STIMULATING TECHNOLOGY MARKETS TO TACKLE URBAN UNEMPLOYMENT

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

- Abdallah Salameh, ICT-Tourism
- Maha Hayek, Agriculture
- Younes Yameen, Agriculture
- Mohammed Khilla, 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

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

Preparation: Local Firms

- 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
  - Expanding procurement from oPT, follow-on contract

- **$65,000**
  - Private investment in staffing and training
  - Intel
    - Investing $60,000 in applied circuit design testing lab

- **2**
  - Participating firms able to secure buyers

- **20**
  - Engineers employed in chip design testing
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