

Business News

First private equity company launched in West Bank

Feb 8, 2011, 11:57 GMT

Ramallah - The first Palestinian private equity company with an initial closing capital of 60 million dollars was launched in the West Bank on Tuesday, according to its founder and main investor Palestinian-American businessman Bashar Masri.

Masri, who owns Massar International, an offshore holding company established in 1994 and sole owner of Siraj Palestine Fund I, the new equity company, told reporters in Ramallah that a number of Palestinian, Arab and international companies and individuals had invested in the new company.

The US government-owned Overseas Private Investment Corporation (OPIC), the George Soros Economic Development Fund, the United Arab Emirate Crescent Investments, and the Pension Boards of the United Church of Christ are the main investors in the new fund.

The purpose of the fund is to invest in small- and medium-size companies operating in the Palestinian territories 'by promoting technological advancement, job creation and by addressing the acute shortage of equity capital for local businesses due to years of political turmoil,' said Masri.

'We are not a lending company,' he stressed. 'We only pump money into the capital of existing companies for a period of between five to seven years, then we get out.' Siraj was registered in both the Cayman Islands as an offshore company and in the West Bank as a Palestinian company, which will allow it to attract international investors to boost its capital to 80 million US dollars, as well as to operate in Palestinian areas.

Masri's Massar is in charge of building Rawabi, the first Palestinian city in the West Bank currently under construction near Ramallah and which has generated strong opposition from right-wing Israeli politicians and groups.

He was also the center of a controversial attempt last month to buy a faltering Israeli company building a Jewish settlement in an East Jerusalem neighbourhood.

His bid of 36 million dollars to buy the company failed after right-wing Israeli groups pressured company bondholders not to sell to Masri and found an Israeli buyer instead.

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