NEWSLETTER - SIXTH EDITION, MAY 2017

JICA / PIEFZA Project

We are delighted to share our 6th edition of the newsletter. This edition covers the project activities from August 2015 up to February 2017.

Japan International Cooperation Agency



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PROJECT OUTLINE:

Project Title:

The Project of Strengthening Incentive Services and Management Function of Palestinian Industrial Estates and Free Zones Authority (PIEFZA)

Overall Goal:

The economic activities in JAIP are expanded.

Project Purpose:

JAIP is well maintained and developed by strengthening the functions of PIEFZA to provide incentive services to tenants in JAIP and to operate and manage JAIP.

Outputs:

OSS Working Group:

The functions of PIEFZA to provide One-Stop-Service (OSS) and to facilitate logistics services are strengthened.

BDSP Working Group:

The functions of PIEFZA to provide business development services (BDS) are strengthened.

Financial Working Group:

The functions of PIEFZA to facilitate financial services are strengthened.

O&M Working Group:

The function of PIEFZA to manage JAIP's operation is strengthened provide.

Project Term: March 2014 to December 2017

Contact Information

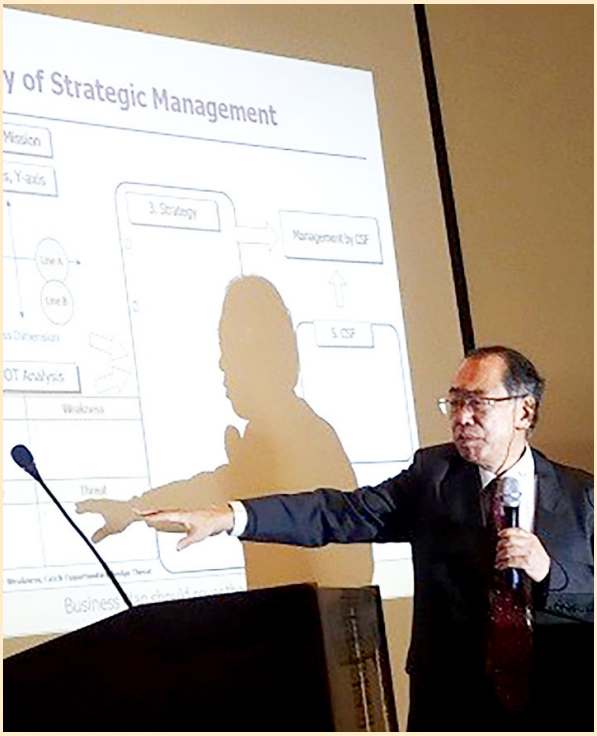
Ms. Georgette Ajrab
Project Officer
JICA Expert Team
0599446100
Email: georgette.ajrab@gmail.com

Ms. Eman Abu Shalbak
Administrative Assistant
JICA Expert Team
0568480120
Email: eabushalbak@gmail.com

Dr. Kaori Tanaka
Marketing & Promotion and OSS
JICA Expert Team
0569522657
Email: kaori_t@padeco.co.jp

I. Seminars & Workshops

08/2015: BDSP Seminar on Business Plan Development and Marketing Strategy



Business Development Service and Promotion (BDSP) working group has organized a seminar titled "Business Plan Development & Marketing Strategy" for the JAIP tenants, on August 31st, 2015 at Grand Park hotel in Ramallah, in the collaboration with JICA\ BDS project for MONE, FPCCIA and PFI.

The main purpose of this seminar was to help JAIP tenants for their stratigic bussiness start-up and compititive marketing, by providing knowledge on business plan and marketing plan development.

Lecturers from JICA/ BDS Project:

- Mr. Tetsuo FUKUYAMA, Expert on Business Plan Development.
- Mr. Shinobu FUJITA, Expert on Marketing Strategy.

At the end of the seminar the survey was made to identify tenants' needed area of consultation, and consultation services to some companies were provided later on.

09/2015: OSS Seminar on "Licensing Procedures for Industrial Park Investors" for JAIP and BIE Tenants"





OSS WG conducted a seminar with the support of BDSP WG, targeting to the JAIP & BIE tenants, aiming to the below:

- Introduction of PIEFZA/ OSS
- Procedure & Requirement of each license
- Enhancing the smooth handling of documents
- Introduction of future plan of OSS

This seminar was the first to introduce PIEFZA OSS's practice to the investors under PIEFZA's IPs. It served as an important occasion for the tenants to clearly recognize the procedures necessary, and for PIEFZA to improve quality management as a regulator and its transparency. There was active discussion between OSS team and the attendances to clear their questions and concerns.

2/10/2015: Seminar for Introducing Financial Programs in Palestine

As one of the goals for the Financial WG is to encourage and support the tenants to reach the operation stage, in addition to provide them with incentives such as the tax incentives according to PIPA law amendment 2014; 8-1, therefore Financial WG has conducted a workshop with the support of BDSP WG, for JAIP and BIE Tenants to introduce the financial program available in Palestine. The objective of the seminar was:

- To provide JAIP and BIE tenants with the important information related to the financial programs available by different institutions and banks giving the opportunity to introduce the key persons of each institution and bank to the tenants.

18-20/01/2016: Third BtoB Matching Event in Dubai

BDSP WG conducted "the Third Business to Business Matching Event of PIEFZA in Dubai" from 18 to 20 January, 2016. The event aimed to promote PIEFZA, investors in the industrial parks, and the products of factories, which are operating in IPs. The third BtoB meeting came after two successful B2B events, the first in JAIP (with Japanese companies) and the second in Ramallah (with Jordanian companies). 14 investors from 13 JAIP tenants and 1 Palestinian company invited by MONE participated in this third B2B.There were 38 companies attended from overseas countries such as Jordan, Kuwait, Saudi Arabia, UAE branch of Palestinian companies etc.

The achievements were as below:

- Various business meetings between Palestinian companies and Gulf companies have been conducted.
- 6 Gulf companies expressed interest in investing in Palestine
- Some agencies or companies such as PalSiraj Institute, Dubai Palestinian Businessmen Council etc. have proposed collaborative promotional activities cooperating with PIEFZA.
- Created networks with DIASPORA abroad.





8/02/2016: 2nd OSS Seminar in JAIP, titled "Clarification about the Environmental Management Plan, MOH Certificates, & PIPA Certificates"

OSS Working Group has conducted a workshop for the tenants in JAIP on 8th of February, 2016. The workshop aimed to provide a comprehensive support to the tenants in the Industrial Parks, through guiding them to the best way to obtain the required licenses and certificates in order to start their businesses.

It focused on clarifying the requirements and procedures to obtain the environmental certificate by preparing "environmental management plan", "Ministry of Health Certificates", and "PIPA Certificates", as OSS group has recognized the necessity of special explanation of these certificates.

Representatives from EQA, MOH, and PIPA made comprehensive presentations toward 68 participants (mostly from JAIP and BIE investors). Many of the participants commented that they have deepened their understanding on the functions and conditions of these certifiates.





08/08/2016: 2nd OSS Seminar for BIE Tenants

An introductory meeting was held in Bethlehem Industrial Estate "BIE". This seminar was prepared by OSS working group due to the needs observed in BIE which is under rapid development with the full occupancy in its first stage. The meeting intended to explain the licensing procedures for the BIE tenants, as well as the role of OSS in PIEFZA. 38 participants attended and active discussions were made to clarify the roles of PIEFZA and required procedures.



8/08/2016: BDS Seminar on introducing "PUMP"

PIEFZA BDSP WG has organized a seminar for JAIP tenants to introduce a program titled "Palestine Upgrading & Modernization Program (PUMP)", in order to benefit from. PUMP is funded by AFD to assist the capacity development of Palestinian Companies, and that plans to select 50 companies from the West Bank and Gaza to provide support for capacity development. After the workshop, participating tenants submitted their application for PUMP and one company from JAIP, "Siba" was awarded.

19/09/2016: Palestinian Food Industry Union Introduction Workshop

The workshop to introduce the activity of the Palestinian Food Industry Union (PFIU) to the JAIP tenant companies was conducted on September 19, 2016 at JAIP by having 13 participants from JAIP tenants.

Since many of the tenants in JAIP are related to food industry, PFIU contacted PIEFZA requesting an opportunity to introduce itself to the tenant companies. PFIU's goals are crossing with the ones of PIEFZA; it aims to achieve sustainability in the sector of food industries by supporting investors who are under their umbrella and to let Palestinian food industries to achieve high product quality and to match global standards.

Mr. Nasr and Mr. Ziyad Jibrini, the representatives of PFIU, have introduced PFIU mission and activities to JAIP investors and open and active discussions were conducted later on.

10/01/2017: BDS Seminar on Export Marketing, "Introduction of Japan's Technology"

BDSP WG conducted a seminar to share the knowledge and experiences of the long history of trade export of Japanese companies with the JAIP tenants followed by individual consultation sessions on 10th of January, 2017. The objectives of the event were as follows:

- Transfering the knowledge and experiences of Japanese companies related to the trade and export the products to overseas markets to JAIP tenants.
- Identifying feasible markets in overseas countries.
- Providing ideas how to find feasible markets in Japan.
- Providing ideas how to promote and facilitate export for Palestinian companies.



An Expert from Japan, Ms. Manami TAKEDA, a certified management consultant for SMEs in Japan, with rich experience in supporting SMEs in Japan to tackle markets abroad, gave the lecture and consultation sessions to JAIP companies and trade facilitation institutions.

II. Capacity Development Trainings

19/08/2015: Financial Analysis Training Sessions for FWG

JICA Expert team has provided 2 training sessions for FWG members, as a part of its capacity building activities. The training program aimed to equip FWG members as well as the other WG members interested with the basic knowledge of the financial analysis content. This training is expected to help PIEFZA staff to evaluate investor's capacity with their business plan.

Training Outline:

Cash flow, Return on Investment (ROI), Payback Period, Net Present Value (NPV), Internal Rate of Return (IRR), Case study, in addition to the basics of financial analysis and accounting, as well as the tools to review the developer's financial model submitted in May, 2016.



March to April/2016: Retreat for 4 Working Groups

The project has supported organizing retreat program for four working groups. 4 BDS WG members joined in the program at the Dead Sea in Jordan from **15th of March until 17th** of March, 4 Financial WG members joined in the program at Al Aqaba from **22nd of March until 24th of March**, 5 members from O&M WG joined in the program in Nablus from **5th of April, until the 7th of April**, and 4 OSS WG members joined in Nablus from **12th of April until the 14th of April**.

Each working group has set their goals and detailed agenda before the departure, and there were various tangible results observed: such as deepening knowledge of each WG's functions and activities, strengthening the team works, developing annual plans and short term action plans, tackling obstacles in their daily activities etc. After their returns, the workshop was held to share those results among WGs at PIEFZA.

In May 2016, reporting session was made by all WGs, exchanging outcomes and actions from there on.





03-16/07/2016: Training in Japan and Vietnam

As one of JICA's capacity building programs, JICA dispatched JAIP Director/Project Manager of PIEFZA staff; Eng. Khaled to attend "Knowledge Co-Creation Program" to have a general information on special Economic Zone (SEZ) and Industrial Zone (IZ) Development for Promoting Foreign Direct Investment. This program aimed to provide an opportunity to learn and understand the key points of the theories and practices to the participants, and that the participants can enhance the capability to draw its own action plan from the viewpoints of investor for development of SEZ/IZ at his home country.

This training took place on the 3rd of July, 2016 until 16th of July, 2016 in Japan and from 17th of July, 2016 until 23rd of July, 2016 in Vietnam.

After his return, Eng. Khaled conducted a presentation session on 3rd of August, 2016 to share his knowledge obtained with his colleagues at PIEFZA.



25-29/09/2016: Training in Jordan: 2nd Batch

8 staff from PIEFZA from different working groups have been dispatched to Jordan as the 2nd batch to the Jordan Industrial Estates Company (JIEC) as one of JICA's capacity building training program from 25th to 29th of September, 2016. Each member has learned the knowledge and organizational experience from its 30 years of history and practice in JIEC. After their return, on 6th Nov. 2016, the members have presented the different knowledge they have obtained during their visit such as incentives, IP development, IP marketing and promotion, One Stop Services system etc. and valuable insights have been shared with fellow PIEFZA staff.

19-25/09/2016: Training in Jordan: 3rd Batch



As a continuous effort to build up PIEFZA's capacity, 8 of PIEFZA's directors have been dispatched to JIEC from 19th to 25th of September, 2016. This visit aimed to obtain further knowledge to the depth especially in organizational and operational aspects of JEIC managing a number of IPs in Jordan, to be applied for PIEFZA.

12-26/12/2016: Feasibility Study Training Ramallah

The JICA Project has organized a feasibility study training conducted by Talal Abu-Ghazaleh Organization (TAG-Org), for 10 participants (9 staff from PIEFZA and 1 staff from JAIP Co.) based on the capacity building needs recognized among PIEFZA staff. The training took place in Ramallah from 12th to 26th of December, 2016, and covered for 15 hours. The topics included various issues such as Marketing study, financial and economic study, evaluation of the study etc.

20-22/12/2016: Training in Gaza Industrial Estate "GIE" for OSS WG



The JICA Project has organized an On the Job Training (OJT) for PIEFZA's OSS working group members in Gaza Industrial Estate (GIE) from 20th to 22nd of December, 2016. The OJT took place based on the approval by MONE Minister for PIEFZA to issue the Operation License and the Industrial Parks Certificates for the Industrial Parks tenants directly. This training aimed to empower the OSS members with the requirements and procedures needed for the above mentioned license and certificate, and to be able to prepare relevant MOU's to be concluded with the related ministries.

GIE has been chosen as an OJT site for their good knowledge and a long experience in managing and issuing the above licenses and certificates. GIE has organized a condensed lecturing and training session that are practically usable for the participants to apply in West Bank. Even after their return, continuous communication is held with GIE and exchange of knowledges are conducted.

III. Others

13-16 January 2016: Visit of MONE Minister and PIEFZA CEO to Japan



The JICA Project has supported organizing the visit of Ms. Abeer Odeh, Minister of MONE, Dr. Ali Sha'ath, CEO of PIEFZA to Japan. The minister and the CEO have participated in "Palestine Business Forum in Japan" on 15 Feb., co-hosted by JICA and Japan External Trade Organization (JETRO) as main guest speakers. It had served as a rare opportunity to introduce Palestinian business environment as well as JAIP development status toward the participating Japanese business sectors.

On the following day, the visit was organized to inspect some of major industrial parks in Japan; Kanagawa Science Park (KSP), Torihama Industrial Park and Kanazawa Industrial Park, etc. The gigantic industrial complex developed along with the urban planning strategy, management system by the unions, advanced measurement center with the highest performance measurement equipment, incubation center with all in one building facility and BDS, networking and promotional activities of international IPs have been introduced, and observed.

February 2016: 3rd and 4th PRIDE Steering Committee

The 3rd Steering committee was held on 4th of February, and 4th committee on 6th of February 2016 in MONE in Ramallah. The appraisal and recommendation reports have been prepared by PRIDE Core team with support from JICA Expert Team. Based on the recommendation reports, PRIDE Steering Committee approved 9 applications during 3rd committee, and 3 applications during 4th committee.

Joint Coordinating Committee (JCC)

JCC meetings had been conducted regularly almost each half year, to confirm the progress made and tasks remained for the project as well as the action plans for the remaining project period. The chair of JCC is Ms. Abeer Odeh, Minister of MONE/ Chairman of PIEFZA board, and other respectable members are Mr. Takeshi Okubo, Ambassador for the Palestinian Affairs/ Representative of Japan to the Palestinian Authority, Ms. Mitsui Yuko, JICA Chief Representative, Dr. Ali Sha'ath, CEO of PIEFZA, CEO of PIPA, Jericho Governor and other respectable representatives as observers.

The third JCC was held in September 2015 which have confirmed the progress made then and the plan for the coming terms. **The fourth JCC** was held in July 2016, where the report of the progress made then and the plan by the end of project has been presented, and the revised Project Design Matrix (PDM) based on the mid-term review mission's recommendation was approved. **The fifth JCC** was held in November 2016 and the result of terminal evaluation mission was presented. In this JCC, it was approved to extend the project term up to the end of the year 2017, to further pay the efforts to improve the JAIP's development and management, to continue for the capacity development of PIEFZA as well as to study the future JAIP's development including the stage II.





IV. Interview with the JAIP tenant " F.M.H "

Could you please tell us about F.M.H?

F.M.H, Is a company that established in October 2013, the company manufactures plastic packaging products, and it has 3 production lines: PE stretch film, PE foam, and Air bubble film. The company manufactures these products with the highest quality materials from the major raw material companies in America, Singapore and other sources to maintain the products quality.

Why did you choose to invest in JAIP?

Our initial project idea was to build a factory in Nablus. After we knew about the JAIP and the Grant scheme, we decided to move the idea of building the factory from Nablus to the industrial zone in Jericho.

The location of the industrial zone is strategic and important to the existing factories, because it occurs in the middle between the northern and southern regions, and it's near to the border areas, that can reduce time and effort to transport goods on the border when we export the products.

Moreover, we thought that the financial grant helped us establish the plant and to increase production lines from one production line to three production lines to further cover the market needs we've noticed.

What distinguishes your project from other projects in JAIP or from other projects in the same field?

F.M.H. is the only "Palestinian" manufacturer in plastic packing industry. The idea of the company started at the beginning of 2012, after careful study of the project and an ongoing efforts to implement it. We had practical experience in the field of marketing of plastic packaging products, imported from abroad, and with our deep knowledge in this field, we thought the market needs a manufacturer of packaging products with higher quality in Palestine. The market also needed to make it possible to choose specifications of packages according to the need of each company, as most of imported products comes with only fixed specifications.

After our factory's operation, we noticed day after day the number of companies that market these packaging products increased by 80% since our entry to this industry, and we feel the market is growing toward higher quality products.

What obstacles did you face while working on your project or the production process?

We did not face many obstacles on the project; however the most important concern we have had at the beginning of the establishment of the factory is the lack of consumer trust in the local products, and the constant concern that the price does not fit the quality required, as imported products. However, FMH was able to win the trust of the market, and of the owners of companies and factories. Within a year after starting commercial operation, the production increased from 10% to 40% and it is still growing even with the tough competition with Israeli products.

What is your future ambitious regarding the project?

F.M.H aspires to increase production lines from 3 lines to more than 6 lines in the coming period, and to meet the needs of the consumer market in the West Bank, the Gaza Strip, and the Israeli market.

THANK YOU
Mr.Mlitat for your time & valubale information !

Company Profile: " F.M.H "

ESTABLISHMENT DATE: October 2013
Owner & GM: Mustafa Mlitat
PRODUCTS: PE stretch film, PE FOAM, Air bubble.
OPERATION START DATE: January 2016
LA IN JAIP: September 2014
LAND SIZE: 1,173 m2 in JAIP
NO. OF LABORS: 9





