

Project for Establishment of SMES Development Agency in Palestine

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PALESTINIAN NATIONAL AUTHORITY

TO BE PRESENTED AT THE MEETING OF :

MENA-OECD WORKING GROUP ON SME POLICY,

ENTREPRENEURSHIP AND HUMAN CAPITAL DEVELOPMENT

• *MANAMA, 18TH NOVEMBER 2008*

BACKGROUND

1.Share of Small Establishments Among all Establishments In Palestine 2007

Economic Activity	Employees	Total	%
	0-4		
Agriculture (farming of cattle & other animals)	6,543	6,976	93.8
Mining & quarrying	140	299	46.8
Manufacturing	12,083	15,340	78.8
Electricity and water supply	432	477	90.6
Construction	363	627	57.9
Wholesale, retail trade & repairs	56,701	59,253	95.7
Hotels & restaurants	4,253	4,643	91.6
Transport, storage & communications	778	1,215	64
Financial intermediation	577	844	68.4
Real estate, renting & business activities	3,845	4,304	89.3
Education	1,382	2,384	58
Health & social work	3,771	4,260	88.5
Other community, social & personal services	8,098	9,064	89.3
Total	98,966	109,686	90.2



2. PALESTINIAN ESTABLISHMENTS SECTORAL DISTRIBUTION

Economic Activity	Total	%
Agriculture (farming of cattle & other animals)	6,976	6.36
Mining & quarrying	299	0.27
Manufacturing	15,340	13.99
Electricity and water supply	477	0.43
Construction	627	0.57
Wholesale, retail trade & repairs	59,253	54.02
Hotels & restaurants	4,643	4.23
Transport, storage & communications	1,215	1.11
Financial intermediation	844	0.77
Real estate, renting & business activities	4,304	3.92
Education	2,384	2.17
Health & social work	4,260	3.88
Other community, social & personal services	9,064	8.26
Total	109,686	100.00

3.Evolutions in Palestinian Establishments Figures by Size of Employment 2004-2007

Year	Total	Employment Size Group					
		1_4	5_9	10_19	20-49	50-99	100+
2007	109.686	98.966	7.449	2.227	788	157	99
2004	97.279	88.489	6.059	1.826	682	138	85
% Change	12.8	11.8	22.9	22.0	15.5	13.8	16.5

CURRENT SME STATE

Despite the significance of SME for Palestinian economy ;its role in encountering unemployment and poverty, and the efforts from different stakeholder to support it , SME organizational, legal ,logistic, technical infrastructures and supporting policies and programs are still weak and overlapped.

WHY PSMEDA IS NEEDED ?

Many Local and International Stakeholders from the Public, Private and NGOs Sectors in different fields are interested and involved in working with SMEs; Their visions ,plans and efforts need to be coordinated and unified.

Therefore, the only way for achieving that is to create such agency.

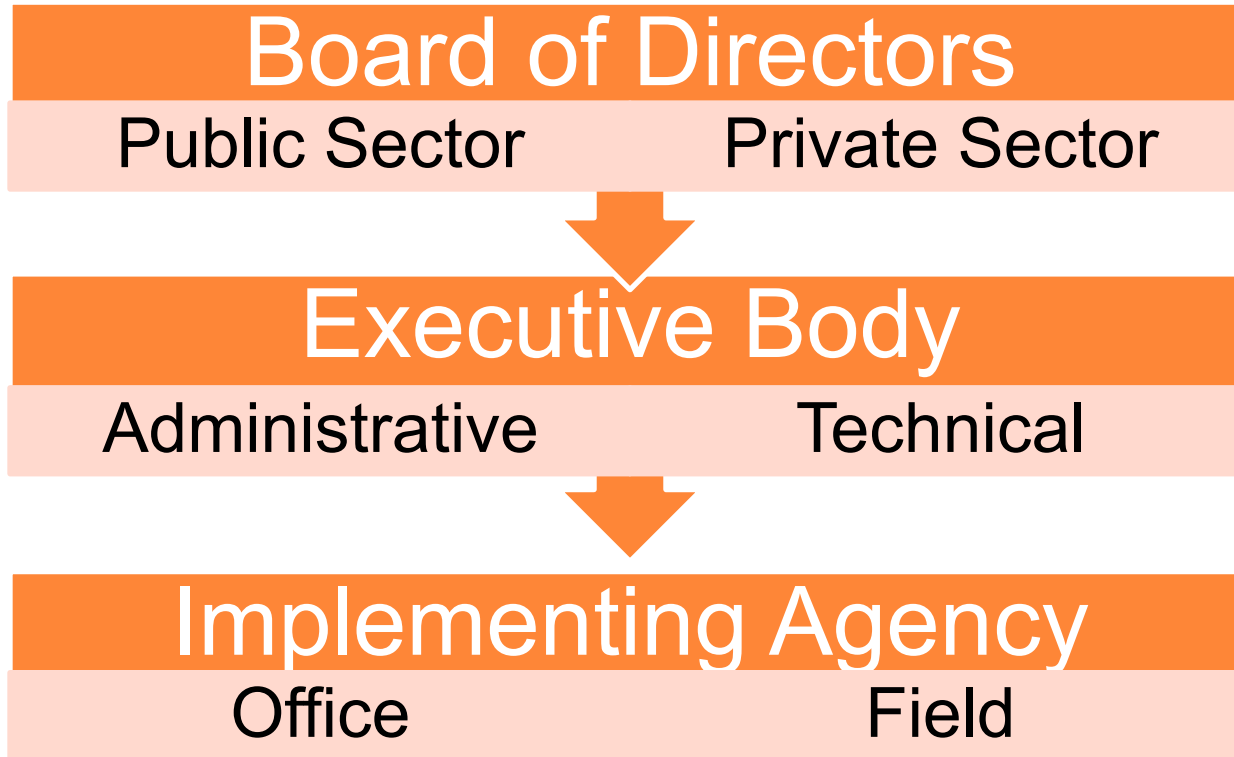


TASKS FOR SMES DEVELOPMENT AGENCY

- Formulating Policies and Strategies
- Preparation for Legal Framework
- Coordinating Efforts of Different Stakeholders
- Putting down Plans, Programs and Projects
- Mobilizing Resources for Programs Implementation
- Following up



PROPOSED PSMEDA ORGANIZATIONAL STRUCTURE



PROPOSED ORGANIZATIONAL STRUCTURE FOR PSMEDA EXECUTIVE BODY

Financing Dep.

Policies
and Studies
Dep.

Consulting Dep.

Training Dep.

Marketing
Facilitating Dep.

Programs and
Projects Dep.

WHAT IS NEEDED FOR IMPLEMENTATION?

- Detailed proposal
- Promotion
- Political design
- Funding
- Law
- HR choosing and preparing

