

## The Portland Trust

# Interview with Bassem Khoury Minister of National Economy

*Bassem Khoury was sworn in as Minister of National Economy (MoNE) in the Palestinian caretaker government on 19 May 2009. Before his appointment, the Minister was Chairman of the Federation of Industries. He founded the Palestine Insurance Company, Pharmacare Premium Malta and a German exports company. He sits on the Boards of Birzeit University and St. Eves Jerusalem Human Rights Legal Centre. In his first public interview, the Bulletin asked Bassem Khoury about his priorities for the Palestinian economy.*

**Q: Mr Khoury, as Minister of National Economy, you obviously have your work cut out for you. Where will you start?**

A: My first priority has been to draft a 100 day plan for the Ministry. I presented this plan to the Prime Minister on 2 June. The plan has been approved and work has already begun.

**Q: What are the main priorities set out in the plan?**

A: The plan has a number of key areas. We will focus on improving internal market regulation, particularly food safety. The Ministry will start implementing certification programmes and enforce various technical regulations like the labelling of all locally produced or imported products. It is important that we enforce the Consumer Protection law and we will be establishing a Consumer Protection Board.

Improving the legal and regulatory environment is high up on the agenda. We will amend the Income Tax law to promote investment and activate the Commercial Agencies Law, Companies Register and Corporate Registration process. The Ministry will be working towards adopting the Companies law, Competition law and Industry law, among others.

Another priority is to enhance relations with international bodies. We hope to be doing more work within the Arab Free Trade Area. There are a number of agreements which we'll be looking to implement or extend, like the Interim Association Agreement with the EU. We'll also be

negotiating for full association and bilateral agreements with EFTA and the WTO. The plan includes reviving the US Palestine Economic Development Group and joining the Agadir Group (which includes Jordan, Egypt, Tunisia and Morocco) to help export products to EU member states. Like other ministries, we will be involved in projects run by the World Customs Organisation. We will prepare a national strategy for dealing with the movement of gold and precious metals and for natural resources as well.

**Q: What role do you envisage for the private sector in the Palestinian economy?**

A: Private sector development is at the heart of our plan and we want to develop our relationship with them. We're keen for the Ministry to be working to build up local industries and Palestinian capacity for generating sustainable growth and employment opportunities. The plan includes re-organising the issuing of businessmen's permits and improving private sector performance and good governance.

**Q: Will the Ministry work on issues of Movement and Access of goods and people?**

A: Yes. This is a key area for the Ministry. We need to work towards having a Palestinian presence on international border crossings and improve coordination with international actors to ensure the elimination of Israeli impediments to Palestinian trade. We will identify obstacles and propose logistic solutions to problems related to Israel.

**Q: Do you see any progress on movement and access happening in the near future?**

A: I think issues of movement and access are moving in the right direction. The American administration is willing to take tough decisions and understands the linkages between issues of peace, security, justice and equality. In fact this is a large part of why I decided to accept the job now. Whether the mood will translate into action on the ground is something else.

**Q: The Gaza Strip is economically isolated and increasingly separated from the West Bank. Is there a strategy for Gaza?**

A: What is happening in Gaza is a crime and the new government must ensure that the dynamics change fast. We must work quickly at improving the flow of commodities into Gaza. Gaza and the West Bank are two wings of the same bird. We will be working on the reconstruction of Gaza in full cooperation with the private sector, helping Palestinian companies participate in reconstruction.

**Q: Are there any internal changes expected at the Ministry of Economy?**

A: The Prime Minister has agreed that all economic portfolios that have moved from the MoNE to other ministries over the past few years, such as the industrial zones, will be returned to the Ministry. We will also be implementing the International Standards Organisation procedures at

the Ministry and restructuring according to the Palestinian Standard Institute. This means reviewing and issuing all necessary technical regulations for consumer goods. We will establish a new board of directors for the Industrial Estates and Free Zones Authority. There is also a strategy for the Jordan Valley to prepare.

**Q: What long-term strategy do you have for the Ministry and economic development?**

A: We will be finalising a local strategy development plan before the end of the month. It will assess where the Palestinian economy should be ten years from now and outline a more detailed action plan for the coming two years. This plan will focus on increasing per capita income, raising the standard of living and creating an enabling environment for private sector development. We also need to increase our national competitiveness as it is fundamental to economic sustainability.

This plan and the long-term impact of the 100 day economic reform could be used as a blue print for the next Minister to follow through. We are lucky to be receiving help from a team of international consultants in this planning phase but it is vital that the consultants also assist in developing local capabilities to ensure long-term sustainability. The 100 day plan is not perfect and will be amended along the way. But it's an excellent start.

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