



The First National Export Strategy of the State of Palestine

Towards Export-led Prosperity, Made in the State of Palestine

By Hanan Taha



In Palestine's cumbersome way to independence, many strategy papers have been developed to build capacities to run, manage, and govern the Palestinian state and support state building based on private-sector-led growth. The most significant document in this regard is the National Development Plan (NDP) for Palestine, a triennial national plan for integrated planning and budgeting, a comprehensive, coherent, participatory, and results-based approach, and public-private-sector cooperation. The NDP, as other strategies endorsed at the national level, usually assigns responsibilities to the public sector alone. The recent endorsement of the Palestinian National Export Strategy (NES) marks a turning point in this approach. Not only is the NES the first document that clearly identifies actions to be taken for the Palestinian exporting sectors, priority sectors, assigned responsibilities, and expected cost for each activity for the upcoming five years; the strategy is also unique because, for the first time, the methodology was shifted to equal responsibility of both the public and private sectors to engage in developing, endorsing, and implementing an export strategy for the State of Palestine.

Thanks to the generous contribution of the European Union (EU) and the Council of Ministers' decision to officially begin developing the NES document, the NES Higher Steering Committee was formed in 2012, consisting of 18 private and 18 public members that represent a total of 27 institutions in the private and public sectors. The underlying concept was to develop an export strategy based on identifying priority sectors, specific actions to be taken, responsibilities, time frames,

and detailed budgeting. In addition, the vision of the NES was identified in order to set the overall direction of the export strategy and capture its spirit: Export-led prosperity, made in the State of Palestine. The vision is supported by four national strategic objectives: a) to promote a dynamic business environment enabled by a policy and regulatory environment to support innovation and investment in the export sector; b) to build the capacities of the exporting sector to diversify and penetrate the international market; c) to maximise the contribution of exports to socioeconomic development through enhanced export competitiveness; and

d) to build and promote the image of the State of Palestine as a supplier of value-added quality products and services.

The priority sectors identified in NES are stone and marble, olive oil, agro-processed meat, fresh fruits/vegetables/herbs, textiles and garments, footwear and leather, furniture, tourism, and information communication and technology. The strategies developed for each of these sectors complement the NES priority cross-sector functions, i.e., a) trade facilitation and logistics, b) quality management, c) access to finance, and d) trade information.

The benefits of the strategy will be realised as exporters learn how to benefit from existing trade agreements,





meet quality and standards regulations, target new markets, and finally develop their competitiveness in the regional and international markets. In numbers, the implementation of NES and the priority sector studies is expected to increase exports by around 67 percent between 2014 and 2018, resulting in an increase in Palestine's exports by approximately US\$ 722 million. US\$ 483 million therefrom will be generated from the priority NES sectors, and the export of services (from priority NES sectors) only will increase by US\$ 239 million. Not only will Palestine's economy witness a steady growth in exports, but the implementation of the NES will also further increase employment, gender mainstreaming, and regional integration, all of which will lead to improved standards of living and economic growth.

The NES document is only the beginning. To achieve the vision laid out by the NES, a concerted effort needs to be undertaken on a variety of fronts by all NES stakeholders. The effective contribution of the NES to export development will largely depend on the ability of the State of Palestine to plan, mobilise resources, coordinate activities, and monitor their implementation through unified efforts by public and private stakeholders.

Another key step to guarantee the sustainability and implementation of the NES is the integration of the various donor plans' with the NES Plan of Action (POA).

Finally, for the NES to progress from the design phase to the implementation phase, the following key areas of intervention need to be targeted: First

of all, it is important to secure the commitment of donors in general and the EU in particular to the vision of the NES and to providing the needed requirements to fully implement the strategy. International experience in export-strategy design and management indicates that early targeted support should focus on building and reinforcing implementation-management capacities. Therefore, immediate support should be provided to implement priority actions identified in the POA, including through supporting the framework institution for the implementation of the NES, the Palestinian Export Council.

The Palestinian Export Council (PEC) is a formal public-private platform that is composed of 26 members from the public and private sectors and academia, headed by the minister of National Economy and chairman of Palestine Trade Center (PalTrade) as vice president, and supported by the PEC secretariat, which is mandated for and managed by PalTrade. The PEC will ensure that the broad range of activities identified within the NES, along with the complex nature of integrated interventions, are implemented in a careful manner, that resources are directed efficiently, and that results are frequently monitored. The PEC will further facilitate the formulation and endorsement of strategies and policies for export development, e.g., through specialised committees. In addition, in order to avoid the fragmentation of development efforts, the PEC will ensure that existing development efforts, both national and donor driven, do not occur in isolation, but instead are aligned with

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the State of Palestine's needs in the broader context of export growth for socioeconomic development.

The PEC will support the visibility of the NES in all future national development frameworks and make sure that it receives adequate, coordinated, and long-term funding from international and national, public and private stakeholders.

In a nutshell, implementation-management support will enable the implementation of the NES based on unified public and private efforts, and therefore is the first step toward achieving the NES export objectives.

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