



Insights from the Occupied Palestinian Territories

DFID-EU Palestinian Market Development Programme

Implemented by DAI

PALESTINIAN MARKET DEVELOPMENT PROGRAMME

- Economic competitiveness
- Financed by: DFID & EU
- £20m, 5-yrs (2013-18)
- 4 Components
- Objectives:
 - Business sales
 - Job creation
 - Address systemic constraints
 - Improved enabling environment





MARKET SYSTEMS DEVELOPMENT ON PMDP

- DFID desire to test market development approach in Palestinian context
- Objective: pilot market-based solutions to systemic constraints by introducing

innovative business models

- IT Services
- Tourism
- Agriculture
- *£1m portfolio of catalytic grants
 - Business fundamentals
 - Partner co-investment
- Long-term sustainability

Market Development Advisors







Maha Hayek, Agriculture



Younes
Yameen,
Agriculture







IT SERVICES

IT/IT Enabled Services

Stimulating export of software development, testing, and business process services.

IT Workforce Development

Encouraging firms to invest in addressing skills gaps through training recent graduates

IT Education

 Assist forward-looking universities to review education delivery and invest in applied learning



GROWTH OPPORTUNITY: TESTING MICROCHIP DESIGN

- Microchip design is tested and validated using software tools
- Portland Trust 2016: Complex chip design increasing testing demand
- *\$313B global semi-conductor industry, 9% p.a. growth
- ■Shortage~5000 engineers worldwide, regional: ~400
- ■~ 50 semiconductor companies in region
- •Good skills match, additional requirement trainable
- Palestinian cost base competitive: 50-75% lower
- Palestinian IT companies looking to grow, but lack access, risk averse





INTERVENTION

Demand Engagement Preparation: **Local Firms**

Buyer

Facilitators

Service Providers

- Partnered with The Portland Trust
- Engaged semi-conductor firms
- Cadence requirement & commitment

cādence









- Cadence criteria shared
- 4 local service providers
- 18 engineers hired

Technical Training

- 1 month, full-time, in-class training
- Rigorous curriculum and testing
- PMDP acquired training company @ \$40,000

Practical **Training**

- 2 firms selected by Cadence
- 3-month mock project
- Delivery QA



RESULTS

\$100,000

Contract awarded by Cadence to Progineer

9

Participating firms able to secure buyers

Cadence

Expanding procurement from oPT, follow-on contract

\$65,000

Private investment in staffing and training

20

Engineers employed in chip design testing

Intel

Investing \$60,000 in applied circuit design testing lab



EXIT AND SUSTAINABILITY

- 1. Stimulate core group of commercial service providers
 - Demand: 2 leading semiconductor firms looking to procure
 - Supply: 3 leading local firms, Progineer, Asal, Exalt

2. Enhance talent pool at Palestinian Universities

- Integrate chip design testing skills to educational system
- 2 universities launching chip design testing labs





THANK YOU!

For more information:

•www.pmdp.ps

https://twitter.com/PMDP_Palestine

