

The Palestinian Investment Promotion Agency “PIPA”



**Building a Better Future
ICT Sector**

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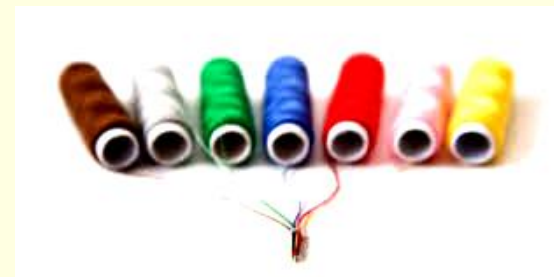
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Characteristics of ICT sector.

- Faster growing sector in Palestine.
- Neighboring high technology centers
- 698 companies specializing in information and communication technology for 2017
- 100% of the existing digital communications infrastructure is the product and management of the Palestinian private sector
- \$ 651 million in the IT sector in 2017
- 4% contribution to the Palestinian GDP in 2017
- At least 10 Palestinian universities offer undergraduate programs in computer science, engineering, communications and information technology
- 163 companies in this sector are registered as a member of the Palestinian Information Systems Association (BETA) as a regulatory organization
- 1,844 graduates annually in the information technology sector for 2017-2018
- At least 10 years in Palestine Expo –Expotech- is being held successfully
- 25 Funding program and incubator at least provide support for investment projects
- At least US \$ 29 million is the volume of services exports for the ICT sector for 2017
- Number of employees in the sector is 8,408
- 521 million US dollars added value for the sector for 2017

ICT Sectors

- **Research and development centers**
- **Consulting and training**
- **Internet service providers**
- **Suppliers of ICT**
- **Software and solution development companies**
- **Outsourcing services**
- **Incubators and accelerators**



ICT Companies treated by investment law

- 29 ICT Projects treated by the investment law
- 3,422 jobs created
- 36 M USD total investments on the companies
- 4 investments are joint ventures, partners from (UAE, USA, Germany)

Investment incentives

For a reference to the Investment Promotion Law No. 1 of 1998 and its amendments:

Investment Incentives:

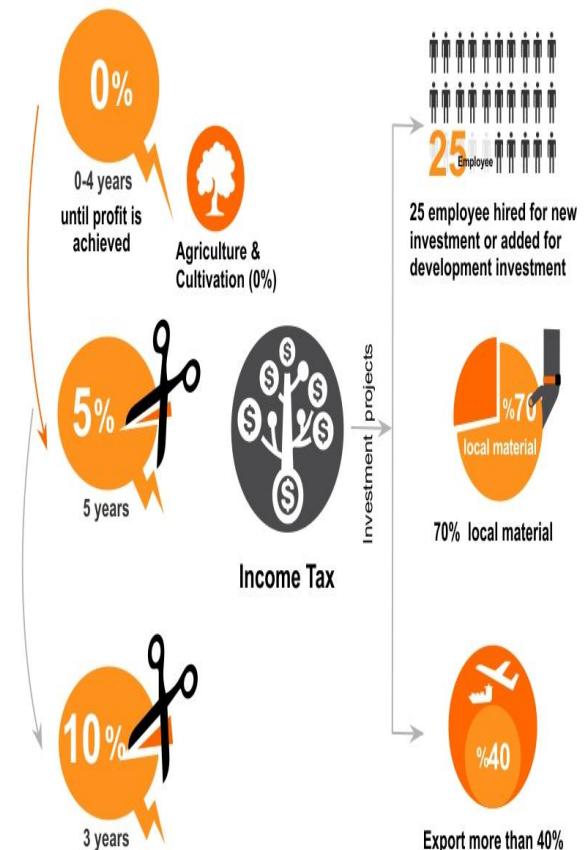
- 0% for agricultural projects and farm management.
- 5% income tax for five years starting from profit not exceeding 4 years whichever is earlier.
- 10% income tax for a period of (3) years, followed by tax calculation according to prevailing ratios.
- Customs incentives for equipment, machinery and spare parts that assist in the production process, increase and update it.
- Incentive package contracts (sector, geographical areas, specific industries, specific technology, etc.).

Criteria (Industry, Agriculture and Tourism Sectors)

- 25 new or additional positions with retention for the duration of the incentives.
- 40% export ratio of products.
- 70% Local components (materials and equipment).

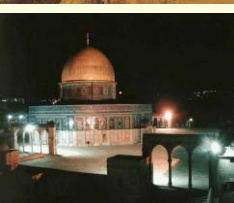
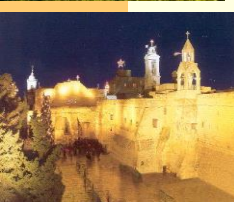
General Guarantees

- Equality between investors. and freedom to invest in any sector in any proportion
- Freedom to transfer funds.



Contract of The Incentive Package for ICT Sector Projects

- **(0%) Income tax for 4 years for New Companies**
- **(0%) Income tax for 3 years for existing companies not benefited from the incentives law**
- **(0%) Income tax for 2 years for existing companies previously benefited from the incentives law**
- **Reduction of the contribution value of profits subject to income tax for investors and companies that contribute to research and development in ICT.**
- **Customs incentives for equipment and production inputs**
- **Loans granted by financing institutions and banks that finance projects approved by the Commission and provide soft loans for these projects are treated as loans granted to SMEs, which are stipulated in the Income Tax Law and Regulations.**



Targeted sectors in Palestine

Agriculture (Roses, Strawberry, Dates, Olive oil and its products, fishery),
Bank 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

- **Mishwar:** The project consists of two interrelated components, Mishwar Channel and the web material part of the website, which is already under development.
- **Courts. Net:** Jaffa. Net is seeking a strategic/financing partner that can help Jaffa. Net extend its market share and reach to become a worldwide offering
- **Technology Educational Kits:** Palestine ICT Incubator (PICTI) is seeking a financing partner to support the establishment of a company that aims to provide the following products and services: Technology Educational Kits.
- **Security and Surveillance Systems:** Palestine ICT Incubator (PICTI) is seeking a financing partner that can assist in the establishment of a company that will provide the following products and services: visual bell, security and surveillance systems, access systems and industrial machinery remote control systems.

Success stories



Investment guarantee

- 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 97.2%
- The overall school dropout rate was 1% for 2017-2018
- 222,774 students in the higher education institutions for the academic year 2017-2018 distributed as follows:
- 160 PhDs, 9,091 Masters, 67 high diplomas, 183,227 Bachelor's, 25,107 intermediate diplomas, 1,287 educational qualifications, 396 professional diplomas, 3,439 preparatory years
- 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 their 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

Palestinian Investment Promotion Agency Role

- PIPA's primary function is to assist in the development of a healthy Palestinian investment climate
- Representation of the private sector on PIPA's Board of Directors ensures that private sector considerations and partnership kept at the forefront

Associated tasks include:

- Providing incentives and income tax incentives to investors
- Enhance investment environments
- Develop the Palestinian economy
- Strengthening the Public Private Partnership through its BoD
- Ensure equal treatment for 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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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.

News & Events

- Closure of awareness meetings in cooperation with North Hebron Chamber 01/31/2016
- The Mediation Study Tour in Palestine 01/26/2016
- The Mediation Master Class in Palestine 01/17/2016
- The Mediation Business Tour in Palestine 01/10/2016

Facts & Figures

Customs duties: 0%
Growth: 45%
Investor visit permit: 2.5%

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