

The Palestinian Investment Promotion Agency “PIPA”



**Building a Better Future
Tourism Sector**

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Characteristics of Tourism sector



Hospitality

113 Hotels

2,797 Hotels employee

Over 6,000 rooms

24.9% Occupancy rate

13,902 Bed's

600,362 Guests

1.4 Million night

5% Contribution to GDP

2.5 M tourists visited Palestine

37% Families had internal visits

300 Travel Agencies

26 Museums and archives
activities

84 Arts and entertainment
activities

100 Tourism agencies

170 Guides

33,023 Sector employee

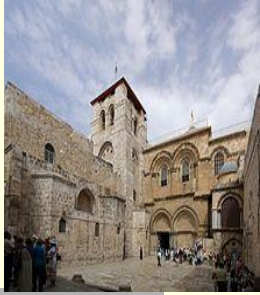


Characteristics of Tourism Sector

- Large amount of attractions sites
- Plenty of archaeological sites
- Religious sites
- Hotel rating system
- Tourism agencies
- Tourists diversity 52% Europe, 11% Asia, 12.5% USA & Canada, 2.5% Africa, 10% internal, 12% other country
- Unique geographical location
Where Palestine is characterized as a connection point between Africa and Asia with place of many historical civilizations, And its cities has geographical and climatic diversity



Tourism sectors



- **Religious Tourism:** over 3 billion pilgrims are looking to visit Terra Santa (nativity church, Jerusalem, Nazareth, Jericho), and (AQSA mosque, Hebron)
- **Medical tourism:** Dead sea and related industries, as the world bank estimations the related chemical industries would generate 918 USD millions, and the related services would generate 290 USD millions net revenues and generate over 2,900 direct jobs
- **Cultural tourism:** social and cultural heritage, sites, museums, cultural centers as the 666 center operated more than 9 thousands activity and served more than 105 thousand visitors
- **Environmental tourism:** 48 nature reserves



Tourism companies that received investment incentives from PIPA

- 98 Projects received incentives
- 3,875 Direct jobs created
- 144 USD M projects gross investments
- 6 Projects in partnership or joint ventures from (UAE, USA, KSA, Jordan)

Investment incentives and criteria

Law No. (1) for year 1998 and its amendments:

Investment incentives

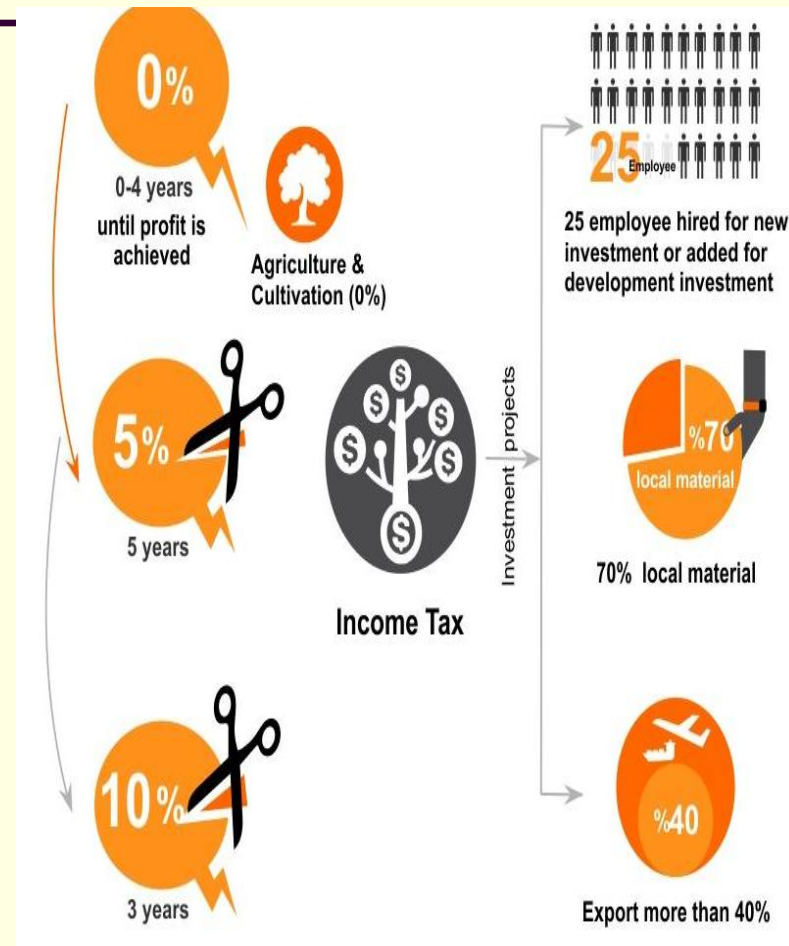
- 0% for agriculture cultivation and livestock
- 5% Income tax for a period of (5) years
- 10% Income tax for a period of (3) years
- Custom incentives on investment machinery
- Incentives contract package (sector, location, transfer of knowledge..)

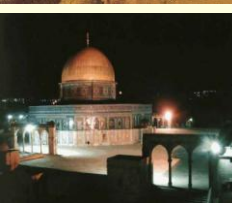
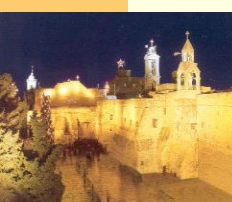
Criteria: (Industry, Tourism, Agriculture)

- 25 New jobs or added
- 40% Produce exported
- 70% Local content (materials and machinery)

Guarantees:

- ✓ No distinction between foreign or local investors, Investor can have a free ownership
- ✓ Investors may freely transfer all financial resources any time and with any currency accepted by the investor





Targeted sectors in Palestine

Agriculture (Roses, Strawberry, Dates, Olive oil and its products, fishery),
Fund and financial services (Insurance, Loan guarantee, funds) ,
ICT (Incubators, Research and Development, Excellence centers, Call centers, Software development, games development) **Infrastructure, Real Estate and construction, Industry** (Stone and Marble, Food and Beverage, Pharmaceuticals and cosmetics, light industries), **Energy** (Renewable energy, Gas and Oil industries) , **Logistics and Transportation** (storing, packaging, shipping freight services) **Health, Tourism** (Pilgrims services, Tour operators, Hospitality)

Investment opportunities

Project	Invested capital	Required investment	ROI
Logistics and services	375,000	1,125,000	23%
Recreational facilities	2,254,394	664,474	4%
Hotels	21,436,368	11,989,000	25%
Commercial centers	5,661,500	6,124,000	7.5%
Tourist service center	420,000	2,060,000	9%
Conference halls	583,746	560,854	8%
Total	30,749,008	22,524,228	

All figures in USD

Success story



SAINT GABRIEL HOTEL



Sancta Maria Hotel

Palestine's commitment to investors

- Free investment in all sectors and any percentage
- Free money transfer, i.e capital and revenue
- No confiscation, nationalization
- Equal treatment for investors

Palestine competitiveness

- Government commitment to have a truly **enabling investment environment**
- Language and literacy: multi language literacy; Literacy Rate % aged 15 and above is 95.3%
- Education: Students of Secondary Stage (enrollment Ratio): 64.0%; Community Colleges Graduates: 12,584 (2010/2011); Universities Graduates:201,389 (2010/2011) ; Graduates of High Education & Vocational Training among 15 yrs old and over (End 2005): 14.5% (End 2005)(skilled labor force)
- Strong private sector partners and business leaders
- Liberal laws and regulations that allow investors to easily get started and register the type of company that suits there business, this is mainly reflected in the company registration law
- Palestine has also supported the creation of a very organized and active financial systems that allows many banks to operate under PMA. And allow for the creation of effective capital market authority.
- Foreign trade, Palestine has signed various trade treaties with EU, EFTA, US, CANADA and many bilateral treaties with the Arab world

Role of the Palestinian Investment Promotion Agency “PIPA”

- PIPA came from a law in Palestine and its primary function is to assist in the development of a healthy Palestinian investment climate
- Representation of the private sector on PIPA’s BoD ensures that private sector considerations and the full support of partnership kept at the forefront

Associated tasks include:

- Providing incentives and income tax exemptions to local and foreign investors
- Enhance investment environments
- Develop the Palestinian economy
- Public Private Partnership is fully supported by the BoD
- No discrimination between Local and Foreign investors
- Facilitate investment establishment in Palestine
- Provide the One-Stop-Shop services to investors
- After care services

For more Information on investing in Palestine please do not hesitate to contact us

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Palestinian Investment Promotion Agency

Why Invest in Palestine Business Opportunity Starting Your Business Success Stories Information Center

ICT Food and beverage industry Textiles and Garment Tourism sector

Why Invest in Palestine?

Palestine, with its strategic location and need for widespread infrastructure development is an untapped emerging market with enormous investment potential. The Palestinian economy is a market-based economy with the private sector playing the leading role.

Facts & Figures

Customs duties 0%
Growth 2.6%
Investor visit permit 45

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