.org

Website: [Federation of Palestinian Chambers of Commerce](#)

Palestinian Information Technology Association

Mr. Ibrahim Al-Jaffal, Chairman

Tel: +970-2-240-5829 Fax: +970-2-240-5837

Ramallah, West Bank

Email: Ibrahim.m.jaffal@jaffalgroup.com

Website: [Palestinian Information Technology Association](#)

Palestinian Businessmen Association

Mr. Majed Ma'ali, General Manager

Tel: +970-2-297-4636 Fax: +970-2-297-4004

Ramallah, West Bank
Email: majed@pba.ps
Website: [Palestinian Businessmen Association](#)

Palestine Trade Center (PalTrade)

Mr. Mohammad Nusseibeh, CEO
Tel: +970-2-240-8383 Fax: +970-2-240-8370
Ramallah, West Bank
Email: info@paltrade.org
Website: [Palestine Trade Center](#)

Palestinian Federation of Industries

Mr. Basem Walweel, Chairman
Tel: +970-2-295-0290 Fax: +970-2-297-7409
Ramallah, West Bank
Email: info@pfi.ps
Website: [Palestinian Federation of Industries](#)

Limitations on Selling U.S. Products and Services

There are no limitations on selling U.S. products and services unless they are clearly prohibited by the Palestinian Authority.

Trade Financing

Methods of Payment:

Most local importers use letters of credit. U.S. firms should use contractual arrangements to ensure fulfillment of payment obligations, particularly when beginning a business relationship. Recently, however, American exporters have been demanding that payments be made in advance even for long-time customers with good credit history.

[Small Business Administration](#) loan guarantees enable small U.S. exporters to obtain financing through commercial banks, usually short-term (i.e. 12 -month) export working capital loans for single transactions. SBA's international business trade loan program also offers small export trading and export-management companies long-term financing to compete more effectively and to expand or develop export markets.

For more information about the methods of payment or other trade finance options, please read the Trade Finance Guide available at <https://www.trade.gov/trade-finance-guide-quick-reference-us-exporters>.

Banking Systems:

The [Palestine Monetary Authority](#) (PMA) has the power and responsibility to regulate monetary policies in the West Bank and Gaza. In the absence of a national currency, the PMA focuses on fiscal policy and regulating the banking sector, financial institutions, and money changers. It is the sole holder and manager of the Palestinian Authority's (PA's) and Palestinian public-sector entities' foreign currency reserves. With 13 commercial banks comprising 357 branches operating in the West Bank and Gaza, the local banking sector has undergone rapid growth since the establishment of the PA in May 1994. Israeli banks do not operate in the West Bank and Gaza. Banks operating in the West Bank and Gaza routinely deal in the Israeli shekel, Jordanian dinar, and U.S. dollar. Israeli shekels are preferred for retail business transactions, while Palestinians prefer U.S. dollar and Jordanian dinar-denominated savings accounts. At times, Israeli-imposed security restrictions on Gaza following the Hamas takeover in 2007 have created liquidity shortfalls there. Additionally, banks in the West Bank sometimes hold an excess of liquidity in shekels due to Israeli restrictions on the transfer of cash from Palestinian banks to the Israeli correspondent banks.

To offer Israeli shekel accounts, local banks must maintain correspondent relationships with Israeli banks. Discount Bank is the correspondent bank for Jordanian banks operating in the West Bank and Gaza, while Bank Hapoalim is the correspondent bank for Palestinian banks. Currently, the PMA and the Bank of Israel are working on creating government-owned entities on both sides to replace the current correspondent banks. Most local banks currently have a relatively conservative lending approach, primarily because of lack of legal enforcements. Local banks generally offer savings and checking accounts; some do either personal or commercial lending or both. Most commercial and private lending is done on a short-term basis, of one-to-three years and one-to-four years, respectively, with shorter terms the norm. Firms often must secure loans with assets worth the full amount of the loan - or more - as collateral. The lending to deposit ratio is increasing but remains low at 69.5 compared to 80 in regional markets. At the end of the first quarter 2019, total deposits at local banks amounted to \$14.5 billion. From the end of the first quarter 2019 to the end of the first quarter 2020, credit facilities increased by \$619 million to reach \$8.956 billion. Banks provided the PA with loans amounting to \$1.7 billion at the end of July 2020.

Foreign Exchange Controls:

Under the Paris Protocol, the Israeli shekel, Jordanian dinar, and U.S. dollar are all legal tender in the West Bank and Gaza, although the Israeli shekel typically will serve as the means of payment for all purposes including official transactions. Local banks may accept other currencies as a means of payment for any transaction.

U.S. Banks and Local Correspondent Banks:

The [Bank of Palestine](#), [Arab Bank](#), and [The National Bank](#) are the three largest banks operating in the West Bank and Gaza) that have correspondent relationships with U.S. banks. All commercial banks operating in the West Bank and Gaza issue credit and debit cards to customers upon request and their use is increasing as more retail outlets accept them. VISA and MasterCard are the leading credit cards in use. Banks also issue special debit cards with limited balances for customers who want to make purchases over the Internet.

Protecting Intellectual Property

Several general principles are important for effective management of IP rights in the West Bank and Gaza. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in the West Bank and Gaza than in the United States. Third, rights must be registered and enforced in the West Bank and Gaza under local laws. For example, your U.S. trademark and patent registrations will not protect you in the West Bank and Gaza. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works in accordance with international agreements.

Patents are generally granted based on a first-to-file (or first-to-invent, depending on the country basis). Similarly, registering trademarks is based on a first-to-file (or first-to-use, depending on the country), so you should consider how to obtain patent and trademark protection before introducing your products or services to the West Bank and Gaza market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in West Bank and Gaza. It is the responsibility of the rights’ holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Palestinian laws. The U.S. Commercial Service in Jerusalem can provide a list of local lawyers upon request.

While the U.S. government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. Government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the responsibility of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the West Bank and Gaza require constant attention. Work with legal counsel familiar with Palestinian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both West Bank and Gaza or U.S.-based. These include:

[U.S. Chamber of Commerce](#)

[Palestinian-American Chamber of Commerce](#)

[National Association of Manufacturers](#)

[International Intellectual Property Alliance](#)

[International Trademark Association](#)

[International Anti-Counterfeiting Coalition](#)

[Pharmaceutical Research and Manufacturers of America](#)

[Biotechnology Innovation Organization](#)

In any foreign market companies should consider several general principles for effective protection of their intellectual property (IP). For background, please see our articles on [Protecting Intellectual Property](#) and [Stopfakes.gov](#) for more resources.

- IP Attaché Contact For MENA Region

Name: Peter Mehravari

Address: Plot # 14, Block 6

Masjed Al-Aqsa Street

Kuwait City, Kuwait

Telephone: (965)-2259-1455

Email: Peter.Mehravari@trade.gov

- For more information, contact the Office of Intellectual Property Director, Stevan Mitchell at Stevan.Mitchell@trade.gov

While the West Bank does not have a modern Intellectual Property Rights (IPR) regime in place, it is even less developed in Gaza. The respective authorities are well aware of the problem and are beginning to address the issues involved. The World Bank and other international donor organizations have developed and are conducting programs to promote awareness of the financial and trade benefits to be derived from observing international IPR standards and are currently assisting in the development of modern IPR laws.

Selling to the Public Sector

Selling to the Government

It is possible to sell to the Palestinian Authority (PA). Please carefully review the [Treasury/OFAC Guidance on Transactions with the PA](#), dated May 14, 2013. The PA procures all its needs from local prequalified vendors who represent U.S. and international companies.

The PA is not a member of the World Trade Organization (WTO) but has consistently expressed an interest in Permanent Observer status, having participated in the 2005, 2009, 2011, 2013, 2015, and 2017 WTO Ministerial meetings as an ad hoc observer and has applied to join the international organization as a member. Exports to and imports from the U.S. are not subject to any duties as Palestinian products benefit from the 1996 Duty Free Treatment of Products of the West Bank and Gaza.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult [Advocacy for Foreign Government Contracts](#) for additional information.

Financing of Project

Project finance is available to U.S. investors from the following U.S. government agencies: [The U.S. International Development Finance Corporation](#) (DFC) and the [U.S. Trade and Development Agency](#) (TDA). The World Bank's [International Finance Corporation](#) (IFC) and the European Community's local development banks and credit agencies also provide project finance, although loans from the latter generally go to local Palestinian companies or to firms with a connection to European companies.

The [U.S. International Development Finance Corporation](#) is an agency that brings together the capabilities of OPIC and USAID's Development Credit Authority, while introducing new and innovative financial products to better bring private capital to the developing world. DFC provides direct loans and guarantees up to \$1 billion per eligible project through its full range of financial tools, which includes equity and debt financing, political risk insurance, and technical development and assistance. DFC targets investments with less than 50% government ownership. This includes public private partnerships (PPP) projects, financial institutions, and investment funds. DFC assesses the development impact of all projects, including the impact on local economic growth and job creation, innovation, inclusion, and environmental and social impacts. DFC supports projects in a variety of sectors including critical infrastructure, power generation, healthcare, telecommunications, housing, agribusiness, and financial services. Due to operating conditions or other policy considerations, there may be additional constraints on projects in the West Bank and Gaza.

[TDA](#) promotes economic development in developing countries by funding feasibility studies, consultancies, training programs, and other project-planning services. TDA has financed several feasibility studies in the food, ICT, and waste water sectors, and also organized and financed orientation visits to the United States for power and telecommunications officials and stone and marble executives from the West Bank.

[EXIM](#) does not have a program for the West Bank and Gaza, but one exists for Jordan that Palestinian importers could use if they have a partner there. EXIM provides project finance in the form of direct loans, guarantees, or a combination of both through its Project Finance Division, in which outside consultants are contracted to evaluate projects. These services are available to major U.S. suppliers and to project sponsors without access to bank or government guarantees. The equity investor must be both creditworthy and exposed to meaningful financial risk. The direct loan and/or guarantee can cover up to 85% of the contract amount. EXIM is committed to completing its evaluation and issuing a

preliminary indication of willingness to finance a project within 45 days from the day all the required documentation is submitted with the application for financing.

[International Finance Corporation](#) (IFC), the private sector arm of the World Bank, was established to encourage private-sector activities in developing countries. IFC provides loans, equity investments, guarantees, and stand-by financing. Multilateral Investment Guarantee Agency (MIGA) also offers political risk insurance.

[USAID](#) has funded activities and programs to increase private-sector economic opportunities for Palestinians, encouraging broad-based growth by addressing key problems which hinder economic opportunities: access to financial services, access to markets, productivity and competitiveness of Palestinian firms, and the policy framework for private-sector development. Improving private-sector opportunities to achieve increased employment and incomes will help build support for the peace process and provide a stable foundation for long-term prosperity. However, no funding has been available for the West Bank and Gaza for the last three years and no USAID assistance is expected for the foreseeable future.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult Advocacy for Foreign Government Contracts for additional information.

Business Travel

Business Customs:

In general Palestinian businesses are family-oriented, built on trust and long-term relationships. Larger local businesses tend to be non-family owned. Palestinian business people are pragmatic and generally politically moderate. Owners of larger enterprises have international contacts and worldwide experience.

Although business orientation has in the past tended to be toward Europe and the Gulf, local entrepreneurs seek American partners because of their technical expertise and know-how. U.S. businesspeople that travel to the area should familiarize themselves with State Department travel warnings currently warning U.S. citizens of the risk of traveling to the West Bank and avoiding all travel to the Gaza Strip. If they do travel, they should concentrate on building strong personal relationships with potential partners. It is customary to discuss plans over cups of Arabic coffee or tea, and you may often be invited to the family home or out for a restaurant meal.

Most major Palestinian businesspeople speak English well, although when negotiating contractual terms it is advisable to use a good translator and a local attorney to assist with the agreement. Palestinians dress more formally than Israelis, usually in Western business suits. Business cards are always exchanged, and appointments can be made on short notice.

The normal workweek varies depending on the business, although most firms are closed on Fridays (Muslim holy day), even if the owner is Christian. Christian-owned firms are also generally closed on Sundays.

Travel Advisory:

Current information on travel and security in Israel, the West Bank and Gaza may be obtained from the Department of State by calling 1-888-407-4747 within the United States, or, from overseas, 1-317-472-2328. U.S. citizens should consult the Travel Warning and Consular Information Sheet for Israel, the West Bank and Gaza, the Middle East and North Africa Public Announcement, and the Worldwide Caution Public Announcement, and the Worldwide Caution Public Announcement at the [State Department's Internet site](#).

Visa Requirements:

For visa requirements to enter Israel, the West Bank and Gaza go to the [State Department's Internet site](#).

U.S. companies that require travel of foreign business persons to the United States are advised that most residents of the West Bank and Gaza will require a U.S. visa. Visa applicants should go to the following link(s):

[State Department Visa Website](#)

[United States Visas](#)

[Business Visa](#)

All visa services are available at the [U.S. Embassy Jerusalem](#)

Currency:

Palestinians in the West Bank and Gaza routinely deal in the Israeli shekel, Jordanian dinar and U.S. dollar. Israeli shekels are preferred for retail business transactions while U.S. dollars and Jordanian dinars are preferred for savings. The EURO is also used and accepted to make payments. ATM networks are readily accessible in urban areas of the West Bank, however traveler checks are not accepted.

Telecommunications/Electronics:

The international dialing code for the West Bank and Gaza is +970. Calling fixed lines may require a city code: (02) Ramallah, Hebron and Jericho; (09) for Nablus, Tulkarem, and Qalqilya; (04) for Jenin; (08) for Gaza, and (972) (02)

for Jerusalem. Mobile phone numbers for Jawwal begin with (059) and for Ooredoo start with (056). To call a fixed line from a mobile phone, dial the city code followed by the fixed line number.

[Paltel](#) is the only fixed line operator in the West Bank and Gaza. The company offers its 472,000 subscribers a full range of services, including local and international phone calls, access to the Internet, and payphone services. [Jawwal](#) and [Ooredoo](#) are the only two licensed mobile operators in the West Bank and Gaza.

Several VOIP, Wifi, BSA (Bit-Stream Access), and broadband service providers have entered the West Bank and Gaza. Wireless Internet can be found in many hotels, coffee shops, and restaurants. Electricity is at 220 Volts and European plugs are used so travelers are encouraged to carry adaptors.

Transportation:

U.S. business visitors may use one of the several taxi services in Jerusalem for travel in Jerusalem and the West Bank. Long-term business visitors may want to rent a car and driver. The U.S. Government warns against travel to Gaza. When traveling within the West Bank, travelers should keep their passports available for inspection at Israeli checkpoints. The Commercial Service strongly suggests checking the latest [State Department security update](#) before considering trips to the West Bank and Gaza.

Language:

Palestinians speak Arabic; most heads of larger companies and many other Palestinians speak English well.

Health:

The following general hospitals are in the West Bank:

- Ramallah Government Hospital Tel: +970-2-298-2216
- Arab Care Hospital Tel: +970-2-298-6420

Palestinian hospitals only accept insurance issued by a local Palestinian insurance company, otherwise payment in cash is required. Hospitals usually ask for a deposit upon admittance of a patient and the amount is calculated according to estimated duration of treatment in hospital. In the West Bank very serious and untreatable cases are usually referred to Israeli hospitals. In the West Bank, Ramallah Government Hospital is very well equipped and staffed.

Travelers can obtain additional health information from the [International Travelers Hotline](#) of the Center for Disease Control by dialing: +(404) 332-4559.

Tap water is generally safe to drink and bottled water is readily available. No mandatory vaccinations are required when entering the country.

Local time, business hours, and holidays:

The local time is two hours ahead of Greenwich Mean Time and Daylight Saving Time is observed. Most businesses are closed on Fridays, while some Christian-owned businesses close on Sundays and may also close on Fridays.

Holidays

Muslim holidays include Eid Al Fitr, Eid al-Adha, the Islamic New Year (Ra's as-Sana), the Prophet's Birthday (Mawled), Isra, and Mi'raj. Businesses are open on those holidays, but government offices are closed. Business and government offices close for three days for Eid Al Fitr and four days for El Adha. The U.S. Embassy in Jerusalem is closed on the recognized day of these holidays. The month-long Ramadan period began on April 24, 2020. During this period, businesses and government offices generally remain open, but business slows somewhat as observant Muslims are required to observe a fast from before sunrise to sunset.

Islamic holidays are based on lunar calendar, so dates will vary from year to year. In addition, the U.S. Embassy in Jerusalem is closed for official American and Jewish holidays:

American, Islamic, and Israeli Holidays: January, 2020

January 1	New Year's Day 2020
January 20	Martin Luther King Day
February 17	President's Day
April 9	Passover (1st Day)
April 10	Good Friday
April 15	Passover (Last Day)*
April 29	Israeli Independence Day*
May 25	Memorial Day
May 25	Eid Al Fitr
May 29	Shavuot (Pentecost)
July 3	U.S. Independence Day
July 31	Eid Al Adha **
September 7	Labor Day
September 19	Rosh Hashanah (New Year 1st Day)*
September 20	Rosh Hashanah (New Year 2nd Day)*
September 28	Yom Kippur (Day of Atonement)
October 3	Succot (Feast of Tabernacles)
October 10	Simhat Torah (Rejoicing of the Law)
October 12	Columbus Day
November 11	Veterans Day
November 26	Thanksgiving Day
December 25	Christmas Day
January 1, 2021	New Year's Day

*Israeli National Holidays: All businesses in Israel are closed. Jewish holidays begin at sunset the day before. Businesses and offices close in the early afternoon of the day before. Many Israeli businesses close for the duration of Passover (7 days) and sukkot (8 days). Israeli checkpoints into the West Bank may also operate limited hours.

**Locally-observed Islamic Holidays: Dates for these holidays are based on the lunar calendar and currently estimated to be o/a May 25 for Eid Al Fitr and a/o July 31 for Eid Al Adha.

Temporary Entry of Materials and Personal Belongings:

The Palestinian Authority (PA) has not yet established specific provisions for temporary entry of goods. It is currently using Israeli regulations.

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements provide information on the business climates of more than 170 economies and are prepared by economic officers stationed in embassies and posts around the world. They analyze a variety of economies that are or could be markets for U.S. businesses.

Topics include Openness to Investment, Legal and Regulatory systems, Dispute Resolution, Intellectual Property Rights, Transparency, Performance Requirements, State-Owned Enterprises, Responsible Business Conduct, and Corruption.

These statements highlight persistent barriers to further U.S. investment. Addressing these barriers would expand high-quality, private sector-led investment in infrastructure, further women's economic empowerment, and facilitate a healthy business environment for the digital economy. To access the ICS, visit the U.S. Department of State's [Investment Climate Statement](#) website.

Political & Economic Environment

For background information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.