

PSC Newsletter

February 2008

Message from the PSC General Manager

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Trade Security

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Why is trade important? In the contemporary globalised marketplace, free and open access to trade is a dominant feature of the economy of many countries. Trade functions as an important engine of economic growth and, more subtly, the development of a strong sense of communal development.. The Palestinian context provides a clear example of this trend with the development of a vibrant and robust economy a key objective of both the Palestinian community and its international supporters.

For Palestine, the creation of an equitable trade environment is a key goal, vital to both the broader socio-political development of the community and poverty reduction. However, economic development in Palestine faces serious challenges, notably the restrictions generated by the realities of occupation. In various regions around the globe, security issues pose a real threat to the stability, further development and equalisation of trade. However, security concerns, real or perceived, must be addressed in such a way as to minimise the obstructions to the trading environment. As the Palestinian economy develops this is emerging as a key challenge, especially as Israel retains control of the trade corridors which are vital to the Palestinian economy.

Currently, Palestinian trade is coming a distant second to Israeli security concerns. For example, Israeli measures to support security add undue procedures and costs to international trade transactions. These challenges are currently being realized at Israeli ports where cargo that is destined for Palestine is subjected to a range of restrictions and delays. These measures serve to alienate Palestinians from the global economy and obstruct our attempts to build upon the basic foundation of security, which is a fair and just society, free from poverty and degradation.

These challenges are serious. In recent times, Israel's regime of restrictions on the movement of goods and people in and out of the West Bank and Gaza, has cost the Palestinian economy millions of dollars. This has also impacted industries across the Palestinian private sector, increasing unemployment and poverty. Moreover, the Paris economic protocol has tied the Palestinian economy to with the Israeli economy and has provided Israel with control over the exporting and importing gateways, an essential element of the international supply chain. While concurrent agreements stipulated that Palestinian shippers are to enjoy access to all trade-related facilities used by Israeli shippers, this has simply not occurred. A viable Palestinian economy is a major requirement of the state-building exercise and Israeli barriers at borders represent a serious challenge to this objective. The PSC remains committed to its program of advocacy and the raising of international awareness of the difficult trade environment in which Palestinian traders are operating.



Achievements



PSC participation at the FIATA 2007

Board of Directors “BOD” meetings:

The BOD members held meetings on 19 and 28 November. During these meetings, the board emphasized its solidarity with the BOD members from Gaza. It also affirmed the need for the Israeli Foreign Ministry to ensure that PSC members from Gaza received relevant documentation and safe passage to attend any event or workshop conducted by the PSC. The BOD members also discussed issues related to the “Trade Corridors’ project” that was launched in January 2008.

Membership:

PSC’s membership grew to 346 members, representing various economic sectors and regions, 108 members are now fully registered. Members actively participate in PSC’s events; for instance, Royal Industrial Co & Offtec presented their problems in the Euro-Mediterranean Trade Facilitation seminar that was funded by the EU and held in Jerusalem on 13 December 2007.

Development of Services

Despite the dramatic deterioration of political and economic conditions in Gaza, the PSC is maintaining its operations and has further enhanced its position as the leading advocate for Palestinian shippers. The Council is working closely with the Palestinian Authority on logistical and borders related matters. It is also assisting members in Gaza in receiving demurrage discounts for their blocked containers at commercial border crossings, especially Karni. For example, “Suliman el Helo and Son’s” a member from Gaza received 25% discount from AMA shipping line during August 2007.



EC Seminar on Dec, 13th, 2007

The PSC is also providing up-to-date information on trade related procedures to its members, on an individual and collective basis. This information is made available to all members either through an e-mail or through the PSC website. The PSC also published borders working hours which is important information for both importers and exporters.

Outreach

1. The Visit of the Palestinian Shippers Council to Egypt

- In cooperation with UNCTAD, the European Union, the Egyptian Foreign Ministry and the Palestinian Ministry of National Economy, a PSC delegation concluded a one week tour to Egypt. This important trade mission included:
 - Several meetings with the Egyptian officials;
 - Visits to vital logistical facilities: Egyptian airports, Alsokhneh port, Al’areesh port, Port Saed and Rafah international border crossing.

During the delegation’s visit, several issues were discussed, including:

- a. Certificate of origin, using the Egyptian borders,
- b. Ports and airports for Palestinian imports and exports;
- c. Co-ordination of cargo entry to Gaza or West bank through the Egyptian customs.
- d. Opening of a custom branch in Aloja border;
- e. and facilitating the issuance of visa for young entrepreneurs.

2. The participation of the Palestinian Shippers Council at the FIATA 2007 in Dubai

In cooperation with UNCTAD and the European Union, a PSC delegation concluded a one week tour to Dubai; in which the delegation attended the Conference of FIATA 2007. This is the first time that a Palestinian delegation has attended a conference of this nature. Several issues were discussed at the conference, including regional & international trade facilitation issues; trade security and customs laws.

The importance of an independent trading spectrum for Palestine was also highlighted. The trade corridors through Rafah and the Allenby Bridge were identified as the core issues for such independence, as they would allow Palestinians to trade directly through the neighbouring Arab and international ports. In addition, the establishment of a Palestinian Clearing Agents Federation was suggested and several meetings were conducted involving PSC and Arab logistical companies and organizations.

3. Promoting Euro-Mediterranean Trade Facilitation:

This seminar was financed by the European Union, and co-hosted by the European Commission Technical Assistance Office, the Palestinian Shippers Council and the Peres Center for Peace; It brought together senior officials from the Palestinian Authority and a number of Israeli Ministries, including representatives from the Customs department, and the Ministries of Transport, Trade and Foreign Affairs. Representatives from both Israeli and Palestinian Chambers of Commerce were also present, as well as delegates from private business associations. The Standards Institutes of both Israel and the PA also took part, building on a pattern of existing co-operation.

In his opening comments, Mr. John Kjaer, European Commission Representative in the West Bank and Gaza Strip, stressed that while there was reason for cautious optimism following the outcome of the recent conference in Annapolis, “business can’t wait. Palestinian businesses have suffered greatly from the economic crisis. Israeli businesses increasingly find their relations with the Palestinian market strained. While it is true that with regard to certain crucial impediments to trade, progress at the political and security level is necessary, it is also true that certain issues relate more to misunderstandings or technical problems, where there might be scope for immediate improvement.”

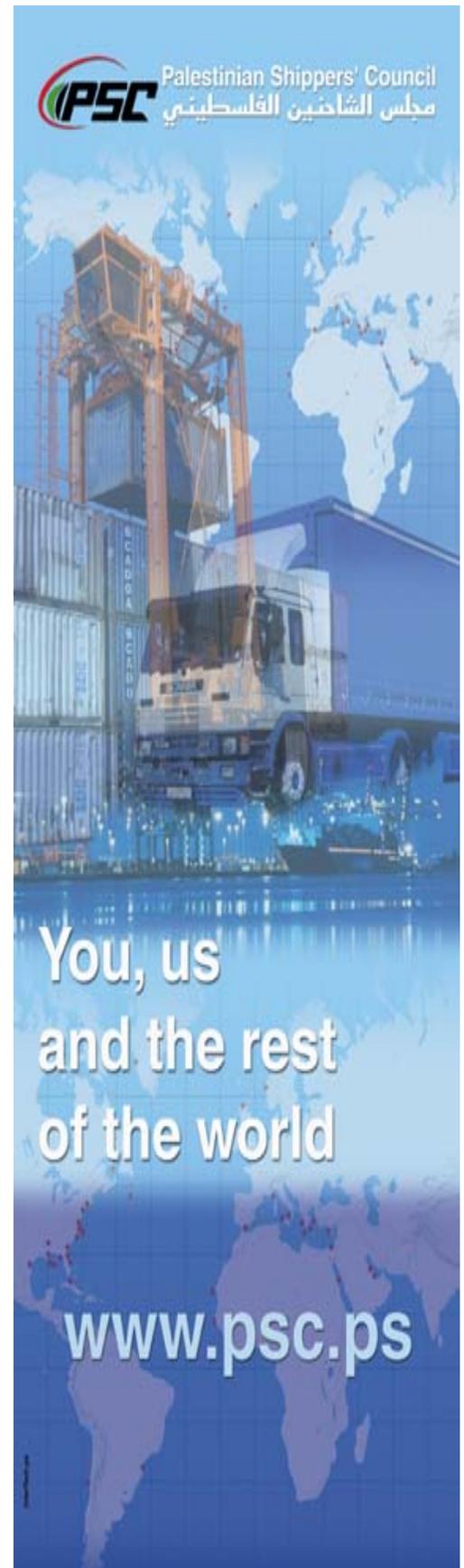
The seminar, which was attended by over 80 representatives from the private sector, was divided into four sessions, each focussing on a different area of trade facilitation. These areas were as follows.

- Potential problems faced by importers and exporters at points of entry
- Problems relating to licensing and standards
- Facilitating Israeli-Palestinian trade
- Improving trade with Jordan and the Gulf region.

Each session commenced with the description of a concrete case study, provided by a PSC member. Panellists from both sides were invited to give responses, focussing wherever possible on suggesting practical improvements that could have an immediate impact in terms of facilitating trade.

The seminar was the occasion of lively debate, but participants welcomed the opportunity to meet face to face and discuss their concerns. Majdi Khalil, speaking on behalf of the PSC, said that “we very much hope that, as a result of this seminar, the relationship between Palestinian and Israeli public institutions involved in all aspects of trade will develop in such a way that will benefit businesses on both sides. Ultimately, we hope that Israeli and Palestinian importers can operate on an equal basis. We are confident that, following today’s discussions, there is a greater understanding of the current impediments faced by Palestinian importers.”

The European Commission, Peres Center for Peace and the Palestinian Shippers Council will meet again in the New Year to evaluate the outcome of today’s seminar and to ensure the implementation of recommendations.



Recommendations of the EC seminar:

1. PSC & customs to be the focal point for any custom changes in rules and regulations
2. The application of a non-discriminative approach towards all Palestinian imported products
3. Standard Institute should notify importers of similar products certificates rather than charging each importer for the same product
4. Facilitating movement of goods between Palestinian cities including Gaza and extending the working hours.
5. Allowing all stuck containers to enter Gaza in order to reduce occupies space and cost.
6. Having a special bonded for un-cleared commodities (customs not paid yet) for the Palestinian Importers in the Palestinian Territories under the supervision of the EU which save lot of storage charges on the Palestinian Importers.
7. Allowing closed containers from passing the Jordanian bridge reducing damages and have laser check (security check) similar to Ashdod Port. The thing also will lead to cost reduction due to more capacity option.
8. PSC being the focal point for all shipping related issues with Israeli and Palestinian officials not just customs issues.

Survey conducted by the PSC

On 20 January 2008, the PSC conducted a survey on the number of containers and Palestinian cargo items detained at Israeli ports

The results showed that:

- 1- The number of members who have blocked containers at Israeli ports are 17 members (56.7%). This statistic becomes more meaningful as 13 members (43.3%) do not have goods at Israeli ports.
- 2- Types of the blocked goods: Ceramics, electric equipment, foodstuffs, tools plumbing candy, cigarettes, plastic and building materials.
- 3- There are 197 blocked containers which are distributed as follows:
 - a- Ashdod port: 144 containers
 - b- With drivers: 31 containers
 - c- Israeli storage areas including bonded: 10 containers
 - d- There are 12 empty containers blocked in Gaza.
- 4- 15 members out of 17 (88.2%) are prepared to raise a case at the Israeli court and are willing to participate in paying the advocates' fees.

Capacity building

The PSC organized an advanced workshop on procedures on the 20-21 November and 5-6 December 2007 in Tel Aviv. Nearly 30 PSC members participated. Several subjects concerning shippers were discussed including: calculation of Purchase tax, VAT and customs. The workshop included a field visit to Logisticare in Lod.



Tel Aviv workshop, November 20th – 21st, 2007



Tel Aviv workshop, December 05th – 06th, 2007

Palestinian Trade Facilitation Efforts:

Trade Corridors Project

The European Commission signed an agreement on 13/12/2007 with the Palestine Trade Centre (PalTrade) and the Palestinian Shippers' Council (PSC), to help promote Palestinian trade with neighbouring Arab countries and improve market access for Palestinian products.

The project, which is worth EUR 432,614, will last for 17 months. The first phase of the project will involve comprehensive research, to assess the capacity of, and identify improvements for, existing trade corridors into Egypt and Jordan. The private sector will be heavily involved in this research phase, providing in-depth analysis of the current situation, and recommendations for the future.

The second phase of the project will focus on engaging the Palestinian and Israeli public sectors, as well as officials in third countries (Jordan, Egypt), to promote policies and measures that will help to facilitate trade. The project will also produce an Export Information Guide on trade logistics for the use of Palestinian exporters. In addition, it will provide logistical cost analysis on importing from Egypt and Jordan.

PSC and Paltrade intend to monitor project implementation based on the project work plan, which stages and sequence different activities according to the agreed logical framework and the established performance indicators for measuring progress. The team is composed of:

- Policy & Project Oversight - PSC and PalTrade: Mr. Majdi Haj Khalil & Mr. Maher Hamdan.
- Project Manager - PalTrade: Mrs. Hanan Taha
- Financial Management & Reporting – PalTrade: Mr. Waseem Aref
- Project Coordinator - PSC: Mr. Yousef Shaath
- Trade Policy Specialist – PalTrade: to be recruited
- Trade Logistics Specialist – PSC: to be recruited
- Trade Policy Supportive Officer – PalTrade: Mr. Mohamad Sijaj
- Trade Logistics Supportive Officer – PSC: Mrs. Manal Sa'ad
- Project Administrative Assistant WB – PSC: Ms. Reham Oada

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Work in progress

1. "Training of Trainers" "TOT" Course for Palestinians: The PSC, in conjunction with the Peres Center, will soon be launching a TOT program that will enable interested Palestinians to become trainers in the supply chain management field. Thereafter, these trainers will conduct training for PSC members.
2. Workshops and local field visits to familiarise PSC members and the shipping community with the different aspects of trade facilitation and the role of the PSC therein.
3. The PSC will also organize visits to regional ports, airports, and main border crossing points.
4. Enhance the current network of dissemination of information on port and border crossing regulations, activities, charges and conditions for PSC members.
5. Find new sources of funding to ensure the continuity of the project
6. Accomplish the objectives and outputs of the first phase of trade corridors project.

Services provided to members:

Members should pay the registration fees of \$50 and membership fees of \$150.

PSC will have to provide a set of services for all its members who have paid the full membership fees; other services will be priced as per individual requirements. The fees will cover all publications, advisory services, website access and some funded workshops. Members will enjoy a discount on Workshops and training courses.

Full members will benefit from the followings:

- a. Discounts offered to PSC from ports, storage, shipping lines, Freight Forwarders, Custom Agents...etc.
- b. Funded workshops, Ports & Airports visits.
- c. Discounts on specific courses or qualifications offered by PSC on import/export.
- d. Publications and regular updates.
- e. Advisory Services on certain standard issues.
- f. Discount cost to international visits.
- g. Full voting and candidacy rights at the General Assembly meetings.

For Associate Members - Will benefit from (b) at a discounted rate, (c), (d), (e) and (f) only.

Services @ PSC

PSC's new address and contact details

Head Office, West Bank:

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