Infrastructure

- Palestinian infrastructure (water, electricity, transportation and telecom, airports, seaport, industrial parks) continues to suffer from Israeli restrictions on access to land, water, and power (generation). In 2021, expenditure in the infrastructure sector totaled NIS 534.5 million – a mere 3.3% of the total PA budget, of which 47.5% was for development and 31.2% salaries and wages (Palestinian Ministry of Finance, monthly report for Dec. 2021).

1. Housing & Construction

- Palestinian urban population has almost tripled in the past 25 years and the land area under artificial surfaces increased from 1.4% to 4.3% (UNEP, State of Environment and Outlook Report for the OPT 2020).
- The Ministry of Public Works & Housing estimates that 13,000 new houses are needed per year to accommodate the population growth (UNEP, State of Environment and Outlook Report for the OPT, 2020).
- As of June 2022, 17.7% of the employed persons in the WBGS were working in construction (WB: 12.1%, GS: 5%, Israeli/settlements: 51.5%) (PCBS, Labor Force Survey, Q2-2022). Palestinian construction is constrained by access to raw materials and building supplies, especially in Gaza.
- In 2021, a total of 11,201 building licenses were issued (WB: 11,017, GS: 184), 90.4% of them for residential purposes, and 99.2% for private owners (PCBS, Housing Unit Conditions, 2021).
- The average housing density was 1.5 persons per room (WB: 1.4, GS: 1.7) in 2021. In 6.6% of the households three persons or more lived per room (WB: 5.2%, GS: 8.9%) (ibid.).
- The average number of rooms per housing unit was 3.6; 13.8% of households live in 1-2 room units, while 17.9% have 5+ rooms (ibid.).
- In 2020, 45.8% of households lived in a house or villa (WB: 62.2%, GS: 21.2%) and 53% in an apartment (WB: 36.3%, GS: 77.8%). Most tenants (78%) owned their homes and 6.8% rented it (PCBS, Housing Unit Conditions, 2021).
- Construction contributed 4.4% to GDP in mid-2022 (excl. East Jerusalem) (WB: 4.3%, GS: 5.2%) (PCBS, Quarterly National Accounts, Q2-2022).

2. Electricity & Energy

- Overview:
  The Oslo Accords severely limit Palestinian energy production, leaving the sector highly dependent on imports. Solar energy is the only significant renewable resource in Palestine with great potential, but hindered by Israeli restrictions in Area C.

  The West Bank’s electricity system works through numerous isolated distribution systems to which power is supplied by the Jerusalem District Electricity Company (JDECO), Hebron Electric Power Co. (HEPCO), Southern Electric Co. (SELCO), and Northern Electricity Distribution Co. (NEDCO).

  In the West Bank, electricity demand has grown to 1,200 MW (up from 930 MW in 2020); 95% of the current supply is imported from Israel. Jordanian imports increased from 40 to 80 MW in July 2022. Demand in Gaza ranges between 435-500 MW, while supply is only around 190 MW, 63% of which comes from Israel, the remainder from the Gaza Power Plant (Office of the Quartet, Report to the AHLC, September 2022). In Gaza, a huge electricity gap remains in place:
The Gas for Gaza (G4G) project involves the construction of a natural gas pipeline from the offshore Marine gas field to Gaza, which will not only solve the ongoing energy crisis and dependency but also reduce Palestinian carbon emissions by 6% (Office of the Quartet, Report to the AHLC, September 2022).

**Facts & Figures:**

- **Electricity, gas, steam, and air conditioning supply** contributed 1.0% to the GDP in mid-2022 (excl. East Jerusalem) (WB: 0.6%, GS: 3%) (PCBS, Quarterly National Accounts, Q2-2022).

- 99.9% of Palestinians have **access to electricity** in 2020. Some 88.6% of their **electricity** was imported from Israel, 3.4% from other sources, and 8% was purchased from the Palestine Electric Company (PCBS, Energy Statistics, 2020).

- The share of **renewable energy** in the total energy consumption was 10.9% in 2020 (Ibid.).

- The **annual per capita electricity consumption** was 1,269.5 KW/h in 2020 (Ibid.).
3. Transportation & Roads

- As of June 2022, 5.5% of all employed Palestinians (WB: 4.9%, GS: 8.2%, Israel/settlements: 3.6%) worked in the field of transportation, storage, and communications (PCBS, Labor Force Survey, Q2-2022).
- By mid-2022, the transport & storage sector contributed 1.5% to the GDP (excl. East Jerusalem) (WB: 1.6%, GS: 1.4%) (PCBS, Quarterly National Accounts, Q2-2022).
- In 2021, there were 388 driving schools in the West Bank with 1,445 trainers and 2,044 vehicles, and 69,213236 driving licenses were issued (PCBS, Transportation & Communication Statistics 2021, July 2022).
- In 2020, there were 1,039 licensed repair workshops in the West Bank, as well as 968 vehicle trading shops and 1,751 spare parts stores (ibid.).

### Vehicles

- In 2020, there were 300,226 licensed road vehicles in the West Bank (the latest figures for Gaza - 72,886 - are from 2012), marking an 8% increase over 2020. Most - 85.4% - are private cars:

  ![Types of Licensed Road Vehicles](source)


  - Of the licensed road vehicles in the West Bank, 53.4% drove on Diesel. Most were in the Ramallah/ Al-Bireh governorate (37.8%), followed by Hebron (16.8%) and Nablus (13.8%). New models (built in 2021) accounted for 1.64% of all vehicles, older ones (from before 2012) for 40.86% (ibid.).
  - In 2021, registered road accidents in the West Bank increased by 28.5% over 2020 to 14,105, with 11,176 casualties, including 133 fatalities (ibid.).
4. Communication

The main network operator is the PalTel group (Palestinian Telecommunications Co.), a public shareholding company in which the PA has a 10% stake and which includes fixed-line operations, Jawwal (first Palestinian cellular phone service launched in 1999), and the data operator/internet service provider Hadara. It also controls other companies, such as the IT company Hulul. Since 2009, Ooredoo Palestine (formerly Wataniya Telecom) competes with the PalTel group.

The ICT sector is one of the fastest growing sectors in the Palestinian economy, but remains at a significant competitive disadvantage due to Israel’s restrictive measures regarding frequencies, import of equipment, and infrastructure, poor access to 60% of the West Bank (=Area C), and unauthorized competition through Israeli operators who offer services to settlers. Currently, only 2G is available in Gaza and 3G in the West Bank, while Israel, has 5G since 2020. Rolling out 4G in the WBGS by the end of 2023 was announced as a key US supported initiative during US President Joe Biden’s July 2022 visit. However, in August 2022, Israel informed the Palestinians that only some spectrum can be allocated for 4G deployment, while the remaining spectrum will not be allocated before end of 2025 and that it will not include Gaza (Office of the Quartet, Report to the AHLC, September 2022).

Palestine has 37 incubators and 2 accelerators, which is a lot for the size and maturity of the ecosystem and is likely driven by high levels of donor funding (Portland Trust, The Palestinian Tech Ecosystem, March 2022).

Facts & Figures:

- The Information and Communication sector contributed 3.0% to the GDP in mid-2022 (excl. East Jerusalem) (WB: 3.5%, GS: 0.6%) (PCBS, Quarterly National Accounts, Q2-2022).
- As of June 2022, 5.5% of all employed Palestinians (WB: 4.9%, GS: 8.2%, Israel/settlements: 3.6%) worked in the field of transportation, storage, and communications (PCBS, Labor Force Survey, Q2-2022).
- In 2021, there were 11,202 post boxes, 87.3% of them in the West Bank, and 197 Mail Service Centers (PCBS, Transportation and Communication Statistics, 2021, July 2022).
• At the end of 2021, there were 485,830 fixed phone lines, 75.1% of them in the West Bank and 85% of them in private households. There were also 4,362,778 cellular phone subscriptions and 405,013 ADSL subscriptions (PCBS, Transportation and Communication Statistics, 2021, July 2022).

• Some 91% of households had private access to internet and 71% of the population aged 10 years and above owned a smartphone (WB: 82%; GS: 56%) (PCBS & Ministry of Telecom & IT, Press Release on World Telecommunication and Information Society Day, 17 May 2022).

• The average internet speed was 13.5 Mbps at the end of 2021 (ibid.) In comparison: Israel: 34.97 Mbps, global average: 29.79 Mbps (https://www.cable.co.uk/broadband/speed/worldwide-speed-league/).

Recommended Research Sources:

http://www.pcbs.gov.ps
http://www.mpwh.ps/ (Public Works & Housing Min.)
http://www.mtit.gov.ps (Ministry of Communications & IT)
http://www.penra.gov.ps (Energy & Natural Resources Authority)
http://www.quartetoffice.org/
http://www.perc.ps (Electricity)
http://www.sunergy.ps/en (renewable energy)


Startup Genome, Assessment of the Palestine Startup Ecosystem, 2021.

Startup Genome & IPSD, State of the Palestinian Startup Ecosystem, 2021.
