Dutch-Palestinian Cooperation Forum

"Smart Opportunities for Cooperation"

Conference in The Hague (Bel Air Hotel, 29 October 2015)

On 29 October, Dutch Prime Minister Rutte and Palestinian Prime Minister Hamdallah opened the second edition of the Dutch-Palestinian Bilateral Cooperation Forum, which aims to deepen and broaden the relations between the Netherlands and the Palestinian Territories. Speeches were also given by the ministers of Foreign Affairs, Koenders and Malki, and by President Abbas.

A delegation of almost 200 Palestinian representatives of businesses, knowledge institution and government bodies (including 10 mayors), travelled to the Netherlands. Around 270 Dutch participants took part in the event.

During the conference, there were several business and knowledge seminars related to various sectors: agro & food; energy; water; start-ups and ICT.

CBI
Ministry of Foreign Affairs of the Netherlands

From 15:30 – 18:00, a separate seminar on Palestinian ICT-opportunities was organized by the Dutch CBI (Centre for the Promotion of Imports from developing countries).

Around 60 participants listened to presentations by the members of the Palestinian ICT delegation, which consisted of:

- ASAL: www.asaltech.com
- Exalt: www.exalt-tech.com
- Unit One: www.unitone.ps
- iConnect: www.iconnecths.com
- Israa' Software: www.iscosoft.com
- Altariq: www.altariq.ps
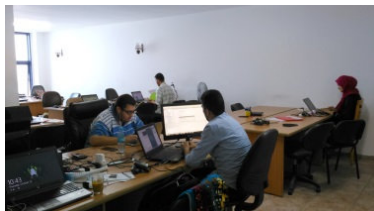- Trusted Systems: www.ts.com.ps
- PITA: www.pita.ps.

The ICT companies are participants of an export-promotion project of CBI. Before and after the seminar, a number of individual meetings took place as well. During the closure ceremony, two Palestinian ICT participants (Exalt from Ramallah and Unit One from Gaza) signed contracts with Dutch clients:

(in November, Unit One was awarded the Palestinian ICT-Exporter of the Year Award).

Press Coverage

Dutch state television NOS made an impression about Dutch ICT cooperation with Palestine: http://nos.nl/op3/artikel/2065780-programmeren-kan-ook-prima-in-gaza.html.

Also other ICT-related coverage in the Dutch press:

http://news.cbi.eu/cbi-presents-palestinian-ict-companies
http://hetgrotemiddenoostenplatform.nl/2015/11/04/gaza-is-ook-een-prachtplek-zeker-voor-ict-ers
http://fd.nl/ondernemen/1123528/volop-ict-outsourcingskansen-in-palestijnse-gebieden
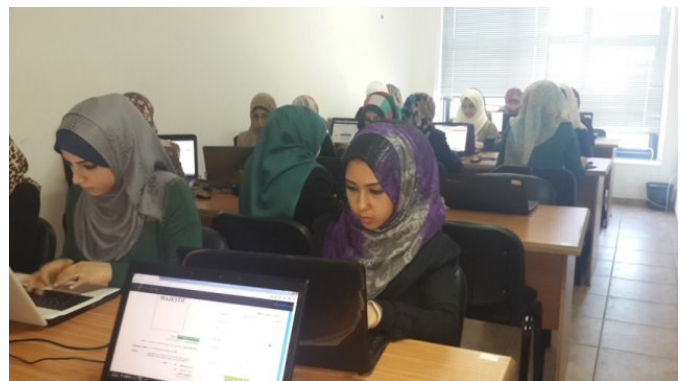
ICT outsourcing to the Palestinian Territories

For more than 20 years, companies in Europe have been conducting ICT-work in various offshore destinations, such as India or Eastern Europe. There are two main reasons for offshore sourcing: the possibility to reduce costs and the availability of specialized ICT-skills abroad.

Over the last decade, the Palestinian ICT sector has shown continuous growth in products and services. 13 universities have ICT-faculties, with 2500 yearly graduates. There are more than 300 ICT-related companies, both in the West Bank as in Gaza, with a total of around 5000 employees. A quarter of the employees have an academic background and 15% has at least ten years of experience in software-engineering.

The Palestinian Territories can be considered an upcoming *nearshore* outsourcing destination, since it is only 4 hours by plane and there is hardly any time difference. American and European organizations are already using Palestinian ICT services. A specific advantage of Palestine is the loyalty within companies, resulting in a low turnover of staff. This loyalty makes outsourcing easier, and the local firms can be considered interesting partners, also for small and medium sized European clients.

Organiser of the ICT event

CBI (Centre for the Promotion of Imports from developing countries, www.cbi.eu) is part of RVO (Rijksdienst voor Ondernemend Nederland) and works for the Dutch Ministry of Foreign Affairs. It contributes to sustainable economic development in developing countries through the expansion of exports. A number of highly qualified, reliable and capable ICT service providers in Palestine have been selected, as part of an export-promotion project. This project also offers assistance to European companies (free of charge) in order to explore outsourcing opportunities in Palestine.

For information

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P.S. below you will find the handouts of the introduction presentation on 29 October 2015:

Slide 1

Advantages of Dutch-Palestinian ICT-cooperation

CBI
Ministry of Foreign Affairs

The Hague, 29 October 2015   **Paul Tjia, GPI Consultancy**

Slide 2

ICT-cooperation with Palestine?

- A risky political environment …

- The issue of country risks

- See chapter 4 of my book: "Offshoring Information Technology. Sourcing and Outsourcing to a Global Workforce " (Cambridge University Press)

- 3 reasons to consider working with Palestine

Slide 3

Why should we go international?

Uitdagingen in applicatie–ontwikkeling

- **Availability of software engineers in Palestine**
- **Small firms - but working for multinationals**

Slide 4

Other reasons for offshore sourcing

- **Starting point for offshoring is often cost reduction**
  - with outsourcing to an external company
  - or with an own center

- **Quality ("We went for the costs, but stayed for the quality")**

- **Strategic reasons**
  - new ICT services or ICT products (innovation)
  - access to new markets (export)
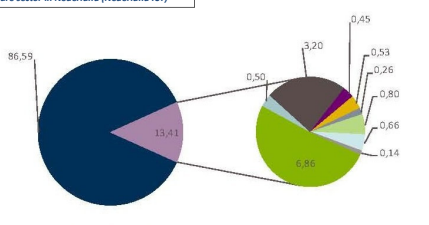
Slide 5

Challenges with offshore sourcing

Wat houdt ISV's van offshoring

- **Dutch multinationals prefer to work with India, but SME's prefer to do it nearby**
- **Reason #1: Palestine is a viable nearshore destination**

Slide 6

The need for new exportmarkets

From: De software sector in Nederland (Nederland ICT)

- **There are many Dutch software companies, but only 14% of the revenues are from exports**
- **And half of these exports are to Western-Europe**

Example of a new market: the Gulf region

- Opportunities in Saudi-Arabia, United Arab Emirates, (e.g. Dubai), Kuwait
- Gulf region: 180 billion USD in the last 4 years
- But not known to the Dutch ICT-sector
- Reason #2: the Palestinians can assist with market entry

Palestine – because of CSR

- Reason #3: because of Corporate Social Responsibility

- American companies started working with Palestine because of social reasons (e.g. jobcreation)

- This could also be done in the Netherlands

- Example: Gaza

Interested in exploring Palestine?

- CBI (www.cbi.eu) is conducting an ICT-related project with Palestine and offers assistance
- Some subsidies are available for internationalisation
- Meet with the Palestinian ICT-delegation
- and PITA (association)

- A visit to Palestine is useful and can easily be arranged
- Questions: paul@gpic.nl

Interested in exploring Palestine?

- And reason #4: a business visit can be combined with tourism!