



مركز العالم العربي للبحوث والتنمية
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Quality Research ... Matters

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The following are highlights from AWRAD's most recent study: A Survey of the Palestinian Private Sector. The survey was conducted May 23 - June 1, 2016 among 221 representatives of the private sector in the West Bank (79 percent) and Gaza Strip (21 percent), 87 percent male, 13 percent female.

Overall Economic Situation: A majority (66 percent) of those surveyed believe that economic trends are worsening in Palestine and identify several political and economics factors. For example, 90 percent of respondents believe the absence of the Palestinian Legislative Council (PLC) hampers economic development and investment, while 89 percent state that the West Bank-Gaza division harms investor confidence. Nevertheless, respondents believe that certain sectors present potential for growth: namely, the construction, service and trade sectors. In terms of government economic policy, respondents believe that the agriculture, tourism and industry sectors are the least served.

The PA and the Private Sector: Those surveyed are critical of the performance of the PA, evaluating the government's handling of the economy negatively. This is best reflected in attitudes towards individual ministries with respondents universally giving the Ministries of National Economy, Telecommunications and Finance below average scores in terms of their relationship with the private sector. Furthermore, 82 percent believe that the regulatory and oversight environment in the PA is not conducive to economic growth. When it comes to the controversial new Social Security Law, 70 percent believe that it will not help economic development.

Opportunities for Improvement: Private sector representatives believe the PA could undertake a number of steps to improve the economy. For example, 95 percent believe that strengthening the independence of the judiciary would boost investor confidence, while 75 percent say the same with respect to conducting new elections. When asked about a series of specific measures the PA could take, respondents choose reforming the tax code as the most important, followed by others including strengthening oversight mechanisms and harmonizing the various legal codes in the West Bank and Gaza.

Boycott and the Economy: A majority of respondents (58 percent) believe the Boycott, Divestment and Sanction (BDS) Movement is having a positive effect on the Palestinian economy. Respondents, however, are less certain about the ability of the Palestinian economy to manage in the absence of Israeli goods. The majority (56 percent) believes that Palestinian industry is "partially" able to replace Israeli goods, compared to 22 percent who believe the economy is fully able and 22 percent who believe it is not capable at all.

Palestinian Private Sector

1. Overall, are Palestinian economic trends improving, worsening or not changing?

Improving	14.0%
Not changing	19.5%
Worsening	66.1%
Don't know	0.5%

2. Which economic sector has the most potential for growth?

Construction	28.1%
Services	24.0%
Agriculture	12.2%
Industry	12.2%
Tourism	5.0%
Trade	17.6%
Don't know	0.9%

3. Which sector is the least served by current government policy?

Construction	5.0%
Services	9.5%
Agriculture	30.3%
Industry	21.7%
Tourism	22.6%
Trade	7.7%
Don't know	3.2%

4. What is the primary factor behind the protests since October 2015?

Lack of economic opportunities for youth	24.0%
Israeli measures in the Old City of Jerusalem	36.7%
Youth frustration with the Palestinian leadership	32.1%
Don't know	7.2%

5. Do you believe that the PA has strategies to encourage and promote entrepreneurship among young people?

Yes	8.1%
No	84.6%
Don't know	7.2%

6. How satisfied are you with the relationship between the private sector and the following ministries? (1: Very Unsatisfied, 5: Very Satisfied)

Ministry of National Economy	2.2
Ministry of Finance	1.8
Ministry of Telecommunication	2.4

7. Do you agree or disagree with the following statements?

a. Absence of legislative (PLC) functioning and oversight has hampered economic development and investment.	Fully agree	57.5%
	Somewhat agree	32.0%
	Somewhat disagree	6.4%
	Fully disagree	3.2%
	Don't know	0.9%
b. The West Bank-Gaza division has had a negative impact on investor confidence	Fully agree	63.9%
	Somewhat agree	25.1%
	Somewhat disagree	6.4%
	Fully disagree	3.7%
	Don't know	0.9%

c. New elections would give a boost to investor confidence.	Fully agree	43.6%
	Somewhat agree	31.4%
	Somewhat disagree	13.2%
	Fully disagree	7.3%
	Don't know	4.5%
d. Strengthening judicial independence would boost investor confidence.	Fully agree	61.9%
	Somewhat agree	32.6%
	Somewhat disagree	2.3%
	Fully disagree	1.8%
	Don't know	1.4%

8. In 2015, the World Bank placed the Palestinian Authority at 143 out of 189 countries in its “Ease of Doing Business” rankings, based on a number of criteria, including construction permits and business registration processes. Do you agree or disagree with this ranking?

Fully agree	41.2%
Somewhat agree	42.1%
Somewhat disagree	4.5%
Fully disagree	7.2%
Don't know	5.0%

9. How do you rate the PA’s stewardship of the Palestinian economy?

Satisfactory	4.5%
Somewhat Satisfactory	11.8%
Somewhat Unsatisfactory	30.3%
Unsatisfactory	52.0%
Don't know	1.4%

10. In which of the following areas would steps by the PA make the greatest contribution to improving conditions for investment and job creation?

Reforming tax code	22.4%
Harmonizing legal codes (British, Jordanian, Egyptian, West	12.8%

Bank, Gaza)	
Strengthening oversight mechanisms	14.3%
Simplifying registration processes	4.1%
Improving permitting/licensing processes	11.8%
Strengthening independence of the judiciary	15.8%
Reviving legislative processes (PLC)	11.4%
Improving access to credit	7.4%

11. Is the Palestinian internal regulatory and oversight environment conducive to economic growth?

Yes	12.7%
No	82.4%
Don't know	5.0%

12. Do you believe that the new social security law is good for economic development?

Yes	17.6%
No	69.7%
Don't know	12.7%

13. Are you familiar with the proposed corporation law?

Yes	27.4%
No	72.6%

14. Do you believe that BDS is positive, negative or of no impact on the Palestinian economy?

Positive	58.4%
No impact	23.1%
Negative	14.0%
Don't know	4.5%

15. Do you believe that Palestinian industry is capable of replacing Israeli products at the present time?

Yes	22.2%
Partially	56.1%
No	21.7%

Sample Distribution

A. Gender

Male	87.3%
Female	12.7%

B. Profession

Owner of a business	34.4%
Manager of a business	51.1%
Economist/analyst	14.5%

C. Region

West Bank	78.7%
Gaza	21.3%

D. Age

18-30	34.8%
31-50	44.8%
More than 50	20.4%