



USA Market Pointer

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Introduction

CARE Palestine (West Bank/ Gaza) is implementing two projects in Palestine (OBADER) & (Duroob) thanks to the generous support of the **Global Affairs Canada** and **Norwegian Agency for Development Cooperation (NORAD)**. The Ultimate Outcome of OBADER is “Enhanced economic empowerment and increased prosperity for low-income women and/or female and male youth in central (including Nablus) and south of West Bank and Gaza”, while Duroob aims at economically and socially empowering vulnerable women and youth (female and male) in the West Bank; it builds on two ongoing projects focusing on (1) inclusive market systems and value chain and (2) female and youth entrepreneurship.

It's a pleasure for PalTrade to be part of the projects and assist in achieving their goal by providing market intelligence information on three different regions to identify and find niche markets for the Palestinian handicraft products.

This market pointer will focus on the US market. The following products will be the main focus of investigation:

- Glass (hand-made)
- Ceramics
- Olive Wood monuments, sculptures and rosaries
- Embroidery

Economic Overview

The US recession which ended in 2009 ultimately proved to be the longest-lasting since the Great Depression. Growth resumed in later years but the pace was initially slower than expected and somewhat below historical trends. More encouraging is that a series of headwinds which held back the economy for several years (for example, household debt) began to recede. The economy turned in an impressive performance in 2017, thanks to strong gains in consumer spending and business investment. Real GDP growth strengthened in 2018, on the back of strong consumer spending and robust exports. But growth slowed in 2019 to 2.3%, as fiscal policy became less supportive, and headwinds from a weaker global outlook, as well as trade and political uncertainties, weighed on activity.

Fiscal prospects are dominated by the government's mandatory spending – mainly, pensions and health care for the elderly and the poor. Under the present administration, some increase in the retirement age is expected as well as a possible hike in contributions to social security. Changes to Medicaid, the government programme of healthcare for the poor, will be made but the nature of these changes is not clear.

In December 2017, Congress approved the largest overhaul of the US tax code in over 30 years. The law included a wide range of tax cuts but the most important was the reduction in the corporation tax rate from 35% to 21%. However, the durability of these tax cuts is not clear. The tax cuts ramped up growth for 2018 and 2019 but many analysts believe the boost will dissipate quickly as the budget deficit soars and the government is forced to make tougher choices about spending reductions or raising more revenue.

The US economy is expected to decline sharply in 2020. The fallout related to the economic and social measures in place to contain the Coronavirus (COVID-19) outbreak will be disastrous for the US. Both business and consumer confidence have declined during the pandemic lockdowns. The economy is expected to grow by 3.5% in 2021 and will then gradually decrease to around 1.6% annually, through 2027.

KEY POINTS

- The US economy contracted by 3.5% in 2020, with significant downside risks, after gains of 2.2% in 2019.¹
- The real value of private final consumption grew by 2.6% in 2019 and a fall of 3.9% in 2020², reflecting its high sensitivity to Coronavirus (COVID-19) pandemic social distancing effects and unprecedented income uncertainty.
- Unemployment was 3.7% in 2019 and it reached 11.1% in 2020 as of June 2020 while unemployment in June 2021 reached 5.9%³.
- The economy is expected to grow by 3.5% in 2021, provided that states are able to reopen and remove social distancing restrictions and a vaccine is available in mid-2021 and will then gradually decrease to around 1.6% annually, through 2027.

United States of America – Country Facts	
Area	9,147,400 square kilometres
Currency	US dollar (US\$ = 100 cents)
Capital	Washington, DC
Ruling Party	The Republican Party controls the government.
Political Structure	The USA has an executive president, elected for a four-year term of office by universal suffrage, who then selects and directs his own cabinet ("Administration"). The US Congress comprises a 435-member House of Representatives, half of whom are elected every two years, and a 100-member Senate, which serves for six years but a third of which is re-elected every two years. The country has a strong federal structure, and devolves its legal and fiscal system to a considerable extent.

¹ <https://www.cbc.ca/news/business/us-gdp-jobless-reports-1.5891351>

² <https://www2.deloitte.com/us/en/insights/economy/us-consumer-spending-after-covid.html>

³ <https://www.statista.com/statistics/273909/seasonally-adjusted-monthly-unemployment-rate-in-the-us/>



Economic Structure and Major Industries

Agriculture accounts for only a tiny portion of GDP and employs just 1.4% of the workforce. Farming is predominately large scale and generally efficient. The USA is a major exporter of foodstuffs and processed foods. Increased productivity is the main driver of agricultural growth. Exporters of barley, corn, sorghum and related products fear the effects of China's retaliation against their exports in response to Washington's imposition of tariffs on steel, aluminium and other products.

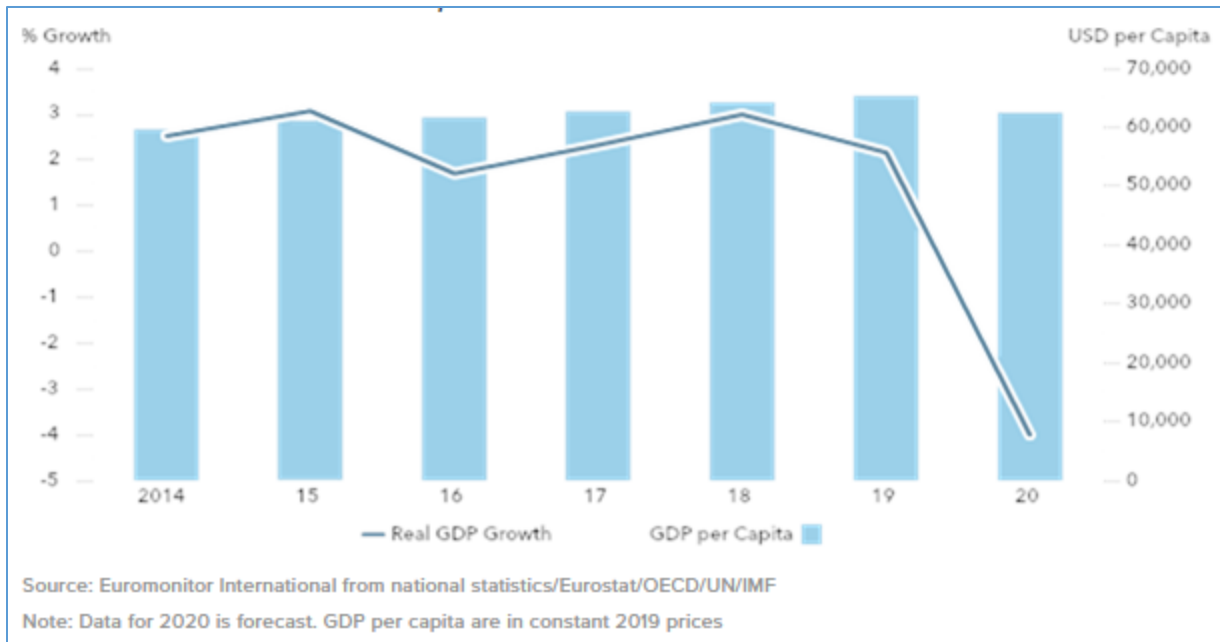
The manufacturing sector contributes 11.7% of GDP and employs 10.7% of the workforce. Prominent industries include aerospace, telecommunications, chemicals, electronics and computers. Labour shortages are emerging as the jobs market strengthens. Some people may be enticed to re-enter the workforce but this possibility could be outweighed by the exit of ageing baby boomers. The sector declined in 2020, due to the social distancing measures in place to contain the COVID-19 pandemic and registered 10.8% of GDP⁴.

Services account for 80.5% of GDP. The most important activities include real estate, transport, finance, healthcare and business services. In the financial sector, lending standards are being tightened. The real value of inbound tourism and business receipts fell by 1.8% in 2019, however tourism and business receipts will be seriously affected by the impact of the COVID-19 outbreak in 2020 and are forecast to decline by 55.9%. Nominal retail sales were up 5.8% in July on a year earlier, suggesting a full recovery in the retail sector. However, the resurgence of cases in many states could reverse this.

The country's infrastructure needs improvement. Most growth and economic activity take place in metropolitan areas where infrastructure is the most obsolete.

Chart1: Real GDP Growth and GDP per Capita 2014-2020

⁴ <https://www.statista.com/statistics/248004/percentage-added-to-the-us-gdp-by-industry/>



Foreign Trade

As the world's biggest consumer market, the USA's dependency on exports is low. Exports represented 7.7% of GDP in 2019. Exports fell by 1.5% in 2019 and growth of 4.3% is forecast for 2020. This year, exports will be limited by the global impact of the COVID-19 pandemic. Both imports and exports are likely to see slower growth in the next few years owing to a combination of tariffs and other trade barriers.

The USA's trade partners are highly diversified. The main export destinations in 2018 were Latin America, Asia Pacific, Canada and the EU. These markets made up 89.9% of total exports in 2019. Exports to China fell from 8.4% of total exports in 2017 to 6.5% in 2019 as a result of the trade war. Machinery and electrical equipment accounted for 22.5% of all exports in 2019.

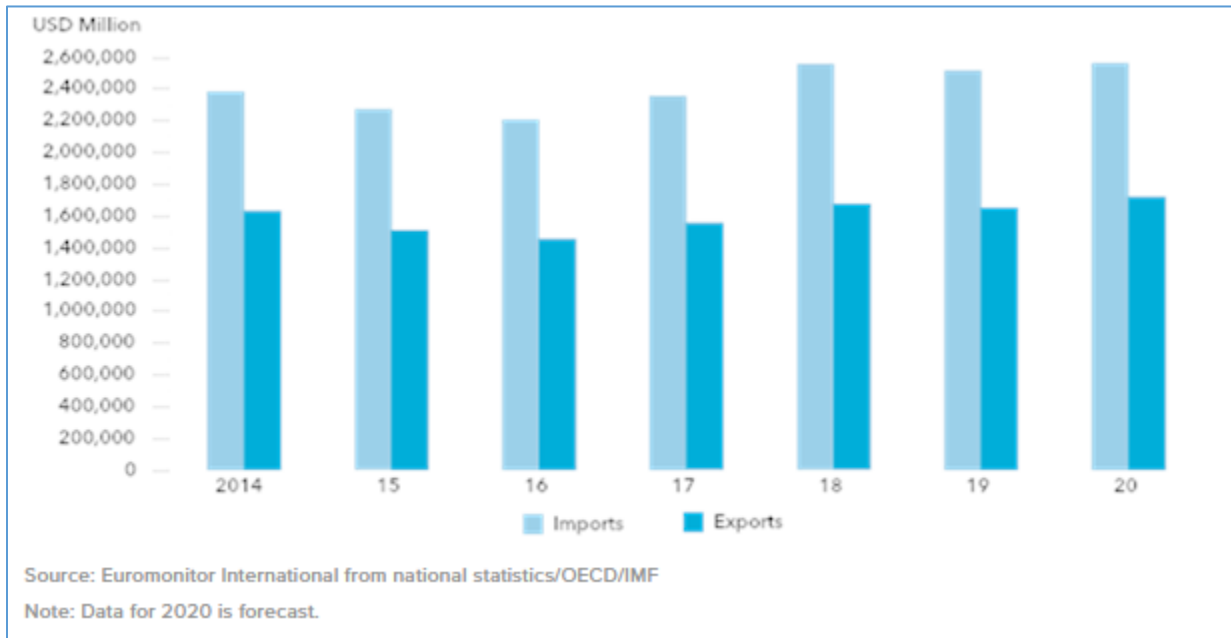
Washington withdrew from the Trans-Pacific Partnership (TPP) agreement in 2017. In June 2018, the US introduced a 25% tax on steel and 10% tax on aluminium. These tariffs will also be imposed on Canada and Mexico despite appeals for an exemption. In addition to these tariffs, Washington levied tariffs on China on more than 800 product lines in July 2018. As part of its response, Beijing has announced that all recent trade talks will be voided and China will match the new US tariffs that have been put in place. More recently, Trump has also threatened to impose tariffs on all Chinese goods imported by the US (approximately US \$505 billion in 2017). The US has issued new sanctions on a number of Chinese and Russian companies which it accused of helping Pyongyang develop nuclear weapons. In May 2019, President Trump increased the tariff rates levied against China and then imposed a 5% tariff on all goods from Mexico, which he threatened to double and increase further if illegal immigration to the US is not decreased. In December 2019, a pause in the trade war with China was announced, in advance of hopes of signing a trade agreement between the two countries in 2020.

The USMCA trade deal, which replaces NAFTA came into effect in July 2020. It gives the US greater access to Canada’s dairy industry, incentivises more domestic automobile production, increases environmental and labour regulations and updates intellectual property legislation. The US signed a trade deal with Japan in December 2019, which removes tariffs on US agricultural imports, in return for removing tariffs on certain Japanese manufactured goods, such as machine tools and musical instruments. Tariffs on the Japanese automotive industry however, remain in place.

The EU has introduced €2.8 billion in punitive tariffs in response to Washington’s new tariffs on steel and aluminium while Washington has threatened to impose tariffs on automobile imports. Washington has rebuffed a European plea to exempt crucial industries from investing in Iran but both sides agreed to suspend any new tariffs while a new round of negotiations is underway. However, the EU insistence that any discussion of agriculture is off the table is creating strong objections from the US farm lobby.

The current account deficit was 2.2% of GDP in 2019 and it will be 2.6% in 2020.

Chart 2 Total Foreign Trade: 2014-2020



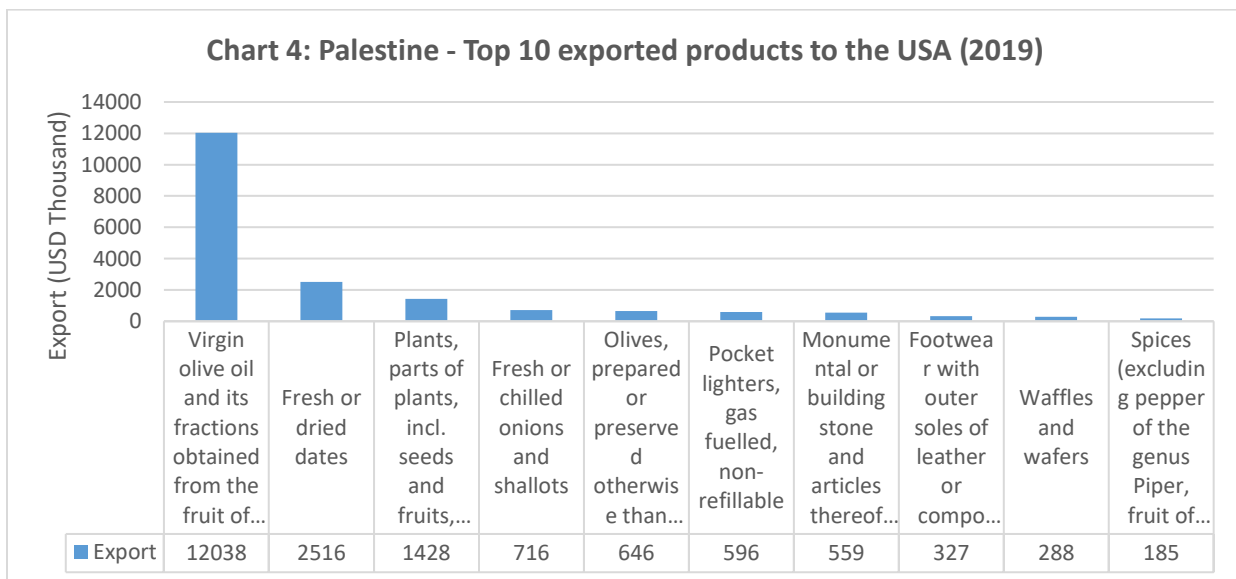
Palastine's Trade with the USA

Palastine's export to the USA have witnessed a constant increase since 2010 where Palastine exported USD 7.2 million to the USA. Exports continued to increase to reach USD 10.7 million in 2015 and finally reached USD 19.8 million in 2019. See figure below.



Source: Trademap.org.

In terms of our top exported products to the USA, Olive Oil and Dates are our most significant and consistent exports to the market. In which, in 2019 Palastine exported USD 12 million worth of Olive Oil and USD 2.5 million worth of Dates. Other exported products include Herbs with USD 1.4 million. See figure below.



Source: Trademap.org.

United States' International Trade

Major export destinations	2020 Share (%)	Major import sources	2020 Share (%)
Exports (FOB) to Asia Pacific	27.8	Imports (CIF) from Asia Pacific	41.1
Exports (FOB) to Latin America	23.8	Imports (CIF) from Europe	26.7
Exports (FOB) to Europe	23.7	Imports (CIF) from Latin America	17.3
Exports (FOB) to North America	17.9	Imports (CIF) from North America	11.4
Exports (FOB) to Africa and the Middle East	4.8	Imports (CIF) from Africa and the Middle East	2.7
Exports (FOB) to Australasia	1.9	Imports (CIF) from Australasia	0.8

Consumers Trends and Behavior Income and Expenditure

The savings ratio has been rising since the recession and amounted to 12.7% of disposable income in 2019. In 2020 the saving ratio increase to 13.5% in Dec 2020⁵.

In 2019, consumer expenditure per capita totalled US\$43,041. The real value of consumer expenditure per capita is forecast to fall by 7.8% in 2020. Spending on hotels and catering will be the fastest-growing consumer category in 2012-2030. Education is expected to be the second fastest-growing consumer category.

Total consumer expenditure (in real terms) is forecast to grow at an average annual rate of 2.0% in 2020-2030 in real terms. It will increase by a cumulative value of 21.3% during this period. Total consumer expenditure will represent 64.2% of GDP in 2020.

Per capita disposable income amounted to US\$49,266 in 2019. In 2020, the indicator will fall by 7.3% in real terms.

During the period 2020-2030, total disposable income will increase by a cumulative value of 21.1% in real terms – growing at an average annual rate of 1.9%.

⁵ <https://www.statista.com/statistics/246268/personal-savings-rate-in-the-united-states-by-month/>

Chart 5: Per Capita Annual Disposable Income, Spending and Savings Ratio: 2014-2020



Consumers Behaviors

Consumer Preferences and Behaviors According to Potential Buyers

According to our interviews with potential buyers in the US market, the consumer behavior is positive if the mission or goal is clear for Palestinian handicraft products. In which products should be associated with a social mission with focus on cultural heritage, FairTrade, and ethical fashion. Such factors are highly attractive for the US population especially the millennial generation who are interested in handmade products which do not exploit works and provide social dimensions and values, in addition such factors helps to solidify the values represented by Palestinian handicraft products.

Moreover, although no official statistics were provided according to the potential buyers the market demand is growing with large US companies now including Palestinian and Palestinian like handicraft products and designs to their portfolios given the interest in them by the new generation of customers. Other potential buyers indicated that demand on Palestinian products is decent with daily orders ranging between 3 to 4, while also noting that the demand is affected by the political situation in Palestine. As during the recent Gaza conflict daily orders reached over 100.

It was also pointed out that success in the US market for Palestinian handicraft products is dependent on the ability to transfer and highlights the values incorporated with the products. As such success was achieved by forming solid partnerships with bloggers, higher education, magazines, the attending and organizing of shows, effectively working with marketing companies for advertising and improving the e-commerce platform.

General Consumers Behavior in the US Market

Within the COVID19 pandemic there is a growing interest of consumers seeking more convenient online platforms for shopping and connecting with others, as well as growth in holistic approaches to healthy living and demanding flexibility and more options to balance work and home life. We will look at four different segments in USA's consumer behaviors as follows⁶:

1. Life priorities;
2. Home life;
3. Ethical Living;
4. Shopping.

Looking at the each of four segments of US consumers behavior we find that millennials and Gen Z are active and care about social, environmental and political issues and therefore they care about products that are social and environmental-friendly products with a clear message or story behind them. Therefore Palestinian handicraft products that are tied to both social and political issues will perform well with the younger US consumers – this fact is supported by potential buyers identified as they mentioned that demand on Palestinian products is tied with the political situation in Palestine as during the Gaza crisis sales of Palestinian products increased substantially as is the case with Shop Palestine MECA, which also along with Darzah are offering socially conscious products that have stories behind them with fair compensation for the women and small scale producers and most if not all of their revenues are sent back in the form of aid projects in Palestine. Also as shown below, socially conscious US consumers are not only looking for products with goals and purpose that they support, they are also willing to boycott products that do not meet with their social and ethical believes.

On the other hand, the recent COVID19 crisis and the policy of closures have helped to increase online shopping importance which should be beneficial for Palestinian companies and non-profit institutions since they tend to sell the majority of their products using their e-commerce platforms.

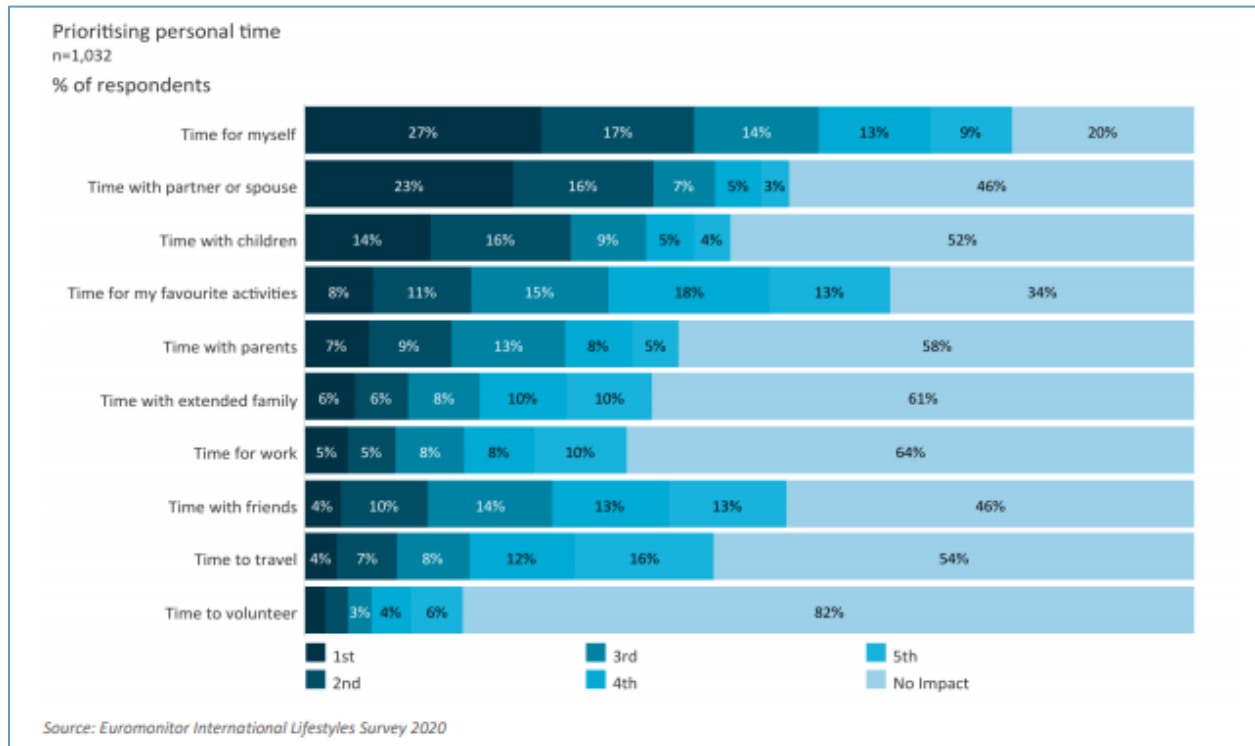
As such both the nature of Palestinian products, their stories and social responsibility along with current US consumers behaviours and COVID19 crisis should pose a great opportunity for Palestinian handicraft products to enter the US market.

Life priorities

- The Coronavirus pandemic has caused many to reflect and recalibrate their life priorities. Before the Coronavirus (COVID-19) outbreak, 57% of millennials and 50% of Gen Z agreed/strongly agreed that being active in the community was important to them and 60% of overall US respondents believe they can make a difference to the world through their choices and actions, and these sentiments have been strengthened more recently.
- 45% of millennials are actively involved with political and social issues (versus 35% globally), and this is driving many younger Americans to buy products from brands and companies that reflect their beliefs; for example, 27% of American Gen Z said they buy products and services from purpose-driven brands/companies and 58% of millennials reported only buying from companies they can trust completely.

⁶ Based on "Life Styles Survey" results in 2020

- 57% of Americans said spiritual beliefs are an important part of their lives; much in line with that strong belief, family is important to most Americans: 46% said they prioritise finding time to spend with their spouses/partners, while 38% said they prioritise finding time to spend with their children.



Home Life

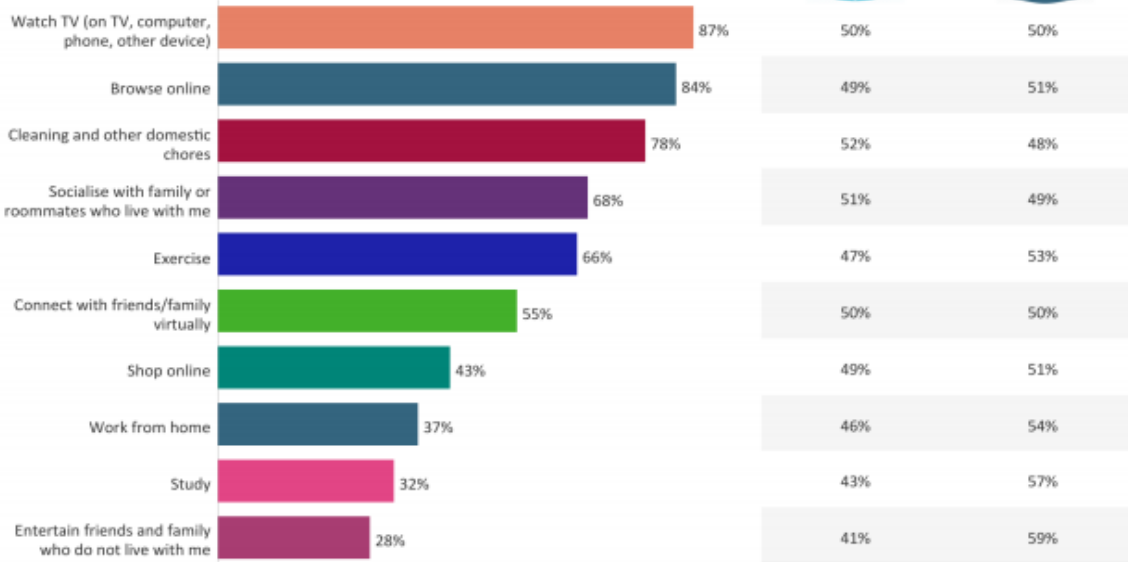
- Prior to the COVID-19 outbreak, 55% of survey respondents reported connecting with friends or family on the phone, Skype, WhatsApp and while at home (at least weekly). However, as consumers opt to stay at home more during the pandemic, there has been a huge surge in the uptake of online social gatherings, parties and digital events as people have migrated to communicating virtually.
- The survey found that only 37% worked from home at least weekly preCOVID-19, but this number has risen exponentially during the outbreak, prompting many to redesign their living spaces to accommodate their working day. Although only 18% surveyed said multi-functional space was important to them pre-pandemic, this is very likely to be a feature that consumers want in their homes in future.
- During the lockdown, many Americans have found solace in the company of their pets. Of the pet owners surveyed, 80% agreed their pets were beloved family members. As pets have been found to have so much to offer their humans during the outbreak, spending on their care is likely to increase along with their newfound status in consumers' lives.
- A combination of COVID-19, economic uncertainty and social unrest is prompting Americans to move from large cities. The survey found that even pre-pandemic, 35% of 50-59 year-olds wanted a home in a rural location. The dense nature of living in urban environments will drive a more diverse age range to think about relocating in the future.

Home life: at-home activities

Weekly at home activities

n= 1,032

% of respondents



Source: Euromonitor International Lifestyles Survey 2020

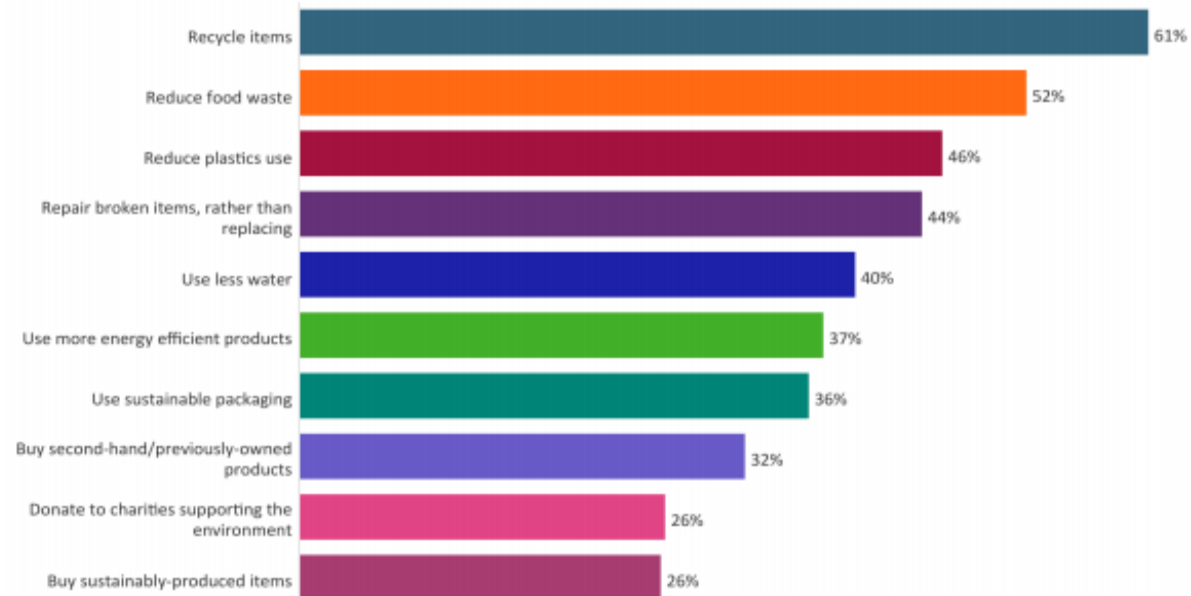
Ethical Life

- For the most part, US consumers tend to be environmentally conscious and they strongly support efforts to promote sustainability. 59% of survey respondents said they try to have a positive impact on the environment through their everyday actions, while 36% use sustainable packaging (refillable, recyclable, biodegradable or compostable). The crisis has also increased the focus on wasting less food, making more sustainable choices and being more aware of the impact that shopping choices have on the environment. 20% of consumers already reported buying from purpose-led companies and brands and as concerns deepen as a result of the pandemic, this percentage will grow.
- According to the survey, 55% of US respondents said they are worried about climate change. Despite living in a country with an overabundance of energy resources, Americans tend to keep a watchful eye on their energy use. 37% of survey respondents said they work to reduce their energy consumption and use more energy-efficient products and 46% said that they believed energy efficiency to be an important feature of any home.
- Strong attitudes on the environment, the political scene and related issues often translate into consumers' beliefs in ethical consumerism and determine their purchase choices. According to the survey, 22% of US respondents said they make their purchasing decisions based on brands/companies' social and political beliefs, while 22% said they would boycott brands/companies that do not share their beliefs.

Ethical life: green behaviours and activism

Environmental and sustainable habits
 n= 612

% of respondents



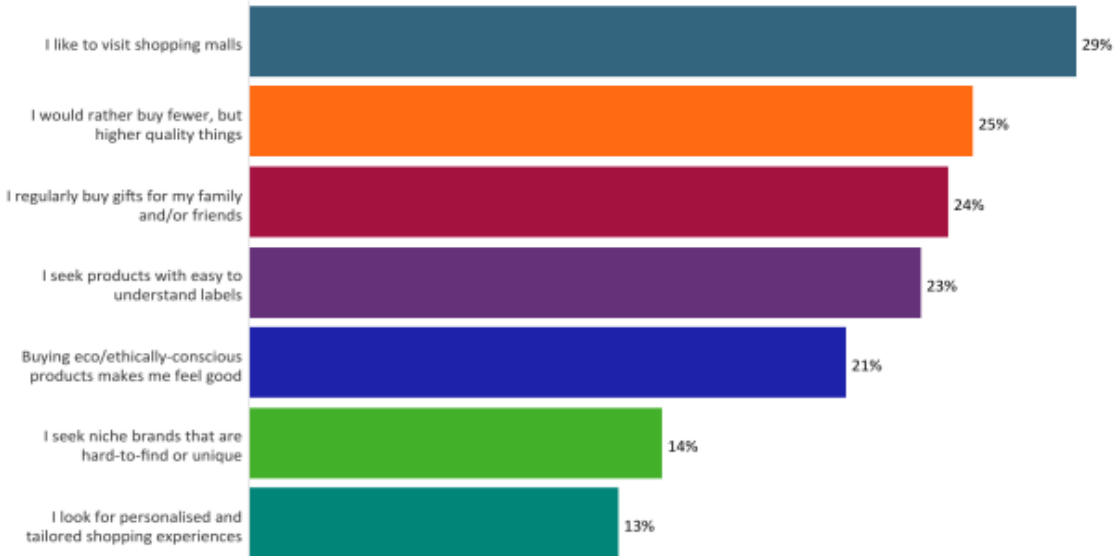
Source: Euramonitor International Lifestyles Survey 2020

Shopping

- According to the survey, e-commerce is very popular among US consumers: 43% said they shopped online at home at least weekly compared to 29% globally. 51% of millennials said they bought groceries online at least monthly, while 50% said they bought apparel and shoes online at least monthly. E-commerce rates skyrocketed during the lockdown, and usage rates are likely to be maintained at very high levels as the country reopens. In particular, it is expected that online grocery shopping will continue to see big spikes.
- The pandemic-related economic uncertainty and concerns about rising unemployment are expected to convince shoppers to curtail their spending on non-essential items for a prolonged period. Prior to the pandemic, according to the survey, only 20% of respondents said they had planned to increase their spending on purchases of goods and services, and worries brought about by the impact of the global economic recession will only exacerbate that.
- Brick-and-mortar stores are expected to have to work hard to find innovative ways to entice consumers through their shop doors in light of social distancing rules and other restrictions, such as sanitising and not being able to touch products. This will be a challenge as consumers have been migrating to e-commerce in droves since the outbreak. Only 29% of US respondents compared to 39% globally said they like to visit shopping malls. In addition, 27% of high-spending baby boomers said they try to avoid going shopping whenever possible.

Shopping: attitudes and preferences

Most significant shopping preferences
 n= 1,032
 % of respondents

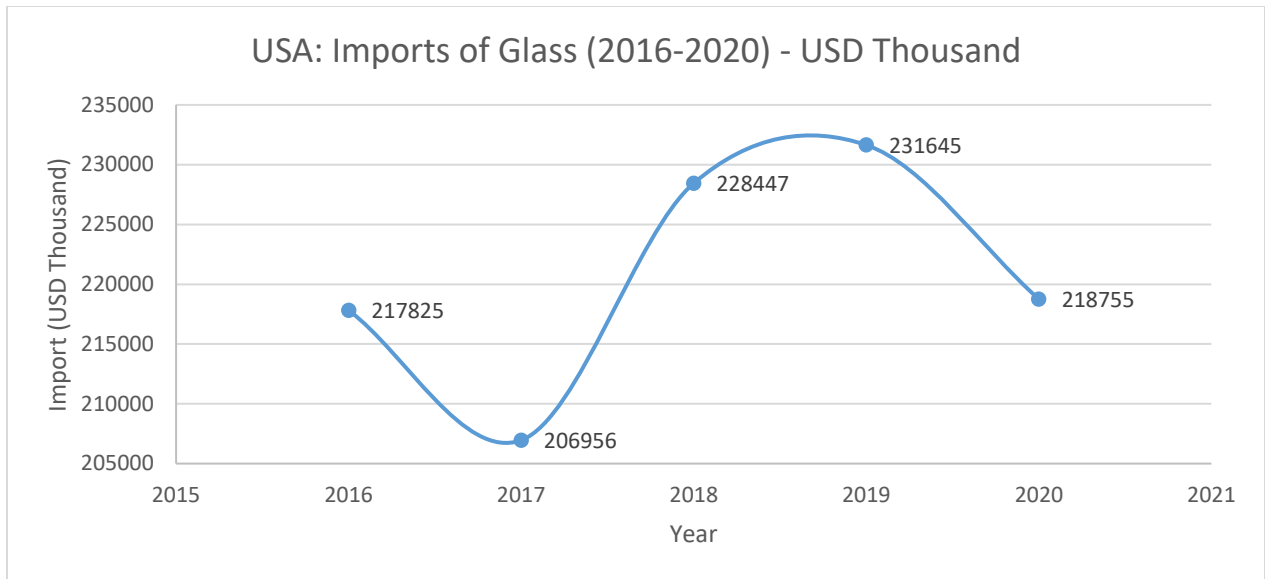


Source: Euromonitor International Lifestyles Survey 2020

Products Demand in Target Market

Glass

The USA market Imports declined overall between the years 2019 to 2020, as imports declined from US 231 million to US 218 million. However, overall demand in the market seems to be cyclical in nature with ups and downs on a yearly basis and it remains huge in value. See figure below.



Source: Trademap.org

In terms of competitors, China is the lead supplier of glass to the USA market in 2020 where it exported US\$ 137 million or 63% of the USA's total imports of glass. Korea comes second with US\$ 15 million. While Mexico and France ranks in 3rd and 4th place with US\$ 12 million and US\$ 8.5 million respectively. Palestine on the other hand did export glass to the USA in 2020 with USD 20 thousand and ranked as the 39th largest exporter to the USA.



Source: Trademap.org

Applied Tariffs on Palestine

Glass – HS 701349		
Tariff Regime	Applied Tariff	AVE ⁷
MFN duties (Applied) ⁸	12.5%	12.5%

Source: Market Access Map

Quantities Imported

Looking at the specific HS code for glass HS 701349 in terms of quantity we notice USA's imports are significant in 2019 with a total of 201 million tons, with China exporting 134 million tons in 2019 which is about 67% of the US market share and are subject to an 12.6% tariff rate.

Glass – HS 701349		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	201,352,706	
China	134,391,109	12.6
Mexico	14,950,465	0
Korea, Republic of	14,910,960	1.3
France	14,059,019	12.6
Turkey	4,504,440	12.6
Taipei, Chinese	4,463,389	12.6
Indonesia	2,971,021	12.6
Colombia	2,649,474	0
Italy	2,218,893	12.6
Spain	1,135,090	12.6

Source: Trademap.org

Unfortunately it is difficult to tell the exact HS code that will be used by Palestinian exporters of glass given the very limited available previous exporting experience and information. As such we have also decided to take a look at USA's imports of the entire family of glass products at the 4 digits level (HS 7013) in terms of quantity. In 2019, the country imported 753.8 million tons of glass worldwide, with China as the market lead shareholder with 417.7 million tons, followed by Mexico with 114 million tons.

⁷ AVE stands for Ad Valorem Equivalent. It is an estimation in the form of a percentage of a non-ad valorem tariff.

⁸ MFN tariffs are the tariffs applied by WTO members to goods imported from any other WTO member countries in respect of the Most Favoured Nation principle.

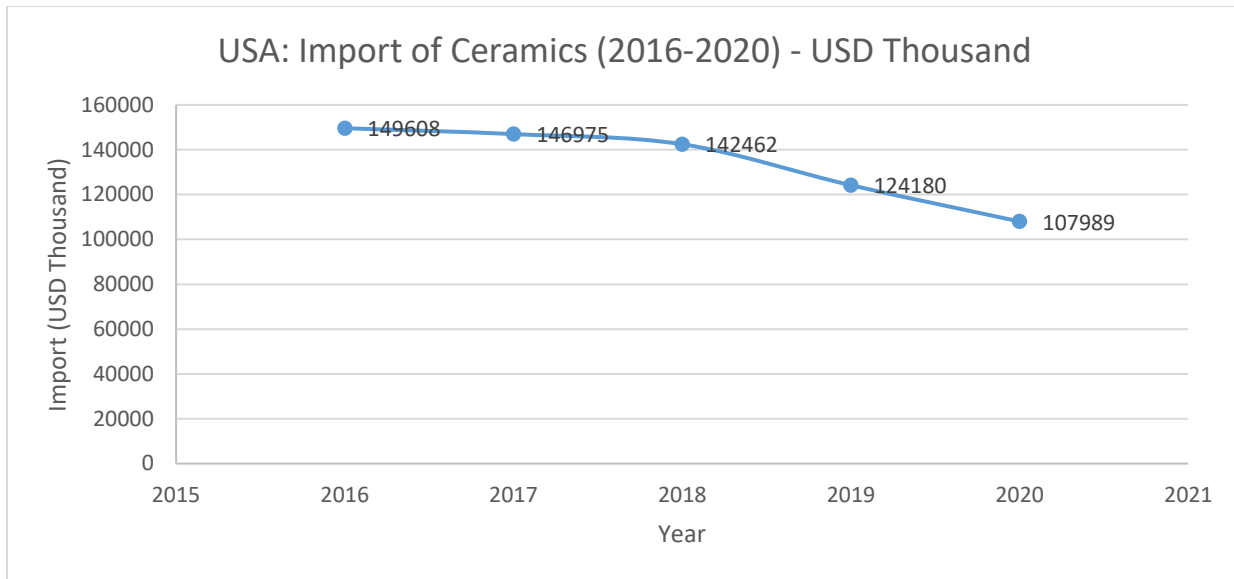
It is important to note that China is not considered a competitor for Palestinian glass products despite its significant export of glass to the US market. The reason being that Palestine can not compete with Chinese production capacity or price levels. Successful Palestinian glass products in the US market are those who cater to a niche market with emphasis and focus on the story and origin of the product, its social responsibility and the goals they are trying to achieve by selling the US market. As such by catering to socially conscious consumer segment that cares about products which help the disenfranchised and provide fair and equitable compensation for their products are highly attractive to US customers.

Glass – HS 7013		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	753,819,782	
China	417,709,953	13.5
Mexico	114,381,460	0
France	30,828,698	13.5
Germany	27,478,835	13.5
Colombia	25,776,647	0
Italy	21,957,508	13.5
Korea, Republic of	15,055,837	1.6
Turkey	14,420,600	13.5
Poland	13,046,890	13.5
Czech Republic	9,684,576	13.5

Source: Trademap.org

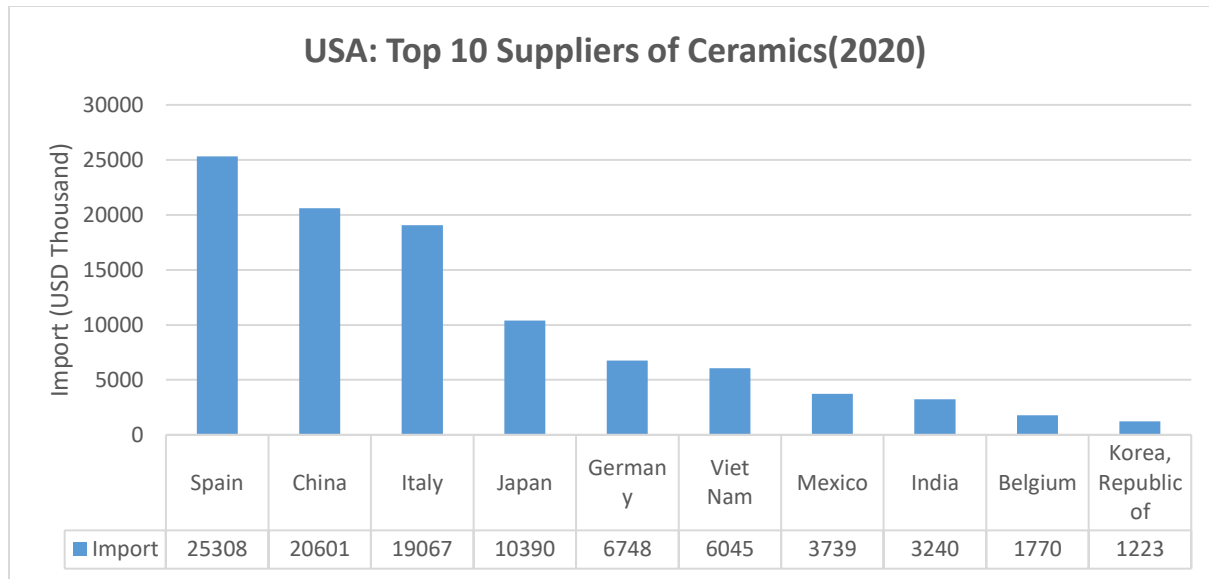
Ceramics

The USA market Imports decreased overall between the years 2016 to 2020, as imports decreased from US\$ 149 million to US\$ 107 million. See figure below.



Source: Trademap.org

In terms of competitors, Spain is the lead supplier of ceramics to the USA market in 2020 where it exported US\$ 25 million or 23% of USA's total imports of ceramics. China comes second with US\$ 20.6 million. While Italy and Japan ranks in 3rd and 4th place with US\$ 19 million and US\$ 10 million respectively. Palestine on the other hand did not export ceramics to USA in 2020 or earlier. It is important to note that while official statistics do not show previous Palestinian exports of ceramic products to the US market. Palestine do in fact sell such products to the US markets via a number of e-commerce platforms which obtain their products directly from small Palestinian workshops via direct purchase or other informal means which result in them not showing in official statistics. Also ceramic products have no problem entering the US market or any stringent regulations which may hinder Palestinian producers to export. Finally, such products have potential in the US market as evident by the interviewed potential buyers below who are interested in such products for sale in the US market.



Source: Trademap.org

Applied Tariffs on Palestine

Ceramics – HS 691490		
Tariff Regime	Applied Tariff	AVE
MFN duties (Applied)	0%	0%
Preferential tariff for Palestine	0%	0%

Source: Market Access Map

Quantities Imported

Looking at the specific HS code for ceramics HS 691490, the USA's imports of ceramic are significant based on available statistics on quantities imported per country worldwide. For example imports from Italy registered 1 million tons in 2019. Its not possible however to ascertain the total tonnage of ceramic products imported by the USA from the world in 2019 due to the lack of available statistics.

Ceramics – HS 691490		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	N/A	
Italy	1,091,404	2.8
Spain	239,804	2.8
India	230,284	0

Mexico	124,515	0
Netherlands	95,868	2.8
Viet Nam	79,402	2.8
Portugal	38,592	2.8
Canada	30,327	0
Dominican Republic	16,739	0
Australia	5,447	0

Source: Trademap.org

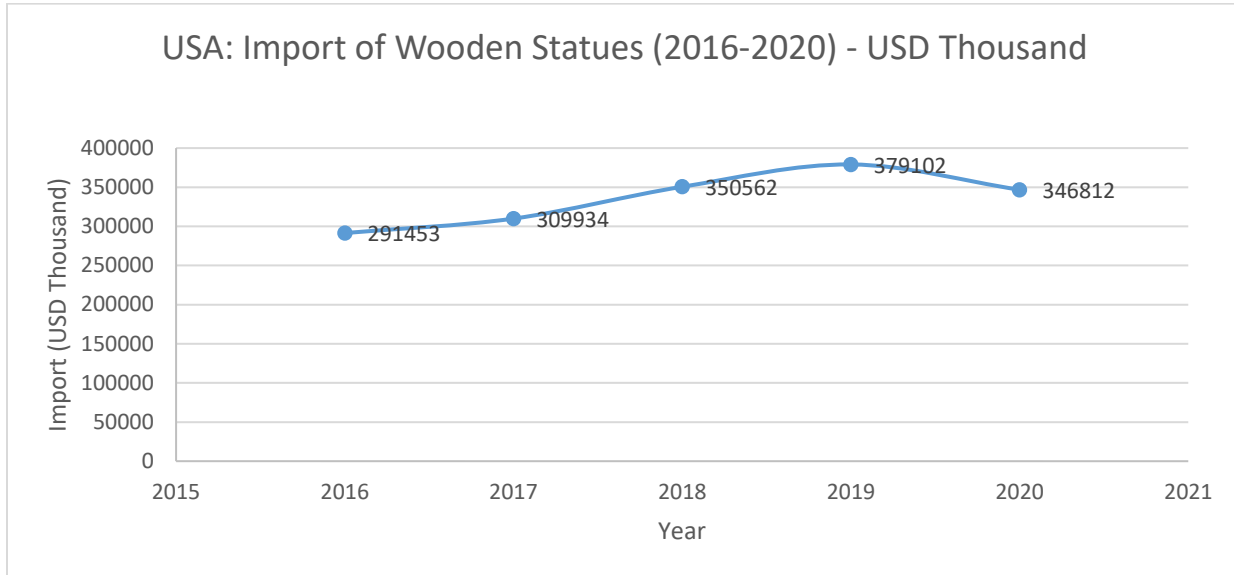
Unfortunately it is difficult to tell the exact HS code that will be used by Palestinian exporters of ceramics given the very limited available previous exporting experience and information. As such we have also decided to take a look at USA's imports of the entire family of ceramics products at the 4 digits level (HS 6914) in terms of quantity. In 2019, Italy holds the lead marketshare in the country with 1.1 million tons of ceramics imported, followed by Spain with 240 thousand tons. It's also important to point that main competitors such as Spain and Italy are subject to 3.1% tariffs on average while Palestine enjoy preferential treatment with 0% tariffs.

Ceramics – HS 6914		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	N/A	
Italy	1,110,451	3.1
Spain	240,101	3.1
Mexico	124,876	0
Netherlands	95,868	3.1
Portugal	38,615	3.1
Canada	30,327	0
Dominican Republic	17,485	0
Australia	5,451	0
Honduras	4,489	0
Turkey	4,271	3.1

Source: Trademap.org

Wooden Statues

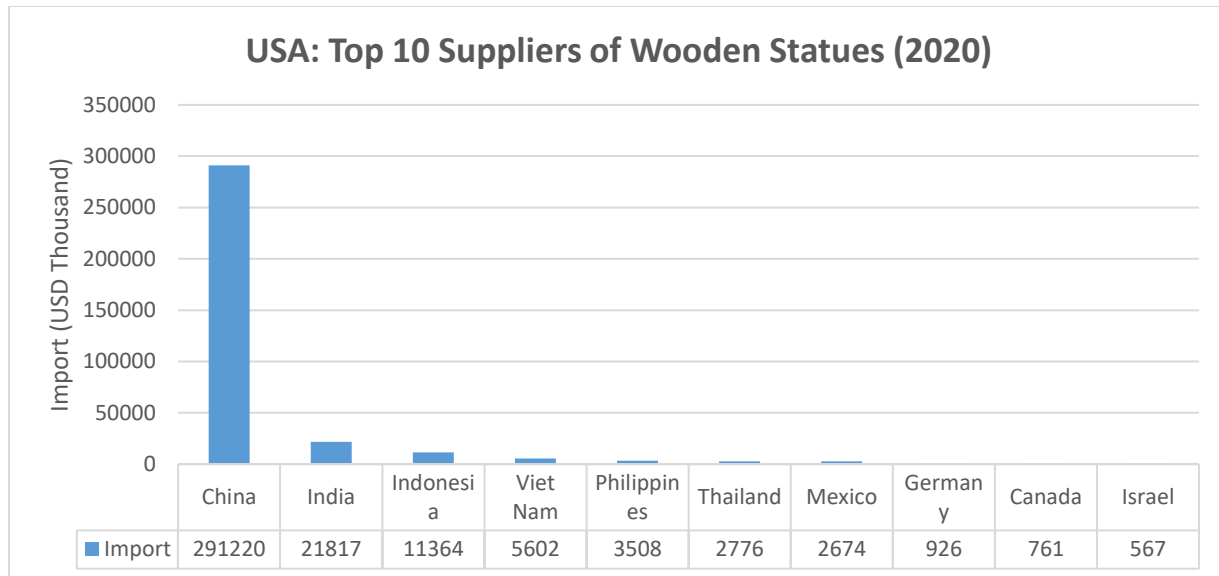
The USA market Imports increased overall between the years 2016 to 2020, as imports increased from US\$ 291 million to US\$ 346 million. See figure below.



Source: Trademap.org

In terms of competitors, China is the lead supplier of wooden statues to the USA market in 2020 where it exported US\$ 291 million or 83% of USA’s total imports of wooden statues. India comes second with US\$ 21 million. While Indonesia and Vietnam ranks in 3rd and 4th place with US\$ 11.3 million and US\$ 5.6 million respectively. Palestine on the other hand did export wooden statues to USA in 2020 with US\$ 32 thousand.

A key differentiating factor about the variation between Palestinian and Chinese wooden statues is that each is influenced by their own culture and as such target two different segments of the US consumers. Chinese products tend to be inspired by their own culture and include statues of dagoes, budhas, and others. While Palestinian products tend to be influenced by our culture and infused by religious themes such as statues of Jesus Christ and Mary Magdalene ...etc.



Source: Trademap.org

Applied Tariffs on Palestine

Wooden Statues – HS 442010		
Tariff Regime	Applied Tariff	AVE
MFN duties (Applied)	3.2%	3.2%
Preferential tariff for Palestine	0%	0%

Source: Market Access Map

Quantities Imported

Looking at the specific HS code for wooden statues HS 442010 in terms of quantity we notice USA's imports are massive in 2019 with a total of 175 million tons, with China exporting 156 million tons in 2019 which is about 88% of the US market share. Israel on the other hand is ranked 7th with 596 thousand tons of wooden statues exported to the US market valued at USD 1.57 million in 2019. While Palestine is ranked 34th with 19 thousand tons exported to the USA valued at USD 42 thousand in 2019.

Palestinian products that are doing well in the US market as mentioned earlier, are those that sell to consciously aware consumers who are keen to know the origin of products as Palestinian and the revenues from such products are used to help improve the standards of living of Palestinians and those that invest such revenues in socially responsible projects in Palestine. As such, competition for Israeli products is not a major issue in the US market. Especially since almost all of the potential buyers we spoke with are operating within the parameters mentioned above and are intently focused on the products origin as Palestinian from all their suppliers including those in Jerusalem.

Wooden Statues – HS 442010		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	175,881,945	
China	156,297,051	3.2
India	7,441,316	0
Viet Nam	4,295,216	3.2
Indonesia	2,593,172	0
Philippines	1,197,747	0
Mexico	706,669	0
Israel	596,279	0
Taipei, Chinese	515,008	3.2
Thailand	336,664	0
Canada	193,039	0

Source: Trademap.org

Unfortunately it is difficult to tell the exact HS code that will be used by Palestinian exporters of wooden statues given the very limited available previous exporting experience and information. As such we have also decided to take a look at USA's imports of the entire family of wooden products at the 4 digits level (HS 4420) in terms of quantity. In 2019, the country imported from Canada 882 thousand tons, followed by Mexico with 874 thousand tons, while in 3rd rank Israel exported 604 thousand tons of wooden products to the US market. It's also important to point that main competitors most of the top marketshare holders enjoys a similar preferential treatment to Palestine with 0% tariffs.

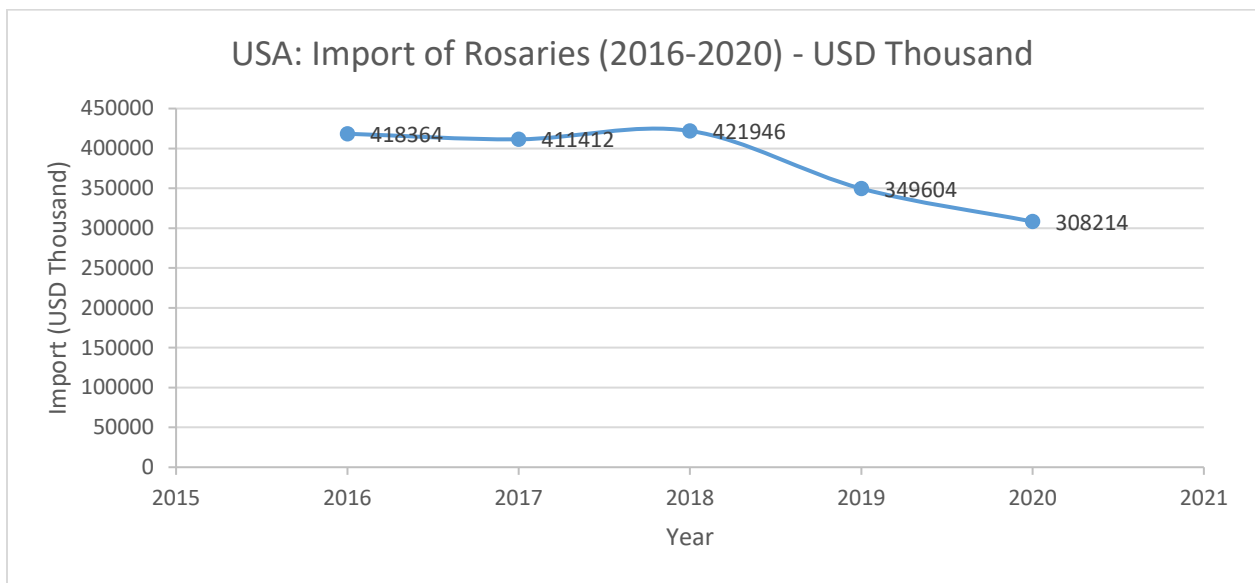
Wooden Products – HS 4420		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	N/A	
Canada	882713	0
Mexico	874579	0
Israel	604695	0
Brazil	577351	0
Nicaragua	372044	0
Pakistan	290897	0
Guatemala	289246	0

Germany	204827	2.4
Sri Lanka	157582	0
Austria	125621	2.4

Source: Trademap.org

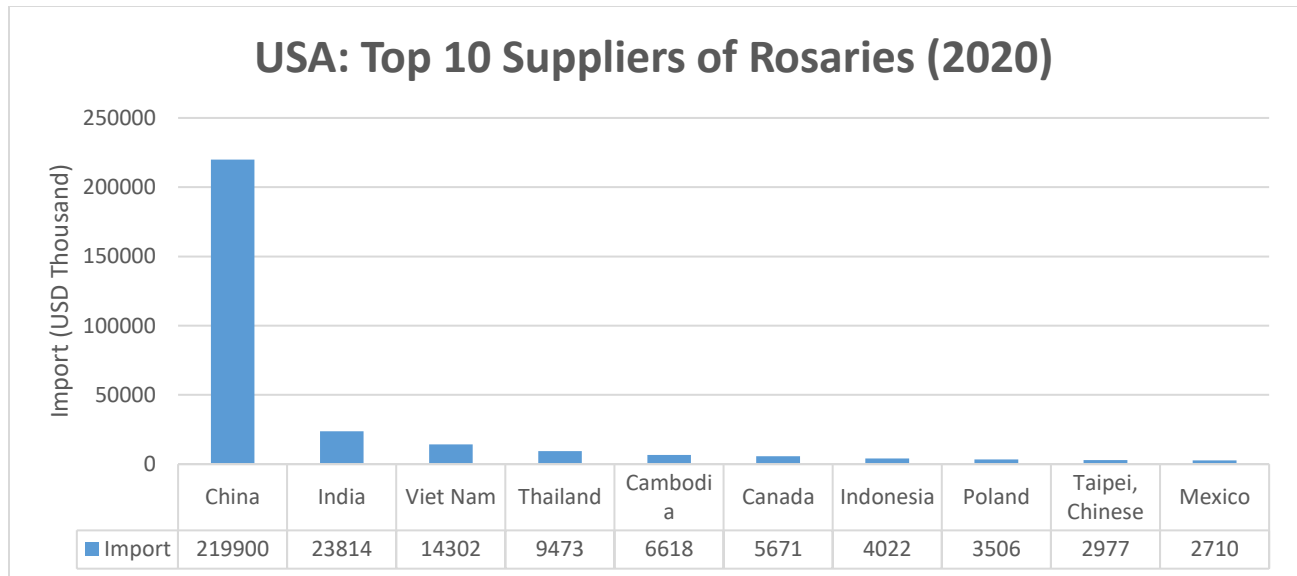
Rosaries

The USA market Imports decreased overall between the years 2016 to 2020, as imports decreased from US\$ 418 million to US\$ 308 million. See figure below.



Source: Trademap.org

In terms of competitors, China is the lead supplier of rosaries to the USA market in 2020 where it exported US\$ 219 million or 71% of USA's total imports of rosaries. India comes second with US\$ 23 million. While the Vietnam and Thailand ranks in 3rd and 4th place with US\$ 14 million and US\$ 9.4 million respectively. Palestine on the other hand did not export rosaries to the USA in 2020 or earlier.



Source: Trademap.org

Applied Tariffs on Palestine

Rosaries – HS 442090		
Tariff Regime	Applied Tariff	AVE
MFN duties (Applied)	0%	0%

Source: Market Access Map

Quantities Imported

Looking at the specific HS code for rosaries HS 442090 in terms of quantity we notice USA's imports are significant in 2019, with Canada exporting 689 thousand tons, followed by Brazil with 554 thousand tons. Israel ranks 20th and exported 8,416 tons worth USD 60 thousand in 2019.

Rosaries – HS 442090		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	N/A	
Canada	689,674	0
Brazil	554,661	0
Nicaragua	336,152	0
Pakistan	289,002	0
Guatemala	280,043	0
Mexico	167,910	0

Austria	125,605	1.9
Germany	53,158	1.9
Dominican Republic	32,671	0
Serbia	31,200	0

Source: Trademap.org

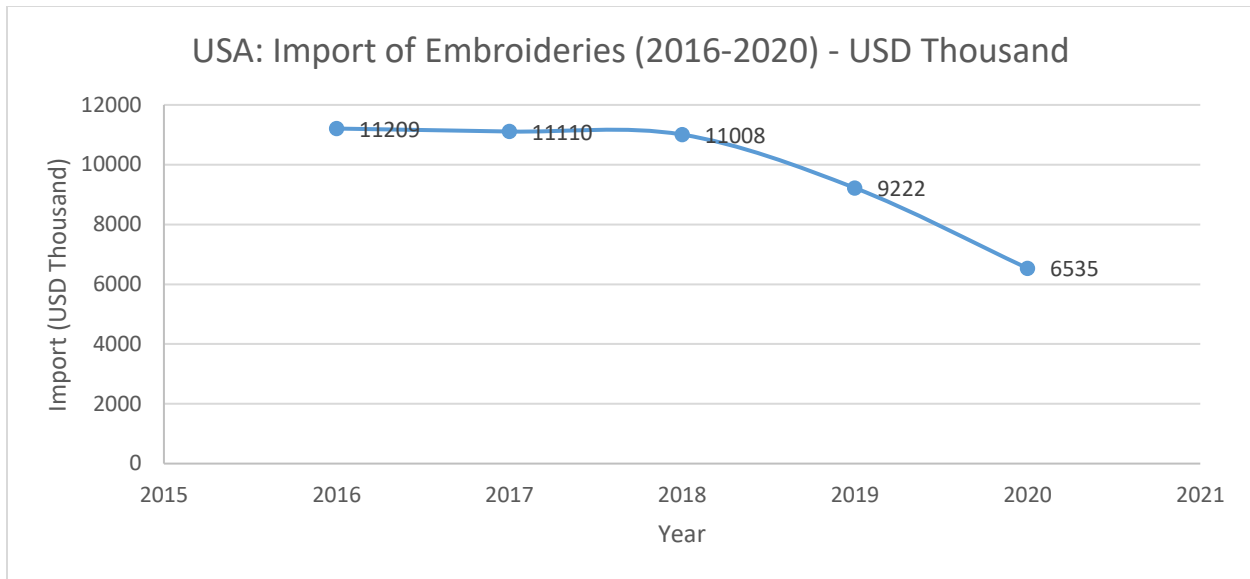
Unfortunately it is difficult to tell the exact HS code that will be used by Palestinian exporters of rosaries given the very limited available previous exporting experience and information. As such we have also decided to take a look at USA's imports of the entire family of wooden products at the 4 digits level (HS 4420) in terms of quantity. In 2019, the country imported from Canada 882 thousand tons, followed by Mexico with 874 thousand tons, while in 3rd rank Israel exported 604 thousand tons of wooden products to the US market. It's also important to point that main competitors most of the top marketshare holders enjoys a similar preferential treatment to Palestine with 0% tariffs.

Wooden Products – HS 4420		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	N/A	
Canada	882713	0
Mexico	874579	0
Israel	604695	0
Brazil	577351	0
Nicaragua	372044	0
Pakistan	290897	0
Guatemala	289246	0
Germany	204827	2.4
Sri Lanka	157582	0
Austria	125621	2.4

Source: Trademap.org

Embroideries

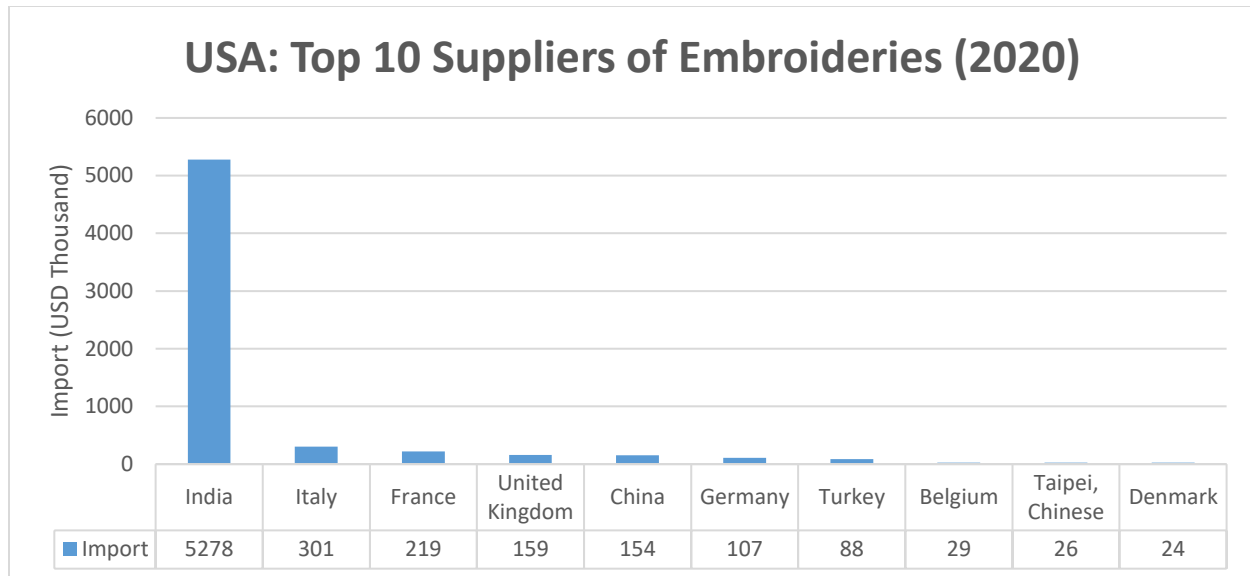
The USA market Imports decreased overall between the years 2016 to 2020, as imports decreased from US\$ 11.2 million to US\$ 6.5 million. See figure below.



Source: Trademap.org

In terms of competitors, India is the lead supplier of embroideries to the USA market in 2020 where it exported US\$ 5.2 million or 80% of USA's total imports of embroideries. Italy comes second with US\$ 301 thousand. While France and the UK ranks in 3rd and 4th place with US\$ 219 thousand and US\$ 159 thousand respectively. Palestine on the other hand did not export embroideries to the USA in 2020 or earlier.

As mentioned earlier, while according to available official statistics Palestine does not export an embroidery products to the US market. In fact, Palestine does export embroidery products the US market via a number of e-commerce platforms and in large quantities as explained by the potential buyers interviewed. As such it could be due to the nature of purchasing or acquisition process from Palestinian producers followed by sellers of Palestinian products in the US market, since most of them tend to purchase the products directly from the producers through their team members in Palestine and then ship the products to desentation market by themselves and therefore such exports are not registered officially by Palestine.



Source: Trademap.org

Applied Tariffs on Palestine

Embroideries – HS 581099		
Tariff Regime	Applied Tariff	AVE
MFN duties (Applied)	7.4%	7.4%

Source: Market Access Map

Quantities Imported

Looking at the specific HS code for embroideries HS581099 in terms of quantity we notice USA's imports are limited in 2019 with a total of 146 tons, with India exporting 97 tons in 2019 which is about 66% of the US market share. Israel less than 1 ton with a value of USD 1,000 in 2019, but Israel does enjoy zero tariff applied. Looking at Israel's exports of embroideries to the US market its clear they are very limited and most likely the official statistics point to a shipment of samples or a trial shipment to the US market rather than part of continuous process of shipments for the purpose of trade. As for the origin of such products official statistics show them as originating from Israel and there is no indication that they are Palestinian products re-exported by Israel.

Embroideries – HS 581099		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	146	
India	97	5.8
China	14	5.8
Italy	11	5.8

Taipei, Chinese	7	5.8
France	7	5.8
Germany	4	5.8
Turkey	2	5.8
United Kingdom	2	5.8

Source: Trademap.org

Unfortunately it is difficult to tell the exact HS code that will be used by Palestinian exporters of embroideries given the very limited available previous exporting experience and information. As such we have also decided to take a look at USA's imports of the entire family of embroideries products at the 4 digits level (HS 5810) in terms of quantity. In 2019, the country imported 2,203 tons of embroideries worldwide, with China as the market lead shareholder with 1292 tons, followed by India with 316 tons.

Embroideries – HS 5810		
Exporter	Quantity imported in 2019	Average tariff (estimated) applied by USA (%)
World	2203	
China	1292	5.7
India	316	5.7
Taipei, Chinese	180	5.7
Thailand	135	5.7
Mexico	117	0
Dominican Republic	52	0
Italy	22	5.7
Turkey	15	5.7
France	10	5.7
Spain	9	5.7

Source: Trademap.org

Dropship Model for E-Commerce Platforms

Speaking to potential buyers in the US market, they pointed out that the use of a dropship model to export Palestinian handicraft products is recommended in particular to the US market⁹⁹. The Dropship model is a retail fulfillment method where companies do not keep stocks of the products they sell, instead when a

⁹⁹ Some of the interviewed potential buyers use the dropship model to export Palestinian products from the US market, this is done through established partnerships with other e-commerce platforms where they exhibit their products on partners' platforms.



sale transaction take place on their ecommerce platform the items are purchased from suppliers directly and then shipped to end customer.

The major difference of the dropship model compared to standard retailing, is that sellers (i.e. e-commerce) platforms do not have their own inventory instead they purchase it as needed from suppliers.

Benefits of dropshipping

1. Less Capital Required:

The biggest advantage to dropshipping is that allow e-commerce platforms to launch without the need for large capital invested on inventory. The dropship model allows e-commerce businesses to purchase the products only after a sale transaction takes place on their platform and payment received, upon which they will place a purchase order for the products from suppliers. In an essence a dropship model will reduce the risks involved with investing in and owning inventory substantially.

2. Easily Accessible:

E-commerce platform using a dropship model will find it much easier and accessible to start the business, since they are not dealing with any physical products, and therefore there are no warehousing fees for stocking and management, no packaging and shipping since the supplier will handle the shipment, no inventory tracking costs and time invested on handling returns and inbound shipments...etc.

3. Low overhead:

Since a dropship model means not having to invest on inventory, then much of the normal costs associated with brick and mortar businesses and traditional retailing is much lower in a dropship model.

4. Flexible location:

A dropshipping business can be run from just about anywhere with an internet connection.

5. Easier to test:

Dropshipping is a useful fulfillment method for both launching a new store and for business owners looking to test the appetite customers have for additional product categories, e.g., accessories or wholly new product lines. The main benefit of dropshipping is, again, the ability to list and potentially sell products *before* committing to buying a large amount of inventory.

Disadvantages of dropshipping

1. Low margins

Given the lower costs associated with establishing a dropship e-commerce business, then profit margins are lower than those of traditional retailing as e-commerce platforms compete to offer lowest possible prices.

2. Inventory issues

Since the dropship don't require ownership of inventory but rather managing sales and sourcing products from suppliers accordingly, then this might cause issues in tracking orders and securing products to complete the sale process. However, many apps and software exist to help sync the e-commerce platform with the suppliers to be able to track inventory in real-time.

3. Shipping complexities



If the e-commerce business is sourcing products from multiple suppliers then this can complicate the shipping process if the e-commerce platform handles the shipping itself. For example if a customer placed orders for multiple products each available from a different supplier, then the e-commerce platform will have to cover shipment costs and processes from multiple suppliers.




Prices

As can be seen in the prices for products in the tables below, its clear that while traditional Palestinian products and designs do fetish a good price, it is the reworked and reimagined products aiming for a mixture between the traditional and the modern and the fashionable are commanding higher prices this is especially true with embroidery products such as, kitchen aprons, pillows, bags, and shoes with embroidered motifs. For wooden and roseray products, according to interviews with potential buyers there is a demand for non religious day to day items such as plates and utinsels among others, of course demand for religious remains strong with prices reaches as high as \$80 for the items exhibited on potential buyers platforms. Cermaics and glass products are functional with attractive designs and prices range between \$18 to \$210. Given the production capacity of Palestinian workshops all products have potential to be purchased in the US market according to our potential buyers regardless of the price. But the most successful are the ones that emphasis a story for each of their items, with focus on social resposnibility and fair compensation to women and small producers, and the ones that add value to their products to make them more modern and more attractive to young (i.e. milenials) US consumers. A clear case is the products provided by Darzah who invest heavily on their designs, quality, story, social responsibility and appeal as such they command the highest prices and in terms of demand according to Darzah they obtain large shipments on a monthly basis from Palestine due to the high demand to the point that they are currently out of stock due to the COVID19 crisis which halted their production operations in Palestine.

Therefore, in order for traditional Palestinian handicraft products to garner appeal by US consumers its important to introduce new trender designs that stay true to Palestinian culture but also are relevant to US consumers. For example for wooden products kitchen utinsels and plates and bowls with Palestinian infused cultural elements should do well in the US market. Religious wooden products on the other hand while they sell for good prices in the US market they tend to target a specific segment of US consumers and as such will not have the same demand levels as those more trendy and relevant for the entire consumer base. As for ceramic and glass products their current deisgns and functionality make them relevant and in demand in the US market given their unquie geometric designs and colors which is not readily available to US consumers from other sources.

Please see tables below for more details.

Wooden and Rosaries Products

Product	Image	Price
Olive Wood Fruit-Shaped Plate		\$12.00
Decorative Olive Wood Trivet		\$15.00
Olive Wood Salad Utensil Set		\$20.00






<p>Holy Family, modern olivewood sculpture</p>		<p>\$30.00</p>
<p>Musical Olivewood Nativity Scene</p>		<p>\$60.00 – \$80.00</p>
<p>Olivewood Crosses</p>		<p>\$18.00</p>




Olivewood Cross		\$35.00
Olivewood Rosary		\$30.00

Embroideries

Product	Image	Price
Embroidered Tie		\$35.00
Falasteen – wall hanging		\$28.00
Tatreez Cross Sandal - Sapphire Blue		\$189.00

<p>The Tatreez Flat - Sky Blue</p>				<p>\$209.00</p>
<p>Custom + Wedding</p>				<p>\$350.00</p>
<p>The Flowers Clutch in Black</p>				<p>\$98.00</p>
<p>Carnation Tote - Hazelnut Brown</p>				<p>\$229.00</p>
<p>Olive Branch Apron in Vanilla Cream</p>				<p>\$35.00</p>

<p>The Star Pillow - Black</p>				<p>\$120.00</p>
<p>The Magenta Leather Key Fob</p>				<p>\$18.00</p>
<p>Embroidered Shawl from Gaza</p>				<p>\$140.00</p>
<p>Embroidered Bookmark from Gaza</p>				<p>\$9.50</p>
<p>Embroidered Pillow Cover from Gaza</p>				<p>\$70.00</p>

Embroidered Dress from Gaza				\$400.00
Embroidered Dress from Gaza (Blue)				\$75.00
Embroidered Purse from Gaza				\$175.00

Handmade Glass and Ceramics Products

Product		Image	Price
Palestinian Hebron Glass Stemware, Set of Five			\$90.00
Ceramic Hand-shaped Plate			\$22.00

<p>Ceramic and Wood Serving Tray</p>			<p>\$50.00</p>
<p>Ceramic Pitcher</p>			<p>\$40.00</p>
<p>Ceramic Rectangular Platter (12.5")</p>			<p>\$47.00</p>
<p>Ceramic Bowl (7 inches)</p>			<p>\$18.00</p>
<p>Ceramic Serving Plate (11 inches)</p>			<p>\$95.00</p>
<p>Ceramic Bowl, deep</p>			<p>\$50.00</p>

Ceramic Small Plate from Gaza		\$20.00
Hebron Glass Decanter		\$72.00
Hebron Glass Glasses		\$210.00

[Buyers Profiles](#)
[Shop Palestine MECA](#)
Company Brief

Middle East Children’s Alliance (MECA) was founded by Barbara Lubin and Howard Levine in 1988 after returning from their first trip to Palestine at the beginning of the first Intifada.



MECA conducted delegations of groups to Palestine for the first two years, supporting women-run community food cooperatives in the West Bank and Gaza, holding educational events on Palestine, and organizing rallies to cease US support for Israel.

MECA has had a special relationship with the youth in Dheisheh Refugee Camp. And have supported a women's embroidery collective, computer center and many educational workshops on health and nutrition in the camp. In 1999 MECA brought a dance troupe of 20 children and their leaders to the United States. The children performed traditional Palestinian debkah and theatrical choreography that tell the stories of Palestinian refugees in theaters, schools and churches across the country. MECA raised close to \$200,000 on this trip and the same amount in 2003 and 2005 when the children came back to perform.

A quote from MECA director Barbara Lubin “It’s hard not to get discouraged when day after day children are killed and maimed, land is stolen, homes are destroyed. A fourth generation is growing up in refugee camps. Palestine and the Palestinians are in real danger of extermination. But somehow my perspective becomes more optimistic when I’m there and I see first-hand the strength and vitality of so many people. And I see more and more people here willing to speak out, standing up to the smear tactics of the pro-Israel side, contributing their time and money. I am extremely grateful to our partners in Palestine for carrying out such important work, and for all the people who, through MECA, are giving children the



chance to live, to just be children, and to envision a better future for themselves, their families and their country."¹⁰

Shop Palestine MECA offers more products other than ceramics and embroidery such as Palestinian Zaatar, Maftoul, and Olive Oil, if needed for future interests. **All proceeds go in their support programs for children, disabled people, and women empowerments.**

Facilities

The main sales and marketing operations for Shop Palestine MECA are conducted through their e-commerce platform which receives orders from all around the world. Their main office is located in Berkley California, the office does house an exhibition for Palestinian products and once a year they hold a bazaar in their office where they also sell Palestinian products.

Contact Details

Name: Mr. Patrick Omeilm

Job title: Office Manager

Email Address: patrick@mecaforpeace.org

Phone: +1(510)-548-0542

Website: <https://www.shoppalestine.org/>

Distribution Channels

Shop Palestine MECA sell Palestinian products in the USA, Canada, Europe. And occasionally to the Middle East, as Mr. Omeilm informed us they recently received an order from Lebanon.

In terms of shipment of products to countries outside of the USA, they receive orders on their e-commerce platform and then organize the shipment from the USA to the end customer, shipments of 100\$ products value or above are conducted for free.

Current Suppliers

Shop Palestine MECA obtain their products from Palestinian workshops located all around the West Bank, Jerusalem, and Gaza Strip, some of their current suppliers include:

1. **Hebron:** Shop Palestine MECA obtain ceramics and glass products, they also obtain Palestinian Kufiya from "Hirbawi Kufiya" (Please see link for a beautiful video on their business made by Great Big Story on Youtube: https://www.youtube.com/watch?v=Dde9E3CwH_8);
2. **Jerusalem:** Shop Palestine MECA obtain from "Jerusalem Pottery" cermaics and pottery products among others, the business is owned by an Palestinian Armenian Owner;
3. **Bethlehem:** they obtain wood, embroidery, and ceramics;
4. **Gaza:** Shop Palestine MECA obtain Palestinian handicrafts from "Atfaluna Craft Shop" in Gaza.

¹⁰ <https://www.shoppalestine.org/aboutus.asp>



In terms of how Shop Palestine MECA purchase and ship the products from Palestine, the importation process can be in big shipments usually for Olive Oil and Zatar and some handicraft products from big Palestinian suppliers such as Al Ard, Canan FairTrade and Mount of Green Olives. For smaller shipments and dependent on the ability of their Palestinian partner situation, they have a 5 members team located in Palestine with 3 team members in Gaza and 2 team members in Bethlehem responsible to purchase products directly from Palestinian workshops and businesses and then arranging form the shipment of the products to the USA.

In terms of demand on Palestinian products, Mr. Omeilm describes it as a decent demand on normal days with daily orders between 3 to 4 orders and increasing considerably depending on the political situation, for example during the recent Gaza Conflict daily orders reached over 100 orders worldwide.

Interest in Palestinian Products

Shop Palestine MECA is interested in the entire portfolio of products examined in this market pointer, including embroideries, wooden statues, rosaries, ceramics, a glass products.

Packaging Requirements

Shop Palestine MECA don't have specific packaging requirments but the main requirements conveyed is the use of English writing on packaging with clear ingredients (this is mainly for food products). For ceramics they have strict guidelines in the USA concerning the ingredients used do not contain cancer causing materials. However, Shop Palestine MECA will do their own testing to determine ingredients and therefore Palestinian workshops will not face issues from this regard. They will also require a certificate of origin to insure the products origin as Palestinian.¹¹

For more detailed requirements per product, Shop Palestine MECA is happy to supply them for potential suppliers directly.¹²

Potential Supplier Recruitment Process

Shop Palestine MECA prefers to start with recieveing an email introducing the prospective suppliers company and products portfolio. Following which more detailed communication will be made concerning prices, packaging requirements, shipment, and payment.¹³

Payment Terms

In terms of payment terms, for established suppliers with over a decade of trade relations with them. Shop Palestine MECA will receive the shipment, verify its reciepent and submit payment in full.

For new suppliers they can discuss more convenient payment method. And for small workshops they can purchase the products directly in cash through their local team members and then handle the shipment to the USA.

B2B Meetings

¹¹ The Certificate of Origin (COO), is a document easily obtainable from the ministry of economy and chambers of commerce. And is considered a normal document when preparing shipping documents.

¹³ This process is for established Palestinian companies able to handle the export process, for smaller companies Shop Palestine MECA's local team members can carry out the purchase and shipment of products.



Yes, Shop Palestine MECA is highly interested to meet with Palestinian companies and workshops.

Testing

Shop Palestine MECA will do their own testing and don't require any for embroidery and handicraft products.

Darzah Company Brief

Darzah is a non-profit, ethical fashion brand creating authentic, handmade Palestinian products. Their goal is to bring tatreez apparel and décor to the world in order to celebrate and preserve Palestinian heritage.

As a Fair Trade certified brand, Darzah are committed to providing their employees fair working wages and conditions. Their artisans are women from the West Bank who have historically endured marginalization in the form of low-income, gender inequality, and lack of economic opportunities. Darzah's mission is to economically empower these women by providing job opportunities, training, and a fair income.



Darzah's products are 100% handmade in Palestine. They collaborate with skilled shoe and bag makers in Al-Khalil/Hebron to design the products, and their artisans hand-embroider each piece with a beautiful tatreez motif. All of their leather is locally sourced from a family-run leather manufacturer in the Al-Khalil region. Darzah's products were also featured in Vogue Magazine as well as Middle East Forbes.

Each and every purchase from Darzah contributes to artisan salaries, employment programs, and job training in the West Bank. Darzah is a project of Child's Cup Full, a non-profit initiative based in Zababdeh, a village located in the northern West Bank. Child's Cup Full is focused on economic empowerment for women in the area through Darzah and Zeki Learning, a brand creating educational toys for children.

Facilities

Darzah's sales and marketing operations are conducted through multiple channels:

1. E-commerce platform: Online store <https://www.darzah.org/>;
2. Retail market: located in Texas;
3. Wholesale operations: in North America, Europe, and Australia.
4. Consignment Stores: Darzah trade in consignment in two strategic stores due to their location in Manhattan New York one of which is Arcadia Museum.

Contact Details

- **Contact Name:** Professor Janette Habashi
- **Title:** Non-profit (founder and executive director) – all of the money goes to west bank, every semester 35 interns – high potential
- **Email:** Hello@darzah.org
- **Phone:** [+1\(918\)-409-1060](tel:+1(918)-409-1060).



- **Website:** <https://www.darzah.org/>

Distribution Channels

Darzah uses a Dropship business model for its e-commerce platform, which allows it to sell in at least 20 countries around the world including Gulf Countries, Europe, and North America. The Dropship model allows Darzah to buy products directly from suppliers and ship them directly to their customers in around the world.

Darzah have established strong business relations with partners in the UAE, Kuwait, and Qatar allowing them to exhibit their products on partners' websites.

Darzah also pointed out to the need to have fulfillment centers in target markets in order to avoid delay of products delivery.

Finally, Darzah also do provide private label for interested businesses.

Current Suppliers

Darzah work with 9 villages in Palestine located in Jenin, Nablus, Seilt Al Dhar, and Al Zababdeh. Darzah owns their own production process and have their own design teams in Qatar and the USA. They tend to place a big order from their Palestinian workshops almost each day.

Darzah have their own center located in Al Zababdeh – Jenin called ChildsCupFul “كأس الطفل الممتلء”, and two main volunteers responsible for it:

1. Mr. Adli Daana: adli.daana@childscupfull.org
2. Ms. Georgette Habashi: georgette.habashi@childscupfull.org

Darzah's products include jewellery, clothes, accessories all handmade by low-income Palestinian women. However, in terms of interest Darzah notified us to focus on the structure implemented in Palestine by the Palestinian handicraft workshops and companies, they expressed their willingness to meet with PalTrade via their local volunteers Ms. Georgette Habashi and Mr. Adli Daana (the meeting is scheduled on **Wednesday 23rd of June 2021**).

Professor Habashi, explained that their project started with only 4000USD but the different approach that they followed allowed them to achieve tremendous success, from making use of dedicate interns and volunteers for key strategic business items including, design and production, sales and marketing, market analysis, photography and others. In addition, the control and cooperation with the local Palestinian workshops as their main suppliers as well as the implementation of the Dropship model allowed them grow the business.

A quote from Professor Habashi: *"Part of our success is we have built partnerships with bloggers, higher education. Affiliative markets, magazines, attend shows, working with marketing company for ads and improving our website, working with copywriters, graphic designers, social media, subscription boxes, consortium, design schools, build our interns base, working with wholesale sites, amazon, fulfillment center, photographers and more. Though our consumers are minorities and have some relationship with Middle East we are working on creating products that cross different styles. Above all, you need a customer services. This is a cultural shift that we do not have it back home. These strategies create trust and credibility. My thought is even if you have great products, you need to have plans in term of new*

design/ ideas and quality so you can continue growing and maintaining your customer base. It requires a team that does not only work in the West Bank but in US or other countries.”

Following our meeting with Ms. Habashi and Mr. Daana, we wish to elaborate on Darzah’s work infrastructure in Palestine, they are focused on providing every piece they produce or acquire with a story behind them with emphasis on the origin of the product, the women who made it, and the ethical and environmental friendliness of their products. This was made clear through their commitment to continue paying salaries to their women workforce during the COVID19 crisis despite the stopping of all production operations.

The business is structured to pay close attention to the story, marketing of products, social interactions and events to highlight the comparative advantage and cultivate a special feeling towards the products. This is achieved by having a dedicated team with a clear vision and emphasis on fair compensation to their women workforce. An example of their social and business is their “Refugee to Refugee - Threadies”¹⁴ program where Palestinian women produced teddy bears for refugee children from Syria.



In order to help Palestinian women meet the highest standards, Darzah acquired the services of experts to help women address an issue they had with fixing the teddy bears heads. The team of experts visited Palestine and worked with women producing them for 5 days until all issues were addressed. In addition, the design for the teddy bears itself was acquired from an American designer for USD 7000. The samples are then sent to the USA market for federal testing to insure the toys are children safe, each item testing cost USD 700\$.

Concerning the time needed to conceptualize and introduce new sample items take at least 3 months, and it’s a collaborative worldwide effort between the design team, sampling department, affiliate universities (including California University, Noterdam University, Maryland University) with which Darzah/Zeki Learning is working on children toys to teach them computer coding which is expected to take 1 year to develop.

Darzah is recognized and trusted brand in the US market with over 6000 social media followers. Their work process include:

1. Start with a product idea;
2. Prepare team to develop it;
3. Prepare a team to handle designs;
4. Develop samples;
5. Conduct raw materials research;
6. Testing in the US market – if needed;
7. Market research;
8. Photo sessions for new product for marketing purposes (photo sessions tend to cost them around USD 2000 – USD 2500);
9. Integrate the story behind the product for media and outreach activities.

¹⁴ <http://threadies.com/our-story>



Currently, Darzah is contracted to design and develop Palestinian and Qatari flags into ties and scarves for the World Cup 2022 in Qatar. And Darzah currently rank as one of the top 20 Palestinian products in the USA.

How to establish cooperation with new handicraft workshops:

Darzah is willing to establish new connections with Palestinian handicrafts workshops by either incorporating fully the Palestinian workshops under their production infrastructure in Palestine in order to control the entire design and production process and will provide the necessary coaching in order for quality to meet US market requirements and standards and then of course to help in the marketing of products in the USA. Or Darzah is willing to help Palestinian workshops who wish to remain independent by connecting them with the correct institutions to conduct product testing in the US market but then marketing of the products will be carried out by the Palestinian workshops independently but Darzah will help to also connect them with marketing companies in the US market.

Packaging Requirements

Wood products require phytosanitary certification.

Other packaging requirements will be communicated to potential suppliers.

Potential Supplier Recruitment Process

Advised to get in touch with local team members Ms. Georgette Habashi and Mr. Adli Daana to discuss recruitment process and potential to join their supplier network and infrastructure in Palestine.

Payment Terms

Will be communicated to potential suppliers.

B2B Meetings

Yes they are interested.

Testing

Wood products require phytosanitary certification.

Palestine Online Store Company Brief

Palestine Online Store offers more products other than ceramics and embroidery such as Palestinian Medjool dates, Olive Oil, Soapd, and Al-Ameed coffee.

Palestine Online Store is an activist run store whose mission is to promote Palestine through its handicrafts and foods, as well as films, books, and solidarity apparel. Palestine Online Store has participated in festivals and conferences the US, Canada, Mexico, Spain, Italy, and Peru to raise awareness about our struggle and tell the story of Palestine. with the goal of increasing public awareness of the Palestinian struggle, while also supporting Palestinians economically.





Purchases benefit the farmers and artisans and cooperatives that provide our products and enable Palestine Online Store to keep doing what it's doing.

Facilities

The main sales and marketing operations for Palestine Online Shop are conducted through their e-commerce platform which receives orders from all around the world.

<http://palestineonlinestore.com/>

Contact Details

- **Contact Name:** Mr. Haitham Alzabry
- **Title:** Owner
- **Email:** contact@palestineonlinestore.com/
- **Phone:** +1(512)585-8184
- **Website:** <http://palestineonlinestore.com/>

Distribution Channels

Palestine Online Store sell Palestinian products in the USA using its e-commerce platform.

Current Suppliers

All current suppliers are from Palestine with glass and ceramic products from hebron, embriories from north of Palestine and gaza and bethlehem, wooden and rosary products from bethlehem and gaza.

Interest in Palestinian Products

Palestine Online Store is interested in the entire portfolio of products examined in this market pointer, including embroideries, wooden statues, rosaries, ceramics, a glass products.

Packaging Requirements

No specific requirements for products packaging.

Potential Supplier Recruitment Process

To get in touch with Mr. Haitham Alzabry via email or over the phone, he speaks Arabic and is very welcoming and looking forward to meet with potential suppliers.

Payment Terms

Payment terms will be agreed upon directly with potential suppliers.

B2B Meetings

Yes interested to meet with Palestinian suppliers

Testing

No special testing for products is required.



Deerah Company Brief

Established by a couple from Jordan with roots from Palestine and Lebanon. Deerah is a brand that aims to preserve and shed light on the art of traditional embroidery to transform them into fashion icons with modern and attractive designs. Deerah, is retailing timeless pieces that can be worn everyday but also that hold our unique identity.

Deerah is focused on social responsibility and insuring that their small business suppliers receive a fair pay. Currently, Deerah import its products from Jordan.

The founders of Deerah are Ms. Sara Jayyusi and Mr. Omarr Daylaq they are first generation immigrants to Canada and are passionate about preserving their heritage and creating a space for fellow immigrants and minorities to be creative.



Facilities

The main sales and marketing operations for Deerah are conducted through their e-commerce platform which receives orders from all around the world.

<https://deerah.co>

Contact Details

- **Contact Name:** Mr. Omarr Daylaq / Ms. Sara Jayyusi
- **Title:** Founders
- **Email:** info@deerah.co / sara@deerah.co / omarr@deerah.co
- **Phone:** +1-647-696-7456
- **Website:** <https://deerah.co>

Distribution Channels

Palestine Online Store sell Palestinian products in Canada and the USA and the rest of the world using its e-commerce platform.

Current Suppliers

Current suppliers are only from Jordan and the business is focused on embroidery products from clothing items to accessories. Currently they are in Jordan to develop new designs and prototypes from various workshops and have 3 ongoing fashion projects between Canada and Jordan.

Interest in Palestinian Products

Deerah are interested in embroidery products such as Thobes and Jewelry and others.

Packaging Requirements

No specific requirements for products packaging.

Potential Supplier Recruitment Process



Potential suppliers should get in touch with Mr.Daylaq and Ms.Jayyusi via email or over the phone, they speaks Arabic and are very welcoming and looking forward to meet with potential suppliers from Palestine in order to obtain Palestinian origin products.

Payment Terms

Payment terms will be agreed upon directly with potential suppliers.

B2B Meetings

Yes interested to meet with Palestinian suppliers

Testing

No special testing for products is required.