



ICC-ESCWA Regional Economic Forum

Preparing the next generation of entrepreneurs in the Arab region

Online | 8-9 December 2021

Reporting – Key takeaways

8TH DECEMBER – DAY 1

Opening Ceremony

Dr Rola Dashti, Executive Secretary, United Nations Economic and Social Commission for Western Asia (ESCWA)

- Forum will contribute to supporting and preparing the next generation of entrepreneurs in the Arab region.
- Arab region economy only realised 8% of its digital economy, versus Europe (15%) and USA (18%).
- SME scaled up on a regional level can bring about 3x more revenue than a local level SME.
- Unlocking opportunity brought about by fourth industrial revolution is key.
- ICC-ESCWA work together to remove barriers to overcome critical challenges.
- In coming two years, ESCWA will support 50 SMEs in Arab countries by providing them with tools to scale up their operations. Connecting them with regional and international opportunities.
- Through multilateral cooperation the 2030 Agenda can be met to improve the opportunities of SMEs in the Arab region and ensure that they are not left behind by the COVID-19 Pandemic.

John W.H. Denton AO, Secretary General, International Chamber of Commerce (ICC)

- Historic event, cooperation between ICC and UNESCWA. ICC-UNESCWA Centre for Entrepreneurship is to establish income streams for themselves, to enable individuals to create a flourishing private sector.
- Centre for Entrepreneurship has developed several tools to deliver this ambition.
- Key actions: how can we help to enable opportunity in fragile economies; and how do we rebuild and nurture these economies in the wake of the COVID-19 Pandemic?
- A focus on SMEs and traders – the "real economy".

Wissam Fattouh, Secretary General, The Union of Arab Banks

- SMEs main engine of stimulating economic growth and opportunities. World Bank: SMEs contribute to 60% of employment and 40% of GDP in emerging economies. In the Arab region, SMEs are of key importance. More than 21 million SMEs in Arab region – more than 50% of GDP. SMEs are major contributors to employment and amount to 20-40% of official employment in the region.

- Main challenge to SMEs in Arab region is accessing finance. Large financing gap exists. Three factors as to why challenge exists (1) (2) Legal framework to enforce contracts (3) capital requirement of banks.
- Studies on financing gap on Arab medium sizes enterprises is between \$200 – 250 billion. Lending to these SMEs should increase by 150% to meet this gap.
- IMF study showed that the Arab region needs to create 25 million new jobs however, SMEs face many obstacles which is chiefly access to finance. The Arab region faces the largest financing gap around the world. SMEs are a priority to Union of Arab Banks.

Guest Speaker:

Gaby Tayoun, Founder & Executive Chair, EUROPTIMA

- A message to the youth of the Arab world: "please dream – if you can make it in the Arab region, you can make it anywhere".
- "Entrepreneurship is consistency, resilience and agility."
- It must be easier to finance and protect. Not every idea will be able to sustain itself, safety nets need to be developed. It must be a collaborative effort.
- Ambitious young entrepreneurs need to be empowered.

*Joelle Yazbeck (ICC-ESCWA Centre of Entrepreneurship), **First Panel Session**, "Key trends shaping the business future for 2022 and beyond":*

Guest speakers:

Nadine Zeitoun

- Egyptian based in Dubai, working for Nestle Middle East in the media department.
- **Q - Impact on Pandemic on Consumer Behaviour and how social media platforms have evolved?** Pandemic has accelerated existing media trends. E-commerce has increased, thanks to Covid, both brands and consumers are spending more on online shopping platforms. Consumer journey no longer linear.
- **Q – Example of brand where they have applied personalisation and other key trends?** Best in class example at Nestle, Maggi is a pioneer in personalisation. Many different sub-brands needed to solve issue of cluttered communication. Using a strategy called dynamic creative optimisation (DCO) – building meaningful and dynamic connections with consumers. It allows advertisers to analyse trends. Took understanding of audience framework, identified a long list of relevant occasions to audience of Maggi brand based on key demand moments of these audiences e.g., convenience and nutrition. Maggi saw engagement of a much higher level than other campaigns. Power of data is clearly relevant. Shopper mindset is shifting consistently. Increase in social media consumption keeps on disrupting the purchase journey. Social networks give advertisers more and more ways to anticipate audiences we are selling to. One more trend, content creators and influencers. High level of relatability and trust that comes from their content and delivery of their messages. Recruiting level of trust among content creators is critical nowadays.

Naji Antoun

- Vice-President of Data Analytics for... background in data and business intelligence.
- **Q – How are businesses using data to target consumers?** Type of data – user behaviour and how users are engaging with the app, e.g., what kind of music and how they interact with features of app. Free service supported by ad revenue, subscription service where users pay for additional benefits. Obtain data through billing of credit cards. Third type of data is related to marketing campaigns, third party tool called "Adjust". This kind of tool helps to match users to ads on social platforms.
- **Q – How is the data segmented?** Most commonly is by using demographics e.g., age, gender and location. Also use platform, are users using mobile app, website, which device e.g., Apple or Android, low-end or high-end device, whether a free or paying user. Then they personalize the ads according to data. Users' music DNA – analyse users music listening habits, e.g., listens on weekends, weekdays.
- **Q – How to make the most valuable results from user data?** Experimentation and testing are important. Need to understand users and adapt to changes in user behaviour. Descriptive analysis is used – is all about reporting purposes, to be able to monitor performance of marketing and financials. Predictive analysis to predict lifetime value of customers. Machine learning – using more and more, using it mostly for music recommendations.

Yusr Sabra

- Electrical engineer set up first start-up in 2014. Runs a business in the last mile delivery sector that operates all over Lebanon and expanding into Jordan and Cyprus.
- **Q – Following growing trends of community engagement, from an internal perspective, how can talent and HR enhance the digital experience?** There are two communities in play – internal community within company and external community. Brand communities are people with different needs and backgrounds. The true owner of the brand is the client community themselves. Approach requires a balance between technology and human touch. Routine feedback surveys explore client needs, but it is important to go back and acknowledge these needs. In 2021, Yusr's HR team has grown to 190 people. Right approach, by supporting employees on a personal level. It's a way of creating a resilient team of employees that offers a better service to clients. Building stronger, heartfelt and unapologetic communities.

Jad El Boustani

- Managing director, \$250 million of assets in MENA region and Pakistan and sub-Saharan Africa.
- **Q – What are the current investment hot sectors in MENA and what are the prospects of investors in MENA and globally?** "The region is changing and has reached an interesting inflection point". UAE is leading on transactions of deals. Saudi and Egypt follow suit. UAE, Saudi and Egypt are top three countries by number of deals in the region. Industries: FinTech, enterprise SaaS and logistics are the top investments. Next wave of technology development will be focused on the "Web 3.0" based on decentralisation and ownership & trust. It is based on the blockchain and crypto. In web 3.0, ownership is decentralised. Why is it important? Users will have

better ownership of data. There is more secure AI. NFTs have taken the world by storm.

- **Q – What do US investors when evaluating investment opportunities?** First, look for complementary background and skills and assess the value of the product. Bottom line, margins and KPIs. Lifetime value, channels that they go into. Assess the market. Look at competition. Look also at scale, how big the business can be in five years etc.

Moderator: *Danny Grajales (ICC)*, [Presentation](#) on WIPO IP Diagnostic Tool

- Adequate IP protection strategy can make all the difference to entrepreneurs.

Talia Bally, WIPO - overview of the IP diagnostic tool

- IP for business division and develop products and services for SMEs, e.g., how to bring IP into a company's DNA. Notably with alliances such as the ICC. Important to develop evidence-based solutions.
- WIPO IP Diagnostic tool: self-evaluation tool, a questionnaire where you answer questions, and you will receive personalised report based on answers. Exists in six official UN languages including Arabic as well as Japanese. SMEs often don't know how to value importance of IP and so abort commercial opportunities because of this. They will not think how IP can help them raise funds. SMEs are often reluctant to invest in IP registrations due to cost, many view the cost as unnecessary. Certain IP components cannot be secured straightaway. Expand commercial opportunities of company.
- Who is the tool for? SMEs and individuals use the tool. WIPO wants as many individuals as possible to use the tool for advice on IP such as patents, trademarks. Institutions such as ICC or intermediaries should also use the tool to make sure they understand the components.
- How does it work? Click start diagnostic – no registration required. Pre-assessment – general questions about the company, what kind of products etc; Depending on how the pre-assessment is answered, new sections will open. Session can be resumed at any time. Different sections include trademark, patent. Click on the sections to access a specific report for the completed section. Reuse it as often as possible! Companies evolve and the answers will change.
- **IndranePlus** - SME based in Algeria in field of industrial maintenance and mechanicals. Developed firefighting device.
- Summary: IP diagnostic tool is a guide and can save an SME time and money. It is a tool that is based on algorithms that is based on users' responses. It is a simple and accessible tool.

Moderator: Kareem Hassan (ESCWA), [Second Panel Session](#), Science technology and innovation (STI) - what makes STI work in different communities and what lessons can be learned from regional and international experiences?

Nada El Agizy, (*League of Arab States*)

- **Regional development challenges:** overview on sustainable development – Arab leaders reached decision on mechanism to support implementation of 2030 Agenda. The Arab High-Level Committee for Sustainable Developed created. Meets twice a year – main objective is to encourage exchange of expertise and share success

stories of Arab states and other stakeholders. Topics included are sustainable finance; zero hunger in the region; climate facility and Covid-19 recovery – development during the pandemic.

- Goal 17 – main goal of the agenda. Strengthen STI for least developed countries, sharing knowledge and cooperation for improved access to STI.
- ANST membership and activities: twelve Arab countries and will facilitate several multilateral discussions on STIs.
- Entrepreneurship challenges – funding to support local projects, partnerships, capacity building for youth and technical support for youth enterprises.
- Conclusion: support innovation and technological solutions to achieve sustainable recovery, raising awareness and capacity building.

Wei Liu (UN-DESA)

- Formally committed to advancing technology facilitation mechanism, it is the UN flagship endeavour. There is no one-size-fits-all approach – how SDGs is applied varies across countries. Roadmap approach is especially encouraging. UN-DESA have arrived at shared understanding of what roadmap could be. Over the last three years, the guidebook for the STI-SDG roadmap has been translated into six UN languages and defines the directions. UN-DESA prepared an operational note to assist government with implementation. Pilot countries now stand at six: Ethiopia, Ghana, Kenya, India, Serbia and Ukraine.

Dia-Eddin Arafah

Omar Sakr, (NAWAH)

- Scientific research in Middle East and Africa – there are 1m+ scientists from these regions. Lots of bright-minded scientists trained abroad yet return to outdated facilities. Extreme underfunding has created a huge uncapped potential. Policy makers should include this fact in their reviews. It is affecting several industries such as pharma, agriculture, chemical industries and petrol/oil industries. There exist three players – private universities, public universities, public research centres. One quadrant missing is private research centres. Nawah aims to challenge this reality. Nawah came up with a cloud-lab model – only built one mega-lab in central Cairo, and their clients can interact through their smartphone to use the lab's facilities. Nawah: six years old, clients in 12 countries. Rolling out the hub and spoke model across the Middle East and Africa. They are building smaller satellite labs/offices around different countries. Hope is to unleash the full potential of Arab and African scientists.

Moderator: **Vincent O'Brien** (Director of Trade Finance, ICC UAE), *First Panel Session*
Addressing the Trade Finance Gap in the Region: Tackling Challenges and Opportunities.

Guest speakers:

Zina Dajani (Antwork)

- **Q – How do you see the way SMEs are doing business and how is it changing, what do expect in the future?** Lots of changes. New normal has emerged, e.g., work from home. Agility, flexibility and adaptability are central to how businesses are run. Digitisation is important and now unavoidable. The option of remote work has had an impact on physical space. Also, growth of subscription models is interesting. Shift into millennial way of thinking.
- **Q – How does your SME cope in Lebanon?** Dealing with uncertainty and limited access to human resources, financing and physical space. Requires creativity. Technology has helped a lot; it has improved efficiency and reliability. In any crisis there is always a way to deal with things.
- **Q – Does crisis bring about creative opportunities?** Yes, it is important to change the way you used to do things – sometimes it can be a force for good and you might realise new ways are better.
- **Q – Words of Wisdom?** Global reach, global expertise is important. Reason for optimism.

Hamady Soma Ba (Islamic International Trade-Finance Corporation)

- **Q – How does ITFC get finance down to the grass-roots level?** Agri sector – big sector and one of biggest contributors to jobs and GDP. In Burkina Faso, sent financing to state-owned entity that acts as intermediary that executes the financing. The financing is readily available when the farmers have their harvest ready for export. The money can be put in the hands of the people who need it, when it is needed. Avoids delays. Cash within one month of production. Significant impact on poverty reduction. Follow the money and ensure it has a real impact on the economy.
- **Q – How do you measure the ITFC development impact?** At ITFC, a development impact framework has been developed. Scoring mechanism, visit with clients where financing is being extended. Ask questions to understand true impact of financing. Big pillar to ensure money is getting to the right hands and the financing is having the ripple effect intended.
- **Q – Words of Wisdom?** Each challenge there is an opportunity, pandemic has given us chance to think about how to turn challenges into opportunities. There needs to be more emphasis on working together. There is a joint role to play in reducing financing gap. Technology provides hope e.g., crowdfunding platforms.

Iain MacLennan (Finastra)

- **Q – What initiatives do you have with the ICC?** ICC Trade Com, working in Ecuador and plan to enter into Africa, Asia in regard to interest levels. SMEs are

lifeblood of community, important to build and collaborate with SMEs. Trust model that financiers can trust and SMEs can trust.

Dr. Salim Araji (ESCWA), Presentation: "Future of Work in the Arab Region"

- Many jobs going obsolete – fourth industrial revolution. New jobs being created.
- **Arab Reality:** three issues **(1)** lack of timely information to monitor labour market needs; **(2)** mismatch between human capital accumulation and labour market demand; **(3)** policies, regulations mostly outdated & unprepared for the impact of jobs automation.
- Main feature of ESCWA skill monitor is to identify demand of new jobs, update citizens' skills and reduce labour market mismatches.
- Potential of remote working in the Arab region: sectors of high share of employment = low potential for teleworking. These are the least value adding sectors.
- The share of entry-level jobs is larger for females than males.
- Top demanded skills in Arab region: accounting, sales and business development.

Moderator: **Daphne Yong D'Herve (ICC), Second Panel Session: Focusing about Lebanon: Rebuilding the Economy**

Guest speakers:

Elie Akhrass (B5 Fund)

- **Q - What are the different challenges to rebuilding the economy and what are main priorities in B5 fund?** B5 = Building Beirut Businesses Back and Better. Supporting businesses in 5km radius of explosion. Offering grant money to these businesses. Two main components: one for corporate business (can access \$25,000 USD) and smaller businesses (can access \$10,000). They have to go through micro-financing institutions.
- **Q – Examples of how grants have been used and their impacts?** Hope is to grow the financial performance of these business and support women and disabled people.

Alexandre Salha (Fair Trade Lebanon)

- **Q – How can agri-sector help rebuild Lebanese economy?** Need to say this sector is important. Lots of potential for job creation. It could be a pillar of the new economy. Great way to engage women and the youth and creating jobs for all. Great opportunity to innovate and bring in sustainable agriculture. Focus on clusters too – create regional levels for products and certifications – what will differentiate Lebanese products in the domestic and international markets? Work on labelling, packaging, and marketing of products. Promote partnerships between NGOs, corporations, and academics. A holistic and comprehensive approach.

Nisrine Barakeh (AIM Research & Consulting)

- **Q – How to tackle gender imbalance?** More women are self-employed vs men. Access to finance is a big barrier to women entrepreneurs. 79% of women mention the need for financial support - a huge barrier. Banking sector procedures are too stringent – collateral requirements are preclusive. Only 3% of women in Lebanon

obtain loans. Lending has decreased dramatically. Lending has nearly stopped. Social barriers also exist, social norms prescribe women as main care givers. Explains why women exit the labour force when they start a family. This trend intensified over Covid. Women need to be provided with a safe working environment. Current laws are not up to standard – reform needed. Multilateral action required to ensure women are not discriminated, this will empower women.

Neal El Jor (Co-Founder of Jobs for Lebanon)

- **Q – What kind of other support can SMEs benefit from especially from the diaspora?** They could benefit from exposure to opportunities abroad, e.g., platform where they can bid on projects. SMEs need to know how to navigate where to find opportunities. Infrastructure support is needed in Lebanon to see projects through. Aim of Jobs for Lebanon is to make Lebanon an outsourcing hub for the world.

Ramy Boujawdeh (Berytech)

- **Q – How to achieve business sustainability?** Lots of businesses looking to innovate or change their business model in response to crisis. Lots have quickly adapted.
- **Q – How do you see innovation helping SMEs be more resilient?** Out of every crisis, opportunities come out. Major components of business sustainability: 1. Stabilizing workforce 2. Adapting to new market demands 3. Innovating either in product or service or business model 4. Moving digitally 5. Exporting to new markets 6. Product substitution. At Berytech, we have been focused on supporting businesses that haven't been able to adapt quickly to the changes to become more agile, to address changes in their workforce (brain drain), to look at needs of current/potential/international customers and penetrate new markets, integrate digitization, e.g.: Toters