



**Arab American University
Faculty of Graduate Studies**

**Strategies for the Development of Palestinian Industrial Parks
Case Study: Jericho Agro Industrial Park**

By

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Thesis Approval

Strategies for the development of Palestinian Industrial Parks , case study: Jericho Agro Industrial Park.”

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Declaration

I declare that the work in this thesis “Strategies for the development of Palestinian Industrial, case study: Jericho Agro Industrial Park.”

Has been carried out by me, and the information derived from the literature has been duly acknowledged in the text.

This work has not been submitted to any institution or university for any academic degree.

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Dedication

This thesis work is dedicated to the university and its staff, for my Supervisor Dr. Ahmad Sadaqa who offered his continuous support and supervision, and for my beloved ones, Family and my Wife Tala, who has been a constant source of support and encouragement during the challenges of graduate school and life. I am truly thankful for having you in my life. This work is also dedicated to my parents, Nabil and Amnah, who have always loved me unconditionally and whose good examples have taught me to work hard for the things that I aspire to achieve.

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Abstract

The competitive climate in the global economy between the countries reaches to the fore, as several developing countries hasten to emulate the international economic trend toward equipping the industrial parks with diverse incentives to attract local and foreign investors through the provision of necessary infrastructure element, industrial parks effective management, governmental incentives package and world-class services. Industrial parks, free zones, economic zones and eco industrial parks are all essential elements yet somehow different in some aspects, in the growth and prosperity of each country around the world since the industrial revolution until our day.

Development of Industrial Parks (IPs) is often the guiding principle of government for a developing country with limited natural resources and a small-scale local market. To assist national industries, it is often necessary to subsidize research institutes and provide tax incentives. In addition to encouraging universities to diffuse knowledge for industrial development, the cooperation of industry, government, universities and non-profit research institutes to promote the national innovation system which will be enticement to worldwide enterprises.

The research provides an overview of the history and the development of industrial parks in different countries and studies several cases of prominent industrial parks around the world and from deferent continents such as Vientam from East Asia, Ethiopia from east Africa, Jordan from Middle east, Turkey from West Asia and Romania from east Europe. These cases provide a full understanding about the development of industrial parks in those areas and provide this research with applicable policies and lessons learned that allow this study to

generate the required strategies for the development of Palestinian Industrial Parks (Case Study- Jericho Agro Industrial Parks). Moreover, those strategies will also be formulated through investigating the key components which are affecting the development of the Palestinian IPs, assessing and analyzing the internal and external factors that are impacting the development of (JAIP) and allocate the required strategies for proper development of industrial parks in general and (JAIP) in particular.

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List of Abbreviations

IP(s): Industrial Park(s)

MONE: Ministry of National Economy

PIEFZA: Palestinian Industrial Estates and Free Zones Authority

JAIP: Jericho Agro Industrial Park

JAIPCo: Jericho Agro Industrial Park Company

JICA: Japan International Cooperation Agency

ROJ: Representative Office of Japan

UNDP: United Nations Development Program

Chapter One: Introduction

1.1 Background

The competitive climate in the global economy between the countries reaches to the fore, as several developing countries hasten to emulate the international economic trend toward equipping the industrial parks with diverse incentives to attract local and foreign investors through the provision of necessary infrastructure element, Industrial Parks effective management, governmental incentives package and world-class services. Industrial parks, free zones, economic zones and eco industrial parks are all essential elements yet somehow different in some aspects, in the growth and prosperity of each country around the world since the industrial revolution until our day.

In this study, the researcher will elaborate strategies for the development of Palestinian Industrial Parks (Case Study- Jericho Agro Industrial Park). Industrial Parks (IPs) are predetermined areas reserved for practicing certain economic activities under certain economic rules, laws & regulations. They are considered as one of the most important factors supporting economic development, regulating & organizing the industrial sector, curtailing environmental pollution, as they are also places where several industries are concentrated to affect the entire regional fabric because of their role which are to act as gravitation points to induce economic impulses as well as enhancing the investment opportunities and economic cooperation between the countries through transferring the know-how.

Development of (IPs) is often the guiding principle of government for a developing country with limited natural resources and a small-scale local market. To assist national industries, it is often necessary to subsidize research institutes and provide tax incentives. In addition to

encouraging universities to diffuse knowledge for industrial development, the cooperation of industry, government, universities and non-profit research institutes to promote the national innovation system which will be enticement to worldwide enterprises.

The impact of the current performance measures of JAIP which are the status of the infrastructure, the services performed, the adequacy of the incentives, the quality of the operation and management, and the application of current laws and regulations will be assessed and projected on the IPs and it's development.

The main outputs of the research propose recommendations for reinforcing the above highlighted measures and propose the most convenient strategies that assure the development of JAIP in particular and the Palestinian industrial parks. Moreover, the generated strategies will ensure the enhancement of the attractiveness of the local and multi-national corporations and increase their willingness to engage in the Palestinian industrial parks. Those strategies will be considered as an essential part for the development of the Palestinian resistive economy. Nevertheless, this study will contribute to benefit the Palestinian economy by providing the most representative strategies for the governmental and private sectors which are responsible for developing and operating the industrial parks. It will be vital for the local and international investors, donors whom are offering their full financial support to empower the industrial parks in Palestine such as, Japan, Germany, and France, as well as other future donors that may be interested in financing IPs.

In Palestine, and under the ownership of the Palestinian Industrial Estates and Free Zones Authority- PIEFZA, five industrial parks are under development to support creating an

independent economy, increasing the employment rate, and improving the quality of life for Palestinians.

1.2 Research Significance

The industrial development through developing IPs is the driving force behind the economic growth of the developing countries. Development of IPs is often the guiding principle for the government of a developing country with limited natural resources and a small-scale local market. In order to assist national industries and empower the Palestinian industrial parks, the Palestinian government signs concession agreements with the private sector in order to let them invest, operate and manage the industrial parks. The governmental side offers the land, offsite infrastructure and the legal framework to regulate those industrial parks under the umbrella of Ministry of National Economy.

This study will shed the lights on the importance of industrial parks and it's benefits and contribution on the Palestinian economy by providing the most representative strategies for the governmental and Private sectors which are responsible for developing and operating the industrial parks and it will be vital for the local and international investors, donors whom are offering their full financial support to empower the industrial parks in Palestine such as, Japan, Germany, and France, as well as other future donors that may be interested in financing IPs, such as, Russia and China.

1.3 Research Problem

Palestinian policymakers in late 90s decided to cope with the international economic trend by enacting a law to form PIEFZA which will be responsible to promote the IPs scheme. After two decades from the enactment of the law, the Palestinian industrial parks are still

struggling with meeting the international standards to compete with the regional and international industrial estates due to crucial limitations regarding the current infrastructure, services provided, governmental incentives and the quality of operation and management which guarantees the sustainability of this sector. The above constraints led the Palestinian industrial parks to not meeting its vision as well as being unattractive for the local and foreign investments.

In Palestine, JAIP is facing many obstacles related to its performance as an industrial park is supported financially by the Japanese Government. JAIP does not have the ability to attract national and international strong investors because of the lack of incentives, quality of infrastructure, inefficient laws and regulations related to the Palestinian industrial parks, as well as the delay of development and implementation of current and future phases due to their shortage of access to development finance.

The main outcome of this research will generate strategies for the development of Palestinian IPs which will lead to increase the attractiveness of the local and multi-national corporations and insure their willingness to engage in the Palestinian industrial parks. The latter is considered as an essential part for the development of the Palestinian resistive economy.

1.4 Research Objectives

The main objective of this research is to generate strategies for the development of IPs in Palestine, and what are the opportunities and constraints of it through examining the case of JAIP.

The objective of the research are:

1. To examine the status of JAIP through SWOT analysis and the provide a vivid picture of the status of some international successful models of IPs in different countries. This will illustrate the importance of Industrial Parks on the economy.
2. To generate strategies that promote the positive effects and limit the passive impacts on the development of IPs.

1.5 Research Questions

- What are the strategies required for the development of Palestinian Industrial Parks.
- How the formulation of strategies will affect the development of Palestinian Industrial parks.

Chapter Two: Literature Review

2.1 Introduction

This chapter review the related studies and articles around the world, this source-rich chapter, present historical and theoretical contexts, literary books and previous studies through dividing them into different topics in order to gradually identify and elaborate each concept by its own and how they are connected together.

2.2 The Concept of Industrial Parks and Historical Development

An industrial park, known as trading estate or industrial estate, is a predetermined area, planned, and zoned for the purpose of industrial development (Dong, et al., 2013). Moreover, the term of “industrial park” is frequently used synonymously with the terms: industrial estate, industrial zone, economic zone, and export processing zone. While there is not a single specific definition of industrial parks, it is commonly understood as the ‘allocation of specialized infrastructure in selected areas to attract new investors’ (UNIDO, 2013). Broadly defined, as an industrial park and an Industrial Estate “is a piece of land developed and divided into industrial plots according to a comprehensive master plan, with provision for the required off-site and on-site infrastructure with required utilities of water, electricity, sewage services, roads, and telecommunications, with or without ready built-up factories (hangars) for the use of a community of industrialists (UNIDO, 1997). Furthermore, according to (law of PIEFZA in 1998), an industrial free zone identified as “a geographically defined area assigned to service multi beneficiaries for export related activities having special customs and tax provisions guaranteed by the national law”.

The effect of the globalization process and the imbalances occurred on the national and international economy became a debating topic. Several international economic organizations started investigating and conducting research to minimize the discrepancies of the influence of the globalization phenomenon on the development of economy. The researchers concluded that establishing the required infrastructure for the service, agricultures and industrial sectors will be a tool to bridge the gap to enhance the economic development. This will be achieved by establishing industrial park (Azizov & Mayis, 2014 ; Eren, 1989). UNIDO affirmed that to achieve inclusive and sustainable industrial development, developing and middle-income countries must attract investment. However, many of them lack the infrastructure and the institutional framework to be attractive for investors. To reach that goal by enhancing GDP growth, promoting innovation and competitiveness, creating jobs, diversifying the economy and protecting the environment, governments have to apply well-designed industrialization strategies and industrial policies that will be able to answer today's and future challenges in a sustainable way. The development of countries' economies relies on the growth of the industrialization (Eren,1989). The industrialization is the process by which an economy is transformed from primarily agricultural to one based on the manufacturing of goods (Chapellow, 2019).

In the early stages of IPs, the development and operation of industrial parks were operated by the governments subsidies and directed by the public sector. The planning of the industrial parks were initiated in the late nineteenth century. Trafford industrial park which was established close to Manchester Province in the United Kingdom, was the first planned industrial park in the western Europe and it was the first in the world (World Bank,1992). In addition to that and according to the (World Bank, 1992), Italy was the leading country in

Europe which planned the industrial parks in Naples. Moreover, in 1907, the clearing industrial estate was the first planned industrial parks in northern America which was established in Chicago. Nevertheless, the first planned industrial park in ASIA was established in 1951 in Singapore.

Until 1970s the development of industrial parks concept was offering basic infrastructure, facilities and services and it was popular in the US, USSR, and Europe. However, due to the huge impact of globalization, and rapid growth in communication and information technology after 1970s, structural changes led the industries and industrial parks in the developed country to outsource their operation and mass production for the third-world countries. These structural changes provided the opportunity to the developing countries to enhance their economies through industrial parks which was an effective strategical development tool to attract the foreign direct investments. UNIDO played an active role through publishing studies and holding seminars in promoting the industrial parks as instruments for the economic development for the emerging countries. (Falcke, 1999). Moreover, UNIDO through its connections, networking and multidisciplinary staff has published several guidelines and specification for the development of industrial estates and provided an integrated approach and direct technical assistance for the establishment and management of industrial estates in the emerging countries (UNIDO, 2015).

Industrial parks are one of the significant factors and tools supporting the development of economy. An industrial park is based on a philosophy of integration of different functions (production function, services, recreation and education) into an industrial area with majority of industrial production and services with high turnover and high employment (Vidová &

Jarmila, 2010). Moreover, Alfred Marshall's models on the industrial parks developed the concept of the planning of industrial parks.

Industrial parks concept is essential factor to foster the economic development for the less developed countries. Moreover, one of the solutions is to prioritize the development of industrial parks as a strategic policy tool to achieve structural transformation, institutional frame work, modern services. Physical infrastructure, and industrialization in developing and middle-income countries as they help decision makers to promote investments, innovation and competitiveness, create employment and foster economic growth as well as environmental protection. (UNIDO, 2012). Since the 1960s, an increasing number of countries have embarked on the road to promote industrialization and economic restructuring through the development of industrial parks. The development of industrial parks is the simplest form of planned estates and the most suitable growth strategy for low- income countries and regions to deliver rapid economic growth (UNIDO, 2015). In developing and middle-income countries, industrial parks can maximize resource integration for limited production factors within a certain spatial scope. By attracting labor and capital-intensive domestic and foreign investment in manufacturing and service industries, industrial parks have the potential to increase job opportunities, in terms of wages and skills for the local workers. Furthermore, they can establish links to global value chains through an increased participation in international competition, and the full use of their comparative advantages to promote the upgrading of the industrial structure, and to improve the country's position in the international division of labor as well as its competitiveness (UNIDO, 2005).

A successful industrial policy implementation has the potential to enhance the competitiveness of new industrial sectors in the economy of a country while enabling the restructuring of existing sectors and enterprises to become more efficient and competitive. Industrial parks are therefore effective industrial policy tools for decision makers to promote investments, create employment and foster economic growth at the national level.

The governments of the developing countries intended to maximize and develop the small and middle size corporation by investing and constructing the industrial parks (Eyüboğlu & Dilek, 2000). The cornerstone of industrial parks concept was originated and materialized in Trafford park in 1896 in Great Britain, which is a country, where factory production spread and where first industrial zones were founded. This trend was followed by the United states of America in 1899 then by Italy in 1904. This movement of developing and establishing industrial parks was observed and realized by the developing countries after 1950s. The global competition led by the foreign direct investments in the last two decades has accelerated the concept of establishing Private industrial parks and Techno parks. The main purpose of establishing Techno Parks by the private sectors was for conducting researches to develop the industrial parks and economy.

The industrial parks concept started to be one of the governmental policies as it's an essential method in the industrialization process. The industrialization process pointed out the negative impact which increases the gap between the developed and undeveloped counties. Thus, the main feature that promoted the industrial parks concept globally, is their positive impact on the economically developing countries and their role on the development level on the urbanization (Bayülken, & Kütükoğlu, 2012). (Pauceanu,2016) claimed that the purpose of

Industrial Parks is ensuring well planned and structured industrial development, Provision of an integrated infrastructure in a certain area to reduce the business expenses related to the infrastructure, attract new businesses through provision of an integrated infrastructure and appropriate investment environment in one location, minimize the environmental negative impacts of the industrial wastes and offer incentives to the members such as financing in tax increment and customs exemptions. Moreover, according to the (Money Matter Association, 2017), statement that the main purposes of the industrial parks are to promote the industrialization process and economic development, to promote balanced regional development and to avoid uncontrolled urbanization, to provide a climate for smooth functioning of industrial enterprises.

2.3 The Global Importance of IPs and Their Function

The significance of industrial parks on the national industrial level considers as a cornerstone for economic development and serves as a step forward towards advanced industrial services and infrastructure have increased the number of industrial parks to reach around 15,000 around the world and enhanced the competition among them. (UNIDO, 2012). The industrial parks contributions to the national economic development are varied from increasing national and domestic employment, enhancing the productivity and achieving a balanced distribution of employment, promoting and accelerating the industrialization of the country, attracting foreign and national investments, enhancing the development of the existing national industries, promoting the diversification in employment and production, improving the resource allocation and improve the quality of end products, increasing the importance to invest in public infrastructure, reducing the cost of capital investment to the

business owners, to the last but not least reducing and eliminating delays for the industries in acquiring an on-site and off-site infrastructure, utilities, and suitable site (Unido,1997). As well as, Industrial parks plays an essential role for the development of urban and regional economies by promoting the decentralization of development, increasing the productivity and employment rate of urban communities, enhancing the economies for the medium size provinces, providing proper land allocation for prospective industries, providing proper urban planning that separate industrial and non-industrial zones, enhancing the transport system, land usage and logistics within the metropolitan areas and integrating the population of marginal areas into a productive industrial operations. (UNIDO, 1997)

Industrial parks provide ranges of physical- on-site, off-site roads and public utilities- and soft –financial, consulting technical guidance, information, business development services – infrastructures. Moreover, the core function of Industrial parks varies widely between the developed and developing countries, in the developed countries, distribution hubs and warehouses are occupying the most of Industrial parks. However, the processing and manufacturing inside the industrial parks are the major activities in the less developed countries. (Sturge, 2002).

During the last century, IP contributed effectively on the industrialization process by increasing the productivity, utility, quality of the goods and providing the economies of scale. IPs recognized as a method of cost-alleviation process in the industrialization process. In the developed countries, Industrial Parks concept was used as a public policy instrument to achieve sustainable urban planning which reduces the environmental pollution, improve the living standard and organize the migration between crowded cities and rural areas (Ardoğan,

1983; Özdemir & Mahmut, 1990; Çezik & Eraydın,1982). In addition to that, the main objective for the industrial parks in the developed countries is to cluster warehouses, centers and distribution facilities to avoid pollution and congestion that might occur to the surrounding communities. However, for the emerging countries, industrial parks main objectives are to attract foreign direct investment, increase the employment rate, and stimulate the industrial dynamic that boosting the economic growth. Moreover, The Industrial parks provide the opportunity for the entrepreneurs to compete, invest and produce more effectively as the capital and operation expenses decreases the production cost (Ardoğan, 1983).

The necessity for the Industrial Parks in the developing countries is reasonably important than in the developed nations. As the clustering approach, and governmental incentives afforded are important features inside the industrial parks which provide the ability of competitiveness for the small and middle sized business inside the Industrial parks with the developed countries businesses (Özdemir & Mahmut, 1990). Industrial Parks affected significantly on the regional development by increasing the employment and promoting a balanced economic growth around the nations (Berberoğlu, 1984). The development of Industrial parks affected positively on the economic growth of several nations around the continents, such as United Kingdom, United states of America, Malaysia and Singapore (Bayülken & Kütükoğlu, 2012)

In the United Kingdom: The Industrial Parks are mainly called “The Industrial Estates” in the UK. After World War II. The governmental economic policies and strategies have supported the investments toward developing the industrial parks due their positive impact

on the economic growth and for reducing the unemployment rate around the country. Where IPs started to control under the governmental regulations and rules. Here, private sector has its priority. The aims could be listed in 4 main headings; Shifting industrial zones to less developed areas, using IPs as a main instrument in coping with unemployment, giving incentives for shifting the IPs to the non-industrialized regions, especially transforming from the industrialized and big cities, application the urbanization and industrialization for the undeveloped areas in planned and systematic format.

IPs in United States: “Industrial Parks” is the name that have been perceived in US. As in its other economic fields, the IPs in US established under the market mechanism regulations. In the establishment of these zones, real estate trader firms, railway and airway companies, and land owners are main entrepreneurs. In the large sized industry IPs, the controlling and monitoring of IPs is running by the public agents. The implementations of IPs fostered after World War II, and have main four goal; providing certain areas divided into sub-parcels, introducing to the industrial institutions, the investments in the big cities would bring to higher costs due to the higher rents, by shifting IPs to rural areas, the aim is to have lower-cost production, the use of more productive areas, where the raw materials and other opportunities are mobile for the industries, that they can withdraw and using these IPs for the future development purposes as a strategic instrument (Kütükoğlu, 2012).

IPs in Malaysia: Since 1960s, the 78% of overall industry has been occupied by IPs, which is the significant rate for IPs investments, that, was the main policy in the development and improvement of industrialization. Also, the areas where the IPs would constructed have been

categorized and systematically adjusted. The same above mentioned purposes were among the establishment goals of IPs in Malaysia (Bayülken & Kütükoğlu, 2012).

IPs in Indonesia: The promotion of IPs in Indonesia has significant role, where IPs has been established for exporting intentions by having low labor costs and higher technology. Although, the establishment of IPs began in 1970s, the integration of private sector to the IPs started in 1989. There are 4 different regions exist: National private company, Foreign investment joint entrepreneurs, Businesses under the governmental property and Local firms.

The allocation of IPs is strictly distributed by local and central administration, namely, suitable lands for agriculture has not been touched, and organized according to systemic scale. According to 2002 data, there are 185 IPs functioning in 17 different geographical regions Indonesia. In addition, there are 46 IPs that are under the property of government. The 80% of these IPs are situated in between West Java Region and Jakarta city, where 85% of them are private property. The 15% of total industrial production coming from IPs, and the weight of Japanese and Korean investors is significant. The majority of production in IPs are: manufacturing, paper and other heavy industry businesses. There are several discounts and many infrastructural services that provided for investors in IPs as, healthcare, security, offices, conference halls, telecommunication and private transport services (Berberoğlu, 1984).

As seen from the experiences above, the implications of IPs in different countries servicing to the one goal, to increase the production and economic growth, by reducing costs and giving incentives for entrepreneurs to invest. The establishment of IPs in developing countries,

mostly oriented for export enhancing plans. In the implementation of IPs in various countries has to be investigated and well programmed. The one successful experience in country could not be the prerequisite for another, the economic, geographic and financial opportunities and conditions has to be taken into the consideration in the establishment of IPs (Berberoğlu, 1984).

Economic zones comprise several sorts of zones and parks such as industrial parks, special economic zones, eco industrial parks, technology parks, and innovation hubs. Economic zones have promoted as a foundation and forward strategies for the development of countries' economies in the world. Moreover, Economic zones become a strategy and key factor for the regional and national governments to enhance the economic growth. (UNIDO, 2015)

Moreover, the development of industrial parks were a popular strategy for the developed countries until late 1950s. Recently, the majority of developed industrial parks around the world which are around 15,000 industrial parks are located between Asia and Africa (UNIDO, 2012).

Competitive strategies vary between the level of economic development of countries. For example, the development of Industrial Parks and Special Economic Zones is more suitable strategy for the less developed countries, while innovation hubs and technology parks are leading the innovation in already developed economies. Special economic zone is a designated area where the governmental laws regarding trade and tariffs differ from other areas inside the country. Special economic zones require more complex infrastructure and services such as airport, ports and special legal frame work for customs and duties.

The country members of southeast Asian nations ASEAN have achieved several levels of economic development. The members of ASEAN have embraced various strategies to empower their competitiveness through economic zones'. The best example of those members is Viet Nam which has widely relied on industrial zones to attract Foreign Direct investments. Moreover, Singapore has planned the first subzone and business park in the ASEAN and named it one-norh Singapore. The first estimation conducted for the ASEAN economic zones concluded that there are more than 1,000 economic zones (893 industrial parks, 84 economic zones, two eco-industrial parks, 25 technology parks, and one innovation hub).

Chapter Three: Methodology

3.1 Introduction

The research procedures in this chapter are covered in details, including research design, research tools and data collection method, and the interpretation scheme in order to achieve the research objectives.

This study follows the descriptive analytical methodology and aimed to answer the previously determined research questions as by examining the situational analysis of JAIP and address the strength, weakness, opportunities and threats. Furthermore, this research will study cases and other examples with their success factors for the development among the international industrial parks and provide ideas, lessons learned and prospective strategy that will promote and sustain the development the industrial parks in Palestine and JAIP in specific.

Moreover, the secondary data source of this research was represented in the reviewing literature and relevant articles in addition to a comparative study conducted between the international cases of industrial parks in different continents and nations such as Vietnam, Ethiopia, Romania, Turkey, Jordan and Palestine. Those countries were selected based on mutual characteristics with Palestine in term of political situation, culture, environment, economy and development.

This research examined the industrial parks in each aforementioned country and provide the historical development of each, and study various factors of their success. This sort of diversifying examples enriched the research with several lessons learned and various concept

of the development and operation of industrial parks in several countries with different conditions and success measures.

However, the conducted environmental Analysis and the comparative study have been supported with interviews with relevant stakeholders from the private, public sectors and donor's side, all together have formed a full picture of the status quo of the Palestinian industrial parks in general and identified the external and internal factors of JAIP in specific and diagnose the problem and determine the limitations of the performance of JAIP. This study proposes the most suitable strategy that will guarantee the efficient and sustainable development and operations of JAIP and attract domestic and foreign investments.

The conducted analysis will be the tool for further and detailed evaluation for the performance of JAIP along the past years, and will help drawing a better image for assessing the limitations of JAIP and its development, in addition to checking the effect of limitations on the development and success of JAIP, as well as coming up with solutions and recommendations to enhance and strengthen the current situation, and what strategies should be adopted in order to have successful industrial parks in Palestine.

3.2 Research Design

This reasearch is following the qualitative approach. The qualitative data collection and analysis will be done through conducting an SWOT analysis along with the interviews with the relevant stakeholders to discuss the current situation of JAIP, its limitations and weaknesses among the previously mentioned domains and what is needed to have a better model of JAIP, in addition to discussing the initial results of the environmental analysis and the comparative study.

3.3 Research Tools

This research will mainly study the case of Jericho Agro Industrial Park in Palestine, and accordingly generalizing the results and recommendations to the other industrial parks. The SWOT analysis of JAIP will help in identifying the external and internal factors for the industrial parks in order to strengthen its capabilities and ability to develop.

However, this research will not only investigate and discuss the weaknesses and limitations of JAIP in Palestine, but also, it will draw key recommendations that will serve as a basement for the future development for JAIP and the Palestinian industrial parks.

Chapter Four: International Cases and Descriptive Analysis

4.1 Introduction of International Cases of IPs

4.1.1 Introduction

A successful industrial park is complex and depends on a variety of factors (location, presence of lead companies, a stable financial capacity, a large labor forces, the physical and institutional infrastructures, a good management board, effective laws and regulations) (UNIDO, 2006).

4.1.2 Background of Palestinian Industrial Parks and Free Zones Authority (PIEFZA)

In 1998, the government of Palestine decided to form a Palestinian Industrial Parks and Free Zones Authority (PIEFZA) as a financial and managerial independent governmental body to enhance the Palestinian Economic Situation and to cut down the domestic unemployment rate by creating and regulating the industrial states through partnerships with private sectors, under the umbrella of the Palestinian Ministry of National Economy (MoNE).

The National Strategy of PIEFZA is based on a national vision of the crucial role of the industrial sector in the growth and development of Palestine, by maximizing its returns and investing in it, hiring productive human experiences, and diversifying the inputs of the national economy.

In Palestine and under the ownership of PIEFZA, five industrial parks are under development to support creating an independent economy, increasing the employment rate, and improving the quality of life for Palestinians.

Three of them are under operation:

1. Jericho Agro Industrial Park- JAIP

2. Bethlehem Industrial Estate-BIE
3. Gaza Industrial Estate-GIE

Two of them are in the development phase:

1. Jenin Industrial Free Zone-JIFZ
2. Tarqumia Industrial and Logistic zone

4.1.3 Background of Jericho Agro Industrial Parks

Jericho Agro industrial park “JAIP” was founded in 2006 as a part of Japanese Initiative which was called "corridor for Peace and Prosperity ". This initiative aims to create sustainable growth, Jobs creation, and provide essential foundations for the Palestinian productive economy.

Moreover, JAIP was established through participation of public and private sectors. Concession agreement was signed between the Palestinian national authority as the owner of JAIP and Jericho Agro Industrial Park Company “JAIPCo” as the developer and operator of the industrial park.

JAIPCo is the Joint venture of three leading companies in Palestine (Palestine Development and Investment, Ltd. (PADICO HOLDING), Palestine Investment Fund – PIF and Sanabel).

Jericho Agro Industrial Park a designated district within of Jericho city in Palestine, which it’s vision to be the first industrial Park in the Middle East to focus on Agro Industries. Moreover, to offer a cost effective and efficient business environment for the Palestine’s manufacturing sector by offerings an industrial lands, Services, facilities and industrial off-site and on-site infrastructure.

JAIP designed to have a capacity for 150 Businesses, to offer more than 10,000 Direct/indirect Labor forces. to produce knowledge, skills and innovation, to upgrade the industrial sector, to enhance the Palestinian made products and allow Palestinian enterprises to compete global level.

Industrial Estates (IEs) has seen as a potential source of economic growth and a measure to strengthen industrial infrastructure in the Palestinian Territories since the 1990s. Currently, two industrial estates in Jenin and Bethlehem in the West Bank are in the planning and development phase. These IEs are planned to attract industrial (foreign and local) investments, which will contribute to the growth of the Palestinian economy, and generate export promotion.

JAIP planned to be developed on a total area of **626,031** square meters. The development plan was initially divided into two phases: **Phase I which** have been developed on **140,106** square meters and **Phase II which** was started in 2018 by executing the land leveling on the first **100,000** square meter of total area **485,925** square meter. This area planned as a servicing and a logistic zone **of 26,641** square meter in order to act as an export hub to all Palestinian industry and a trade facilitation centre for all logistics and to be and access to Palestinian imports and exports (Trade corridor) with Jordan and the east.

JAIP consists of mixed industries that could be located on either open lots or Hangars. In addition to that, JAIP provides various Site infrastructures that is largely divided into two categories; the off-site infrastructure and the on-site Infrastructure that allow the potential investors to start their business directly and reduce their capital cost.

JAIP Site has a competitive advantage that it's located at the southern fringe of Jericho Municipality, JAIP Park is located seven kilometres away from King Hussein Bridge away from the border with Jordan, and the Allenby Bridge terminal is used for trade. The location is advantageous for exports to Jordan and the Gulf countries.

An IP should be established in areas that can support its operations and provide its investors with a reasonable supply of human resources. Moreover, The size and leasing price of an industrial park should be planned according to the expectations of the market and the business needs of the park. The facilities of an industrial park should have both hard and soft infrastructures. These include roads, water treatment, telecommunications, and solid waste treatment. Moreover, The success of an industrial park depends on its management team's efficiency and responsiveness. This includes providing effective support and guidance to its tenants. The management team should also develop ties with other organizations, authorities and individuals in order to promote the services offered by the park. Nevertheless, The authority that develops industrial parks has evolved from a status where governments only provided the infrastructures for the establishment of the parks, to offer incentive (Long and short-term credit at preferential rates, Remission of taxes and duties, Built factories, subsidized rents, provision of Low cost land/rents , Subsidized tariffs for water and electricity, preferential rates for telecommunications services, Simplification of procedures/ones stop shop service for administrative issues, Use of common production facilities and service, provide Workers' housing/industrial townships (UNIDO, 1997)) to encourage the development of industrial parks.

4.2 The Case of Vietnam

After Vietnam gained independence from France in 1945, it fought against the French until 1954. Following the war, the country was split into two. The north was mainly populated by socialists, while the south was mainly composed of Catholics. During this time, the country was mainly agrarian, and the French government developed agriculture in the south. Despite this, the country was still heavily damaged by war and colonialism. The economy was under the socialist model, and as a result, the private sector did not have a place in the north's industrial production. During this period, the country received assistance from other socialist nations, such as China. This helped boost the country's industrial development. In 1964, the US bombed the north, which caused heavy industry to stop operating. This led to the destruction of many industrial cities in the area. The damage caused by the war affected several vital infrastructure facilities, such as power stations, railways, and bridges. The lack of transportation resulted in the delayed construction of major projects. After the war, Vietnam faced several economic challenges. One of these was to repair the damage caused by the war and restore the country's infrastructure. To achieve this, the north's interrupted First Five-Year Plan was replaced by a Second Five-Year Plan. The country's economic administration was responsible for developing the country's industrial plan. This was done through the formation of state-owned enterprises, which were not officially recognized by the private sector. In the early 1980s, most of the country's income was derived from the agricultural sector. Despite the large share of the heavy industry in the budget, the light industrial sector grew at an annual rate of 9.5 percent. During the mid-1980s, the economy

was characterized by low-scale productivity, high unemployment, and technological gaps. As a result, the inflation rate remained high. (Anh, Duc &Chieu, 2014).

However, Nowadays, Vietnam is considered as a leading example that strengthened the industrial parks concept through the implementation of the Law on Investment in 2005 which has greatly contributed to the development of Vietnam's industrial and economic zones. This law provides investors with preferential taxation, such as land use tax. Then, In 2018, the Vietnamese government established Decree No.82/2018 to regulate the operation and planning of industrial zones. The zones are managed by the Ministry of Planning and Investment. As of 2016, there are more than 320 industrial parks in Vietnam, with a total area of about 85 thousand hectares. The government plans to establish three special economic zones in 2017 to boost investment in these areas. Since 2016, over US\$150 billion has been invested in the country's industrial zones and economic zones. Investment in the country's industrial parks and export processing zones (EPZs) grew by over 39 percent in the first half of 2017 to reach US\$ 38 million. (Anh, Duc &Chieu, 2014).

Since the implementation of the Doi Moi reform process in 1990, the country has been transitioning from an import-dependent economy to an export-oriented one. This has led to steady growth in the industry. Since the Doi Moi, the industrial sector has been integrated to create an environment that is conducive to the growth of industrial parks. This has resulted in increased productivity and capacity. Some of the policies that were part of the industrial development process also faced various problems. These issues include the minimal contribution of current policies in improving competitiveness, the failure to encourage firm structure restructuring, and the lack of a coordinated framework for industrial policies. The

rapid emergence and evolution of the private sector as an export-oriented industry has greatly impacted the country's manufacturing and exporting activities. As a result, the state-owned enterprises have become more competitive and active exporters. It is very helpful for low-income countries to learn from Vietnam's experience in developing its industrial parks and export-oriented policies. (Anh, Duc & Chieu, 2014).

Vietnam has become one of the fastest growing economies in the world over the last three decades. Its GDP grew at a rate of over 12 times faster than in 2001. The country's success has largely been attributed to the effective use of foreign direct investment. This has helped boost its economy by creating large numbers of jobs. The opening of foreign direct investment (FDI) channels through developing various functions of industrial parks has contributed significantly to the development of key industries, such as steel, oil and gas, chemicals, automobiles, and textiles. The use of foreign direct investment has also contributed to the country's development. Since the implementation of the Law on Foreign Investment in 1987, the country has received more than 370 billion US dollars of FDI. In 2019, the country received 38 billion US dollars' worth of FDI, which is the highest since 2008. It grew by over 7 percent year-on-year (VNA, 2020).

Various factors were considered for the success of industrial parks in Vietnam, such as geographical location, infrastructure, Labor, incentives and business environment. Labor; Vietnam's low cost of labor is attractive to foreign investors. The country has a minimum wage of US\$ 100 to US\$ 128 per month, depending on the region. The average salary for industrial workers in Vietnam ranges from US\$ 121 to US\$ 810 depending on their skill level and industry. Overtime wages and social insurance are also taken into account. Moreover,

the success of an industrial park depends on the quality of its infrastructure. Many industrial parks in the past were not able to attract foreign investors due to their slow development, Over the years, Vietnam has been improving the infrastructure of its industrial parks to attract more foreign direct investment. Some of these include the development of high-quality factories and warehouses, solid sources of electricity, water, and sanitation facilities.

A report released in 2016 identified five provinces as having the best infrastructure. These included Vinh Phuc, Da Nang, Ninh Hoa, and Dong Nai. Before committing to an industrial park. Furthermore, in terms of incentives produced by the government, Vietnam has various tax incentives in place to encourage domestic and foreign investments. These include various exemptions and reductions of corporate income tax. These incentives expanded to cover disadvantaged or extremely disadvantaged areas and Various industries such as education, healthcare, sports, and culture are also encouraged. In January 2016, the corporate income tax rate was reduced to 20 percent. For new projects, the rate was also lowered to 10 percent for a period of 15 years. This is applicable to all new investments in the education, training, health care sectors and agro industries. (*The guide to understanding Vietnam's industrial*, 2022).

Vietnamese case is considered as one of the leading examples of a successful IP concept in term of the areas covered by IPs, generated policies, long term incentives laws. This helped Veitnam to become one of the fast-growing economies in the last three decades, Moreover, the development of IPs contributed in attracting the FDI and received more than 370 billion of FDI in the last three decades (VNA,2020).

4.3 The Case of Ethiopia

The launch of Ethiopia's first five-year plan in 1958 was the beginning of a conscious move to stimulate the country's industrial growth. The subsequent launches of the Second and Third Five-year plans attracted foreign investors and helped boost the manufacturing sector. In 1974, following the country's revolution, the military government nationalized most of the manufacturing enterprises. The rapid decline in the sector was largely due to the implementation of the socialist economic policy. The Ethiopian People's Revolutionary Democratic Party -led government in 1991 carried out various economic reforms through the Structural Adjustment Program. The program was implemented in three phases from 1992 to 1999. The goal was to shift the resources toward the industrial sector, which had the advantage over the other sectors. The favorable policies and the country's macro-economic stability helped boost the manufacturing industry. The goal was to shift the resources toward the industrial sector to create a competitive industrial sector that can take advantage of the country's natural resources and infrastructure. The reforms brought about by the economic policies have strengthened the country's macro-economic stability and helped in boosting the country's manufacturing industry and its overall economy. Despite the rapid growth of the country, its export activities remained less diversified. In 1998, the government launched the Export Promotion Agency to address this issue. The agency's goal was to promote 16 high-value agricultural products and industrial products. The Industrial Development Strategy was formulated in 2002 to implement the government's agricultural development vision. It is based on the four key principles mentioned by the government, which are aimed at promoting the interests of both the private as an engine of growth and public sectors as regulator and

supervisor. It also distinguishes the private sector from the public sector in terms of its commitment to promote the latter. This strategy was followed by a series of government development plans that were launched from 2002 to 2005. Over the next couple of years, the country's economic development underwent a series of reforms. One of the goals of the strategy is to transform the country into a middle-income nation by 2025. Following the example of other East Asian nations, Ethiopia's government is advocating for the State's involvement in the industrialization process (UNIDO, 2018).

During the 2000s, the country's prime minister Zenawi called for fast economic growth in order to ensure the survival of the country. Ethiopia has consistently achieved robust economic growth rates of 11 per cent for the last 12 years. Its contribution to the country's gross domestic product remains below the region's average. However, Despite the robust growth of the economy, the small role that the industrial sector plays in the country's development remains a challenge.

The importance of industrial park development has been acknowledged by the government as a tool to stimulate industrialization. Development of industrial parks in Ethiopia helped boost the country's attractiveness for investors and business. However, despite the significant role that parks play in the country's industrialization process, various regulations and policies are still not clear. Due to the lack of comprehensive regulations, the development of industrial parks in the country is considered a daunting task. Even with the right framework, various factors such as legal, organizational, and governance frameworks are still not clear. Among the factors that determine the success of an industrial park development project in Ethiopia are its objectives, policies, and procedures.

Contribution of Establishing Industrial parks in Ethiopia has helped Stimulating investment and creating employment and attract more foreign direct investment (FDI) to Ethiopia. Take for instance, the shoe maker Huajian started its operations in the one of the Ethiopian industrial parks in 2012, and then expanded its operations by creating its own zone in 2015. The Huajian International Light- Industry City, which started operating in 2016, is a project that aims to create thousands of jobs through its various features. Despite the frequent allegations about the presence of foreign workers in Ethiopia, many international companies have a policy that only employs local workers in Ethiopia and the fact that many of the establishments in the country have local workforces.

With an annual growth rate of around 11 per cent, the industrial parks in the country are expected to create around 30,000 new jobs in the 2022. Moreover, Industrial parks has Facilitated export growth and foreign exchange earnings. Two production lines have been set up in the Industrial park by the Huajian Group, with a total capacity of 2,000 pairs per day. The first industrial park in the area, which was established in 2017, has hired around 11,000 workers and has a monthly export revenue of over USD 2 million.

According to Arkebe Oqubay, the objective of Ethiopia's industrial park development is to make the country's manufacturing sector contribute to the country's gross domestic product (GDP) and at least 50 percent of its export volume by 2025. As part of its strategy to boost its domestic production, Ethiopia's government has planned to establish industrial parks that will allow the country to expand its manufacturing base and reduce its dependence on imported commodities. Through the import substitution program, Ethiopia has been able to save over \$2 billion in US dollars in the past five years. This initiative is also beneficial for

the country's economy as this amount was achieved through the substitution of various products such as vehicles and spare parts.

The link between industrial parks development and green growth that Foster Sustainable Growth and social equality has been clarified by Ethiopia. Industrial parks contribute to the development of green economy. Aside from reducing air pollution, the factories in industrial parks also contribute to the development of urbanized areas that would allow industrialization. Urbanization through industrial parks can also help in reducing land holding problems and provide job opportunities to women and youth. These benefits can also be compared to the social impact of industrial parks. With the growing number of industrial parks, it has been estimated that the extension of these parks can help improve the working conditions of workers. (UNIDO,2018)

lessons learned from the IPs in Ethiopia:

1. Preferential policies and incentives; Ethiopia's investment laws provide various incentives for investors. Some of these include the establishment of industrial parks and real estate developers. The government of Ethiopia offers also various financial incentives to investors during the various stages of their investment in the country's industrial parks. Such as Income tax exemption, Duty and other tax free import, Export tax exemption for all products manufactured inside the industrial parks, One-stop shop service, Customs facilitation for the imported raw materials, The right to own immovable property, Subsidized utility rates such as electricity.
2. Established administrative system; The government has also refocused three key institutions to encourage investment and improve the country's competitive advantage. The Ethiopian Investment Board is a government-owned body that serves

as a policy, strategy, and oversight body for foreign direct investment in the country. It is chaired by the Prime Minister and has senior ministers from various government agencies. The board aims to attract foreign investors and addresses various barriers to investment. It also grants incentives to attract investors and addresses various regulatory issues. The government has launched a new strategy to promote investment in the manufacturing sector. This strategy is being led by the Prime Minister and is focused on attracting foreign direct investment. The government also strengthened the Ethiopian Investment Commission's operations by restructuring it to be more accountable to the Prime Minister. Its primary objective is to attract more foreign investors. Its initial goals are to promote the light manufacturing industry. Ethiopian Investment Commission was also given the authority to regulate industrial park operators and enterprises. The third new institution is the Industrial Park Development Corporation, which is a public-private partnership. It is responsible for the development and operation of industrial parks. The Industrial Parks Development Corporation's mandate is to develop shared industrial facilities that will help reduce operating costs and improve efficiency.

3. Laws and regulations on industrial parks and investment in Ethiopia These laws and regulations aim to establish and manage special economic zones. Special economic zones are defined as areas that are managed by the federal government or the private sector. In the first decade of Ethiopia's development, the country did not have a regulatory framework for its industrial zones. To address this issue, the government issued an investment law in 2012 that included the establishment of industrial zones as part of the country's infrastructure development. The Investment Proclamation

769-2012 and the Investment Areas and Incentives Regulation were also amended in 2012 to provide more details on the various aspects of industrial development zones. The investment board was also given the authority to oversee and develop industrial zones. Moreover, Following the establishment of the Industrial Park Corporation, a law was enacted to establish and supervise industrial parks in the country. The objective of this law is to accelerate the economic transformation of the country through the establishment of strategic locations. Industrial Park refers to an area that has a distinct boundary and is designed to be developed into a variety of interrelated industries. It has various incentives to encourage the development of industries and communities. This list includes various special economic zones, such as those for manufacturing and technology parks.

4. Identification of priority industries in public parks; The industries of leather products, textiles, and apparel are identified as priority sectors for the next five years. The industries of these are mainly linked to the agricultural sector due to their strong links with the livestock and cotton sectors. They have the potential to gain major export markets and low entry barriers.

4.4 The Case of Turkey

Industrial investment in Turkey is among the most important parts of the country's economy. Over the years, the country has become one of the largest producers of goods and services in the world. Aside from real estate, the Turkish economy is also developing various industries. Moreover, Due to the country's growing importance, the government has established various research centers. The centers' objective is to keep Turkey up to date with the latest

technological developments, which has resulted in the rapid development of the industry. Aside from these, the country's government also offers various incentives for industrial investors (MIMARY,2019).

Over the last five decades, Turkey has been able to establish itself as a flourishing market with an abundance of commercial centers. This has been achieved through the establishment of various industrial zones. The concept of establishing an industrial park can be traced back to the 1960s. During that period, the country was focused on developing long-term economic policies. The first Industrial Parks in the country was established in 1962. Initially, Industrial parks were established to address the issue of uncontrolled urbanization and environmental problems. Then Due to their numerous advantages, such as their proximity to the marketplaces, foreign investors have been able to establish their businesses in the area. Industrial parks in turkey are often referred to as incubators. They have various advantages to the Turkish economy, such as their ability to provide employment opportunities and improve the efficiency of their operations. (OGLU,2021). Moreover, in turkey Industrial parks are designed to provide a conducive environment for businesses. They can also benefit from the various infrastructure facilities that are available in the area, such as water, electricity, and communication (Investment Office,2022).

The Turkish government also offers various industrial zones that are strategically located in various parts of the country. These areas are designed to allow factories and companies to operate in an environment that's conducive to their activities (MIMARY,2019). As of now, there are 353 Industrial parks in Turkey. Out of these, 258 of them are currently operational. Through these centers, more than 2 million people have been employed. In total, there are 95

Industrial parks being constructed in Turkey. Over 67,000 companies have also been able to establish their operations in the Industrial parks. and the government is planning on establishing more Industrial parks in the near future. The objective of establishing more industrial cities is to support local production and improve the country's per capita income.

The lessons learned from the Turkish Experience are mainly from the Legislation of the Turkish industrial parks. Since the establishment of the Industrial park, the operation of the centers has not been regulated. In 1982, a law was enacted that allowed authorities to oversee the activities of Industrial parks. Recently, various legislation were declared that governs the operation of Industrial parks, such as the Law on Organized Industrial Zones, Law on Industrial Zones, Regulation on Implementation of Organized Industrial Zones, Regulation on Allocating Plots Located in Organized Industrial Zones Partially or Entirely Free of Charge to Natural or Legal Persons, Regulation on Site Selection for Organized Industrial Zones (OGLU,2021). Aside from the general investment incentives provided by Turkish government, investors in Industrial parks may also benefit from other advantages, such as employment incentives and R&D support. Moreover, investors can enjoy various benefits, such as: No tax on land acquisitions, No tax on natural gas and telecommunication costs, No tax on water and sewer connection, No tax on land purchases, No tax on capital expenditures and No tax on sales tax on land (Investment Office,2022). This sort of incentives and laws have attracted multinational companies to invest in the Turkish industrial parks.

4.5 The Case of Romania

Great Britain has the cornerstone of industrial parks, which are areas where factories can expand and produce. The industrial parks were originally set up as multiple production units. Their later occurrence was organized by the various planning and regional concepts. The first industrial park in Great Britain was established in 1896. The concept of regional policies encouraged the establishment of industrial parks in crisis areas during the 1930s. The first industrial areas in the country were in cities such as Letchworth and Welwyn Garden City. The expansion of cities was initiated to relieve the over-populated London agglomeration. It served as the reason for the establishment of new industries in Great Britain. (Samson a kol., 2001). Industrial parks in those days were usually categorized into various types. Some of these included massive parks and were big enough to occupy a large area, while others were small enough that were usually occupied by few people with little or no equipment. One of the most common characteristics of industrial parks was that they were planned in advance. Producers were required to follow certain rules and regulations when it came to their area. The location of industry act of 1958 was mainly used to deal with high unemployment. It also provided for assistance to areas that were affected by the unemployment rate. Moreover, In Germany, the first industrial park was established in 1963. By then, the number of parks for small and medium-sized businesses had increased significantly to reach 22 industrial parks in west Germany in 1984. Aside from industrial parks, private parks were also established. These were usually concentrated in areas with high concentration of residents (Keppl, 2002).

However, Due to the high concentration of industrial parks, the Dusseldorf and Frankfurt am Mein regions were considered the most advantageous places for such parks. Industrial

parks are widely regarded as beneficial for businesses as they allow their establishments to take advantage of the latest technologies in production. They also contribute to the improvement of a country's research capabilities. A country that has industrial parks can also benefit from the presence of foreign companies, which can create new economic opportunities. An industrial park is a positive aspect of business development, as it creates conditions for the expansion of small and medium-sized enterprises, which in turn contribute to the increase of employment (FIGEL,2009)

In 2000, the European Council established the objective of becoming the most competitive and dynamic economy in the world by 2010 and must become a knowledge-oriented economy that can sustain long-term economic growth and create multiple and better working places for the European countries such as Romania. The idea of establishing a research area for the European Union is a key element of the Lisbon strategy. In 2004, and following the revision of the Lisbon strategy, the Commission proposed a set of measures aimed at increasing the public's support for R&D. These included the establishment of a proper framework for research and innovation, as well as various regulations aimed at protecting intellectual property (Vidová, 2010). If the goal of the Lisbon strategy is to make Europe the most competitive economy in the world, then industrial parks are a great way to reach this objective. industrial parks can also help connect the various scientific and academic fields, and they can also help improve the employability of university graduates. In 2006, the European Commission stated that creative industries in the European Union contribute approximately 2.6 percent of the EU's gross domestic product. And The Commission noted that these industries contribute about 500 billion Euro to the EU's GDP annually and employ over 5 million highly qualified individuals. From an economic standpoint, industrial parks

are very important. They not only contribute to the employment of skilled workers but also boost the overall development of a region. Concentrations of certain types of companies can also attract other investors and create job opportunities in the region (Vidová, 2010).

In Romania, there are currently 72 industrial parks that cater to various industries such as aerospace, IT&C, and industry. These parks are located in various regions and can offer various benefits such as reduced land and building taxes. Most of the industrial parks in Romania are located in the South Region, with 21 parks. There are also 17 industrial parks in the Center Region, which includes 1 in Brasov County.

Industrial parks according to Romanian legislation; Romania's industrial parks are defined as areas where the activities related to R&D, production, and services are conducted, and where the conditions are specific and advantageous. When it comes to setting up an industrial park in Romania, four success key factors are considered: the environment's potential, the technological transfer potential, the efficiency of the project's operations, and the cooperation between the public and private sectors. In theory, an industrial park can be created by a combination of public authorities and private companies. The former would then incorporate a certain company as the administrator of the park. Moreover, the founders of an industrial park can be private individuals or legal entities that have the capacity to establish and manage the park. The industrial park title allows residents of the park to apply for various incentives, such as reduced electricity bills and tax breaks. The industrial park title allows the holder of an industrial park to apply for various incentives, such as tax breaks, and reduced electricity bills. To obtain the title, a company must meet certain conditions, such as being incorporated and not having debts that go towards the State's budget. An industrial park is managed under the direct management of its administrator, who carries out various tasks

and activities related to the park's operations. These include the maintenance, repairs, and modernization works carried out by the park's residents.

Setting-up and operation of an industrial park; Industrial parks are conceptualized by private individuals, public authorities, and the support of non-profit organizations. The industrial park title is granted to the administrator, who has the authority to carry out the park's operations and manage its facilities. This is done through the submission of an application to the relevant regional development agency. In addition to that, the industrial park's administrator acts as the direct link between the park's residents and the park's various facilities. The developer of industrial park coordinates with the park's various tenants and the local government to ensure the proper management of the park. Furthermore, the title of an industrial park allows the businesses operating in the park to enjoy various incentives. These include: exemption from certain taxes, as well as the establishment of industrial real estate. To reap the benefits of these incentives, the residents of an industrial park have to meet a set of requirements. Some of these include: They must conduct economic activities within the park based on a legitimate title. They must also submit a plan for getting the necessary funds. Nevertheless, Under the Industrial Parks Law in Romania, local authorities can also grant other facilities to the park's users, as long as the conditions are met. These aid categories are subject to the scrutiny of the European Commission, which means that they should be awarded in a transparent and limited manner.

Growth of the Romanian industrial and logistics market; The logistics and industrial market was the second biggest driver of the Romania's real estate market in 2017. According to analysts, the market was driven by the country's growing consumption and the developers' need for more space. Currently, the total area of the industrial and logistics market in

Romania is around 3 million square meters. Experts believe that the space available in the country will reach 3,5 million square meters by the end of 2022.

One of the main factors that contributed to the market's growth was the acquisition of P3 industrial park by Singapore's sovereign investment fund GIC. This transaction, which involved the purchase of a total of 14 warehouses, was worth approximately \$220 million. Moreover, one of the largest developers in the market is Dutch company CTP, which currently owns several industrial parks in the country. It's planning on becoming the biggest player in the industry by acquiring a million square meters of space. According to a business report published by Bloc-Notes, which is a media outlet focused on the industrial and logistics industry, CTP currently holds positions in the western region of Romania, which is home to a high rental demand. Its expansion plans are driven by the region's proximity to the country's western border and the presence of new entrants such as tech companies. The capital city of Bucharest has always been the biggest market for industrial and logistics space in Romania. As of 2018, CTP already owns three parks in the area. The company also owns various industrial parks in the western region, such as the ones in Timisoara, Deva, Salonta, Turda, and Ineu. These parks are currently being developed at a national level. The analysts at Bloc-Notes noted that two areas that stand out are Timisoara and Bucharest, which are both located in the western region. Both of which are experiencing robust economic growth. For instance, Timisoara's development has reached a total area of 370 thousand square meters. For CTP Romania's general manager, Busca, the company would not exclude any area in the country when it comes to developing its industrial parks.

Globalworth, a leading investor in the office market in Romania, has been eyeing the western region of the country for some time. Aside from acquiring a large portfolio of office properties, it also owns a 103-square-meter industrial park in Timisoara. The eastern region of Romania has a unique market profile that's evenly balanced between the capital, the center, and the western part of the country. Despite the lack of major road infrastructures in Moldova, the country is still an attractive market for investors due to its growing economy and its proximity to other markets such as Ukraine and the Republic of Moldova. Unlike the other sectors, the market in the eastern part of Romania is evenly balanced. Despite the lack of major roads and bridges, the country still has plenty of industrial space and is well-placed to capitalize on the country's growing economy. The eastern region has potential to become a major player in the logistics industry due to its proximity to the other countries of Romania and the potential labor force. According to some of the investors in the market, despite being a backward region, Moldova still has a competitive advantage over the western part of the country.

A media outlet in Romania analyzed the various factors that affect the country's industrial real estate market and consulted experts from a Canadian-based organization known as Colliers International. According to Laurentiu Duica, the interest in the northeast has increased due to the presence of more established retailers. The western and central regions are considered the most attractive places to set up an industrial business due to their proximity to the country's trade centers. Also, they have low internal labor mobility. Silviu Pop, a research analyst at Colliers International, noted that the country's structural reforms could lead to long-term economic growth.

Rents in the Romanian industrial parks sector; The average rent in Romania is around EUR 3,75 to 4,2 / sq. m, and it has been stable in recent years. However, depending on the type of lease and contract length, the exact rent may vary. According to Emilian Podaru of Crosspoint Real Estate, the highest rent in Bucharest is around EUR 4 / sq. m, and in the Cluj area it can reach over EUR 4 / sq. m. Trade is the main driver of the logistics market in Romania, as there is a gap between the needs of industrial and retail players. In Q1 2018, four deals involved logistics space, and they all had total area of over 45,000 square meters. Most of the demand in 2017 was from logistics companies, which leased over 50% of the total space. Factors such as the distance to major cities and the availability of nearby regions are often taken into account when choosing a logistics location. Another factor that influences the selection of a logistics location is the labor force. According to Laurentiu Duica of Colliers International, major cities have become the urban centers of developers wanting to build speculative project (South-East European Industrial Market, 2018).

4.6 The Case of Jordan

Industrialization started in Jordan in the second half of the twentieth century. Its strategy was to replace the import products by the domestic production. Small-scale private industries prevailed, while the dynamic of the private sector was confined to the larger cities. The large industries were mainly based on natural resources, which were state-owned. Despite the incentives offered to small businesses, technological innovations were still not widespread. Regardless of the production factors and regional factors that affected the region's economy, In 1980, Jordan introduced the concept of Industrial Estate building to support small and medium-scale enterprises. The concept was followed by the establishment of

industrial estates in most of the Jordan governorates. The largest industrial estate in the country is the King Abdullah Industrial Estate, which has over 350 enterprises. The Industrial Estate Managers Association was established in 1990, the association negotiates the rent and other issues related to the industrial estates. The investors association also includes members from outside the industrial estates, The association also negotiates with the government for the ease of doing business in the country. As Jordan's industrial sector has expanded globally, it has also developed a number of industrial zones. These zones provide local companies with various advantages, such as lower prices and better working conditions with the aim of creating more industrial zones in the country, Jordan is planning on establishing industrial regions in each of the country's governorates.

In 2008, the Kingdom of Jordan established four development areas, namely the King Hussein Business Park, the KHBTD, the Irbid Development Area, and the Ma'an Development Area. These areas have zero sales tax and 5% of income taxes is exempted. The areas' business focuses vary depending on the industry they're focused on. The King Hussein Business Park focuses on the health care, information and communication technology, and media industries. The Irbid Development Area, on the other hand, is focused on supporting the education and security sectors. Both areas also aim to encourage research and development in the country. The Aqaba Port also has its own special economic zone, which was established in 2001. It was initially known as the Aqaba Special Economic Zone. The Aqaba Development Company, which is a private firm owned by the Jordanian government, was tasked with developing the area's infrastructure. Moreover, the Aqaba Development Company's private investment arm was selected as the main method of funding the project. Taking in consideration that Aqaba is a strategic port and multi-modal transport

hub that connects the Red Sea to the Indian Ocean and the Mediterranean Sea. In 2014, a major expansion project at the port was completed. The new facility features four berths and a breakwaters area. The steady growth of the area's logistics industry has been helped by the stability of the region. Its importance is further enhanced by the planned construction of two new railway lines that will connect the area to the mines in Chidiya and Amman (Oxford Business Group, 2015).

Industrial Estates in Jordan; Since 2000, the Jordanian government has been pursuing various economic reforms aimed at attracting foreign investment and job creation. In 2014, the government established the Jordan Investment Commission (JIC) to implement the various economic reforms as well as to be the lead agency that the government uses to promote its policies and activities. It is the successor of three previous bodies that were established to promote Jordan's investment environment. Moreover, The JIC vision is help Jordan to achieve its goals and realize its potential by developing a conducive investment environment, to attract and promote domestic and foreign investment, which will help boost the country's economic activities. Jordan Investment Corporation offers various public and private industrial estates. Jordan Industrial Estates Company became a private shareholding company in 2014 following the amendments to the Development Zones Law. The new law aims to enhance the investment environment by offering various incentives and benefits. Jordan Industrial Estates Company is the successor of the Jordan Industrial Corporation, which was established in 1980. It has been working to promote Jordan as a suitable environment for investors. It has been working for over a quarter of a century to promote Jordan as a prominent investment destination. The company is responsible for the development and management of industrial estates on a national scale. This concept involves

the establishment, construction, and operation of industrial estates that are equipped with basic services and infrastructures, such as electricity, water, and roads. These services help industrial companies reach their goals and expand their operations.

These estates are usually cheap and have fast-track procedures. They also benefit from a two-year tax exemption and reduced local municipality fees. The Abdullah II Ibn Al Hussein industrial estate features over 340 different small and medium-sized businesses. In addition to the latter, The AIE has attracted over \$1.4 billion worth of investments, which have created over 13,000 jobs. There are eight industrial estates in the private sector, which are managed by the Free Zones Corporation. The largest of these are the Al Tajamouath Industrial City in Sahab, the Ad Dulayl Industrial Estate, and the Cyber City Park in Irbid. As part of its plan to establish industrial estates in all of Jordan's governorates, the Jerash Industrial City and the Tafileh Industrial Estate have been announced. Successful industrial estates in every region will require more investment in order to be successful. To support this effort, the Jordanian government is planning on establishing a financing institution that will provide loans to support industrial projects. However, The comprehensive plans for the industrial industry are expected to be enhanced in the future. A new investment law will also be drafted to help streamline the process of setting up industrial estates (Oxford Business Group, 2015).

4.7 Situational Analysis

4.7.1 Introduction

In this chapter, SWOT analysis are produced according to the conducted interviews, site visits, and information collected from various stakeholders relevant to JAIP. This Analysis identify the external threats and opportunities and will illustrate the internal factors of strength and weakness of JAIP. According to this analysis, proposed strategic goals and recommendation will be set in order to overcome the challenges and enhance the current and future development of JAIP.

4.7.2 SWOT Analysis for the Jericho Agro Industrial Park “JAIP”

Strength:

1. Proximity to the import and export borders (King Hussein Bridge).

Location is a key element for the prospect success of the development of industrial park. the accessibility and proximity of the industrial park to borders, and business hubs are essential. Therefore, the proximity to King Hussein Bridge will allow JAIP to attract the local investors who are keen to export their products to the international market.

2. Proximity to local and regional markets.

JAIP provide better access for the investors from the southern sovereignty of West bank to the northern side and vice versa. Moreover, JAIP has a strategic location which has a smooth access to the big cities in the middle, north, and south of Palestine.

3. Infrastructure and service provision

The industrial park provides its tenants with the required hard and soft infrastructures. Hard infrastructures include off-site and on-site infrastructure such as roads, wastewater, sewage treatment, telecommunications, stable and efficient energy supply with a reduced tariff, and common facilities such as administration building and Soft infrastructures relate to the estate's management capacity that manage and maintain the industrial park properties, common infrastructure, and services as prescribed in the tenant contract and the park's Master Plan. This include Property management, plot allotments, re-allotments, development, land use monitoring, emergency response services and facilities, Common landscaping, buffer zones, street lighting, security surveillance, and street cleaning. Moreover, the park management Provides facilitating services to and between tenant firms (for example, networking, collaboration, and training opportunities). [SEP]

4. The project is supported by international donors.

The Government of Japan is a true strategic partner to the JAIP's stakeholder, by providing the various sorts of support to the government, and private sectors in establishing a viable Palestinian State with a sustainable economic system for developing Agro-industries, encouraging investment, promoting trade, and creating job opportunities in Jericho city and the Jordan Valley. Japan supports JAIP with feasibility studies, plans for the current and future phases through the embassy and it's technical agency (JICA).

Weaknesses:

1. Lack of experts and consultants at JAIP

Although the existence of several industrial parks in various phases of planning, developing,

executing, and operation in Palestine, Palestine still lacks the local experts and not attractive for foreign experts and consultants who have expertise related to the international industrial parks. This sort of challenge doesn't allow the industrial parks in Palestine to thrive and stimulate the success of existing international guidelines of industrial parks. In addition to that, Industrial parks in Palestine lacks the local experts that illustrate the main concept of industrial parks, that guarantees an inclusive and sustainable industrialization and infrastructure, moreover, provide the guidelines and public policy for establishing and developing industrial parks. In addition to that, highlights the most feasible practices related to industrial park planning, including business assessment and feasibility studies, furthermore, Defines the roles and responsibilities of industrial park stakeholders that ensures the efficient operation of an industrial park, for instance as regards sewage, waste and energy management and stakeholder coordination, Introduce the basic features of investment marketing, promotion strategies and policy framework in the context of industrial parks, including the critical issues of industrial park investor targeting approaches, investment incentives and supporting investment facilitation. Additionally, Identifies and summarizes potential risks and recommends risk management strategies and proposes assessments to mitigate them. Nevertheless, present the key indicators for managing operations and monitoring the performance of industrial parks and delivers required conclusions on the before mentioned points of industrial park planning, establishment and operations, as well as provide supervision and ideas on the way forward for this important social, economic and environmental policy tool. Moreover, JAIP doesn't have specialized team to activate the OSS & BDS services (to facilitate the licensing procedure for the investors).

2. Lack of proper planning and joint policy from the governmental and private sectors

The public policies supporting industrial parks often originate from the strategies of national and local governments, which seek to stimulate industrial transformation and promote inclusive economic growth. Moreover, Industrial policies help boost the productivity of the economy and make it more competitive. They can also help improve the efficiency of the industry and allow enterprises to thrive locally and regionally. One of the major goals of emerging countries is to achieve sustainable and steady economic growth. Doing so involves implementing policies that will promote the right conditions for businesses to thrive as they understand that Industrial parks are effective tool for industrial policy. They can also be used as policy microcosms that combine various government policies related to industry, such as tax, infrastructure, and environmental policies. However, the representative of the Industrial parks from both government and private sectors still lack to develop plans, effective partnerships and policies for addressing and overcoming the challenges of operating and developing industrial park in a climate plagued by investment climate constraints.

3. Unclear roles and responsibilities for the relevant stakeholders

A conceptual framework for the operation and service delivery of an industrial park. This includes the details of the project's design, financing, ownership, and operation. This framework can be utilized by both the public and private sectors. In many developing countries, government agencies often carry out multiple roles simultaneously. This often leads to a conflict of interest as the private sector often profited from the activities of the government. Nevertheless, JAIP still lacks the capability to find a practical approach to

addressing the conflict of interest by institutionally separate the roles of the regulators, the owners and the developer. This sort of conflict has affected JAIP in various aspects, the communication and the relation between the government and the developer with current and potential investors, as well as the relations with municipality and its stakeholders. Moreover, this affect the reputation of the industrial parks and affect the main concept of the existence of the industrial park which attract the local and foreign investors and provide the required service that smooth the operation and business of the investors.

4. Difficulties in obtaining required financial support from financial institution for investment

A properly-designed and executed industrial park project involves a comprehensive and detailed analysis of all aspects of the project life cycle, from conceptual design through to final approval.

However, the financial support from financial institution requires a holistic study provides an overview of the various costs and revenue streams associated with the development of an industrial park, but Due to the business uncertainties faced the industrial park in terms of the weakness of some current investors which are the main source of revenues, relations between stakeholders, this led of lack of reliable feasibility analysis which impacted to receive the financial support of the relative institutions.

5. The bureaucracy of the owner of JAIP “PIEFZA”.

The centralized management at PIEFZA doesn't allow the onsite governmental officers, mangers, engineers and their team to analyze the current challenges and provide instant solutions that smooth the operations inside the industrial. High bureaucracy at PIEFZA and

other relevant authorities led to delay the decision making process and impacted passively on the operation and management of industrial parks.

6. Inefficient marketing and investment promotion for the Industrial parks

Lack of effective marketing activities can lead to the failure to attract quality investors to an industrial park. However, JAIP still lack one of the most important roles to prepare a marketing strategy that highlights the various services and support that industrial parks can provide, as well as insure the attractiveness of the industrial park and retain qualified investors. Moreover, JAIP with different stakeholders has to understand that investment promotion is a relatively safe and non-disoriented industrial policy tool that can generate significant foreign direct investment (FDI). Studies also suggest that sectors that are targeted through investment promotion receive higher levels of inflow than those that are not (Harding, & Javorcik, 2013).

7. Unclear laws and regulations for the Industrial parks by the owner of JAIP.

One of the major challenges that faces the operation of the industrial parks in Palestine in general and JAIP in specific is the current laws and regulations. The current laws don't adapt with the current need of the local and foreign investments. Moreover, the applied laws don't consider the incentives that can smooth the operation of the current investors and attract new ones.

Opportunities:

1. The plan of development of Exclusive road 90

The plan of development of the exclusive road is part of the Government of Japan support and "Corridor for Peace and Prosperity" initiative aiming to contribute towards the

development of sustainable Palestinian economy and strengthen the businesses at JAIP. The first stage of the exclusive road had executed and funded by the Japanese government. The first stage of the exclusive road involved the construction of the Mahmoud Darwish Road, which is a cornerstone to the second stage that would link all industrial areas in Palestine with Jordan in order to be a bridge that facilitates the movement of materials and products geared to the international market. Stage two include the implementation of 9.5 KM road “exclusive road 90 “. This road is planned to link JAIP with Jordan via King Hussein bridge to facilitate door to door movements of products manufactured inside Palestine.

2. Adapting the clustering policy by the government

Industrial park concept is a type of capability that promotes sustainable practices and resource efficiency. It can be used to create circular economy practices and provide a bridge between cities and industries. Moreover, An industrial park is a great place to locate a business due to its numerous benefits. Some of these include reduced development costs, better community relations, and increased profitability. Aside from these, it also provides various economic benefits. Nevertheless, industrial parks are places where businesses can thrive and grow. They help create a more productive and sustainable environment for their employees. The clustering approach used inside the industrial park will enhance the competitiveness of the local industries which will lead to upgrade their quality, reduce the production cost and compete in the regional and international market.

3. The development of a logistic zone and services hubs within JAIP and developing Export Hub for Palestinian Industries

Considering logistic zone in the successor phase of the development of JAIP will attract various sort of business. Executing such plan will help Palestinian economy to grow at a sustainable level through a balanced export-oriented growth strategy and availing the benefits of King Hussein Bridge as its only gate for Palestinian industries to the world. Exports are considered as the single most important factor in the development of the JAIP and accordingly the Palestinian economy. Under the removal of non-tariff barriers, the share of produced goods and services will be enhanced.

4. JAIP represents a platform to enhance skilled labor

The availability of industrial parks will attract skilled workers which is a vital component of any industrial park's success. Moreover, the industrial park operators and investors will also provide an environment to incubate skilled and unskilled and give them the opportunity to work together and transfer the know-how. These skills will work as an incentives to encourage private enterprises to invest in the industrial parks.

5. The willingness of the donor countries to provide Financial support

“Corridor for Peace and Prosperity” Initiative is a mid-and long-term effort of Japan to support economic and social development in Palestine through regional cooperation among Palestine, Israel, Jordan and Japan. Jericho Agro-Industrial Park (JAIP) is a flagship project of the initiative. Japan also supported regional development projects in Jericho such as construction of roads, wastewater treatment facility and solid waste treatment plant, all of which also benefit JAIP.

6. The opportunity to receive the know-how and the international experience from other world class industrial parks around the world

Japanese government since day one has committed to bring the international experts who has the experience in the development and operation of industrial parks to help Jericho agro industrial park. This sort of opportunity will transfer the know-how from the international experts to the local industries, developer and governmental officers. This opportunity can help improve the competitiveness of the economy and enable the restructuring of various sectors. It can also stimulate the development of new industries and improve the efficiency of the workforce. The transfer of know how will identify the Industrial policy for all the stakeholders as a broad-based framework that aims to coordinate actions in various policy areas with linked objectives. It is usually focused on addressing various aspects of the economy, such as investment, trade, finance, and labor.

7. The willingness of national and multinational corporations to invest, develop and operate the industrial parks.

Several international companies who has the experience in the development and operation of the industrial parks with the support of their governments have offered the technical and financial support to JAIP. This sort of cooperation and investments are really helpful to develop and operate JAIP according to international guidelines and will attract foreign investments worldwide.

8. The interest of the Palestinian government in strengthening the role of industry and industrial parks.

The government of Palestine has showed their interest to support JAIP financially by attracting influential donors to promote industrial parks in general and JAIP in specific.

Moreover, policy makers in Palestine understand the importance of the success of Industrial park as this sort of success will enhance the national economy and reduce the unemployment rate.

Threats:

1. Israeli continuous restrictions on movement and access of raw materials, equipment and experts and the Israeli's regulations and political constraints

The unjust restrictions imposed by Israelis to the movement of the international experts, required equipment, spare parts and raw materials have impacted passively the attractiveness of Palestinian industrial parks in general and JAIP in specific, several investors inside the industrial parks suffered huge delays to operate their factories from those restrictions.

The restrictions on the transfer of dual use goods and receiving international experts are not only discriminatory but also have no transparency. They are also too broad and restrict the ability of Palestinian businesses to be developed. However, getting approval for dual use items can be lengthy and require various approvals from various Israeli agencies and organizations. For instance, such procedures to acquire permits can take months to process. Also, the transfer license for dual use goods can only be valid for 45 days. The World Bank stated that easing restrictions on dual use could boost the West Bank's and Gaza's economies by up to 6 percent. In the short term, the report focuses on simplifying the procedures for dual use goods. In the medium term, it suggests a risk-based approach that would allow legitimate businesses to obtain dual use goods without undue risk (World Bank Group, 2019).

2. Israel hesitations to implement the exclusive road

Joint committee include four major governmental authorities (Palestine, Jordan, Japan and Israel) was established and several meetings were conducted under the sponsorship of the foreign ministry of Japan, but this plan was always interrupted by the hesitations of the Israelis side under the pretext of their national security. These hesitations prevented the planned objective of the exclusive road which provide the concept of the Entrance of Jordan freight vehicle and door-to-door operation of freight and Utilization of existing Israeli facilities at KHB.

3. Increased logistics fees, and transaction cost as a result of Israeli control on land and borders

The lack of access to regional ports in Jordan and Egypt, and the Israeli ports' ease of use. After the second Intifada in 2000, many new problems were faced by Palestinian importers due to the discriminatory treatment of Palestinian importers by the Israeli government, their direct and indirect costs escalate (transactions cost) and accordingly the competitive advantage of their goods is lost. This issue undermines the efforts of Palestinian producers to compete in the global market as their final production and distribution costs are high (Elagraa, Jamal,& Elkhafif, 2015).

4. Difficulties of upgrading the current laws and regulations in Palestine

The legal framework in Palestine is unique and it is different in various regions. The legal framework in West Bank is similar to the one in Jordan but the legal frame work in Gaza is similar to the one in Egypt. It makes it difficult to establish a systematic and develop unified legal framework in Palestine.

Also, several different policies such as industrial parks, export processing zones, and special economic zones are discussed in the same meaning in Palestine, which has caused confusion. Furthermore, though the economic market is still under development in Palestine, it aims to satisfy the international standard to be affiliated with World Trade Organization (WTO). Moreover, the Basic laws, related laws (industrial location, investment promotion, industrial park, etc.), and related by-laws are not specified in the current Palestinian law.

The implementation of the provisions of the Law on the Free Industrial Zone and the Industrial Estate sectors faced many problems and difficulties. It became clear that the law is not up to date with the government's policies and the complexity of issuing licenses, permissions and official registrations needed for the investor participated in the Industrial estate or in the Free Industrial Zone which weakened the attractiveness of the industrial parks in Palestine. There are several cases in ASEAN and other regions where the countries achieve economic growth by utilizing industrial parks. However, it is not appropriate to utilize current laws, by-laws and policies in these countries since they have been periodically modifying their laws based on their development.

5. Lack of the Operation and management experts of the industrial parks in Palestine

Although the existence of several industrial parks in various phases of planning, developing, executing, and operation in Palestine, Palestine still lacks the local experts that illustrate the main concept of industrial parks, that guarantees an inclusive and sustainable industrialization and infrastructure, moreover, provide the guidelines and public policy for establishing and developing industrial parks. In addition to that, highlights the most feasible practices related to industrial park planning, including business assessment and feasibility

studies, furthermore, Defines the roles and responsibilities of industrial park stakeholders that ensures the efficient operation of an industrial park, for instance as regards sewage, waste and energy management and stakeholder coordination, Introduce the basic features of investment marketing, promotion strategies and policy framework in the context of industrial parks, including the critical issues of industrial park investor targeting approaches, investment incentives and supporting investment facilitation. Additionally, Identifies and summarizes potential risks and recommends risk management strategies and proposes assessments to mitigate them. Nevertheless, present the key indicators for managing operations and monitoring the performance of industrial parks and delivers required conclusions on the before mentioned points of industrial park planning, establishment and operations, as well as provide supervision and ideas on the way forward for this important social, economic and environmental policy tool. Moreover, JAIP doesn't have specialized team to activate the OSS & BDS services (to facilitate the licensing procedure for the investors).

6. Unstable political and economic situation in Palestine

The Palestinian market struggles with Unstable political and economic situation, which is unattractive for FDI and unsafe for the local investors. This affects directly to the Palestinian economy, even for the current investments, this unstable situation leads to high risks for them and accordingly to the growth of the Palestinian economy.

7. Lack of awareness in the Palestinian society towards the role and importance of the industrial parks

The industrial park's concept and its importance suffer from the lack of awareness from Palestinian local firms, government, Local universities and civil society. The importance of

raising awareness to the various sectors in Palestine will be an added value for the development and operation of the industrial parks. This will mobilize energies and competencies from several sectors that will benefit the development and operation of the industrial cities by providing necessary solutions that ensure the sustainability of the industrial zones.

Chapter Five: Results and Strategies

Strategies for the development of Industrial Parks in Palestine in general and JAIP in specific

A. Improving administrative and institutional efficiency of regulatory bodies

One of the key advantages of an industrial park is its ability to provide effective and efficient services. However, the administrative system of an industrial park depends on the type of ownership and the country where it's located. The type of ownership and the stage of development of an industrial park are also affected by the country's governance structure.

At the early stages of industrial parks' development, the central government delegated its authority to local officials to oversee the park's operations. These officials were also tasked with improving the efficiency of the administrative system. By allowing local officials to manage the operations of industrial parks, the government was able to provide better and faster processing of examinations and approvals. It is therefore important that the authorities develop an efficient and effective system that can support the various activities of an industrial park.

Strategic Goals:

- The Regulatory bodies have to formulate a managerial, laws, regulations with clear manuals and procedures for the operations of current industrial parks. Those manuals should be prepared according to the signed agreement and under the umbrella of the effective laws.
- The relevant authorities have find more tools to enhance partnership with the private sector: The partnership between government and the private sector in developing

industrial estates and free industrial zones aims to serve the state and its national agenda to achieve a sustainable economy based on knowledge, competitiveness, Economic and social development, and better results and outputs than can be achieved by individual teams. This is done through the expansion of available financial resources as a result of the cooperation of the Parties. Partnerships in the development of industrial zones and free industrial zones help attract and stimulate national, regional and foreign investments, encourage the private sector to participate and innovate, promote economic growth in the country, create new employment opportunities and share risks with the private sector.

- The government has to apply various incentives along with the different phases of investment within the industrial estates starting from the construction, to operations until marketing, The incentives related to the tax and customs in each stage and have to be enhanced to cover the industrial estates in Palestine.
- Establishing and activating Stop Shop Services for Jericho Agto Industrial Park: “One Stop Service”(OSS) is one of the tools to assist Domestic and Foreign Investor(s) to get the various permission related to the foreign investment, by submitting regulatory documents at a single location and desk of the Authority to obtain the necessary clearance. Moreover, In the history of getting foreign investment in various countries, investors had difficulties to get various permission to establish the company, project approval, constructing factory and other required approval from different Governmental Sectors located at each places separately which took much times and may face complicated procedures. Recently most of the

developing countries are going to adopt the OSS function to encourage especially foreign investor as main Strategy to attract investments. This strategy provides an easier clearance for getting permission related to domestic and foreign investment, in addition to that affords transparent procedures, approvals, and fair evaluations in terms of finance and business model for prospective investors to provide them with the needed licences and permissions/ However, providing the quick approvals by OSS desk is not always right and for some specific project, OSS desk must take some time to do carefully evaluate under the cooperation with other Government Sectors, or the special categories of investment projects, such as natural resources developing projects, pollution type of industry and also medical and medicine industries which is related to the health of human-beings.

B. Enforcing implementation of national industrialization strategy through industrial parks

Industrialization has been a challenging process for many countries due to the lack of offsite infrastructure such as power and water supplies in their industrial parks. Industrialization and the industrial parks development in Palestine have been hampered by the lack of major infrastructure such as roads, power and water supplies, which have caused delays in the establishment of industrial parks and attract investors.

Strategic goals:

- Planning for the Technical and financial aspects for infrastructure within and outside IPs prior to the approval of the establishment and development of an industrial park.
- The government has to allocate enough funding for the infrastructure development of industrial parks prior to industrial parks approval. Ideally, the industrial parks should be connected to the national transportation and power grid systems. If the industrial park is not connected to the national transportation and power grid systems, the host government should provide necessary infrastructure support before the park can be established.
- Hiring and attracting personnels and managers with international work experience and cross-cultural competence: In a country like Palestine, where business etiquette and cultural diversity are key factors, it is essential that developers and managers of the investors have the necessary international work experience to ensure that their team members have the right skills and experience. One example is the case of attracting former employees who gained valuable experience in successful businesses in international industrial parks, this will be an added value for the tenants and the industrial by carefully studying the local conditions and responsibilities of the involved actors, and put their investments and industrial park concept on the right track.
- Building supply chain with domestic labor market, farmers and local agro companies: Under the umbrella of Palestinian government, developers and managers of the

factories of the industrial parks should promote the linkages between their establishments and the local labor market in order to stimulate job creation and local economic development. This will allow the transfer of technology and know-how to other local companies.

- Associating labor training program and Establishing pool of experienced skills with National Technical and Vocational Education and Training system and substantiating potential in the labor market: Despite the establishment of industrial parks in Palestine, many of the skills needed by the companies are still not being met by local training institutions. To ensure that the jobs created by the industrial parks are filled by locals, the curricula of the relevant universities and technical institutions should be updated according to the Industrial park's requirements. The Palestinian governments should also ensure that the training institutions have the necessary resources and capacity. Public private partnerships should also be considered to help the training institutions and the developer of industrial park to overcome the challenges of filling the jobs. Public-private partnerships can also be established to leverage the training institutions' resources. This idea is also supported by the private sector and governmental institutions. There is a need for continuous skills development through the establishment and expansion of vocational research and education centers in higher education establishments. Establishing a research base and a pool of local knowledge for educational innovations will help build a stronger foundation for manufacturing-related industries. This will help build a research base for educational innovations and develop new skills in the areas of manufacturing. In addition to traditional academic programs, training programs should also be offered

for manufacturing and engineering graduates to ensure they are equipped with the necessary skills. This can be done through the inclusion of specialized training programs and courses that are designed to align with the skills needed in a manufacturing environment. Existing collaborations between private and public institutions and the private sector can also be strengthened to provide students with the necessary knowledge and skills. This can be done through the establishment of specialized training programs and the expansion of educational outreach programs. The goal is to tap into the pool of unexperienced workers that could be accommodated within the manufacturing workforce. Through the establishment of industrial parks, industries could benefit from the training programs and provide them with the necessary skills. The training needs of the unexperienced workers of today are also being addressed through the establishment of industrial parks. This will help minimize the labor shortages caused by the lack of skilled workers. Many of the establishments that offer training and certification to new recruits have programs that are geared toward helping these individuals overcome the various barriers that they face in their career. This strategy aims to support the recruitment process by providing training and certification that are necessary for new workers, especially those without previous work experience.

C. Developing a unified marketing strategy among the private and public sectors for the industrial park in general and JAIP In specific.

The increasing international appeal of Palestine presents huge opportunities for developers and managers of industrial parks.

Strategic goals to take advantage of these opportunities:

- The private and public sectors need to step up their efforts in promoting their parks abroad. For example, the government of Japan has supported JAIPCo and several investors inside the industrial parks to promote JAIP as an industrial park and support the investors by promoting and registering their product in Japan and international market such as Palolea factory and seba factory.
- Promotional and marketing efforts should be focused on various platforms such as trade shows, international conferences, and exhibitions. A successful promotional campaign will attract potential investors and create interest among local companies to invest in industrial parks. Although many industrial parks in Palestine are open to domestic and foreign investors, the reality is that they have hardly happened due to the lack of proper marketing. Due to the presence of other industrial parks in and outside of Palestine, the development of industrial parks in the country faces stiff competition. This requires the developers and managers to develop a promotional strategy that will attract and sustain the necessary enterprises. The development of industrial parks in Palestine should also be supported by a promotional strategy that will help attract and retain potential investors.
- Identifying and marketing the park's various services and facilities. This strategy should also involve identifying and marketing the park's various services to both domestic and foreign tenants. While this is already a core activity of the park manager and developer, it should also be handled by the relevant governmental institution “PIEFZA”.

- promotional activities of the park managers should also be coordinated with the embassies of Palestine in countries where there are potential investors. The embassies of Palestine can also help the park managers promote their facilities by developing effective links with service providers. Nevertheless, Promotional activities for an industrial park should only be undertaken once the the offsite and onsite infrastructures are completed. This is because investors are already familiar with the difficulties involved in completing projects and implementing promotional activities. Because Most of the investors are not interested in committing their money to projects until the uncertainties over the implementation of their infrastructure projects are solved.

D. Enhancing the investments within the industrial parks

In Vietnam's industrial parks, foreign companies have often formed joint ventures with local firms to develop technology and know-how. Through this method, the Palestinian governments can learn from Vietnam's experience in encouraging the formation of joint ventures in their industrial parks. In order to encourage the formation of joint ventures in Palestine's industrial parks, the government may offer tax benefits to encourage foreign investors to create joint ventures. And This benefit should be clearly communicated to potential investors. Moreover, strengthening linkage between industrial park (Developer) and domestic economy To encourage greater knowledge transfer and technology transfer, the Palestine government should ensure that all sectors are targeted and should promote policies that are inclusive of all sectors through building joint ventures with local and multinational companies. this refers to a one-stop shop service mechanism that can be utilized by PIEFZA in close collaboration with Ministry of National economy to attract local and foreign

investors. This service should be extended to include the coordination of various regulatory and policy processes. Such as the incentives, regulations, policies, business permits and etc. In addition, the government of Palestine should encourage joint ventures between foreign corporations, local institutions and universities by providing incentives for such collaborative projects and prepare localization plan in order to create jobs.

Specific strategic objectives and institutional arrangements should also be designed to encourage domestic linkages:

- Place the foreign and local investors to help boost the development of local and foreign enterprises' operations by allowing them to share best practices and develop managerial skills.
- Provide Capacity building as a Special policy that include incentives for the industrial park's investors for their actual initiatives.
- Special policy that can be offered to Park developers can also benefit from special privileges designed to support their efforts in developing local production and marketing capabilities. For exaple, provide an improved technology for agro productivity improvement.
- Design a program that can help boost the productivity and profitability of domestic firms by allowing them to interact with park-based firms. This program can also be designed to support the improvement of the productivity and production of domestic firms in the supply chain. For example, program to improve the agro production, productivity and distribution of agro products and finished items can be an effective

mechanism to link the industrial parks enterprise in agro sector with domestic economy.

- Technology transfer and the establishment of joint ventures between local and foreign investors are the two key factors that will accelerate the development of the local economy and can only be achieved by dynamic domestic entrepreneurs. The establishment of joint ventures between Palestinian and foreign investors is also an objective of the industrial policy. A good way to achieve this is by establishing a database that will allow both the local and foreign investors to connect and collaborate seamlessly.
- Ensure that the industrial park is achieving the benefits of foreign direct investment which is the improvement of domestic firms' productive capacity. However, it is important to avoid assuming that foreign investors are simply taking advantage of the domestic market and facilities that cater to foreign investors. As well as Many countries that have policies that encourage foreign direct investment can also benefit from it. These can use the performance of their industries to determine the level of foreign investment they can offer. Nevertheless benefit of foreign direct investment is that it can stimulate local production and employment. This can happen through the hiring of local workers and the acquisition of new technologies.

E. Strengthen partnerships with donor countries

Developing nations can rely on external support to support their ambitious industrial parks projects if they implement the right delivery mechanisms and mobilize the necessary political and technical expertise. This strategy should be focused on

addressing the park's long-term challenges and developing a comprehensive and flexible plan to address them.

Strategic Objective

- Donors should approach industrial park development with a comprehensive and long-term plan that includes collaborations with government and private partners.
- Palestinian authorities and operators should work together to ensure that their projects are on track, The donors should provide the host governments and operators with technical and financial inputs only if and when the recipient organizations meet their milestones.
- Donors should support programs that promote domestic capacity building. This should include the establishment of on-the-job training programs and exposure to industrial parks in well-developed countries.
- Palestinian government should work with donors to establish the proper institutional arrangements for park oversight and management.
- Donors should assist industrial parks operators and governments to improve their operations by continuously monitoring and addressing their existing and prospective tenant constraints.
- Donors should provide technical and financial support to the industrial parks operators and the government in delivering high-quality infrastructure and services to the IP.

Chapter Six: Conclusion and Recommendations

As soon as the Palestinian National Authority (PNA) was handed over to the Palestinian territories, the establishment of industrial estates and free industrial zones in Palestine was considered. The legal framework regulating the establishment of industrial estates and free industrial zones was promulgated by Law No. (10) Of 1998 on Industrial and Free Zones on 2/11/1998. Based on the role played by PIEFZA, which supports the role of the industrial sector in the growth and development of Palestine, by maximizing the revenues of its natural resources, investing them, operating productive human expertise and diversifying the national economy and its inputs. Moreover, the Palestinian government has a great interest in supporting the industrial sector as one of the most important sectors of the economy, which is clearly reflected in the national policy agenda 2017-2022. Thus, as these reforms and modernization policies require the development and modernization of the legislative framework governing the work of PIEFZA, and the adoption of a new modern law governing the establishment and development of “development and free zones” which meet the needs and the ambitions. Therefore, the role of PIEFZA is not limited to the establishment of industrial estates and free industrial zones, but it includes the development of “development areas” such as logistic zones, customs zones, technological parks, business incubators, and areas for services, crafts, tourism and free zones in coordination with the competent authorities.

According to the international experience of IPs, various industrial estates have been founded to generate employment, promote exports, boost the technology transfer and know-how and

attract FDI. These intended objectives cannot be attained without governmental support, the government has to have the mechanisms and strategies to develop and implement effective industrial parks by applying various policy incentives that are also provided to attract foreign investors. Some of these incentives would include tax breaks, regulatory exemptions, and streamlined procedures. Moreover, according to the lessons learned from other industrial parks in Vietnam and Ethiopia, the development of industrial parks cannot be achieved without full support and commitment from the government as this support is also a major aspect of the industrial park development process. In addition to that, the development of industrial park in most cases might not be profitable for the short term. So, it may be difficult for the private sector to wait for a long time →10 years- to start reaping the benefits of their investments, So the role of regulatory bodies is to realize this concept and to provide the needed incentives during this period to promote and encourage the private sectors. Aside from the government, the development of industrial parks also involves collaboration between various stakeholders, legal agencies and other organizations. The concept of the government taking the lead in developing industrial parks has been proven in Vietnam. This suggests that governments should be more active in addressing the issues related to the establishment of IPs especially in the early stages of development and their role changes overtime. Private developers can also join the process of developing industrial parks. However, they should still be under the supervision of the government. Vietnam has intentionally used its industrial parks to develop new industries and attract foreign investors. Aside from attracting foreign capital, Vietnam's industrial parks also serve as incubators for new policies. This strategy could be applied to other developing nations such as Palestine.

According to the lessons learned, there are many factors that contribute to the failure of industrial parks. The location selection process is not based on economic factors, and it uses administrative criterion instead. Moreover, the lack of sufficient financing can also cause delays in the construction of IPs' infrastructure. The lack of clear guidelines for developers and users can lead to an unsatisfactory development and operation of industrial parks, which could negatively affect their expected benefits.

There are various policies and procedures related to the selection of IP projects and developers, but sometimes, no analysis is conducted to identify which regions are prioritized. Nevertheless, the success factors of industrial parks stem from the will of the main stakeholders of the industrial park which is to have a strategic plan for the establishment of IPs; by forming a powerful and well-organized Authority or Governmental Body to be engaged in the development of IPs. In addition to that, proper and speedy planning through the feasibility studies is needed. Feasibility studies shall be carried in proper way and with the cooperation of specialized consulting firms that work according to the strategic policy of the government. Planning must be conducted carefully but it must be done within 6 months or latest within one years because after one year all the conditions surrounding the investment environment and/or various cost might be changed. Actually, the delay of making feasibility report sometimes affect badly the financial profitability due to the land cost.

Moreover, another crucial success factor is to be able select a reliable and experienced developer. In addition to that, the relevant stakeholders (public and private sector) have to concentrate on the investment promotion, to attract local and international investors. It is

essential and important for Palestine which considered a non-attractive environment for the foreign investors to start promoting the investment before and during development of an IP. It may be not too much to say that Investment Promotion Work in other words “Marketing Work” is everything for the key of success of an IP. Lastly, the government has to create a competitive incentive to the developer and investors involved in the IPs such as Tax incentive (corporation income tax, individual income tax, VAT, Custom duties, remittance tax on profit, import of materials, export of products, work permit etc).

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ملخص

يتصدر المناخ التنافسي في الاقتصاد العالمي بين دول العالم، حيث تسارع العديد من الدول النامية إلى محاكاة التوجه الاقتصادي الدولي نحو تجهيز المدن الصناعية بمحفزات متنوعة لجذب المستثمرين المحليين والأجانب من خلال توفير عناصر البنية التحتية اللازمة، الإدارة فعالة، حزمة حوافر حكومية وخدمات عالمية المستوى للمدن الصناعية. تعد المدن الصناعية والمناطق الحرة والمناطق الاقتصادية والمجمعات الصناعية البيئية عناصر أساسية ولكنها تختلف إلى حد ما في بعض الجوانب، في نمو وازدهار كل دولة حول العالم منذ الثورة الصناعية حتى يومنا هذا.

غالباً ما يكون تطوير المدن الصناعية هو المبدأ التوجيهي للحكومة بالنسبة لبلد نام ذي موارد طبيعية محدودة للتطوير السوق محلي ولمساعدة الصناعات الوطنية، ومن الضروري دعم معاهد البحث وتقديم الحوافر الضريبية. بالإضافة إلى تشجيع الجامعات على نشر المعرفة من أجل التنمية الصناعية، فإن تعاون الصناعة والحكومة والجامعات ومعاهد البحوث غير الهادفة للربح لتعزيز نظام الابتكار الوطني الذي سيغري الشركات العالمي والمتواجدة في جميع أنحاء العالم..

يقدم البحث لمحة عامة عن تاريخ وتطور المدن الصناعية في مختلف البلدان ودراسة العديد من حالات المجمعات الصناعية البارزة حول العالم ومن قارات مختلفة مثل فينتام من شرق آسيا وإثيوبيا من شرق إفريقيا والأردن من الشرق الأوسط وتركيا من غرب آسيا ورومانيا من أوروبا الشرقية. توفر هذه الحالات فهماً كاملاً حول تطوير المجمعات الصناعية في تلك المناطق وتزود هذا البحث بالسياسات القابلة للتطبيق والدروس المستفادة التي تسمح لهذه الدراسة بتكوين الاستراتيجيات المطلوبة لتطوير المدن الصناعية الفلسطينية (دراسة حالة - مدينة أريحا الصناعية الزراعية). علاوة على ذلك، ستم صياغة هذه الاستراتيجيات أيضاً من خلال التحقيق في المكونات الرئيسية التي تؤثر على تطوير المدن الصناعية الفلسطينية، وتقييم وتحليل العوامل الداخلية والخارجية التي تؤثر على تطوير (JAIP) ل وتخصيص الاستراتيجيات اللازمة للتطوير السليم المدن الصناعية بشكل عام ومدينة أريحا الصناعية بشكل خاص.