

Abstract

This thesis discusses the reasons for enforcing the Palestinian importer to use an Israeli intermediary to indirectly import from the international markets instead of direct importing. Moreover, the thesis clarifies the financial and economic consequences resulted from the Palestinian market's dependency on the Israeli market.

Such issues are illustrated by estimating the value of custom revenues losses incurred to the Palestinian Authority treasury as well as presenting suggestions for encouraging the Palestinian importer to directly import from the productive countries.

Consequently, the thesis concluded that the main reasons for indirecting the Palestinian importers to the Israeli markets are related to the difficulty of non-custom Israeli restrictions imposed on the Palestinian importer as well as the absence of independent Palestinian custom areas; thus increasing the imposing costs and exposing goods to theft and damage.

In spite of the serious efforts made by the Palestinian Authority, represented by its governmental ministries and institutions, to improve the economic and external trade situation, as well as the obvious progress in tax collection process, the Palestinian Authority has not achieved the desired independency from the Israeli side neither avoided the consequences of the Israeli violations of the signed agreements.

In addition, some reasons are related to considering the Palestinian market as a part of the Israeli trade market by some international

markets, mainly for political reasons which prevent the Palestinian market from independently having international agencies.

Moreover, this thesis has highlighted suggestions for enhancing direct importing to the Palestinian Territory by improving the performance of the Palestinian Authority with regards to logistics and capacity building in the field of quality and standards revision in order to facilitate the establishment of custom clearance areas specialized in importing goods directly to the Palestinian Territory and rearrange the trade Palestinian-Israeli relations through signing new agreements instead of Paris Protocol.

Finally, this thesis has emphasized the importance of the private sector's role in improving the Palestinian economy through motivating the private sector to enter the international market.