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## Investor creates Palestinian facts on the ground

By Tobias Buck in Rawabi

Over the years, Palestinians have learnt to rue the sight of cranes and bulldozers going about their work on a West Bank hilltop. For more than four decades, such machinery has usually heralded the construction of a new Jewish settlement on occupied Palestinian land – and delivered a fresh blow to Palestinian hopes for an independent and viable state.

Today, on a commanding hilltop north of Ramallah, some 2,500 workers and 88 pieces of heavy machinery are busy crafting a different story. They are part of a vast, costly and complex effort to transform this picturesque site into Rawabi, the first ever planned Palestinian city.

Several rows of apartment blocs have already risen from the dust, while an adjacent plot is being readied for the local mosque, the city hall and – just across the road – three schools. The first 6,000 residents are scheduled to move into their apartments by the end of next year, creating an entire new Palestinian municipality.

Towards the end of the decade, if all goes to plan, Rawabi will have about 40,000 inhabitants, a park with an amphitheatre and a city centre boasting offices, shops, a luxury hotel and a cultural centre.

At a cost of more than US\$1bn, the new city is the biggest investment project ever undertaken in the Palestinian territories. It is also the most important effort to date by the private sector to strengthen the Palestinian grip on the occupied territories.

Bashar Masri, the Palestinian-American businessman who initiated the project five years ago, leaves no doubt that Rawabi is much more than an investment: “We wanted to prove

to ourselves and to the world that we can build a nation despite all the obstacles and challenges we face,” he says. “This is defiance against the occupation.”

Every bit of land the Palestinians use for themselves, he says, is land that cannot be turned into a [new Jewish settlement](#): “We the Palestinians are putting facts on the ground, just as they have put facts on the ground for so long□ We will use our hilltops so that they won’t use our hilltops,” says Mr Masri.

One of several prominent businessmen who returned from exile to the West Bank after the signing of the Oslo peace accord in 1993, Mr Masri today presides over a conglomerate known as Massar International. The group boasts an eclectic mix of assets and activities: it exports fruit and vegetables from the Gaza Strip, recently launched the first Palestinian private equity fund, owns an advertising agency, an IT outsourcing group and media companies.

Massar’s headquarters are in Ramallah, but we have arranged to meet in a cluster of prefabricated offices overlooking the Rawabi building site. Amid the wall of noise from bulldozers and jackhammers nearby, one of his assistants serves sandwiches, chips and steaming mugs of Maramiyeh tea, made from wild sage that can be found everywhere in the valleys surrounding Rawabi.

“I came back to Palestine from the US with a mission between me and myself: to help build Palestine in the best way that I can. And that is business,” he says. “I don’t know how to run non-profit organisations, but I do know how to run for – profit companies. And the future success of my vision depends on whether we can make a little money with Rawabi. If we can, then you will see a Rawabi II, a Rawabi III and a Rawabi IV. Not by me but by others.”

The social and economic benefits of even one Rawabi are immense, argues Mr Masri. Once it is at full capacity, the building site and its suppliers will provide jobs for up to 10,000 Palestinians – almost 10 per cent of the total number of unemployed workers in the West Bank. And by alleviating the territory’s chronic shortage of housing (estimated at 200,000 units), Rawabi will make it easier for Palestinians to stay put rather than move abroad. “It will not offer a better life under occupation, but a better life despite the occupation,[and] if we deliver a better life, then we can hold on to our people so they don’t emigrate and go away,” he says.

Mr Masri says he came up with the idea for a new city in 2007, but admits that Rawabi only became a viable proposition after he joined forces with Qatari Diar, the real estate arm of the Qatar Investment Authority. “A project like this is way above the means of any private company in Palestine. Without the Qataris, this would not have been possible,” he says.

The partners had initially counted on an annualised return of about 8.5 per cent from their investment, but that expectation has been gradually revised downwards. One reason for the fall in anticipated profit is the cost of building schools and other public buildings.

These were originally supposed to be funded by the Palestinian Authority, but the cash-strapped government was unable to deliver. The partners reasoned that a city without schools would be hard to market to Palestinian buyers, and so took on the cost themselves.

Mr Masri currently expects Rawabi to return no more than 2.5 per cent: “That is pathetic,” he shrugs. “But that is the developmental aspect of this project.”

If the returns are slight, the risks remain significant: for the moment, the main link between the West Bank highway network and the city of Rawabi runs through a slender road that snakes its way through olive groves just below the Jewish settlement of Ateret.

Israeli authorities have granted permission to build and use the road only for one year, after which permission may or may not be renewed. Mr Masri’s splendid new city could, in the worst case, find itself stranded in the middle of the countryside – with no proper access for tens of thousands of residents and hundreds of businesses.

“Are we scared? We are concerned,” says Mr Masri, when asked about that prospect. “But are we different from any other Palestinian city?”

No.” He points to the long-running restrictions on movement and access in the West Bank, which continue to complicate life for ordinary Palestinians despite the recent effort by the Israeli government to remove checkpoints and road blocks outside the main cities. “It does make me nervous,” says Mr Masri, “but just as nervous as anyone in Nablus or Qalqilyah who is living under siege and who faces roads he cannot use.”

His hope, and that of the future residents of Rawabi, is that the project has now gained such widespread international recognition (it was recently visited by Ban Ki-Moon, the UN secretary-general) that it will become increasingly hard to undermine.

As for Mr Masri’s personal plans after Rawabi, he says he has just one wish: “I just want to sit in a café in Rawabi, drink a cappuccino like all these sophisticated people and enjoy life for a few weeks – before I start my next project.”

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