

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

PALESTINE

Middle East

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Ramallah	De facto administrative capital of the Palestinian Authority in the West Bank; center of what remains of institutional and NGO-linked economic activity	Public administration, services, NGO-linked activity
Gaza Strip (entire territory)	Site of catastrophic 2023-2025 war damage, estimated at \$35.2 billion, with Israel still controlling roughly 53% of the territory behind the "yellow line"; reconstruction has not yet begun pending Hamas disarmament	Reconstruction (not yet investable; acute conflict zone)
Bethlehem / Hebron (southern West Bank)	Historic religious-tourism centers and manufacturing hubs (notably Hebron's stone and marble industry), severely constrained by movement restrictions and checkpoints	Tourism, light manufacturing, stone and marble
Nablus / Jenin (northern West Bank)	Established commercial and manufacturing centers, among the areas most affected by Israeli military operations and movement restrictions since 2023	Manufacturing, trade (severely constrained)
Area A/B Palestinian population centers (West Bank, per Oslo Accords zoning)	Nominal Palestinian Authority civil and (Area A) security control, though practical sovereignty is contested and shrinking amid settlement expansion	Public administration, limited commercial activity
Allenby/King Hussein Bridge crossing (Jordan Valley)	Primary West Bank crossing point to Jordan, central to any trade or movement normalization	Cross-border trade and movement (restricted)
East Jerusalem	Contested status under international law; center of Palestinian commercial, religious and cultural life historically, now severely constrained	Tourism, religious sites, commerce (contested status)

INVESTOR ENTRY ROUTES

- No conventional foreign direct investment entry routes are currently functional given the scale of the humanitarian and fiscal crisis in both Gaza and the West Bank
- UN and international NGO humanitarian and early-recovery channels remain the primary form of engagement
- The Board of Peace's \$2.45 billion, 66-program Gaza stabilization plan (announced September 2026) may eventually open donor-funded infrastructure and reconstruction contracting, contingent on Hamas disarmament and Israeli troop withdrawal
- EU and other donor pledges (including a July 2026 EU-rallied \$1 billion pledge) for Gaza's recovery remain largely undisbursed pending political and security preconditions
- Palestinian Authority institutional channels exist nominally but are severely constrained by an unresolved fiscal crisis and withheld Israeli tax-revenue transfers
- Diaspora and remittance-linked support continues on a limited, humanitarian-oriented basis

MARKET-ENTRY OBSERVATION

Palestine (the West Bank and Gaza) presents one of the most severe economic collapses documented anywhere in this series, affecting both territories through different but compounding mechanisms. Official data show Palestinian GDP down 29% in Q2 2025 compared with 2023, and GDP per capita down 32%; UNCTAD reportedly assesses the economy has regressed to levels last seen 22 years ago. Gaza's collapse has been catastrophic: GDP fell 84% in 2025 versus 2023, unemployment exceeded 77%, and physical damage from the war is estimated at \$35.2 billion, with full reconstruction estimated to cost \$71.4 billion over a decade. The West Bank, while not experiencing the same physical destruction, has seen its economy systematically eroded: Israel's revocation of work permits for Palestinians who had worked in Israel is estimated to cost the West Bank economy nearly \$400 million a month, roughly a quarter of its output; unemployment runs around 30% of the territory's 3.4 million residents; and the International Crisis Group assesses that movement restrictions, land seizures and withheld revenue amount to a systematic dismantling of the economic conditions for any Palestinian future beyond what it terms permanent subjugation - an assessment Israeli officials dispute, framing the restrictions as security measures responding to the October 7, 2023 attack and subsequent violence.

The Palestinian Authority's own fiscal position is acute: Israel has withheld an estimated \$4.5 billion in clearance revenues owed to the PA under longstanding customs arrangements - revenue Palestinian officials describe as collective punishment and Israel has characterized as deductions tied to payments to the families of prisoners and attackers - with no transfers since May 2025. Total PA public debt reached \$14.6 billion by late November 2025, equivalent to 106% of 2024 GDP, and the government has been unable to reliably pay public-sector salaries, with the World Bank warning that continued non-payment risks comprehensive economic collapse. On the political and diplomatic track, international recognition of Palestinian statehood expanded significantly in September 2025, when the UK, Canada and Australia joined France and more than 150 other states in formal recognition, over explicit US and Israeli objection. On Gaza's governance and reconstruction specifically, the US-led Board of Peace unveiled a \$2.45 billion, 66-program stabilization plan in September 2026 covering border crossings, utilities and portable solar power, but implementation remains stalled: Board envoy Miroslav Lazarov Mladenov has called Hamas's disarmament "non-negotiable" and the central blocking issue, with disputes over sequencing (Hamas wants disarmament linked to Israeli troop withdrawal), the shape of an interim Gaza authority, and the scope of weapons to be surrendered; Israel continues to control roughly 53% of Gaza behind the so-called "yellow line." Separately, PA President Mahmoud Abbas pledged elections and institutional reform at a May 2026 Fatah conference, a commitment European donors have linked to any conditional increase in financial support.

PAGE 4 — INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Unresolved Gaza disarmament and governance	Hamas disarmament remains the central, unresolved obstacle to reconstruction, Israeli withdrawal and a functioning interim authority	Treat Gaza as non-investable pending a resolved governance and security framework
Catastrophic Gaza physical destruction	An estimated \$35.2 billion in physical damage with a decade-long, \$71.4 billion full-reconstruction cost estimate	Any engagement should wait for donor-funded, Board of Peace-coordinated reconstruction contracting to formally open
West Bank movement and trade restrictions	Checkpoints, revoked work permits and land restrictions are estimated to cost the West Bank economy nearly \$400 million a month	Factor severe logistics and movement constraints into any West Bank-linked commercial planning
Palestinian Authority fiscal collapse	PA debt reached 106% of 2024 GDP amid \$4.5 billion in withheld Israeli clearance revenue and unpaid public salaries	Avoid exposure to PA government revenue or guarantees pending fiscal resolution
Contested sovereignty and governance	Practical Palestinian self-governance is limited and contested in both the West Bank (amid settlement expansion) and Gaza (amid unresolved post-war governance)	Monitor the political and diplomatic track, including statehood-recognition and Board of Peace developments
International statehood recognition without operational change	Over 150 states, including the UK, Canada, France and Australia, now recognize Palestinian statehood, but this has not yet translated into improved on-the-ground economic conditions	Treat diplomatic recognition as a long-horizon signal rather than a near-term operating-environment change
Humanitarian-dependent economy	Both territories remain heavily dependent on international humanitarian and donor support rather than commercial activity	Engagement realistically runs through UN and NGO humanitarian channels, not commercial investment

INVESTOR RISK NOTE

Palestine (the West Bank and Gaza) represents one of the most severe economic and humanitarian crises in this series. Gaza's reconstruction cannot credibly begin until Hamas disarmament, Israeli troop withdrawal and a functioning interim authority are resolved, while the West Bank's economy has been systematically eroded by movement restrictions, land seizures and a Palestinian Authority fiscal crisis that has left public salaries unpaid. Conventional commercial investment is not realistic in either territory at this time; engagement should be understood as humanitarian and situational monitoring rather than market entry.

MARKET ACCESS

Palestine has no independent, functioning trade infrastructure; nearly all goods movement runs through Israeli-controlled crossings and ports, subject to extensive restriction. Over 150 UN member states now formally recognize the State of Palestine, including the UK, Canada, France and Australia as of September 2025, though this recognition has not translated into improved market access or economic conditions on the ground. The population is roughly 5.4 million across the West Bank and Gaza combined.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Palestinian Authority President Mahmoud Abbas	Head of the Palestinian Authority, which exercises limited and contested civil authority in parts of the West Bank; pledged elections and reform at a May 2026 Fatah conference	Relevant to political-trajectory monitoring; not a realistic commercial engagement channel at this time
Board of Peace (US-led international body)	Created under the Trump-brokered Gaza peace framework; unveiled a \$2.45 billion, 66-program Gaza stabilization plan in September 2026	Central body to monitor for any eventual Gaza reconstruction-contracting opportunities
Hamas	De facto governing authority in Gaza, party to the ceasefire though not a formal signatory; disarmament is the central blocking issue for reconstruction and governance transition	Not an engagement channel; central to security and governance-risk monitoring
Israeli military and civil administration (West Bank/Gaza)	Controls movement, trade, land allocation and security in both territories, including roughly 53% of Gaza behind the "yellow line"	Central counterparty for any movement, trade or crossing-related logistics planning
UN agencies (UNRWA, OCHA) and international NGOs	Primary humanitarian and early-recovery implementers in both Gaza and the West Bank	Primary channel for any humanitarian or early-recovery engagement
World Bank / IMF	Monitor Palestinian Authority fiscal sustainability; have warned that continued salary non-payment risks comprehensive economic collapse	Key source for independent fiscal and economic data given PA data constraints
EU and other international donors	Pledged roughly \$1 billion toward Gaza's recovery as of July 2026, with further support linked to PA reform and elections	Relevant to tracking donor-financed reconstruction and reform-conditionality developments

CURRENT INTERNATIONAL BUSINESS CHANNELS

There are no functioning conventional business channels in Gaza at this time. In the West Bank, severely constrained engagement continues through the Palestinian Federation of Chambers of Commerce, Industry and Agriculture and international NGO-linked economic development programs, though both operate under acute fiscal and movement constraints.

INVESTOR PROFILE BEST SUITED

Not suited to conventional investors of any description at this time. The only realistic engagement for most organizations is humanitarian support and situational monitoring, pending resolution of Gaza's governance and disarmament impasse and a credible path to West Bank economic and fiscal stabilization.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Monitor the Gaza disarmament and governance process

Track progress on Hamas disarmament, Israeli withdrawal and the formation of a functioning interim Gaza authority.

STEP 2: Track Board of Peace reconstruction-plan implementation

Monitor the \$2.45 billion stabilization plan for any eventual donor-funded contracting opportunities.

STEP 3: Monitor Palestinian Authority fiscal developments

Track resolution of withheld clearance revenue and PA debt sustainability as a precondition for any West Bank engagement.

STEP 4: Engage only through humanitarian channels for now
Route any current engagement through UN agencies or established international NGOs.

STEP 5: Reassess periodically

Waverley does not currently recommend conventional investment planning for Palestine and will revisit as conditions evolve.

WAVERLEY'S ROLE

- Situational monitoring of the Gaza ceasefire, disarmament process and Board of Peace reconstruction-plan implementation rather than market-entry facilitation
- Palestinian Authority fiscal and political-reform tracking
- Humanitarian-channel signposting for organizations seeking to engage responsibly
- Reconstruction-readiness assessment should a durable governance resolution and donor-financing framework emerge

INVESTOR CALL TO ACTION

Waverley does not recommend conventional investment planning for Palestine at this time; organizations should engage Waverley for situational monitoring only.

Organizations considering any humanitarian or early-recovery engagement should coordinate through established UN agencies or international NGOs rather than direct commercial channels.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Waverley identifies no conventional investment opportunity pipeline for Palestine at this time, given the unresolved Gaza governance and disarmament impasse and the West Bank's acute fiscal and movement-restriction crisis. A substantial, donor-financed reconstruction opportunity may emerge in Gaza over the coming decade contingent on a durable governance resolution; Waverley will monitor Board of Peace plan implementation closely for any such opening.

POSITIONING

Waverley views Palestine (the West Bank and Gaza) as currently among the most severe-risk environments in this series: a Gaza economy devastated by war and still awaiting a resolved governance and disarmament framework before reconstruction can credibly begin, alongside a West Bank economy that independent monitors assess is being systematically eroded by movement restrictions, land seizures and a Palestinian Authority fiscal crisis that has left public salaries unpaid.

This briefing is intended for situational awareness and humanitarian-channel signposting rather than an invitation to deploy capital; Waverley will revisit Palestine's status as the Gaza governance process, Board of Peace reconstruction plan, and West Bank fiscal and political trajectory develop.

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