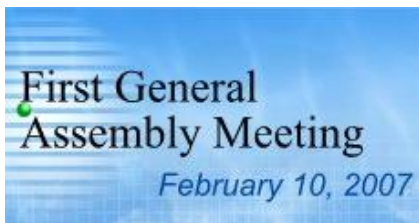


PSC Newsletter

December 2006



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PSC: From incubation to sustainability

Raja Khaldi, Coordinator, UNCTAD Assistance to the Palestinian People

As one of those involved in the conception and launching of the project to establish a viable institution to serve the Palestinian shippers community, and at the end of the PSC's start-up year, I can only congratulate Maha Abu Shusheh, the PSC PrepCom and its management team for an impressive performance record. PSC has demonstrated the potential to become a leading national institution in the area of trade facilitation, and started to build important relations at the national, regional and international levels. We know that much more remains to be achieved, both in the lead up to the founding General Assembly, and in the first full year of operational services to members. And we are sure that PSC has in place both the technical support and the consensus among PrepCom members on the value of this institution that is about to emerge from the incubator .

And in the second year of this project, the PSC will have to surmount the tough challenge of becoming a sustainable, self-sufficient institution in the period 2008-2009. As such, our collective performance and support in 2007 will determine the ultimate future of the PSC, and we need to be well prepared. I want to take this opportunity to address directly all potential PSC members and stakeholders and highlight what we at UNCTAD see as the core challenges facing PSC as it takes its first steps unaided by its technical partners.

First and foremost is that the PSC has to continue to demonstrate that is an independent and professional institution dedicated to promoting the collective interests of all Palestinian shippers, small and large alike. It must take the stage as a national trade facilitation institution which has the potential to represent the combined power of Palestinian importers and exporters. While important strides have been taken in outreach, advocacy and in raising awareness, now is the time to move forward to establishing a membership-driven institution. We look forward to the first General Assembly of the PSC in early 2007 as a clear signal of the determination of all members to ensure full national ownership of the PSC.

Secondly, and no least important to securing membership affiliation and engagement is that the PSC must be increasingly viewed as the forum not only for discussing trade facilitation problems, but especially for addressing and resolving them. Once the PSC can consistently deliver on its promise of serving members by reducing transaction costs through interventions with transport operators, customs clearance agents, ports and shipping lines, then we can all be satisfied that it is on the right track. Certainly, this is no easy task given the realities of occupation and conflict, as well as the continued absence of national sovereignty. But the Palestinian people have repeatedly demonstrated their innovativeness, adaptability and creativity in surviving amidst adversity and the PSC has already succeeded in forging good working relations with the relevant Ministries/departments of the Palestinian National Authority. So this challenge to the PSC is one we are confident can be met.



Another pressing issue relates to membership fees and fee-based services that should be launched in 2007. These members-only-services and non-members services need to be designed within the context of an annual business plan for 2007 that will be presented to the PrepCom and the Management Board to be elected at the first annual General Assembly. While the PSC technical conference prior to the General Assembly will help in identifying the type of fee-based services to be offered by the PSC to its members, you will have to move swiftly and cooperate closely if you are together to ensure the viability of this institution and realise its potential commercial bargaining power on your behalf.

The challenge is great, we know; apparently in the Palestinian political circumstances too great, but that must be our focus and we have to prepare now for self-sustainability as of 2008.

As the above implies, we view the PSC long-term viability mainly through a) the charges/fees it can collect for real money-saving services it provides, supplemented by b) some sponsorship of certain activities from larger corporate members and c) some "project" funding from possible donors, who will no longer be willing to fund for core running expenses after 2007. So do not expect the PSC to survive through donor funding as have some Palestinian private sector institutions. Instead, the business model we need to be looking at would have to be closer to that of Shippers Councils in more developed economies (membership fees, sponsorship and services).

The challenge is great, we know; apparently in the Palestinian political circumstances too great, but that must be our focus and we have to prepare now for self-sustainability as of 2008. Certainly UNCTAD will exert all possible efforts to assist the PSC through next year to meet the challenge. But as you know well, this is your institution and it will be up to each and every member to play his/her part in making PSC an effective and professional national institution.

ICT Roles at PSC

Ayman Tirhi, IT Manager, PSC

Apart from the normal IT and communications services between the PSC's offices in Ramallah and Gaza, Information & Communications Technology (ICT) plays an important role in the operation of PSC, mostly through the website and the database. The website represents the main interface to the public through which different information about the council and its activities and services are presented in addition to intensive information for the traders which help them with the processes of importing and exporting. Links of interests to different ministries, chambers of commerce, institutes and shipping companies are also available with frequent update.

One of the most important services is the database, which is also available on the website. The database includes full members' information, problems, concerns and interests. It was created to manipulate the members' raw data into useful information to get some facts and statistics that describes the real situation. Figure 1, for example, shows some statistics about the traders' major problems. Such results and others are worked upon thereafter in different ways and are used as one of the basic building blocks for the subsequent workshops' agendas.

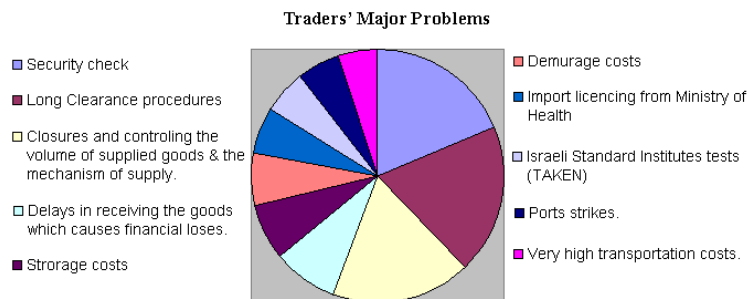


Figure 1: Trader's Major Problems

Several future services are planned to be developed including a database on customs tariff, a joint PSC-ASYCUDA for the Palestinian shippers (their profiles, export-import activities, etc...) and an information and dissemination network on port and border crossing regulations, activities, charges and conditions for PSC members.

Achievements

PSC's Achievements to-date includes:

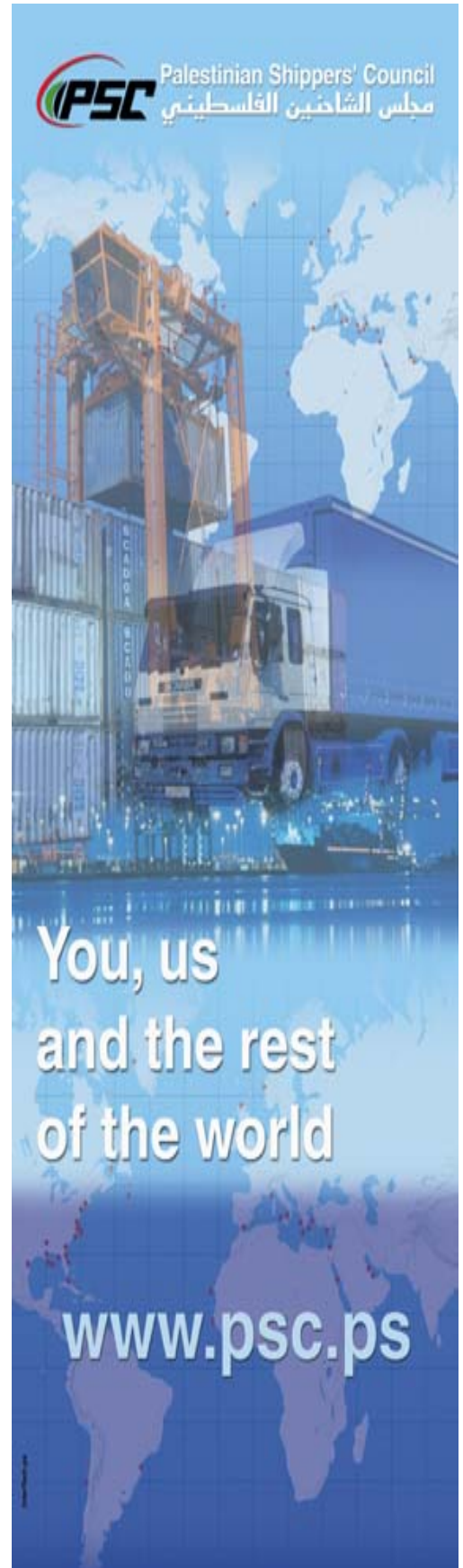
- **Membership:** The number of PSC members has increased from 92 to 240 representing exporters and importers from a wide range of sectors across the occupied Palestinian territory..
- **Development of services for shippers:** The membership form is being used to ascertain the problems facing shippers, including problems at Israeli borders. The results of this exercise enabled PSC to identify major logistical and technical problems that are common to most shippers and require immediate intervention. A follow-up survey was also circulated among Palestinian shippers to obtain feedback on specific issues that were identified by members who filled out the membership comment form – MCF.
- **Database, website public outreach:** The PSC's institutional website (www.psc.ps) is regularly updated with the Council's activities and up-to-date information relevant to the Palestinian shipping community. The membership form and the follow-up survey have been published on the website to enhance the visibility of the PSC as the main address for solving the problems of the shipping community. The total number of visits approached 6000 since 18 March 2006, with the month of October registering the largest number of visits (over 1000 visits, equivalent to 32 visits per day), and the PSC is receiving extensive media coverage.
- **Development of cooperative relations with external stakeholders:** The PSC is continuously forming strategic partnerships with relevant institutions for the benefit of its members. The previous period has involved networking with the Palestinian Businessmen Association. Moreover, the Association's magazine published several articles to promote, among the business community, the PSC, its services and activities in 2006. (the workshop is mentioned below)
- **Negotiations with shipping lines:** Negotiations are conducted with MSC shipping line and K-line in Tel Aviv and MSC in Brussels concerning the charges imposed by MSC on PSC members. PSC requested a more lenient approach towards all containers destined to Palestine.
- **Partnership with SSC, ESC and EU:** PSC and the Swiss Shippers Council (SSC) and the European Shippers Council (ESC) will be maintaining a comprehensive exchange of ideas and information, and agreed to co-ordinate activities and collaborate for the benefit of PSC members. PSC had also an agreement with the European Union (EU) to grant PSC members access to the EU Export Help desk, which is linked to PSC's website.
- **Meeting with the Israeli Authority on Eretz border:** A meeting was held at Eretz border to facilitate the movement of PSC members.

Outreach

PSC is adopting a strategic approach to partnerships with relevant institutions for the benefit of its members. The Council is actively seeking to educate itself and contribute to decisions that ultimately affect Palestinian shippers.

PSC and the Palestinian Businessmen Association have agreed to conduct joint workshops in West Bank (Jenin, Nablus, Tulkarm, Bethlehem, etc.) and in Gaza. The PSC is also preparing to organize several workshops in partnership with the chambers of commerce.

PSC has also approached major shipping lines to negotiate better rates and treatment for PSC members. For example, PSC held a meeting with K Line Shipping – Israel following major complaints by some of PSC members on delays at Ashdod port. The meeting was concluded with the following:



- K-line is keen to maintain the services they are supplying to Palestine and are happy to improve it, where needed.
- They give normally 21 days demurrage to Palestinian customers.
- They do not request deposits, despite some of the abuse that the containers suffer from, especially in Gaza.
- K-line Punctuality has come to normal despite the latest delay, which was caused by war and some problems at Port Said.
- Some containers were misused and damaged by importers due to high demurrage costs, but K Line was lenient and reduced the cost.

In addition, PSC and ASYCUDA met with the World Bank upon their request to discuss Border Crossings and the possibilities of Commercializing Rafah as an option to export Palestinian goods. The World Bank will promote the idea internationally.

The PSC was also invited to participate in future training activities by the ESC and the SSC, and the two organizations committed themselves to assisting the PSC in raising its profile and designing tailor-made services. The SSC will be also advising the PSC in the preparation of its internal bylaws and membership fees.

Capacity building

A. Workshops:

In cooperation with several Chambers of Commerce, Industry and Agriculture, and UNCTAD "ASYCUDA" project in the occupied Palestinian territory, the PSC held small workshops at the Chambers' headquarters in the West Bank and Gaza. The workshops highlighted the Council's services, objectives, achievements and membership requirements as well as the problems and obstacles facing Palestinian importers and exporters. Certificates of attendance were distributed at the end of each workshop. The workshops were held in:

- Gaza Chamber of Commerce, Industry and Agriculture on 14th September 2006.
- Bethlehem Chamber of Commerce, Industry and Agriculture on 14th September 2006.
- Qalqelia Chamber of Commerce, Industry and Agriculture on 11th of December 2006.

Another workshop was held in cooperation with the Businessmen Association and "ASYCUDA", at the Association's offices in Ramallah, on 14th November 2006. The workshop included presentations on PSC, the Palestinian automated customs system, and on INCOTERM 2000.

PSC staff in Gaza attended a workshop at Paltrade on Indicators for Export Movement for Productive Sectors via Al Montar Terminal, and another one on the Crossing Protocol at Rafah crossing and political agreements.

In addition and in corporation with the Peres Center, & the Israeli Export & International Co-operation Institute; the Palestinian Shippers' Council held a workshop on import & export procedures through the Israeli borders on the 6th & 7th of December 2006 in Tel Aviv. 27 importers & exporters had participated; including 20 participants from West Bank and 7 from Gaza strip. Several subjects concerning shippers were discussed including export and custom procedures. In addition, a field visit was held to **MAMAN – Cargo Terminals & Handling** at Bengorlian Airport. The visit highlighted the Export & Import process "from A to Z" – from receipt of cargo at the Maman Depo, through storage, preparation for flight and required documents.



Workshop in Gaza, September 14th 2006



Workshop in Bethlehem, September 14th 2006



Workshop with Businessmen Association, November 14th 2006



Workshop in Qalqiliya, December 11th 2006

B. First International Study Tour:

The study tour to Brussels and Geneva was organized over the period 12-19 October 2006, and featured extensive meetings with ESC officials, SSC officials as well as UNCTAD experts. The PSC was represented by two members of the management team (the General Manager and Regional Manager) and a PrepCom member. This limited number of participants was mainly due to the adverse field conditions, which impeded Gaza based members from participating.

The study tour involved the following activities:

Belgium

1. Antwerp Port Visit - Jan Burvenich: Deputy Port General Director.
2. Mediterranean Shipping Company (MSC) Belgium - Nadine Van Rompay – Import Manager
3. European Shippers' Council - Nicolette Van der Jagt: Secretary General.
4. European Union meeting - Gijs Berends: Directorate-General for Trade.

Geneva

5. UNCTAD Expert Meeting on ICT Solutions to Facilitate Trade at Border Crossings.
6. Swiss Shippers' Council (SSC) – Conrad Tobler – Secretary General.
7. Ports Francs – Jean Pierre Vila – Secretary General.
8. Discussions with UNCTAD APPU, and trade facilitation experts

The PSC delegation to Geneva was headed by the Deputy Minister of MoNE, Dr. Jawad Naji; and included Misyef Misyef- General Manager of ASYCUDA, Hani Kort- Prep committee member, and Majdi Khalil-General Manager of PSC, Yousef Shaath-Regional manager of PSC in Gaza and Mahmoud Sulaiman- UNCTAD's field coordinator.

The delegation participated in the conference on ICT Solutions to Facilitate Trade at Border Crossings and Ports, which was attended by more than sixty countries from across the globe. The Palestinian delegation delivered two presentations on how the use of Information Technology and Communication can facilitate Palestinian trade.

Notwithstanding the adverse conditions, the study tour was a success. PSC presented to the European Community the specificities of the Palestinian case, and the major impediments to Palestinian trade stemming from the Israeli movement restrictions and closure policy.

Work in progress

1. Technical Conference:

In corporation with UNCTAD, the Palestinian Shippers' Council will hold its first Technical Conference in January 2007 in Ramallah and Gaza through video conference. The council's members, UNCTAD's Experts, national and international officials with relevant experience will interact with the shippers' community to exchange knowledge and experiences.

The Conference will focus on "Trade facilitation at Palestinian Crossing Points-Current Situation and Future Development". It will be divided into two interactive sessions. In the first session, it will concentrate on issues related to the current situation in Gaza & West Bank and the afternoon session on possible solutions.



First International Study Tour in Brussels and Geneva, October 12th-19th 2006



Workshop and visit to MAMAN in Tel Aviv, December 6th - 7th 2006

2. General Assembly:

The Palestinian Shippers' Council will hold its first General Assembly meeting in February 2007 in Ramallah and Gaza through video conference. PSC's members, several national and international experts and institutions will attend this event.

The General Assembly will review and endorse the by-laws presented by the PrepCom, and elect 11 members to the Board of Directors (BoD). The BoD will work through standing Working Groups of active members on specific issues/sectors.

3. Study Tours:

PSC is continuously seeking to enhance the technical expertise of all its members, and plans to conduct its second International Study Tour in April 2007. The study tour will focus on topics related to strategic management, best practices in dealing with ports, best practices in partnerships and networking..

4. Workshops:

Conducting workshops to enhance the technical capacity of PSC staff; and familiarize PSC members and the shippers' community on the different aspects of trade facilitation and the role of the PSC therein. This should include visits to Israeli ports, airport, crossing points in Gaza and West (major crossing between Gaza – Israel – Egypt). New workshops will be held at the Chambers of Commerce and in Tel -Aviv. In addition, other workshops will also be held in corporation with the Businessmen Association in West bank and Gaza.

5. Extend public outreach and being a member of the European Shippers' Council:

Establish practical and operational channels for representing Palestinian shippers' interests at national and international levels. In addition, PSC is studying the benefits of joining ESC either as a member or as an associate.

Palestinian trade facilitation efforts

PSC dedicates considerable workshops to trade facilitation. Among the major benefits of the previous workshops is that participants learn from each other and arrive at a consensus regarding the complex shipping problems. Participants identified the following issues as requiring immediate intervention, and requested the PSC to organize special workshops to initiate a debate on possible solutions

1. Import & Export procedures.
2. Clearance & Customs procedures.
3. Export and Import problems.
4. Shipping methods and procedures.
5. International Agreements with other countries.
6. Letter of Agreements.
7. Ports' work plans and procedures.
8. Ways to open global markets.
9. Border crossing trade.
10. Any logistical updates.

The PSC advises importers to take the following steps to enhance efficiencies in logistical procedures:

1. During the border closures, it is cost effective to unload containers in storage warehouses at ports in order to avoid the high demurrage rates.
2. Review the invoices issued by the clearing agents before payment.
3. Make sure that all necessary import licenses are valid before the shipment is dispatched from the ports of origin.
4. Have the documents sent by fax before shipment's arrival. This practice enables the importer to verify the accuracy of the documents and prepare the clearing agent for arrival of the goods.
5. Insurance must be made before the dispatch of the shipment, according to the agreement stated in the commercial invoice and in the sales contract.
6. Any product that requires safety warning can not be distributed without the requisite warning (i.e. cigarettes and flammables).

Preparatory Committee members' Profiles

Mr. Faysal Ghazi Shawa

Mr. Faysal holds a BSC in Civil Engineering from Memphis State University is a member of PSC's Preparatory Committee. He is the General Manager of Shawa Contracting Company, a member of: the Bank of Palestine Board, the Municipality Council in Gaza, the Middle East Pharmaceutical Company, the Tau Beta Pi (Engineering Honor Society), Businessmen Association, PALTRADE, Union of Contractors/ Classification Committee and Union of Palestinian Engineers.



Mr. Hani Emile Kort

Mr Kort holds a Bachelor degree in Civil Engineering & Architecture and a Masters of Science degree in Management from USA. He is the managing Director of Development and Reconstruction Bureau (DARB), a supply and management company mainly in Infrastructure Sector. Mr Kort developed a reputable Network of relationships internationally in the form of manufactures and suppliers through establishing the sole agency of SAINT GOBAIN - PAM France, KERAM/STEINZEUG – Germany and MARUBENI Corporation- Japan. He is a partner / share holder in several local companies such as Zayt and he is the General Manager of Ustura Films..



Mr. Omar Haj Abed

Mr. Omar holds a business and economic degree from Wisconsin University in the USA. He developed the family business including Alajami Tombak Company, Reema, United Production Co. and Bluebell Tailoring. He co-founded: Aljamal for printing and investment, Zayt, Alshourouq for investment and Al'abraj for development and investment. He is a member of the Businessmen Association, Arab Businessmen Union, PALTRADE and Palestinian Shippers' Council.



Mr. Bassim S. Khoury

Mr. Bassim who graduated from the School of Pharmacy, University of Oklahoma, USA, in 1983 and specialized in nuclear / Industrial pharmacy, founded various enterprises; including Pharmacare plc, which he is currently managing; Nur Ltd., Palestine Insurance Company plc, and the National Company for Agro Industries (Zayt), where he is serving on its board of directors. He is also serving on:

1. The board of Trustees of Birzeit University and on its executive committee
2. The board of directors of Palestinian Federation of Industries (PFI) and was elected on 12/03/2006 as its chairman
3. The Board of Trustees of St. Yves society for legal & human rights and acts as its treasurer.

He's also a member of the Palestinian Pharmaceutical Association.



Readers' Corner

readers' corner

*Tell us your
stories and
share your
experience*

PSC is initiating a new section for readers' contributions for further enhancing its services. This section was set up for those who would like to share their comments, suggestions and any beneficial experience or stories with other shippers. Thereby, before the next quarterly newsletter is issued, you are welcomed to send us feedback and suggestions that would capitalize our source of information and hope that you will find our newsletter useful.

Thank you very much!

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