





Press Release
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Japan provides a new contribution to the Jericho Agro Industrial Park incentives programme implemented by the EU

The Japanese Government has provided over €267,000 to support FMH industry and Trade Company operating in the Jericho Agro Industrial Park (JAIP). This is the second payment under the Palestinian Authority's PRIDE (Partnership for Regional Investment, Development & Employment) Programme of Incentives to JAIP. The Japanese contribution is being channelled through the PEGASE [1] mechanism.

"The EU is engaged in the development of Industrial Parks as part of its support to Palestinian private sector competitiveness. The support for Jericho Agro-Industrial Park demonstrates successful joint efforts between the EU, Japan and the Palestinian Authority," said the ***EU Representative Ralph Tarraf****. "Palestinian economic development is a major priority for the European Union. It is an important component in state-building and a guarantee of future prosperity and stability, It is particularly important in the context of a rapidly growing Palestinian population", he added.*

"The Government of Japan thanks the EU for administering the PRIDE mechanism and at the same time, disbursing the much needed fund for JAIP tenants in a prompt manner" said the ***Ambassador for the Palestinian Affairs Mr. Takeshi Okubo****. "We are pleased that two companies are now operational in JAIP with the assistance of PRIDE. We would like to reiterate our commitment to JAIP that aims at developing sustainable national economy with focus on small and medium enterprises (SMEs)."*

In order to attract investment in JAIP, the Palestinian Authority (PA) is offering a range of incentives, including tax breaks, to its tenants. In this context, it has established a

programme called PRIDE to provide financial assistance to JAIP tenants to help them start their operations in the park. The EU has set up a Pegase programme aimed at channelling funds to the abovementioned PA PRIDE programme (EU support: EUR 2 million, Government of Japan support: EUR 3.2 million). The programme provides financial assistance to eligible JAIP tenants to purchase equipment, machinery, tools and building materials for their operations in the park.

"FMH (Foam machine horizontal) industry and trade" company was founded in 2014. It is specialized in the manufacture of plastic packaging products for a variety of sectors. The factory is located in JAIP.

Background

Most of the European Union's assistance to the Palestinian Authority is channelled through PEGASE, the financial mechanism launched in 2008 to support the PA Reform and Development Plan (2008-2010) and subsequent Palestinian national plans. As well as helping to meet a substantial proportion of its running costs, European funds support major reform and development programmes in key ministries, to help prepare the PA for statehood. Since February 2008, around €2.0 billion have been disbursed through the PEGASE Direct Financial Support programmes. In addition, the EU has provided assistance to the Palestinian people through UNRWA and a wide range of cooperation projects.

Japan has strongly been supporting economic development efforts exerted by key ministries both financially and technically in order to help Palestinians prepare for the future statehood. With this in mind, Japan has been extending such assistance to JAIP, a flagship project of Japan's "Corridor for Peace and Prosperity" initiative launched in 2006. Furthermore, Japan has been providing support through humanitarian assistance provided by UNRWA, UNICEF and other UN agencies, as well as grassroots development projects through local organizations, such as NGOs and local authorities. The Government of Japan has so far provided approximately USD 1.7 billion in total since 1993.

[1] *Mécanisme **P**alestino-**E**uropéen de **G**estion de l'**A**ide **S**ocio-**E**conomique (PEGASE)*

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