

ARAB-EU

Business Facilitation Network

1st Working Group Meeting, Dead Sea, Jordan, January 19th – 20th 2015

Participating Delegations:

Algeria

Forum des Chefs des Entreprises (FCE)

Denmark

Confederation of Danish Industry (DI)

Egypt

Chamber of Food Industries (CFI)
Compliance office and sustainable
Development (ECO SD)
Both from the Federation of Egyptian
Industries (FEI)

GCC

Bahrain Chamber of Commerce & Industry
Qatar Chamber
Al Ahsa Chamber (KSA)
Oman Chamber of Commerce & Industry

Jordan

Jordan Chamber of Industry (JCI)

Libya

Libyan Business Council (LBC)

Lebanon

Association of Lebanese Industrialists (ALI)

Morocco

Confederation General Des Eentreprises Du
Maroc (CGM)

Palestine

Federation of Palestinian Chambers of
Commerce, Industry and Agriculture (FPCCIA)

Tunisia

Union Tunisienne de l'Indutrie Du Commerce
at de l'Atisanat (UTICA)

Summary

The first working group meeting of 2015 took place at the Dead Sea, Jordan, on the 19th & 20th of January. The meeting was the first to be held after formally hosting the network's secretariat in Jordan and is the first of three meetings planned for the year. The meeting was commenced by a brief overview of the new secretariat and the process of its formalization, followed by a demonstration of Jordanian sectors' performance along with a summary of successful initiatives of cooperation between JCI and DI, as well as an example of value creation of members presented by FEI/ECO on CSR Award. The first day focused on services, with best practice sharing from DI and a workshop on building consolidated international business services which the participants believe the network should focus on. Day two encompassed a discussion of the B2B platform status and a policy workshop which revolved around the MENA Benchmark Report and how to utilize it to identify policy areas to support private sector led economic growth. The afternoon included the adoption of the 2014 annual report and a discussion of the next steps for 2015.

Welcome and Introduction

Niels Tanderup Kristensen – Deputy Director / Confederation of Danish Industry

Mr. Kristensen welcomed all esteemed guests and walked them through the agenda. Then a brief of the AE secretariat was demonstrated highlighting the milestones through the past 3 years until the actual formalization of secretariat in Amman saw the light starting the beginning of January 2015 in order to fulfill the networks ambition to become the leading cross-regional business network paving the way for private sector led growth. Mr. Kristensen then welcomed the appointed head of secretariat onboard; in return Ms. Hiba Abu Taleb introduced herself to the group and expressed her enthusiasm to take up this mission.

Overview & Update of Current Economic Situation in Jordan: Sectors in Growth

Dr. Maher Al Mahrouq - Director General / Jordan Chamber of Industry

Dr. Al Mahrouq briefed attendees about the economic Jordanian performance in 2014, stressing that the industrial sector is still the leading sector in Jordan in terms of contribution to GDP with a percentage close to 25%. Although the private sector contributed to more than 75% of net created jobs in the year 2013, the unemployment rates are still considered high particularly among young Jordanians. In this regard Dr. Al Mahrouq pointed out that the country needs to create around 80 thousand jobs yearly only to keep the unemployment rates constant. That led to a discussion of the political situation in the region and its relation to the economic performance in Jordan. Dr. Al Mahrouq explained that almost 1 million Syrian refugees have entered the labor market and this have had serious repercussions. Nevertheless, Jordan's economy have witnessed over 3% GDP growth rate at constant prices in the 3rd quarter of the year 2014.

Successful Initiatives in JCI-DI Cooperation from 2014

Dr. Maher Al Mahrouq - Director General / Jordan Chamber of Industry

After holding the SMEs regional conference in April 2014, JCI managed to translate several recommendations into solid actions building upon the roadmap that came out of the conference, in cooperation with DI. Dr. Al Mahrouq highlighted the extensive cooperation between the two

organizations, particularly on working on a new strategy for JCI, the cooperation entitled training and knowledge transfer both on the top and middle management levels. One initiative is the “Industrial Service Hotline” which is intended to provide SMEs with direct advice in the major areas of interest through dedicated specialized consultants utilizing a free hotline. Another successful initiative of JCI was organized tours for executive government officials to visit industrial firms with the purpose of opening direct channels of communication between the public & private sectors and try to resolve issues on the spot.

Example of Value Creation for Members

Eng. Ahmad Kamal – FEI/ECO

As an example of value creation for members Eng. Kamal demonstrated an overview of “Pioneering Business for Sustainable Development” contest, an initiative undertaken by the environmental compliance office and sustainable development (ECO) / federation of Egyptian industries (FEI). This FEI/DI joint initiative comes with the purpose of encouraging the Egyptian industrial sector into assuming full social responsibility and carrying out its role in sustainable development. Around 170 SMEs as well as large scale firms participated in the award’s four fields of submission. The nine winners were honored in a celebration ceremony held in Cairo, aside of which a forum was held under the banner of “Social Dialogue between stakeholders of sustainable Development”. Building on the success of this initiative, future rounds of this award are intended.

Introduction to 2015 Work plan

Niels Tanderup Kristensen – Deputy Director / Confederation of Danish Industry

Mr. Kristensen gave a brief about the work done through 2014 and the solid output: the pilot gap analysis of VET for the food & beverage sector in Egypt (which will be followed up through 2015), the best practice catalogue as well as the MENA benchmark report. 2015 will build on these results and is intended to see progress on the B2B platform to better connect businesses across the region and outreach to EU & US. International business services would also be a major area of focus, along with policy advocacy through developing policy briefs based on the MENA benchmark report. The year will also mark the development and adoption of the AE Network statutes, a step further in the network’s formalization process.

Service Workshop I:

Development of International Business Services

Anders Kjoller – Manager / Confederation of Danish Industry

The main purpose of this workshop was to discuss and identify international business services for the network. Mr. Kjoller showcased DI’s endeavors in providing international business services with the main lesson learned that the key success factor for internationalization is the solid analysis done “home” is assessing market potential to serve as a foundation for decision making. Mr. Kjoller then presented the “international business consultancy services” guide, a publication exclusively prepared for DI’s partner organizations offering an overview of selected international business services in addition to key tools to carry them out. Related electronic toolbox will be available to network members soon.

The Case of Pandora in Morocco – Cooperation between CGEM & JWM Consulting

Alexander Kjaerum & Jacob Wichmann – JWM Consulting

A concrete case of the value of the AE network in relation to international business services was presented. A link was created between CGEM and Pandora to overcome the latter's challenges in entering the North African market. Pandora needed assistance in potential partner identification in Morocco, attaining information of basic market dynamics as well as in depth investment climate understanding. Together CGEM and JMW provided assistance in market analysis, partner identification, partner selection and partner negotiations. As a result Pandora is working now with two preferred partners (out of 50+ potential) to close the deal and start actual implementation.

Service Workshop II:

Building Consolidated International Business Services

Alexander Kjaerum & Jacob Wichmann – JWM Consulting

The last part of day one was allocated to facilitating a discussion and brain storming among members in order to define 2-3 international business services that the network should focus on in terms of attracting business to MENA markets as well as exporting business to other markets. Attendees worked in groups to prioritize services and then worked on defining the prioritized services. Following turned out to be the top priorities:

- Attract partnerships with foreign companies
- Increase members' exports
- Increase members' interaction with other markets

Discussions revolved around paid vs. free of charge services. Concluding, the next steps for developing the "Arab-EU Network International Business Services Catalogue" was put forward. Until next meeting the members will therefore inform about their service provision capacities on the international arena, following a template to be distributed by the Head of Secretariat. The findings will be discussed in June and subsequently compiled in a guide.

The B2B Platform – Status and Potential Suppliers

Qais Sellami – UTICA & Mr. Karim Al Sahi – Konnecti

Mr. Sellami demonstrated the B2B platform's concept and gave a brief of its functionalities. The work progress is almost 70% and is expected to be completed by May 2015. Although the business plan was not yet introduced, Mr. Sallami informed attendees that the commercial phase of the project entitles that UTICA relies on specialists for system governance, and the platform is intended to be managed by a group of specialists. This group will be also responsible for creating traffic and generating revenues through selling subscriptions and other online services and royalties which will be paid back to UTICA who will be a major sponsor and partner of the B2B platform. One main point of discussion was the proposition of subscription fees for AE network members.

Afterwards, Mr. Karim Al Sahi presented a brief overview about the B2B platform “Konnecti”. Konnecti introduces businesses to each other based on their interests and actual social media connections. The platform also provides business ratings, a function that is extremely valuable as subscribers can attain services feedback from their actual friends and business associates. Subscription is available free of charge and directly through the platform, and could be started immediately; which is another point of strength to this platform.

Members discussed whether the platform should be functional in three languages (Arabic, English, French), as no cost estimation is available no agreement was reached on this regard.

AE Statutes & Network Evaluation

Niels Tanderup Kristensen – Deputy Director / Confederation of Danish Industry

The morning session was concluded by circulating an evaluation form about the network’s Set-up and activities as well as its performance so far. Results will be communicated soon.

This was followed by presenting the drafts of “AE-Network Articles of Association” outlining the formalization of the network including an appendix explaining the rules and regulations. Members stressed that EU members should be more engaged in the work of this network as it is entering a new phase of development. It was agreed that the secretariat will receive comments and notes before 1st of May 2015 and will prepare a final draft of the document to be adopted in the upcoming network meeting in June.

Policy Workshop – MENA Benchmark Report

Karen Panum Thisted – Consultant / Confederation of Danish Industry

The afternoon was allocated to policy issues. Ms. Thisted delivered an overview of the MENA Benchmark Report 2014, its three main chapters (macro economic indicators, business environment benchmarking, and the theme chapter on SMEs) and its conclusions. In order to take the report further, the second part of the session encompassed dividing the group into two sub-groups to discuss the three main challenges SMEs face and try to come up with recommendations on this regard:

- High youth unemployment
- Low female labour market participation rate
- Low access for SMEs to loans

Summaries are as follows:

Group One: High Youth Unemployment

The group discussions defined the main challenge in this arena to be the existing gap between market needs and available skills among young people; they think that young graduates usually lack the required skills to enter the labor market. Additionally, there seems to be a cultural barrier hindering youth engagement in career paths requiring vocational training.

Group One’s recommendation on the short term focused on mainly providing skills training for fresh graduates in compliance with market needs, this also requires joint efforts of all

stakeholders (public-private) to work on defining the actual market requirements, in order to feed into training programs. This will set the base of the long term recommendations which included updating curricula, and working on awareness and changing the mind sets to overcome cultural barriers.

Group Two: Financing Constraints

The group discussions defined the main challenges facing SMEs in acquiring required financing in the managerial capacities limiting SMEs' chances to get approvals for loans and credit facilities. The other main issue was the unsupportive SME specialized legislative framework which is very important for SMEs in this regard and specially in required collateral to access financing from different sources.

Group Two's recommendations revolved around creating specialized SME financial services, legislations and entities to cater for their needs and provide tailor-made financial solutions for them. Suggestions included the creation of an industrial development bank, loan guarantee institutions as well as amending laws and regulations to put forward adequate interest rates and collateral requirements.

After the group presentations, it was agreed that member organizations will further discuss these issues back home, and try to verify the challenges and recommendation through a roundtable exercise. The next step will be working internally on structuring all thoughts and discussion points into advocacy points to be further presented in the next working group meeting in June to serve as a base for the accumulation of a position paper generated by the network. More information will be distributed by the Head of Secretariat.

2014 Review & Adoption of Annual Report

Niels Tanderup Kristensen – Deputy Director / Confederation of Danish Industry

The last session was allocated to presenting and adoption of 2014 annual report, after that the SME best practice catalogue in its latest version was presented, this publication serves as a highlight of member organizations' success stories in supporting SMEs in different sectors. Moreover, a quick overview of 2015 intended activities was put forward including the adoption of network statutes, agreement of B2B platform as well as the requested ground work expected from members between meetings of 2015.

Next Steps:

The agreed upon upcoming activities for the year are as follows:

- ✓ Mach 10 - 13 / the 8th public Private Dialogue Workshop (optional) in Copenhagen – Denmark
- ✓ June 2-3 / 2nd working group meeting in Egypt
- ✓ October / 3rd working Group meeting in Jordan

Until we meet in Egypt – Deadlines

- ✓ Feedback on the Network Statutes – May 1st 2015
- ✓ Overview of potential international business services (templates will be forwarded) – May 1st 2015
- ✓ Roundtable meeting for 5-10 international member companies to test the value of international services and policy briefs – June 1st 2015

Points of interest:

All presentations from the working group meeting are available on: <http://www.ae-network.org/>

Yours sincerely



Niels Tanderup Kristensen

Deputy Director

Confederation of Danish Industry

Delegate	Organization	Title	Country
Dr. Maher Al Mahrouq	Jordan Chamber of Industry-JCI	Director General	Jordan
Mr. Ziad Al Homsy	Amman Chamber of Industry-ACI	Board Member	Jordan
Ms. Nada Al Waked	Jordan Chamber of Industry-JCI	Director of Technical Support	Jordan
MS. Hiba Abu Taleb	AE Network	Head of Secretariate	Jordan
Mr. Niels Kristensen	Confederation of Danish Industry-DI	Deputy Director	Denmark
Ms. Karen Panum	Confederation of Danish Industry-DI	Consultant	Denmark
Mr. Anders Kjoeller	Confederation of Danish Industry-DI	Deputy Director General	Denmark
Mr. Alexander Kjaerum	Confederation of Danish Industry-DI		Denmark
Mr. Jacob Wichmann	Confederation of Danish Industry-DI	Analyst	Denmark
Mr. Karim EL Sahy	Konnect I		Egypt
Mr. Shahat Selim	Chamber of food industries –CFI federation of Egyptian industries	Deputy Executive manager	Egypt
Mr. Yousri Tinawi	Chamber of food industries –CFI federation of Egyptian industries	Executive Director	Egypt
Mrs. Reham Ghazi	ETP-Food / Chamber of food industries –CFI federation of Egyptian industries	Deputy Director	Egypt
Mr. Ahmad Kamal	Environmental Compliance Office and sustainable Development-ECO SD Federation of Egyptian Industries	Executive Director	Egypt
Mr. Ahmed Tibaoui	Forum des Chefs d'Entprise-FCE	Vice-president	Algeria
Mr. Mehdi Bendimrad	Forum des Chefs d'Entprise-FCE	Chairman Of Board	Algeria
Ms. Meriame Filali	Confederation General Enterprises Of Morocco -CGEM	Project Manager	Morocco
Mr. Ahmad Abu Nahia	Qatar Chamber	Head Of Public Relation Department	Qatar
Mr. Yousef bin Khalfan Al- Anqoudi	Oman Chamber Of Commerce and Industry		Oman
Mr. Salim Arabia/ Rahbi	Oman Chamber Of Commerce and Industry		Oman
Mr. Jalal Makharza	federation of Palestinian chambers of Commerce, Industry and Agriculture- FPCCIA	President	Palestine
Mr. Jamal Jawabra	federation of Palestinian chambers of Commerce, Industry and Agriculture- FPCCIA	Secretary General	Palestine
Mr. Shaban Al Mountaser	Libyan Businessmen Council-LBC	Vice Chairman	Libya
Mr. Kais Sellami	Union Tunisienne de l'Indutrie Du Commerce at de l'Atisanat - UTICA	Member of Executive Board- President of ICT Federation	Tunis
Mrs. Leila Jegham	Union Tunisienne de l'Indutrie Du Commerce at de l'Atisanat - UTICA		Tunis
Mr. Mahdi Al Bladi	Al Ahsa Chamber	Board member -executive committee member- chairman of gold and handcraft industry committee	Saudi Arabia – Dammam
Mr. Sami Younes	Association of Lebanese Industrialists- ALI	Head of PR and marketing Dept.	Beirut
Fawaz Al Mahza'a	Bahrain Chamber	Committee Rapporteur	Bahrain
Hamed Fhro	Bahrain Chamber	Board Member	Bahrain