

## Interview with Dr. Hasan Abu-Libdeh Minister of National Economy

*On 25 October 2009 Dr. Hasan Abu-Libdeh was sworn in as the new Palestinian Minister of National Economy. Before taking up this position, Abu-Libdeh served as the Cabinet Secretary (twice), Bureau Chief of the Prime Minister's Office, Special Advisor to the Prime Minister, Minister for both Labour and Social Affairs, CEO of the Palestine Investment Conference 2008 and Deputy Director of the Palestinian Economic Council for Development and Reconstruction (PECDAR). A professionally trained statistician, Abu-Libdeh founded the Palestinian Central Bureau of Statistics (PCBS) where he served as president until 2005. The Bulletin asked the new Minister about his priorities for the Palestinian economy and the various initiatives underway.*

**Q: Dr. Abu-Libdeh, you have accepted the invitation to become a minister at a politically unstable time. Facing such a difficult context, what do you hope to accomplish as Minister of National Economy?**

A: It is a difficult time, but this is not the only consideration. I have become a Minister in the 13th Palestinian government. Our goal is to complete the institutional basis of a Palestinian state within two years. As part of this I am committed to transforming the Palestinian economy to be more competitive and investor friendly, and undertaking all the reforms and restructuring required.

**Q: Do you plan to continue the economic plan of your predecessor?**

A: Yes we will. The plan was not built for a particular minister. It sets out the reforms that are needed, regardless of who is sitting in this office. I do though hope to broaden certain aspects of it to include more space for public/private partnerships and private sector reform. As an example I have placed early emphasis on consumer protection.

**Q: Can you tell us more about your plans for consumer protection reform?**

A: There are three parts to consumer protection as envisaged by the new law. The first is to protect Palestinian consumers from bad or unsafe products. This is a problem in the Palestinian Territory where there are a lot of products in the market that are not fit for human consumption. The second is to protect consumers from illegal economic activity. In the Palestinian context, illegality is not just a matter of copyright or product safety. We also have to deal with the issue of products from the settlements, which are considered illegal and can negatively distort the economy and harm consumers. The third part of consumer protection involves the promotion of locally produced products, with the hope that we will significantly increase their share in the local market.

We have launched a consumer protection council, which has met twice so far. The council's aim is to protect consumers

by making sure the Palestinian market is offering appropriate, good quality and safe products. It will focus on achieving a minimum quality for all consumer products. It will also work to enable Palestinian products to better compete with other products in the local market.

**Q: You mention settlement products, are there not already mechanisms in place to prevent their entry into the Palestinian market?**

A: Yes and no. During the first and second Intifadas there were initiatives to boycott or ban the purchase of all goods from Israel. What I am supporting is a new institutionalized ban centred on illegal settlements, not the entirety of the Israeli market. Now, and in the future, Israeli produced goods and services are welcomed in the Palestinian market as set out in the existing agreements between the PLO and Israel. However, products of settlements are not welcomed, and considered illegal just like the settlements themselves. In the meantime, we expect that Palestinian goods are given equal access to Israeli markets, as stipulated by the said agreements. In the end, provided products are not illegal, we have to allow consumers to make their own choices.

**Q: How do you plan to work with the private sector?**

I plan to take a collaborative, partnership style approach. We do not plan to intervene directly in the business of the private sector but rather to further develop public-private sector partnership. An example of our approach is the consumer protection council which is composed of public and private sector players, including five representatives from the consumer protection associations. The public sector representatives on the council are known to be genuinely interested in developing and promoting the private sector.

**Q: We know that the 13th government is keen to try and improve the enabling environment for investment. Can you explain what this means in practice?**

We have plans to amend the competition law. An internal business environment assessment is currently taking place

and the recommendations of this will be considered with a view to creating a more competitive environment. Palestine now ranks 138th on the World Bank's "Doing Business" indicator. This means there are 137 countries that are considered to have better conditions for investment. In order to compete regionally and globally we need to improve on this. Efforts will be required across the board.

**Q: You've recently visited Japan. How was the visit? What were the major outcomes?**

Japan was an interesting trip. I attended the first commercial exhibition of Palestinian products in Japan. It was a unique experience because most Japanese companies and consumers have never seen the range and quality of Palestinian products. I met a Japanese businessman who imports Palestinian products, but probably he was the only one.

My team and I also held meetings with representatives from the Japanese business community as well as officials from the Ministry of Trade, and Ministries of Foreign Affairs, Economy and Industry. It was a great step towards developing more productive and useful links between the two economies.

**Q: Were there any specific initiatives discussed or follow-up from the trip?**

We discussed many different potential initiatives to strengthen relations. We invited a Japanese business delegation to come and meet the Palestinian private sector. We discussed setting up a bilateral business association and offered to hold a specific investment forum for the Japanese in the Palestinian Territory. They are potentially important investors and are already involved in the development of the Jericho Industrial Park. We would like to build on this and see if there are other areas for cooperation.

**Q: Can you tell us more generally about progress on the various industrial parks?**

There are three sites being targeted - Jenin, Bethlehem and Jericho. Each project has different issues which we are working hard to resolve so that we can see significant progress in the near future.

We are in discussion with the developers of the Jenin project to finalize our agreement with them. At the same time the developers are in negotiations with international investors to raise the necessary capital for the project. The next few weeks are critical.

In Bethlehem things are progressing. The developers are about to secure the government's permission to develop the land into the industrial estate of Bethlehem. We think they will start working on the site sometime in December.

In Jericho we are looking for a developer and will be opening the bidding process to contractors shortly. We have had very good meetings with the Japanese regarding the infrastructure for this project and we have agreed with them to step up the pace of work.

**Q: Given the success of your Japanese trip do you plan to target other countries in a similar way?**

Yes, we are currently working closely with the private sector to determine other markets that we should target. In addition we are looking to progress our multilateral relations, in particular with the World Trade Organisation (WTO). We have recently concluded the first round of discussions regarding our application for accession as observers, and we will be participating in the 7th ad-hoc ministerial meeting as observers. We very much hope that we will be able to assume our position as an observer soon, which is an important step towards full membership upon the establishment of a Palestinian state.

**Q: In the Bulletin we have been following the development of affordable housing across the West Bank. Clearly this is a big area of public-private partnership. What is happening within the public sector to support these developments?**

There is obviously a huge demand for the affordable housing that is being developed by the private sector. When you consider all of the potential projects you realize that there is an enormous amount of infrastructure and funding that is required. The resources of the PA cannot cover this. On this basis we are currently working to try and secure the necessary funding from international donors. Negotiations are currently taking place between the government and the donors regarding their support to the PA for next year and beyond. A very big part of this discussion concerns the particular need for infrastructure to support affordable housing development.

**Q: Going forward what other economic priorities does the PA have on its horizons?**

We are currently in the process of drafting our new three year plan, for the years 2011-2013. The economic section of the plan will be structured around six sub-sectors: agriculture, tourism and antiquities, housing, communications and IT, employment and national economy. We hope to have the first draft ready by the end of the year and a final document 6-8 weeks after that. The plan will be a continuation of existing plans, focusing on building the economy and the institutions of a state, but with the Palestinians firmly in the driving seat.

## The Economic Feature

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