

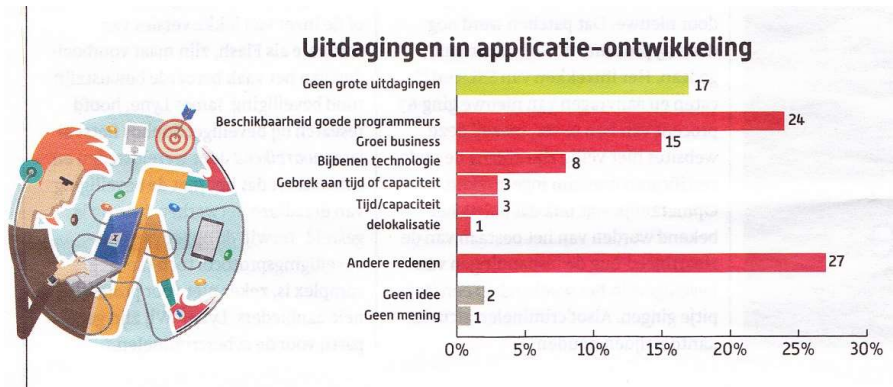


ICT-cooperation with Gaza?

- A closed and risky destination ...
- The issue of country risks is covered in one of the chapters of my book: "Offshoring Information Technology" (Cambridge University Press)
- But there are options for ICT cooperation, and there are several reasons to consider offshore outsourcing to Gaza

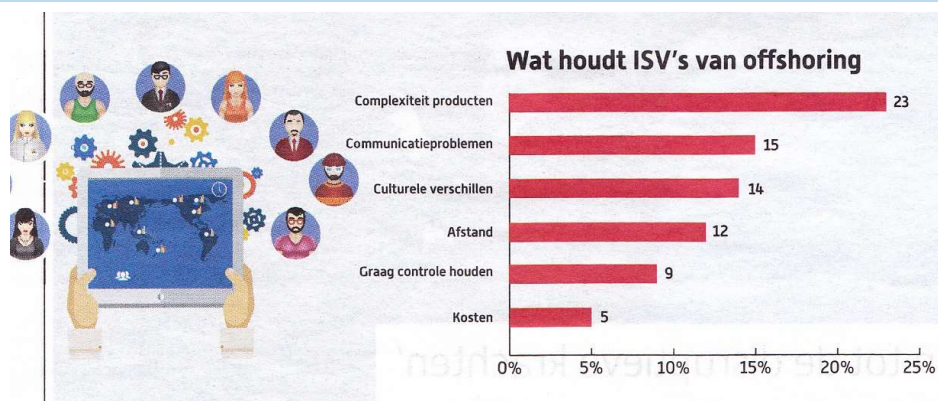


Shortage of ICT-skills in the Netherlands



- Reason #1 – the availability of software engineers in Gaza. They can do the work based in Gaza, through the Internet

Challenges with offshore sourcing



- Dutch multinationals prefer to work with India, but SME's prefer to do it nearby ('nearshoring')
- Reason #2: Gaza is a nearshore destination, with limited cultural differences

Local software engineers are expensive

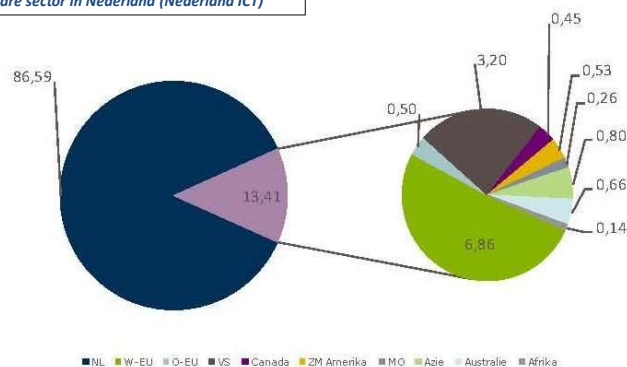
- Another advantage of offshore sourcing is cost reduction
 - with outsourcing to an external company
 - or with an own center
- Quality (“We went for the costs, but stayed for the quality”)

Reason #3 – Gaza is less expensive than East-European competitors. With a high quality.



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

Opportunities in the Gulf region

- Saudi-Arabia, UAE, Bahrain, Qatar, Kuwait, Oman are interesting export markets; although not much Dutch ICT-trade yet
- Opportunities, but:
 - local contacts are required
 - localisation of software for Arab markets
- Reason #4 – Palestine (incl. Gaza) can be used as a gateway to the Gulf



Outsourcing because of social reasons

- Closure of the borders with Gaza; difficulties in export of physical goods



- American ICT companies started working with Palestine because of social reasons (e.g. creation of jobs). This could also be done in the Netherlands
- Reason #5: because of Corporate Social Responsibility

Example of Dutch outsourcing to Gaza



Large scale data processing project



Example of Dutch outsourcing to Gaza

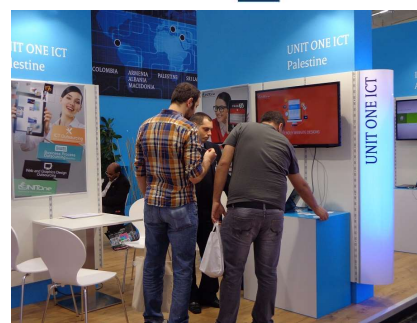


Large scale data processing project



But outsourcing to Gaza must be promoted

- There are advantages in Gaza for Dutch ICT-related companies, but also many challenges (e.g. image, competition)
- The marketing of Gaza requires many efforts, and a specific promotion project is required. Example of CBI, with ICT companies from Westbank and Gaza



Export promotion project of CBI



More information

- General information about ICT outsourcing to Palestine:
www.gpic.nl/category/palestine/?v=palestine
- Handbook: “Offshoring Information Technology. Sourcing and Outsourcing to a Global Workforce”
Prof. Erran Carmel and Paul Tjia (Amazon.com)
- For handouts or questions:
Paul Tjia: paul@gpic.nl

