

Business Leaders Reinforce their Commitment to the Palestinian Economy in the Face of Political Uncertainty

Private sector leaders from Israel and Palestine urge international investment in Palestinian economy

Our Vision

The repercussions of the war in Ukraine and the COVID-19 economic slowdown have further unsettled the already delicate Palestinian economy. The Palestinian GDP, \$15 billion in 2022, is estimated to slowly recover from these shocks and increase by [2.1% in 2023](#). Unemployment rates continue to be sky-high, with 25.5% overall and around 38% for young people, projected to decrease only by 0.2% in 2023. In recent years, the social and economic disparities with Israel are further widening, which undermines regional stability.

In this complex landscape, business leaders play a crucial role in doubling down on supporting the Palestinian economy as an important building block to advancing dialogue and to maintaining a pathway to the two-state solution. As such, deeply concerned Israeli and Palestinian business leaders from their communities reinforce their commitments to spur economic growth, raise employment opportunities and attract foreign investment in the Palestinian economy. They intend to do so by working together to reduce alarming social and economic disparities and to support the Palestinian economy in the face of a grim political scenario and escalation that could threaten the prospect for a two-state solution. This will contribute to increased social and economic stability in the face of political challenges and a fast-developing regional context.

Over 200 business leaders are committed to working together and with their peers from the international community on few focus areas – including, but not limited to, digital economy and social entrepreneurship, health, construction and finance – and along with two principal enablers, financial stability as well youth and gender inclusion.

Realizing the potential of the Palestinian digital economy

The Fourth Industrial Revolution could be seized as a key driver of Palestinian economic growth by helping to overcome digital barriers, create new job opportunities and transfer valuable know-how across communities. While Palestinians enjoy a high rate of literacy (97%), their skills often do not match the dynamic requirements of the competitive tech industry, both locally and regionally. As such, business leaders commit to providing capacity-building mentoring and training programmes for young Palestinian graduates to encourage greater exchange with industry experts and to connect them with international companies.

Turbocharging Palestinian social entrepreneurship

The existing support system for Palestinian entrepreneurs remains fragile and continues to suffer from limited visibility and restricted access to funding. Despite these challenges, over 100 Palestinian start-ups were established in the past six years and 30% of them are led by women. From sustainable energy and health, to education and fintech, Palestinian entrepreneurs are responding to the immediate needs of their communities with innovative solutions. Business leaders pledge to work together with national, regional and international stakeholders to unlock the full potential of start-ups through increased international presence, easier access to credit and a stronger, more supportive ecosystem to help young Palestinian entrepreneurs scale their activities.

Fostering financial inclusion

Limited access to financial products and services hinders Palestinian economic growth, affecting both individuals and micro, small and medium enterprises, which often rely on self-finance or informal channels to meet their capital requirements. This often aggravates their financial situation and leads to further debt

and limited investment in research and development. Business leaders commit to fostering wider financial inclusion for Palestinian individuals and companies through ensuring stability of the financial sector in addition to attracting investment from regional and international investors for active ventures. Business leaders also commit to continue building ties between Israeli and Palestinian banking entities to sustain trade and commerce across the two communities.

Young people and women participation in the workforce

One of the main untapped potentials of the Palestinian economy is its women capital. Women make up only 16% of the overall Palestinian workforce but are highly educated. The majority of skilled Palestinian women are employed by the public sector or work in the informal market. Among the factors that limit women's representation in the workforce, we can mention the lack of affordable and high-quality childcare, the inadequate transport infrastructure and the scarcity of ad hoc policies that can incentivize hiring women in the private sector. Another strength of the Palestinian economy is its young composition; 70% of its population is under 34 with high literacy rates.

To maximize these demographic advantages, business leaders commit to: increasing international mentoring programmes for young people and for women; sharing best practices among industries and promoting dedicated hiring programmes for women and young people; and encouraging women entrepreneurship through virtual freelancing and remote working opportunities.

Our joint commitment

Working across those focus areas and two principal enablers, while continuing to encourage international and regional investment in the Palestinian economy, business leaders will be paramount in reducing disparities, fostering sustainable economic growth for Palestinians the face of adversity – a crucial milestone towards the two-state solution and, ultimately, to long-lasting peace and stability in the region.