

# ARAB-EU

## *Business Facilitation Network*

**2<sup>nd</sup> Working group meeting, Amman, Jordan, April 27<sup>th</sup> 2014**

### **Participating delegations**

#### **Algeria**

Forum des Chefs des Entreprises

#### **Denmark**

Confederation of Danish Industry

#### **Egypt**

- Chamber of Food Industries (CFI) Environmental  
- Compliance Office and Sustainable Development (ECO SD)  
Both from Federation of Egyptian Industries (FEI)

#### **GCC**

Bahrain Chamber of Commerce  
Council of Saudi Chambers of Commerce  
Qatar Chamber of Commerce & Industry  
Federation of GCC Chamber

#### **Jordan**

Jordan Chamber of Industry (JCI)

#### **Libya**

Libyan Businessmen Council (LBC)

#### **Morocco**

Confédération Generale des Entreprises du Maroc (CGEM)

#### **Oman**

Oman Chamber of Commerce & Industry

#### **Palestine**

FPCCIA

#### **Tunisia**

UTICA

### **Summary**

*The second working group meeting of 2014 took place in Amman, Jordan, on April 27<sup>th</sup>, 2014 and was kindly hosted by the Jordan Chamber of Industry (JCI) in connection with the SME Regional Conference, “Chambers & Business Associations: Drivers of Change” . The working group meeting was the second in the 2014 project circle. The discussions were focused on taking results and discussions from the first working group meeting forward.*

*The agenda included topics such as presentation of the STARTUP MENA concept by Mr. Carsten Kolbek, presentation on investment potential in Lebanon by the Danish Ambassador to Syria, Lebanon and Jordan, HE Mr Rolf Holmboe, and presentation of the action plan of the B2B platform creation by Mr. Kais Selami, UTICA. In the afternoon a workshop was launched and the network was divided into smaller groups to share experiences within, and discuss, the second key focal policy point for 2014: **SMEs**. Lastly, the future formalization of the network was presented. JCI has kindly offered to host the proposed logistical secretariat which will be launched officially on January 1<sup>st</sup>, 2015.*

## Welcome

After warm welcome greetings from JCI and a briefing about the SME Regional Conference, the Confederation of Danish Industry welcomed the delegates.

## STARTUP MENA

Mr. Carsten Kølbeek, founder of Rainmaking Loft/StartupBootcamp presented his Startup MENA concept which has the overall objective of sparking entrepreneurship and accelerating growth of startups. This is done through series of events in which investors are linked to startups, relevant topics are discussed, mentors are assigned to startups and much more. The concept has been initiated in Cairo, Egypt, but aims at proliferating all across the region with a head quarter in Dubai, UAE. Information about the concept along with a calendar of events can be found here: <http://www.startup-mena.com/>

DI is willing to expand this concept to all our partners but we need additional local funding to do so. Plans have been made to discuss the concept in Algeria before the summer.

## EU-GCC Investment Platform

On behalf of HE Naqi from FGCCC Mr. Mohammed H. Sidahmen from Gulf Economic Interactive Gate delivered a presentation on the recently launched [EU-GCC Investment Platform](#) which aims at promoting understanding and debate about EU-GCC relations as well as promoting public awareness and understanding of the EU among GCC citizens. The platform is based on Google software which gives it high profile and outreach through all Google platforms. There are many synergies to be harvested with the B2B platform.

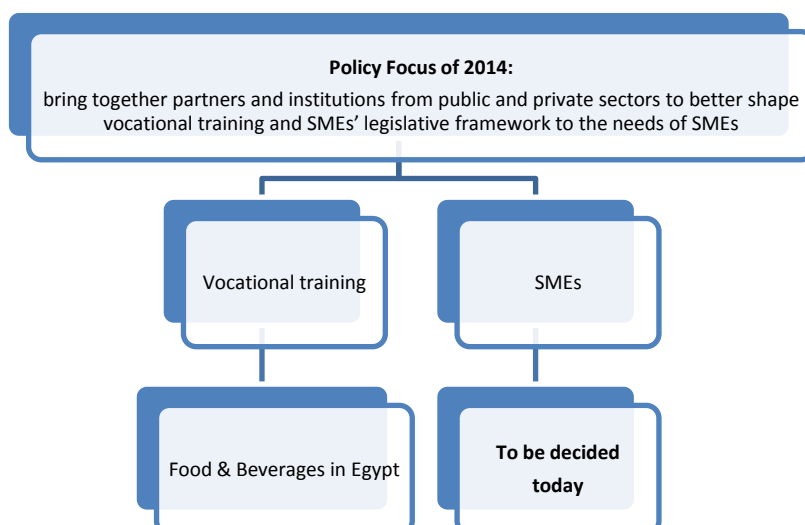
## **B2B Platform**

The continued development of the B2B Platform was presented by UTICA including a more specific outline about the business model and the action plan. The Network approved the plan and consequently, UTICA will now, in dialogue with DI, take the initial steps of launching the platform. The platform will be developed by UTICA but will be owned and hosted by the partners in the ARAB-EU network and will be a key driver for servicing enterprises in their matchmaking and export activities as well as generating income for the network.

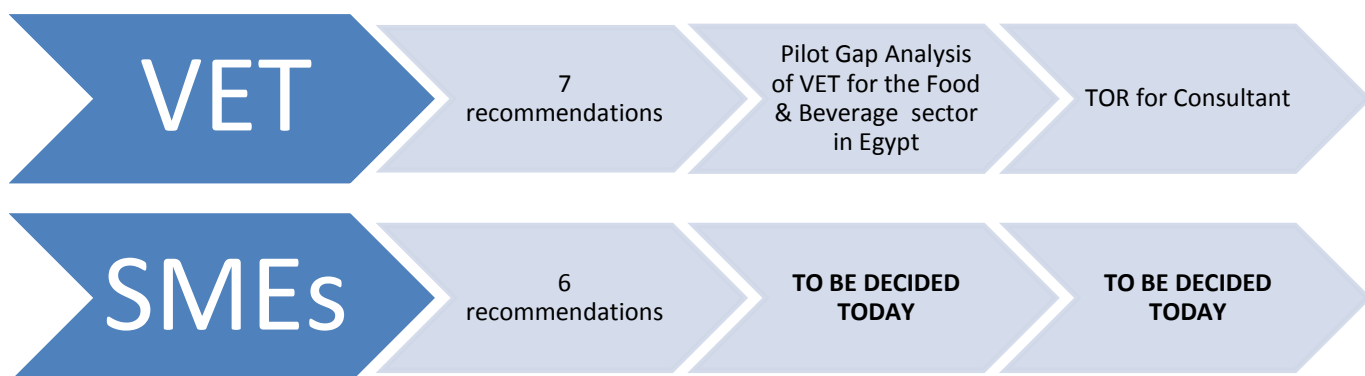
Since the setup of the B2B platform and the EU-GCC Platform are closely related, the network moreover agreed to ensure close links between the two in order to achieve synergy between the two.

## **Policy issues for 2014 – working group session**

Recapping from the 1<sup>st</sup> working group meeting in Marrakech, Morocco, following was discussed:



In 2011, 2012 and 2013 the network agreed upon nine policy issues and 66 recommendations for these policy issues. In Marrakech the delegates decided to work on vocational and educational training and SMEs as the key focal points of 2014, as depicted in the following:



## VET

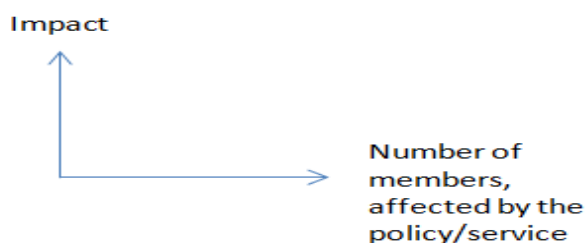
The TOR for a consultant to do a gap analysis of the food & beverage sector was presented to the delegates which FEI/CFI and DI will work on bilaterally. Results will be presented at the next working group meeting.

## SME

The delegates were in groups asked to prioritize between existing policy recommendations within the SME area. By giving votes to each of the six policy recommendations, the delegates decided that the following two are the most important and that these are overlapping:

- A. **Specific legislation/regulations for SMEs (SMEs should be considered in the laws of investment)**
- B. **Enlightenment in procedures and regulation relevant to SME enhancement**

The groups were then asked to share and discuss their success and failures within this area, both within policy and services. The most important examples were subsequently put on a table:



The results of the exercise were as follow (policies marked with red, services with blue):

- Upper left corner: none
- Lower left corner: none
- Upper Right Corner:
  - **Palestine: supply for school and public events served for SMEs (policy)**
  - **FEI: Revolving loans at low rate (2.5%) with one year grace period (service)**
  - **JCI: The JCI Technical Support Unit for SMEs which provides consulting and serves for SMEs like access to finance (service)**
- Lower Right corner:
  - **Algeria: 0% interest for the loans provided to SMEs (around 18,000 companies per year use this) (policy)**
  - **Qatar: The Qatar foundation offers consultancy for SMEs and startups, audits, and it helps them grow and develop (service)**
  - **Syria: Link or platform between guarantors and investors (service)**
  - **Algeria: customs green line: pre-audited companies customs clearance form in which the companies are checked post clearance if necessary (policy)**

- Palestine: a PPD mechanism has been set-up through which the company taxation has for instance been lowered from 30 to 20% and through which SMEs participation in public procurement has been improved (policy)
- UTICA: investment bank for SMEs (owned by the other banks) (service)
- Morocco: 20% of public tenders dedicated to SMEs (this is also the case in Tunisia and other countries) (policy)
- Palestine: Networking between big companies and small ones as sub-contractor (service of the policy of the PPD mechanism)
- Palestine: awareness about policy work (e.g. work on labor law and taxation law) that is done through the PPD initiative (service)
- For young entrepreneurs : allowed to create startups for international trade with a startup capital of just of 15,000 USD instead of 100,000USD (policy)

**HOMEWORK:** We need all to describe in more detail, using the template attached to this report, how the above services and policy proposal are working and how they have affected SMEs in a positive way. These “cases” will be used to highlight best practices. We need this feedback by end of May.

## **Formalization of the AE-network**

Lastly, following the bilateral talks after last meeting, the formalization of the AE-network was presented. A logistical secretariat fully funded by DI will be placed with JCI in Amman and a road map will be developed for it to be up and running by 1<sup>st</sup> of January 2015. The secretariat will support activities and assist the network partners in logistical issues and to implement more initiatives. It will be servicing the coordination of the network, while DI and all the partners are focused on the policy and trade promotion content.

DI will continue its role as project director overseeing the work of the secretariat. In practical terms this means that the person we will be hiring as head of the secretariat will be working at JCI and JCI will host the secretariat based on its kind proposal. In more operational terms, the head of the secretariat will be responsible for organizing meetings, arranging travel and accommodation, as well as follow up on implementation of activities and communication issues. Moreover, every other meeting will be held in Jordan as well as slowly increase the capacity of the secretariat so that it over time becomes a strong secretariat.

In 2015 the network will still be funded by The Danish Ministry of Foreign Affairs and we are working on a cost-friendly structure for 2016.

## **Next steps**

- A visit to DI in connection with the annual business summit is planned in the end of September and a 2<sup>nd</sup> edition of the Arab-EU Business Salon in Sharjah is planned for November.
- The next working group meeting will be held in relation to the DI Summit which is on the 30<sup>th</sup> of September in Copenhagen. The visit in Copenhagen will be from the 28-31<sup>st</sup> of September.
- **Points of interest:** all presentations from the working group meeting are available on [www.ae-network.com](http://www.ae-network.com)

Yours sincerely,



Niels Tanderup Kristensen, Deputy Director,  
DI International Business Development