



## Best Approaches for the Development of SMEs in the Arab Countries Facing the Regional Economic Crisis





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## Regional Workshop on «Best Approaches for the Development of SMEs in the Arab Countries Facing the Economic Crisis»



### Message from President of LEBA-JICA

**Dr. Jaoudat  
Abou-Jaoude**

The Leba-Jica was established in 1998. It incorporates managers, engineers, specialists, and experts who have been placed in major professional positions in the Lebanese government, and have already completed professional and specialized training courses in Japan with the help and support of the Japanese International Cooperation Agency (JICA).

The major purpose and goal of Leba-Jica is to exchange experience in the cultural, scientific, economic and social fields with the JICA and in coordination with the Japanese embassy in Lebanon. It also aims at interchanging experience within its members, and with the regional sister associations for the wellbeing of Lebanon the Arab countries and Japan.

This coordination with the sister associations in the Arab countries is crystallized with a yearly

coordination workshop followed by a regional workshop on a topic that concerns all the associations on a local national and regional level.

The topic that was chosen for this year's workshop was "Best Approaches for the Development of SMEs in the Arab Countries Facing the Regional Economic Crisis"

This activity would not done without the support, help, and follow up of JICA and JICA office in Syria/Jordan and recently in Lebanon, and the coordination with the Japanese embassy in Lebanon.

In the name of Leba-Jica board and members I want to thank JICA and the Japanese embassy for their continuous support, guidance and encouragement and hope that this lovely atmosphere of friendship will last for many years to come.



**Message from**  
**Keisuke Yamanaka**  
**Counselor**  
**Embassy of Japan in Lebanon**

Dear Leba-Jica colleagues,

First of all, I want to express my sincere appreciation for your close collaboration and friendship with us. Leba-Jica, as a non-profit association of excellent professionals and experts, has always been the Embassy's irreplaceable partner and advisor in its activities and at the same time a circle of dearest friends of Japan.

The workshop "Best Approaches for the Development of SMEs in the Arab Countries Facing the Regional Economic Crisis" was I believe quite a timely and meaningful platform to try to respond to very basic needs of the people of the region. The Arab region has been suffering from scores of prolonged regional conflicts and instability. In this difficult circumstance, economic and social development, especially creating jobs

and employment as the most imminent needs of ordinary people should be one of the top priorities of each country to protect its stability.

Then we have to look at the essential point, i.e. how to make results on the ground. The Embassy already has been working on several projects in this field with the Ministry of Industry and UNIDO. I think that if we can coordinate more closely, asking you wise men to contribute with your rich experiences, expertise and especially sound knowledge about what really are the conditions and needs of Lebanese society, hopefully we will be able to optimize our goal, creating sources of income for as many people and their families as possible to secure sustainable and happier daily lives.

With my best wishes for the better world,





## **Assistant Representative (Project Formulation) Japan International Cooperation Agency**

It is my great pleasure to represent JICA today here in Beirut to inaugurate this valuable and significant workshop on “The Best Approaches for the Development of SMEs in the Arab Countries Facing the Regional Economic Crisis”

First of all, I would like to congratulate Leba-JICA for organizing this regional workshop this year again. I am sure this regional workshop has been a great opportunity for participants to share valuable experiences in the region. Thank you for your committed effort to regularly organize such a wonderful occasion in Lebanon.

Secondly, I would like to extend my sincere gratitude towards Ministry of Industry for committed effort as well as support for realizing this workshop. Importance of SMEs has been highly recognized in the world. I am sure that strong leadership of Ministry of Industry and experiences in Lebanon enrich today's experience sharing during and provide participants with valuable implications for further SME development in the region.

This workshop comes as one of the activities under the action plan developed by Alumni Association in line with objectives of JICA's alumni association. Objectives of alumni association's activities are to expand experiences and exchange cultural and scientific knowledge with ex-participants around the world.

On behalf of JICA, I would like to stress the important role of JICA's Alumni Associations and ex-trainees. Especially under the present circumstances, JICA Alumni Associations and its members are vital asset and also valuable partners for JICA, not only in spreading the knowledge and experiences the Alumni members have obtained in Japan, but also in addressing the current severe situation in the region.

Recently we found a very good example of such great contribution made by ex-trainees in Lebanon. Ministry of Industry and JICA have been working together to formulate the Follow-up Project. And its targeted beneficiaries are SMEs. Project activities consist of capacity building workshop for registered MSEs in a particular Governorate and provision of equipment for some SMEs. JICA couldn't design such a project alone. Strong initiative and committed support by our ex-trainees and Ministry of Industry are absolutely indispensable.

Today, we will deal with the Development of SMEs.

SMEs are particularly important nowadays in any economy. They are the source of a significant share of job creation in any modern economy. It is a well-known fact that SMEs contribute to reduce unemployment rate.

In a circumstance where the importance of SMEs' development is recognized internationally, JICA have invited quite large number of public staff around the world to attend specialized training courses on SMEs development policies. and most of them are alumni members who shared the knowledge they gained and spread the experiences through lectures and workshops they organized.

Distinguished Guests, ladies and gentlemen,

Before ending my words, I would like to thank all the participants from different countries for your kind participation in the workshop. Your presence itself can make a difference in many ways. And I also would like to expect each one of you to visualize what to be done in future. You can communicate with JICA office

and discuss about potential activities under follow-up cooperation for ex-trainees. I am with you today until end of the workshop so if you have any question about JICA's follow-up support, please do not hesitate to come and talk to me.

I would also like to express my deep appreciation to the Embassy of Japan in Lebanon for continuously providing the utmost cooperation to JICA and extending kind assistance to Leba-JICA. It is so unfortunate that H. E. Mr. Otsuka, former Ambassador to Lebanon, is not with us today as he moved to Qatar as Japanese Ambassador to Qatar. However, we sincerely request our embassy to maintain strong ties with Leba-JICA. Thank you once again and regards from JICA.



**H.E. Dr. Hussein  
Haj Hassan**  
**Minister of Industry**

Industrial development cannot be reached without peace and political stability. Such development must be based on a national economic vision set by each of the Arab countries and complimented with coordination between these countries. This vision must incorporate the best ways to enhance the economic and productive ability of the small and medium enterprises.

There is a real crisis that is represented with globalization of economy. This globalization is supposed to open new markets for small and medium enterprises in the Arab counties in general

and Lebanon in particular. But this is not the case and globalization is now in trouble since many countries are resorting to protecting their products either by subsidizing their own products, or by imposing fees and conditions under different names on the imported products from other countries. In addition to that commercial agreements are becoming more and more a political issue between countries.

The greatest challenge that the small and medium enterprises are facing now a days is to find a local national and international market for their products.



## General assembly



### Coordination Meeting Among JICA Alumni Associations in Syria, Lebanon and Jordan (JAAS, Leba-JICA, JAAJ)



Attendance:

Lebanon (LEBA-JICA)	Syria (JAAS)	Jordan (JAAJ)	JICA
Dr. Jaoudat Abou- Jaoude	Dr. Mousa Al Shahadat	Mrs. Samia Al-Zubaidi	Ms. Marah Morad
Mr. Wissam Kanj	Mr. Bassam Al Sibaa	Mr. Abdallah Oudat	
Mr. Kamal Al-Mokdad		Mr. Nidal Al-Ruosan	
Mr. Antoine Ghorayeb		Mr. Khaled Resheidat	
Mr. Wissam Al Kanj		Mr. Belal Al-Abes	
Ms. Sabine Ghosn			

The participants agreed on the title of the workshop:

**“The Best Approaches for the Development of SMEs in the Arab Countries Facing the Regional Crisis”.**

- The participant countries will be in addition to Lebanon: Syria, Jordan, Egypt, Iraq, Palestine, and Morocco.
- All of the attendants confirmed the necessity of meeting again in other occasions. The Presentations will be delivered by association member or any expert in the field.
- Necessity of inviting Japanese experts as a lecturers.



## Dinner before the regional Workshop



## Workshop on Best Approaches for the Development of SMEs in the Arab Countries Facing the Regional Economic Crisis



- Excellency Dr. Hussein Hajj Hassa Minister of Industry
- Mr. Keisuke Yamanaka Charge d'Affaires Embassy of Japan in Lebanon
- Mr. Itsuro Takahashi Assistant Representative JICA
- Excellency Mr. Dany Gedeon director general of MOI
- Excellency Mr. Maroun Seikally member of the NSHF board
- Dear Colleagues from Syria, Jordan, Egypt, Iraq, Palestine and Lebanon





It gives Leba-Jica great pleasure to launch a regional workshop which aims at investigating the Best Approaches for the Development of SMEs Facing the Regional Economic Crisis

Since 1994 Lebanon with its open economy is trying to build a strong base for the SMEs. This has been done with the help of the Investment Development Authority of Lebanon (IDAL), Banque du Liban, the European Investment Bank, Kafalat, the World Bank as well as the Lebanon-Paris III program, the private sector with entities such as the Bader Program, Berytech, Arabnet, MIT Enterprise Forum, Endeavor, and Middle East Venture Partners in addition to other entities which were established and took an active role in funding, supporting and developing entrepreneurs.

Based on data from the Ministry of Finance, there are over **70,000** active enterprises in Lebanon and are classified according to their **annual turnover** and **number of employees** into **four categories**.

- 1- Micro Enterprise:** Less than LBP 500 million AND less than 10 employees (55 %).
- 2- Small Enterprise:** Less than LBP 5 billion AND less than 50 employees (34 %).
- 3- Medium Enterprise:** Less than LBP 25 billion AND less than 100 employees (46- %).
- 4- Large Enterprise:** More than LBP 25 billion AND More than 100 employees (57- %).

- Wholesale, Retail Trade and Repairs 56.8%
- Manufacturing 11.0%
- Real Estate, Renting and Business Activities 14.1%
- Transport, Storage and Communications 3.9%
- Construction 4.8%
- Financial Intermediation 2.3%
- Hotels and Restaurants 3.7%
- Community, Social and Personal Service Activities 1.7%
- Other 1.6%

The main objectives for the success of SMEs are:

- To Grow SMEs through their next stages of development;
- To Ensure the long-term sustainability of businesses;
- To Develop innovative and creative SMEs to transition to a high-value economy;
- To Transform SMEs into more productive, competitive and global players.

This can be reached by:

- **Evolving Business Leaders;**
- **Facilitating the "Right" Funding;**
- **Improving Access to Markets;**
- **Enhancing Capabilities and Innovation Capacity;**
- **Developing a Conducive Business Environment and National Environment;**
- **Ensuring Coherence and Effective Coordination** among public and private sector stakeholders.

Finally, SMEs share around 51% of the workforce a considerable % of the GDP and exports and have proven to be a Key Economic Engine for Growth and Job Creation in the country.

With this much of information I want to conclude by thanking each and every one who participated in this workshop mainly the JICA, the Japanese embassy and all the sister associations who came from our neighboring countries.

**President of LEBA-JICA**





## opening ceremony





## During the Workshop



Egypt



Iraq



Palestine



Jordan



syria



Lebanon



Lebanon



JICA



All the participates



Egypt





Iraq



Jordan



Palestine



syria

## Recommendations

The regional workshop that was held in Lebanon related to:

“Best Approaches for the Development of SMEs in the Arab Countries Facing the Regional Economic Crisis” on Friday 22/12/2016 and in which participated the JICA associations of graduates from Syria, Jordan, Egypt, Iraq, and Palestine, came up with the following recommendations.

- 1- Set common basis for industries in the Arab countries related to small and medium enterprises (SMEs);
- 2- Adopt a complimentary policy between Arab countries in relation to parts and major material that are necessary for manufacturing products in the SMEs;
- 3- Ask the JICA to support and encourage JICA alumni associations in the Arab countries, to have continuous meetings with the SMEs in their countries and to spread these recommendations onto them.
- 4- Study the possibility of creating a training center on a national or a regional scale located in each of the Arab countries, or in one of the them. Its role is to bond the trained JICA graduates with each other especially with respect to implementing the 5S and KAISEN principles which were applied in the industrial enterprises in Japan, and other industrial countries.
- 5- Have yearly gathering between the delegates of the JICA associations in the Arab countries to activate the relationship between them in terms of setting strategies, capacity building, and strengthening ties as well as other common issues.

**Other suggestions resulted from this workshop:**

- 1- Present these recommendations to the concerned ministries mainly the Ministry of Industry (Mol) hoping that the Mol would send it to the Arab League.
- 2- Publish these recommendations in the media.



## Thank you Visit to the ministry of industries



The board of directors of LIBA-JICA offered a shield for Excellency Dr. Hussein Hajj Hassa Minister of Industry and his Excellency Mr. Dany Gedeon director general of MOI.

## Orientation on JICA's Follow-up Cooperation Scheme

### 1 - Background

Japan International Cooperation Agency has received more than 200 Lebanese trainees under JICA's Knowledge Co-creation Program (KCCP) and ex-trainees are assets of the Government of Lebanon and JICA for further collaboration and cooperation. However, except committed activities and initiatives of Leba-JICA in Lebanon and the region, we could not have utilized such assets to strengthen our partnership.

Therefore an orientation that aims to introduce JICA's Follow-up Cooperation Scheme which helps ex-trainees to implement activities based on their mandate within public offices was organized by JICA in collaboration with Leba-Jica.

### 2 - The Objectives of the orientation was:

- To explain aims of JICA's Follow-up Cooperation Project
- To explain how to apply JICA's Follow-up Cooperation Project
- To illustrate good practices of JICA's Follow-up Cooperation Project





## Art Activity

### Japan From Lebanese Eyes - III

**Topic of the activity:** Japan from the Lebanese Eyes of the Lebanese youth Schools Painting Competition - III

**Place:** Montana International College – Maten – Deek El Mehdi

**Number of Participants:** 70 students

**Date of Competition:** March and April. 2017



#### Details:

Painting Competition – Organized by LEBA-JICA and Montana International College in Lebanon, in coordination with the Japanese Embassy in Lebanon

#### Introduction:

Schools in Lebanon are impressed both by the French culture and the English culture as well as to their Arabic culture.

These two Anglo-Saxon and Francophone cultures are deeply disseminating their views, ideas, and performances among the students of Lebanon.

As we are friends of Japan, we think that it is time to introduce the Japan civilization to our schools, since the Japanese civilization is one of the oldest and richest in the world in terms of arts, sciences, technology, and culture.

#### Objectives:

The Lebanese students will acknowledge the Japanese culture through doing some research on Japan and reflecting that in a painting that reflects their knowledge of the Japan culture, art and civilization.

#### Target Group:

- Students between 8 years and 14 years in the complementary divisions in the schools.

#### Exhibition:

- The student products will be exposed in an exhibition for general public.

#### Jury Committee:

- Representatives from LEBA-JICA experts in this domain
- Representatives from the school
- Representatives from the Japanese Embassy

#### Awards for the winners:

- The two first winners (first prize and second prize) from the three categories (category 1 from grades 4 and 5), (category 2 from grades 6 and 7), (category 3 grades 8 and 9) in the painting contest get gift cards to buy artistic and educational tools or books.
- The others 20 finalist students win a certificate of participation and some souvenir gadgets from the ministry of Japan in Lebanon.







**Fairwell to HE Mr Seiichi Otsuka**



**Welcoming visit to his excellency  
Matahiro Yamaguchi**



**Dinner at the residence of his excellency**





