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 semiconductor 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

$65,000
Private investment in staffing and training

2
Participating firms able to secure buyers

20
Engineers employed in chip design testing

Cadence
Expanding procurement from oPT, follow-on contract

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