Press Release
Jerusalem
09 NOVEMBER 2016

The EU launches a EUR 2.4 million programme to boost private sector development in the Gaza Strip

The European Union and the United Nations Development Programme (UNDP) launched today a new programme to rehabilitate and consolidate the Gaza Industrial Estate (GIE). The GIE is intended to work as a catalyst for industrial development in Gaza once fully operational. The new programme will be implemented by the UNDP over a period of twenty months.

The private sector in the Gaza Strip has faced more than a decade of conflicts. As a result, many of the Gazan population have lost their source of living. Unemployment rates have reached 41% of the labour force. Against this challenging background, the programme aims to reinforce the GIE electrical, wastewater and water systems. This would ensure these facilities are operational, enhancing GIE's competitiveness and its capacity to attract new companies and generate new jobs. Ultimately, the programme would improve Gazan companies' prospects for sustainable development and economic growth.

"The situation remains unbearable in Gaza and the challenges are enormous. This requires swift steps to produce a fundamental political, security and economic change. These steps include ending the closure and allowing the Palestinian Authority to exercise its full responsibilities towards the population there. In this context, the efforts exerted by the EU and the international community are crucial in revitalizing the economy and improving the living conditions of the Gazans. Our programme with UNDP in Gaza is ought to stimulate sustainable economic development that would create jobs and improve the lives of people," said **Ralph Tarraf, the EU Representative**.

UNDP Special Representative, **Roberto Valent**, added: "*Gaza industrial and manufacturing sector has been almost obliterated and requires urgent support. It is the sector that can expand exponentially decent jobs and livelihoods. The EU strategic support to this key economic sector will certainly have transformational positive impact on the lives of vulnerable Palestinians living in Gaza. It will trigger value chain linking micro-small, medium and large enterprises as well as other service sectors".*

This programme is part of a wider EUR 10 million package that aims at promoting inclusive, sustainable, private sector-led economic development.

The GIE is the first Palestinian industrial zone established by the Palestinian Industrial Estate and Free Zones Authority (PIEFZA) in 1997 located in the Eastern Gaza Strip – Al Montar/Karni area. The GIE is designed to provide investors with adequate infrastructure (power plant, national grid system and advanced water and sewage system) and support facilities and services. The project will benefit the GIE existing and future tenants. About 2000 entrepreneurs and workers are currently based in GIE. The project also intends to benefit the people of Gaza in general by supporting industrial development and increase employment opportunities.

Background

A vibrant private sector is critical in creating prosperity and meeting the employment needs of a rapidly growing Palestinian population. High employment also assists in broadening the tax revenue base, which is a necessary requirement for funding essential public services and infrastructure. The EU supports initiatives that promote inclusive, sustainable, private sector-led Palestinian economic development.

Contacts:
The Office of the European Union Representative
Shadi Othman (02 5415 867, 0599 673 958); Inas Abu Shirbi (02 541 5 859, 0599 673 957)
http://eeas.europa.eu/delegations/westbank/