



**Bethlehem Chamber
of Commerce and Industry
BCCI**



Annual Report 2014

**Integrated efforts and
sustainable performance**



ISO 9001

Table of Contents

Title	Page
Introduction	2
Letter from the Chairman of the Board	3
The BCCI in Brief	4
Vision, Mission, Philosophy, Values and Strategic Goals	5
Launching the second floor at the BCCI and donor appreciation	6
The Membership and Services	7
The Committees of the Board of Directors	9
Merchant issues	10
Activities	12
Projects During 2014	19
International Participation	21
Agreements during 2014	24
Meetings and hosting local and foreign delegations	25
Social Responsibility	30
Financial Report	31
Iso Certificate	32

Introduction

The business environment has been confronted with a series of uninterrupted transformations on a local, regional and international level. In light of this situation, the Bethlehem Chamber of Commerce and Industry (BCCI) saw the necessity to keep up with these developments and changes in line with its strategic directions, which are aimed at achieving sustainable economic development, and at the same time, respond to the needs and requirements of the members of the General Assembly in an efficient and effective manner. During 2014, the activities implemented by the BCCI focused on representing the private sector, promoting and upgrading the level of performance and quality within local companies, and strengthening linkages and commercial relations with local and foreign chambers of commerce, to name a few. What distinguishes this year's activities is perhaps the follow up on members' issues with the various concerned entities, the signing of memorandums of understanding and cooperation within civil society organizations, and the effective contribution to the improvement of the business environment within the governorate.

The BCCI strived to achieve a large number of quality-based objectives during 2013, which include but are not limited to: increasing the number of memberships by attracting new members; initiating steps for the provision of electronic services; increasing the effectiveness of the Business Women's Center through participation in BCCI activities and events; adopting new promotional methods to increase the number of visitors to the Permanent Exhibition; organizing training courses to increase the capacity of employees and members of the Board of Directors; and engaging members of the General assembly in local and international activities to promote their businesses and products through trade missions, local and international exhibitions and international festivals.

On the administrative level, the BCCI managed to develop business-oriented management systems in order to present the best services for its business community members and provide them with a brief about the most important services offered as well as the main activities and events that BCCI has taken part in and organized.

The Chairman of the Board Letter

Distinguished sisters and brothers,

On behalf of myself and my colleagues at the BCCI Board of Directors, allow me to present you with the Annual Report for 2014. It has been indeed a very eventful and busy year, and I would like to share with you the highlights of the past 12 months, hoping that the upcoming year would allow us to accomplish further success. The BCCI witnessed the inauguration of additional facilities that include a new room for conferences, seminars and workshops, an information technology center, a computer lab, a business development center, a center for businesswomen, including a special meeting room from official meetings.



Dr. Samir Hazboun
Chairman of the Board

Although the prevailing political and economic environment is considered the most difficult in the history of the Palestinian struggle towards independence and statehood, still the economic situation in the Bethlehem governorate has been and continues to be negatively affected by all these developments. Nevertheless, BCCI managed to overcome the hurdles and take big steps to achieve its mission and goals through the work conducted by its specialized committees and their many and different engagements in local events, as well as their presence in national, public and private occasions.

Undoubtedly, the BCCI is considered one of the most prominent private sector institutions in the country due to the combination of its organizational structure, management style and supervision. You are the guardians of our every endeavor, and without your continuous support and belief in our mission and your confidence in the efforts conducted by the BCCI family, we would not have been able to stand strong and continue to grow and prosper under the current circumstances. Your loyalty and support have positively impacted every step we have taken towards upgrading the experience of the private sector within the governorate and contributed effectively to building our national economy.

Last but not least, I would like to take this opportunity to express my gratitude to the members of the Board for their continuous efforts to support our objectives despite the hardships you are confronted with during the performance of your daily duties.

The BCCI in Brief

The Bethlehem Chamber of Commerce and Industry is an independent, non-profit and public benefit organization, which represents and takes charge of the public sector within the governorate. The BCCI plays a vital role in the governorate's economy as it is considered one of the leading organizations to promote this rather important sector. In spite of all obstacles confronted, the BCCI attracts new investments in collaboration with investment establishments in order to achieve sustainable development. The BCCI also works diligently to assist members of its General Assembly to withstand the difficult circumstances they are confronted with and encourages them to develop and prosper.

The BCCI falls under the umbrella of the Ramallah-based Federation of Palestinian Chambers of Commerce and Industry, which incorporates a total of 18 chambers in Palestine. The very first chamber of commerce and industry was established in Bethlehem in the early 1950s whereby the first board of directors was elected on 16 April, 1952. On 30 August, 1965, a new board of directors was elected to continue in the path of integrating efforts through continuous giving and building. With the approach of the celebrations for the Second Millennium, the Bethlehem governorate entered into a new stage of building and reconstruction, and the Palestinian Minister of Economy at that time issued a resolution to appoint a new board of directors in 1999 to include leading businessmen and economists to manage the affairs of the BCCI.

In July 2011, the history of the BCCI witnessed a third round of elections, whereby 10 members were elected to the Board of Directors, all of them dedicated to serve the BCCI members of the General Assembly and develop its programs. It is important to note that for the first time in the history of the BCCI nationwide, the elected board included a female member.

The newly elected Board, headed by Dr. Samir Hazboun, pledged to raise the BCCI's level of performance and provide the best services to the members of the General Assembly, as well as provide support to local industries and products in order to achieve sustainable economic development across the governorate.

Vision, Mission, Philosophy, Values and Strategic Goals

Our Vision

Sustainable economic prosperity stemming from outstanding performance.

Our Mission

We work diligently to provide quality services to our members and the local community through the provision of counseling, guidance and technology-based capacity building. In doing so, we strive effectively to represent our members and protect their interests, activate partnerships with civil society organizations and the public sector, focus on empowering marginalized groups including persons with special needs, women and youth, raise the efficiency and quality of national products, develop the capacities of our employees, and achieve the highest standards of transparency, openness and freedom of opinion.

Our Philosophy and Values

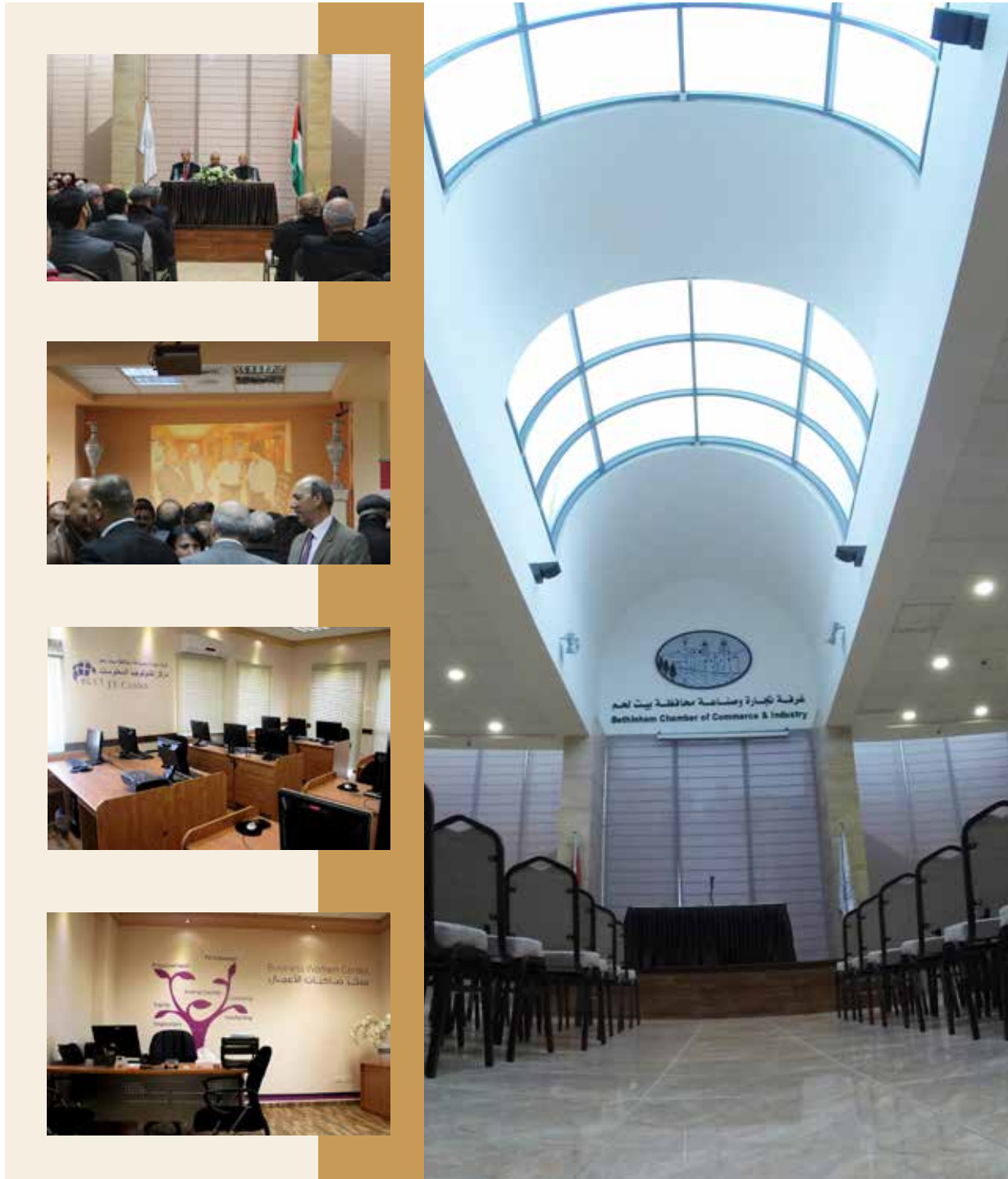
We encourage the spirit of cooperation and initiative among our members and staff in order to achieve sustainable economic development within the local community. Our activities stem directly from the needs and priorities of our members. We have committed to a set of values that would assist us in achieving our vision, among them: integrity, accountability, transparency, harmony, change and adaptation, openness, social responsibility, professionalism and adherence to international standards of performance.

Strategic Goals

- To strengthen the economic activity of the business community within the governorate.
- To improve the delivery of services and enhance communication with members.
- To increase the efficiency and effectiveness of BCCI's performance.
- To develop and expand BCCI's financial resources.

Launching the second floor at the BCCI and donor appreciation

In 2014, the BCCI inaugurated the second floor of its premises, which includes a state-of-the-art meeting room that fulfills the needs and requirements of its members, specialized technical centers for businesswomen and information technology, and a computer lab for the provision on training courses. To commemorate this occasion, the BCCI implemented an inauguration ceremony to honor the donors who made this expansion possible. The ceremony was held in the presence of many prominent figure and members of the BCCI General Assembly.



The Membership and Services

BCCI membership

The BCCI recorded a slight rise in the number of members who joined the General Assembly during 2014, which was marked by an increase of 6% compared with 2013 (4.4%), and a decrease of 10% in new memberships to the General Assembly.

Number of BCCI members 1,148

Issuance of businessman card 18

Number of new members during 2014 111

Addition of new members 11

Number of services provided during 2014 10,578

Commercial guarantees 519

Education guarantees 17

Proof of merchant ship 137

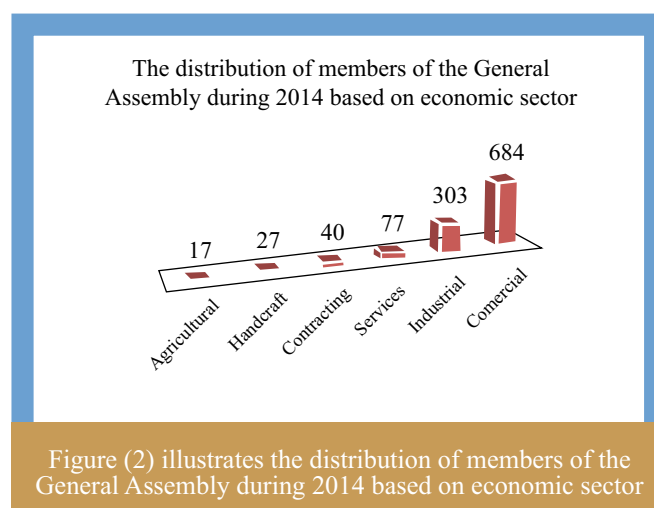
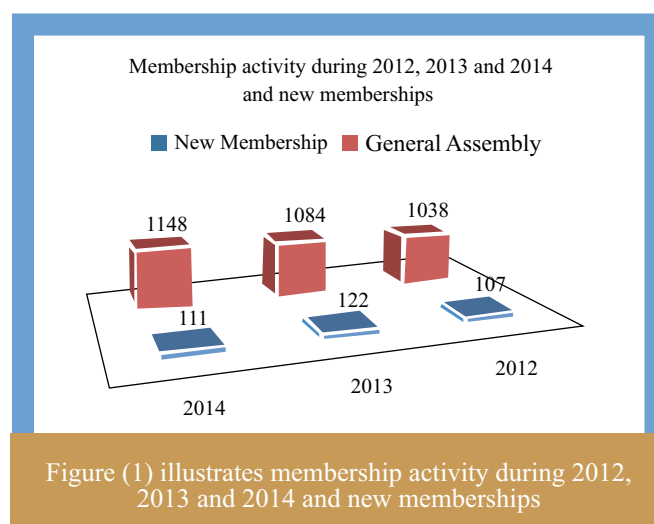
Membership cards 1,118

Membership certificate for the consulate 191

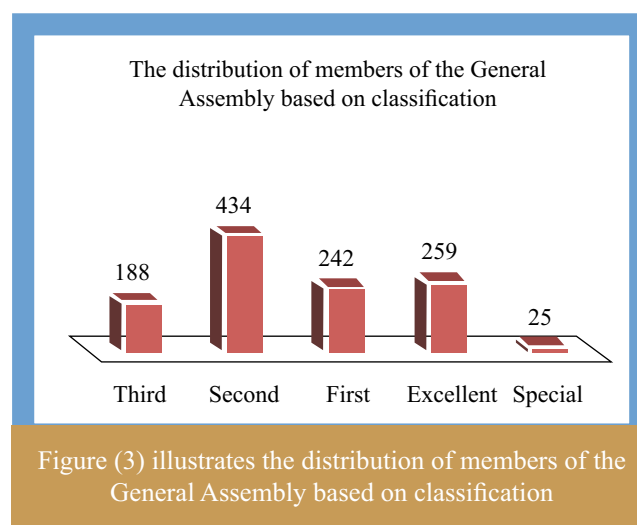
Annual membership renewal 1,037

Application form for a Jordanian passport 201

BCCI Statistics during 2014



The Membership and Services



Governorate exports based on certificates of origin issued by the BCCI: The Bethlehem governorate is famous for many production sectors that produce high quality world-class products that are exported abroad.

Exports \$17,607,928

Number of certificates of origin 1,187

Product Nature	Exports in USD	%
Stone and marble	13,224	75%
Building blocks	1,782	10%
Chemicals, pharmaceuticals, cosmetics, soaps, detergents, etc.	1,871,641	11%
Handicrafts (not including embroidery): mother of pearl, olive wood, brass, silver, etc.)	485,774	3%
Metal products including furniture	206,390	1%
Knitwear and clothing	10,983	0.1%
Total merchandise exports during 2014	17,607,928	100%

Governorate exports during 2014 excluding merchandise exported to the European Union

Connecting with Members

Circulars during 2014 275

Electronic bulletins 5

Text messages 7,779

Our friends on the social network page 1,532

Our YouTube page visitors 2,316

The Committees of the Board of Directors

Since the Committees of the Board of Directors, or sector-based committees, endeavored to form sector committees, it set off to follow up on the affairs and duties of these committees through the establishment of an internal system for the work conducted by each committee. The aims of this system are as follows:

- To represent the BCCI members of the General Assembly within specialized committees.
- To strengthen communication and linkages between the specialized sectors and the BCCI and establish a forum for continuous communication and dialogue between them in order to serve these sectors and protect their interests.
- To work with the BCCI in order to promote and develop the specialized economic sectors.
- To maintain and review rules, regulations and procedures and propose suggestions to improve them by raising related recommendations to the concerned authorities.
- To stay up to date with important events and global economic developments through the organization and implementation of seminars and lectures and benefit from local and international experiences pertaining to specialized sectors.
- To identify issues confronted by these sectors and coordinate with the concerned departments to provide solutions.

During 2014, both the commercial and industrial committees strived to achieve the desired goals in forming sector committees, and implemented several events and activities. The BCCI looks forward to develop the work of sector committees and increase their number to include other economic sectors in the coming years.

Notable activities and events during 2014:



Meeting of the Industrial Committee with the Jerusalem District Electricity Company (JDECO) to discuss the industrial tariff.



Meeting with the Turkish commercial attaché



Meeting with the Senior Commercial Specialist at the American Consulate

Merchant issues

The BCCI membership and services department networks between merchants and concerned authorities to reach common grounds, find solutions to problems and obstacles that prevent them from practicing their usual economic activities, represent and defend the interests of members at the official authorities, and communicate and coordinate with the government in order to address the issues of members and businesses. The department also works on establishing networks between members of the General Assembly, who are interested in establishing linkages with foreign companies in order to develop their products and seek new business opportunities, and also participates in the public safety committee and conduct inspection rounds across the governorate.



Meeting with merchants from the Suq (the old market) in Bethlehem

A meeting was held with merchants from the old *suq* in Bethlehem in the presence of representatives from the Bethlehem governorate, the Independent Commission for Human Rights in Bethlehem, and owners of shops and commercial stalls in the *suq*. The aim of the meeting was to discuss the details

of the implementation of the rehabilitation project for the *suq* based on the vision of the public, and discuss the positive outcomes that may come out of its implementation.



Meeting with the Director of the Income Tax Department in Bethlehem

The aim of the meeting was to enhance communication between members of the General Assembly and representatives from the Income Tax Department to discuss pending issues between both sides in order to promote business relations and provide awareness on the laws implemented in this regard, and respond to any queries related to instructions and followed procedures.

Merchant issues



A discussion meeting with the General Administration of Excise Duty, Customs, Income Tax and Value Added Tax in Bethlehem

The BCCI conducted a discussion meeting with the director of the aforementioned department Mr. Luai Al-Hanash, to commence an open and direct dialogue between taxpayers and government departments. The meeting, which included members of the BCCI General Assembly and auditors from the governorate, reveals the partnership between the public sector and the government sector and their common goals to achieve a strong Palestinian economy.



Meeting with the Director of the Income Tax Department in Bethlehem



Organizing a focus group to identify the needs of BCCI members concerning the concept of advocacy within the Trade Project.

Activities

One of the goals of the BCCI is to raise the capacity of its members and their level of awareness towards issues that concern the community by organizing meetings and establishing networks with influential groups and concerned authorities.

A workshop entitled “Al-Na’am” (Education and Economy)

In light of the success story based on the establishment of the first goose farm in Palestine in the area of Dar Salah in Bethlehem, the BCCI hosted a workshop entitled Al-Na’am (Arabic for “ostrich”), which was organized by the Department of Extension Services at the Directorate of Agriculture in the Bethlehem governorate. The workshop falls within the framework of the strategy of the Ministry of Agriculture with regards to extension and rural development, whereby the strategy for agricultural extension and the necessity to identify new income generating ideas were addressed. The workshop also featured a detailed presentation about ostriches and a documentary about raising them.

An introductory workshop about the Palestinian Market Development Program

A workshop was held to introduce the Palestinian Market Development Program, which is funded by the United Kingdom Department of International Development (DFID) and the European Union (EU) in cooperation with the Palestinian Ministry of National Economy. The program aims to improve the competitive capacity of the Palestinian private sector, address problems posed by market systems by offering technical assistance through grants provided to private sector companies that wish to penetrate new markets on a local, regional or international level. In addition, the program aims to enhance trade investment linkages with the Palestinian diaspora community in order to promote economic development.

An introductory workshop on the Anti-laundering Manual for Money Changers

The Palestine Monetary Authority, in cooperation with the BCCI organized an introductory workshop on the Anti-laundering Manual for Money Changers, whose primary objective is to assist money changers in combating money laundering.

A workshop entitled “Family Business Governance in Palestine”

The BCCI, in cooperation with the Palestine Governance Institute, hosted a workshop on the upgrading for the family business governance system in Palestine. The workshop addressed several issues among them awareness about the concept of governance in light of the increase of family businesses in Palestine that require continuous reorganization of their management structure in order to enhance their competitive capacity and increase their investments. The workshop also addressed the legal aspect of corporate governance.

Activities



A meeting on developing the performance of the import chain

Within the framework of the Trade Project that is funded by the United States Agency for International Development (USAID), the BCCI hosted a meeting on the development of the import chain, which aims to assist and support commercial and industrial companies working in the West Bank in decreasing import

costs from abroad through three main mechanisms, most importantly the shipment of goods, the facilitation of customs clearance, storage and bonded deductions, and assisting merchants to understand the procedures of the Standards Institution of Israel.



A meeting on market regulation mechanism and protection of national agricultural products

The Directorate of Agriculture in the Bethlehem governorate, in cooperation with specialized related organizations, organized a meeting to discuss market regulation mechanisms and protection of national agricultural products.

The meeting was attended by some merchants

of fruits and vegetables, poultry, fish, and red meat, in addition to farmers and representatives from public and private organizations. The objective of the meeting was to discuss issues confronted by merchants, stressing on the necessity to decrease penalties, facilitate procedures that aim at improving the quality of services for Palestinian farmers and merchants, and the overall importance of market regulation.



Meetings with representatives of Czech companies

In cooperation with the Representative Office of the Czech Republic in Ramallah, the BCCI organized a meeting between the Czech company Jett Cosmetics that specializes in manufacturing beauty and skin care equipment, and potential Palestinian agents (the target group) who are members in the BCCI General Assembly.

Another meeting was organized with Czech commercial companies in the presence of a number of owners of companies that specialize in woodworking, contracting, electric cables, and doors, in order to promote trade relations between Palestinian and Czech companies. The government of the Czech Republic seeks to provide assistance to Palestinians through commercial exchange, and decreasing the costs of Czech important products for the Palestinian merchant.

Activities



Meeting with the Labor Office

The BCCI, in cooperation with the Labor Office in the Bethlehem governorate, organized an awareness session on the role of the Labor Directorate and its departments to listen to the complaints and needs of businessmen. The meeting was attended by the Undersecretary of the Palestinian Ministry of Labor, Mr. Nasser Qutami.

A training session on exports and international agreements

Within the framework of the Trade Project that is funded by the USAID, the BCCI, in cooperation with the Federation of Chambers of Commerce and Industry, hosted a training session on exports and international agreements. The session targeted exports from members of the General Assembly to raise their complete awareness about procedures involving exports, as well as encouraging exports considering them the backbone for developing the Palestinian economy.

Rounds to inspect food commodities within commercial stores

Being a member in the Public Safety Committee, the BCCI participated in several rounds involving the inspection of food commodities in commercial stores across the governorate. The objective of these rounds is to provide the necessary guidance to merchants on how to preserve consumables in order to ensure the safety of consumers.



A videoconference between the Czech Representative Office and Al Azhar University



A workshop entitled “together for a clean and beautiful environment” in the Bethlehem governorate.



Participation in the 14th Annual Olive Picking Festival to support the concept of “sumud” (Arabic for resilience) among Palestinians farmers and to contribute to marketing the produce from olive trees.



Activities

The Businesswomen Center

During 2014, the Businesswomen Center indulged in empowering women and businesswomen, promoting the participation of women and highlighting their achievements in economic development the implementation of training workshops and awareness-raising meetings, as well as increasing the participation level of women in conferences and events. The year 2014 also witnessed coordination between various stakeholders, especially the private sector, and networking with donors to support women's projects within the Bethlehem governorate, which paved the way for women and businesswomen to participate in the business world, practice economic activities and establish private enterprises.



Project for the development of a business incubator for craftswomen

The BCCI endeavored to establish a business incubator for craftswomen with funding

from the American Consulate in Jerusalem. The project involved a series of training sessions in several issues that correspond to the needs of businesswomen in order to improve their capacities, develop their abilities and promote their management skills. This project is part of the vision of the Businesswomen's Center to empower women owners of small enterprise and create equal job opportunities in the local market, to allow them to market their products, through the implementation of a marketing activity to exhibit the products of 15 women who are participating in the training sessions.

The end of the project involved the organization of an exhibition for businesswomen handicrafts in Manger Square, which coincided with the Christian celebrations of Palm Sunday. The exhibition also included children's entertainment activities.



Activities



An awareness meeting about breast cancer

On the occasion of the awareness month of October, the BCCI, in cooperation with the Health Department in the Bethlehem governorate and Dunia Women's Cancer Center and some businesswomen, organized an awareness meeting on the early detection of

breast cancer. The meeting falls in line with the values underlying the BCCI in promoting the role and place of women in Palestinian society, and the role played by the Businesswomen's Center, which goes beyond empowering women and raising their awareness in economic fields to include their empowerment in all areas of life.



An event on the occasion of the International Women's Day – 8 March

The Federation of Palestinian chambers of Commerce, Industry and Agriculture, in cooperation with the BCCI, organized an event on the occasion of the International Women's Day on 8 March. The event, which was held at the Russian Center for Sciences and Culture in Bethlehem

under the patronage of His Excellency Dr. Rami Al Hamadallah, featured an exhibition for women's crafts and industries, several episodes on arts and folklore, and a visit to the handicrafts exhibition.



Activities

A training session on computer basics and skills

The Businesswomen's Center in cooperation with the Technical and Technological Support Unit at the BCCI, organized a training session on computer basics and skills for businesswomen. The training session, which incorporated a total of 18 training hours over a period of one month, falls within the framework of the businesswomen's Center endeavor to develop and enhance women's skills, keep up with technological progress and build capacities. At the end of the training session, the women obtained certificates.



Participation in the exhibition for handmade products by Palestinian women



A project promoting businesswomen's projects in Palestine

Activities

Visitors to the Permanent Exhibition

The Permanent Exhibition was established with an aim to promote and market various local products in order to support and develop local industries. The Exhibition is distinguished by its global standards, and it is considered the first promotion tool of its kind in Palestine, which aims at exhibit the entirety of products produced in the governorate and introduce them to the local, regional and international community.



Students from various schools across the governorate and other governorates visit the Permanent Exhibition.



The Hebron Youth Council visits the Permanent exhibition



The Public Relations Association in the Bethlehem governorate visits the Permanent exhibition

Projects during 2014

The most important projects implemented during 2014



The micro-lending project funded by San Miniato Foundation in Italy

As part of the activities implemented by the private sector, which incorporate the support and development of ongoing projects for those interested in establishing new projects in the Bethlehem area, the BCCI, in cooperation with the San Miniato

Foundation in Italy, held meetings with beneficiaries from the micro-lending project and conducted field visits to monitor and evaluate the effect of the project on the development of the private sector, which indicated the positive impact of some projects. The San Miniato Foundation expressed interest in developing these projects and promised to promote the products abroad. It is important to note that this session is the third one in a row implemented by the BCCI as part of this project.

Launching a study on the most important traditional industries in the governorate in cooperation with VIS Foundation

The BCCI and the VIS Foundation in Italy launched a study on the most important traditional industries in the Bethlehem governorate as an update to a similar study that was prepared by the BCCI in 2008. This study witnessed a great deal of interest from local and international organizations, the media and researchers because it is the most comprehensive and up-to-date study ever to be conducted on the handicrafts sector in the governorate. This study is important for the development of the handicrafts sector and projects that may be designed to serve this sector based on the study data. This study was launched as part of a project pioneered by the VIS Foundation, with funding from Trento province in Italy, and in cooperation with the BCCI with an aim to develop the handicrafts sector.

Projects during 2014



The economic survey project of enterprises in the Bethlehem governorate

As part of the USAID funded Trade Project, the BCCI obtained a grant to implement an economic survey project for all enterprises in the governorate. The survey aims to identify the overall number of enterprises members and

non-members of the BCCI and their location in order to prepare an economic map for the governorate. The survey also aims to identify the most important obstacles confronted by the local economy in order to draw and build future economic policies. This is a pilot project in the governorate, and hence its importance. It aims to provide accurate statistical information that would form the core for a comprehensive and integrated database.



The clusters project

The BCCI participated in the clusters competition as part of the program for developing cultural and creative industries within southern Mediterranean countries. The program is managed by UNIDO and the Union for the Mediterranean and funded by the European Union and the Italian Development Cooperation. The BCCI's participation included craftsmen and related organizations all working under the title "Bethlehem Treasures." The BCCI seeks to win this cluster in the hope to proceed with its activities during 2015.

International Participations

The participation of members of the General Assembly and the BCCI team in international exhibitions, training sessions and conferences:

Exhibitions



The first Palestinian industries exhibition in Kuwait

The General Assembly of the Federation of Palestinian chambers of Commerce, Industry and Agriculture, in cooperation with the BCCI and the Embassy of Palestine in Kuwait organized the first exhibition for Palestinian industries, which was held from 29 April 2014 to 2 May 2014. Dr. Samir Hazboun, the Chairman of the BCCI Board of Directors participated in

this exhibition as part of the official delegation organized by the General Assembly.



MODEKO 2014 furniture exhibition in Izmir, Turkey

A trade mission was organized for a group of merchants and manufacturers in the furniture industry to attend the MODEKO 2014 exhibition for home furniture, decorations and design, which was held at the Izmir International Fair Center in Turkey between 26 February and 2 March 2014. The exhibition also featured meetings between participants and their

Turkish counterparts. The BCCI provided several facilitations to its members from the General Assembly who were participating in the event.



Participation in the FOODEX Fair

The FOODEX Food and Food Technologies Fair was organized by the Joudy Group International Exhibitions Promotion, and held at the Izmir International Fair Center in Izmir Turkey from 23 to 26 October 2014, whereby some members from the BCCI General Assembly participated. The Joudy Group granted the BCCI delegation an award in appreciation of the Chamber's efforts and continuous activity and its

enthusiasm to always involve members from the General Assembly in exhibitions organized by this company in Turkey.

International Participations



A training tour in Germany and Poland

A training tour was held in Germany and Poland about the concept of local development in the field of education and vocational and technical training. The BCCI, presented by its General Director Mr. Ala' Adili, was part of the delegation of the councils for employment and vocational and technical training in Palestine from the governorates of Bethlehem, Hebron and Nablus, who participated in this tour. The training

tour was implemented under the patronage of the German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit) – GIZ, as part of the program for supporting and developing education and vocational and technical training in Palestine.



Participation in a training course in Malaysia

As part of the Business Development Services project, which is organized by the Japanese Agency for International Cooperation (JAICA), the General Director of the BCCI, Mr. Ala' Adili, participated in a training course, which was implemented in Malaysia about the Japanese Kaizen methodology for process improvement. The training course, which

was held over a period of two weeks, featured several lectures presented by experts from Japan and Malaysia about the philosophy behind this management methodology and ways of implementing it through the disposal of various types of waste at the workplace and as a result of production processes, in order to achieve continuous improvement and creativity in thinking and implementation, which is the main objective of the methodology.

It is important to note that participants in this training course included a delegation from the Ministry of National Economy, the Palestinian Federation of Chambers of Commerce and Industry, and the Palestinian Federation of Industries.

International Participations



Participation in the Women Entrepreneurs Week in Greece

The Deputy General Director of the BCCI, Ms. Fayrouz Khoury, participated in a forum on the Women Entrepreneurs Week in the Balkans and the Mediterranean Basin, which was held in the city of Thessaloniki in Greece and organized by the Greek organization for Women Entrepreneurs and a number of other organizations, with funding from the European Union. Ms. Khoury presented a

paper on the state of Palestinian women entrepreneurs as she reviewed incentives available to these women, and the challenges and obstacles they are confronted with. She also addressed recommendations that would increase the participation of Palestinian women in the business environment in the short and long terms and at the level of the public and private sectors and civil society organizations.

Ms. Khoury also participated in the Euromed Invest, which was held parallel to the Women entrepreneurs week. During the Euromed Invest, networking was established between several chambers of commerce and industry in the Mediterranean region and international investment and economic organizations and other entities concerned with issues pertaining to women in the business environment. All these organizations expressed interest in cooperating with the BCCI and stressed the importance of implementing joint activities, of which most importantly the organization of trade missions and bilateral business meetings for experience and information exchange.

Agreements during 2014



Signing a Memorandum of Understanding (MOU) with Golden Gate Tours and Travel

The BCCI signed an MOU with Golden Gate Tours and Travel pertaining to the provision of facilitations and extremely decreased travel rates for members of the BCCI General Assembly who travel on board Turkish Airlines to participate in trade missions and international fairs in Turkey. The signing of this MOU corresponds with the

strategic goal of the BCCI pertaining to the promotion of economic and commercial activities in the business community whose members endeavor to organize trade missions and participate in international fairs and conferences. The idea behind this MOU is to encourage and entice businessmen to expand their economic and commercial activities, organize trade missions, and participate in international fairs in order to promote their local products, penetrate new markets and encourage foreign trade relations.



غرفة تجارة وصناعة محافظة بيت لحم
Bethlehem Chamber of Commerce & Industry

A twinning agreement with Al Jadida Chamber of Commerce and Industry in Morocco

This agreement aims to promote joint cooperation between both chambers, exchange commercial and statistical information, transfer expertise in various economic sectors, participate in exhibitions, organize meetings between businessmen, identify joint investment opportunities, and document and disseminate current laws and regulations including all matters of economic nature or related to foreign trade in both countries.

Meetings and hosting local and foreign delegations

Meetings



Meeting with the Director of the Department of Civil Defense

A meeting was held with the Director of the Department of Civil Defense in Bethlehem, Major Khalifa Al Talahmeh, to discuss and promote ways of mutual cooperation between the said department and the BCCI to serve the private sector in the governorate. A discussion was also held concerning the possibility of implementing periodical workshops

with owners of commercial establishments to discuss the Civil Defense and Public Safety Law in accordance with the articles set forth in the law, as well as civil defense fees. The discussion was also about implementing awareness session related to the ways of dealing with various accidents, preventing them and extinguishing fires.



Hosting the Director of the Department of Agriculture in Bethlehem

The Chairman and Board of the BCCI hosted Engineer Salah Al Baba, Director of the Department of Agriculture in the Bethlehem governorate, to discuss means of joint cooperation between the BCCI and the Department of Agriculture in order to support the agricultural sector within the governorate.



Several meetings with the Director of the Labor Office

During 2014, several meetings were held with the Director of the Labor Office in the Bethlehem governorate, Mr. Muhamme Al Shalaldeh, to discuss a number of joint issues including: the importance of serving business owners and laborers in Bethlehem;

activating the role of the directorate; the importance of cooperating with organizations that serve business owners and laborers based on the public interest; activating the tripartite social dialogue; discussing various ideas to combat unemployment in the governorate; encouraging entrepreneurs to establish small enterprise that contribute to the development process; and seeking employment opportunities for unemployed graduates.

Meetings and hosting local and foreign delegations

Foreign Delegations



Several meetings with the delegation from the Representative Office of the Quartet

A high-level delegation from the Quartet was received at the BCCI. The delegation included Mr. Mark Singleton, Acting Head of Mission; his personal advisor Mr. Martin Lucasson, and Mr. Steven Farber, Financing and Investment Adviser. The delegation presented the efforts conducted by the Quartet to serve the private sector, while Dr. Samir Hazboun presented an overview on the economic situation in the Bethlehem governorate, and the obstacles it is confronted with as a result of Israeli practices. Several proposals were laid on the table that contribute to promoting the Palestinian economy, integration with the requirements of the Palestinian Development Plan, and economic needs for the next steps, all within the framework of a joint work mechanism.



The BCCI also hosted a delegation from the international Quartet that included Mr. Christopher Wingard, Trade and Policy Development Adviser, and Business Development Adviser, Ms. Ranan Al Muthafar. The aim of the meeting was to discuss the latest updates on the economic situation in the Bethlehem governorate as the Quartet is preparing a study on the rules of origin and

certificates of origin and their effect on the Palestinian economy, especially whether they were applied to the issue of trade with Israel.



Hosting a high-level British delegation

The BCCI received a high-level British delegation that included a group of engineers and designers, accompanied by Mr. Michael Jilleh, the Commercial Attaché at the British Consulate, and representatives from the British Agency for Trade

and Investment. Dr. Samir Hazboun presented an explanation about the BCCI, the services it provides, and its role in serving the private sector within the local community. He also presented an overview on Bethlehem in terms of demographics, population distribution, and geographic location, as well as the political situation in the governorate, the most important economic sectors and industries, and finally, he addressed the issue of unemployment and the reasons behind it.

Meetings and hosting local and foreign delegations

Foreign Delegations



A German delegation from the city of Brunswick in Germany obtains an overview on the economic and political situation in the Bethlehem governorate.



A meeting with the Turkish Ambassador His Excellency Mr. Mustafa Sarnıç to discuss investment opportunities between Turkey and Palestine.



A meeting with the Turkish Commercial Attaché to discuss methods of joint cooperation between Turkey and Palestine.

Meetings and hosting local and foreign delegations

Foreign Delegations



An American delegation from the University of Indiana visit the BCCI to identify methods of cooperation to support the private sector in the governorate, in cooperation with Bethlehem University.



Bath-Links project to cooperate on activities that encourage trade with the United Kingdom.

Arab Delegations



A Kuwaiti delegation visits the BCCI to discuss the possibility of marketing some local Palestinian products in Kuwait.

Activities of the BCCI Executive Team



A retreat for the BCCI Executive Team and Board of Directors.



A demonstration of the internal audit for ISO Quality Assurance presented by the General Manager to the employees.



Monthly meeting with the BCCI employees, and the distribution of gifts on the occasion of Al Adha feast.

Social Responsibility

The BCCI seeks to develop its work based on social responsibility by identifying objectives and a work plan that serve this rather important concept, and also by identifying the target group in order to benefit from the work of the treasury. During 2015, the BCCI will work diligently to develop and direct this endeavor.

The role of the BCCI in Social Responsibility

During 2014, the BCCI contributed to a number of activities and events that serve its dedication to social responsibility, whether on the international level or indirectly on the local level. The BCCI was involved in raising funds, both monetary and in-kind, from members of the General Assembly in the following manner:

1. The “Save Yarmouk Camp” campaign, which was organized by a youth group from refugee camps in Palestine.
2. Raising donations to provide a heating unit for Jemima Association for persons with special needs.
3. Raising donations for purchasing a hearing aid for a cochlear transplant.
4. Raising donations in the form of food commodities during the month of Ramadan to assemble a food basket and prepare *Iftar* meals for charitable organizations and families in need.
5. Raising donations in the form of painting equipment to renovate homes in the governorate.



A Visit to Life Gate Rehabilitation



Hosting the Social Solidarity Committee



A Visit to Jemima Association for Rehabilitation

Bethlehem Chamber of Commerce & Industry



غرفة تجارة وصناعة محافظة بيت لحم
Bethlehem Chamber of Commerce & Industry

Financial Statements
For The Year Ended December 31, 2014
And Independent Auditor's Report
(Translated from the Arabic original)

Financial Report

Bethlehem Chamber of Commerce and Industry Financial statements for the year ended December 31, 2014

Independent Auditor's Report

**To the Board of Directors of
Bethlehem Chamber of Commerce & Industry
Bethlehem**

We have audited the accompanying financial statements of **Bethlehem Chamber of Commerce and Industry**, which comprise the statement of financial position as of **December 31, 2014** and the related statements of activities, statement of cash flow and statement of changes in net asset for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.


Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Bethlehem Chamber of Commerce & Industry** which at **December 31, 2014** and the results of its activities, changes in its net assets and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

The financial statements as of December 31, 2013 were audited by another auditor, who issued an unqualified opinion which is on April 30, 2014. The financial statements for the year 2013 figures are presented with the financial statements for 2014 for comparative purposes only.

 **Samir B Sahhar**
Certified Public Accountants
Jerusalem: March 3, 2015.

Financial Report

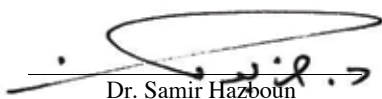
Bethlehem Chamber of Commerce and Industry Financial statements for the year ended December 31, 2014

Statement of Financial Position


(All amounts in NIS)

	<u>Note</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>
Assets			
Current assets			
Cash and cash equivalents	3	831,963	677,950
Pledges receivable	4	68,353	58,179
Account receivable		800	268
Prepaid expenses		3,400	2,368
Total current assets		904,516	738,765
Non-current assets			
Fixed assets, Net	5	4,291,971	3,845,485
Investments	2d	142,771	127,400
Total non-current assets		4,434,742	3,972,885
Total assets		5,339,258	4,711,650
Liabilities and Net assets			
Current liabilities			
Accounts payable	6	502,690	53,620
Accrued expenses	7	109,856	124,291
Total current liabilities		612,546	177,911
Non-current liabilities			
Accumulate Employees' Provident Fund Benefits	8	233,336	262,656
Total Non-current liabilities		233,336	262,656
Total liabilities		845,882	440,567
Net Assets			
Unrestricted net assets		133,052	(132,035)
Temporarily restricted net assets for projects		68,353	632,633
Temporarily restricted net assets for fixed assets		4,291,971	3,845,485
Total net assets		4,493,376	4,346,083
Total Liabilities and Net Assets		5,339,258	4,786,650

- The accompanying notes constitute an integral part of the financial statements.


Dr. Samir Hazboun
Chairman, Board of Directors




Sami Abu Aita
Treasurer

Financial Report

Bethlehem Chamber of Commerce and Industry Financial statements for the year ended December 31, 2014

Statements of Activities

(All amounts in NIS)

	Note	2014	2013
Changes in unrestricted net assets			
Revenues			
Membership subscription Revenue	9	563,199	517,044
Service Fees Revenue	10	562,251	491,360
Revenues from activities and rentals		33,364	4,990
Financial Revenues, net	12	82,041	-
Total Revenues		1,240,855	1,013,394
Net assets released from temporary restriction		185,988	476,414
Total revenues and net assets released from temporary restrictions		1,426,843	1,489,808
Expenditures			
Program direct expenses	13	283,949	583,639
Salaries and related benefits	14	605,067	573,994
General and administrative expenses	15	263,394	178,470
Depreciation		93,384	104,187
Financial Expenses, net	12	-	39,758
Total Expenditures		1,245,794	1,480,048
Increase in the unrestricted net assets for the year		181,049	9,760
Reclassification of Temporarily Restricted to Unrestricted Net Assets		93,384	(3,025,426)
Prior-Period Adjustments		(4,946)	(179,272)
Changes in Unrestricted Net Assets		269,487	(3,194,938)
Temporarily Restricted Grants and Donations	11	157,178	298,608
Released from Temporary Restriction Received		(185,988)	(476,414)
Reclassification of unrestricted Net Assets to temporarily Restricted Net Assets		(93,384)	3,025,426
Changes in the Temporary Restricted Net Assets		(122,194)	2,847,620
Changes in Net Assets for the year		147,293	(347,318)

The accompanying notes constitute an integral part of the financial statements.

Financial Report

Bethlehem Chamber of Commerce and Industry Financial statements for the year ended December 31, 2014

Statement of Changes in Net Assets

(All amounts in NIS)

	Unrestricted Net assets General	Temporarily restricted Net assets Fixed Assets	Projects	Total
Net assets as of 31/12/2012	3,062,903	1,141,351	489,147	4,693,401
Prior-Period Adjustments	(179,272)	-	-	(179,272)
Donations and Grants – Note (11)	-	298,608	-	298,608
Revenues	1,013,394	-	-	1,013,394
Total	834,120	298,608	-	1,132,730
Expenses	(1,480,048)	-	-	(1,480,048)
Released from temporary restriction	476,414	(476,414)	-	-
Total	(1,003,634)	(476,414)	-	(1,480,048)
Changes in Net Assets for the year	(169,512)	(177,806)	-	(347,318)
Net assets as of 31/12/2013	2,893,391	963,545	489,147	4,346,083
Reclassification	(3,029,826)	(326,512)	3,356,338	-
Reclassified net assets as of 31/12/2013	(136,435)	637,033	3,845,485	4,346,083
Prior-Period Adjustments	(4,946)	-	-	(4,946)
Donations and Grants – Note (11)	-	157,178	-	157,178
Revenues	1,240,855	-	-	1,240,535
Total	1,235,909	157,178	-	1,393,087
Expenses	(1,245,794)	-	-	(1,247,754)
Reclassification	93,384	-	(93,384)	-
Released from temporary restriction	185,988	(725,858)	539,870	-
Total	(966,422)	(725,858)	446,486	(1,247,754)
Changes in Net Assets for the year	269,487	(568,680)	446,486	147,293
Net assets as of 31/12/2014	133,052	68,353	4,291,971	4,493,376

- The accompanying notes constitute an integral part of the financial statements.

Financial Report

Bethlehem Chamber of Commerce and Industry Financial statements for the year ended December 31, 2014

Statement of Cash Flows

(All amounts in NIS)

	2014	2013
Cash flows from operating activities		
Changes in net assets for the year	147,293	(347,320)
Adjustments to reconcile current year changes in net assets with net cash provided by (used in) operating activities:		
Depreciation	93,384	104,187
(Increase) decrease in pledges receivable	(10,174)	577,393
(Increase) decrease in accounts receivable	(532)	49,585
(Increase) decrease in prepaid expenses	(1,032)	132
Increase in accounts payable	449,070	53,620
(Decrease) in Outstanding Checks	-	(77,895)
(Decrease) in Unearned Revenue	-	(67,692)
(Decrease) increase in accrued expenses	(14,435)	21,022
Increase in employees' provident fund	45,679	21,360
Net cash provided by (used in) operating activities	709,254	334,392
Cash flows from investing activities		
Purchase of fixed assets	(539,870)	(806,839)
Currency variances from reclassification of long term investment	(15,371)	9,451
Net Cash used in investing activities	(555,241)	(797,388)
Increase (Decrease) in cash and cash equivalents	154,013	(462,996)
Cash and cash equivalents at the beginning of year	677,950	1,140,946
Cash and cash equivalents at the end of year	831,963	677,950

The accompanying notes constitute an integral part of the financial statements.

ISO Certificate



Lloyd's Register
LRQA

CERTIFICATE OF APPROVAL

This is to certify that the Quality Management System of:

Bethlehem Chamber of Commerce and Industry
Dr. Gmeiner (Al-Karkafeh) Street
Bethlehem
Palestine

has been approved by Lloyd's Register Quality Assurance
to the following Quality Management System Standards:

ISO 9001:2008

The Quality Management System is applicable to:

Provision of Business Services for Members

Approval
Certificate No: MEA2105048

Original Approval: 2 February 2002
Current Certificate: 1 February 2014
Certificate Expiry: 1 February 2017

Issued by: Lloyd's Register EMEA - Jordan for and
on behalf of Lloyd's Register Quality Assurance Limited



Lloyd's Register EMEA - Jordan PO Box 850936, Amman 11185 - Jordan for and on behalf of
Hiramford, Middlemarch Office Village, Siskin Drive, Coventry, CV3 4FJ, United Kingdom
This approval is carried out in accordance with the LRQA assessment and certification procedures and monitored by LRQA.
The use of the UKAS Accreditation Mark indicates Accreditation in respect of those activities covered by the Accreditation Certificate Number 001

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