



ESAF Voices from the Field

A Source of Revenue Where None Existed Before



Photo: AED/ESAF

Tayseer Al-Amr, Financial Manager of Sami Al-Amr, demonstrates the new thread rolling machine with 60 heads. The machine produces 16 cartons, or 320 kilograms, of thread per day, eight times the capacity of the old machine. The new equipment is expected to create at least 12 jobs in Qalqiliya, a region with high levels of poverty and unemployment.

The Expanded and Sustained Access to Financial Services (ESAF) program is a three-year \$36 million program, funded by USAID, designed to build a more inclusive financial sector in the West Bank and Gaza, for Palestinian households and enterprises. The program is implemented by AED in partnership with The William Davidson Institute at the University of Michigan, ShoreBank International, CHF International, CARE and Save the Children. ESAF is an Associate Award under USAID's FIELD-Support Leader with Associates cooperative agreement, which is managed by AED. www.microlinks.org/esaf. The content of this report is the sole responsibility of ESAF and does not necessarily reflect the views of USAID or the United States Government.



Before July 2010, **Sami Al-Amr Company for General Trade** could only produce two colors of thread: black and white. Every other color had to be imported. The company was missing a tremendous revenue opportunity.

Sami Al-Amr, a family owned and operated business, opened in Qalqiliya in 1993 as a sewing and repair workshop. During the years, it developed into a major provider of thread, among other textile- and sewing-related products and services, to the West Bank and Israel. The company's reputation for quality has steadily grown as well, contributing to high demand for its products. Despite its success, Sami Al-Amr was unable to fill large orders of thread in a timely manner – if at all – due to the limited capacity to produce thread in-house. Its 16 head machine could produce only two cartons of product (40 kilograms) per day. To compensate, the company produced black and white thread in-house and imported thread in other colors from China. As the quality of the imported thread declined, however, the company decided to seek other options to keep its excellent reputation and grow its business.

Sami Al-Amr turned to the Expanded and Sustained Access to Financial Services Program's **Palestinian Investment Partners (ESAF/PIP)**, which granted the company \$137,795, or 35% of a total investment of \$393,700 in new machinery. The new machine with 60 heads is capable of producing thread in any color at a volume of 16 cartons (320 kilograms) per day, eight times the rate of the old machine.

ESAF/PIP, managed by AED, was established to support small and medium enterprises (SMEs) in the West Bank that have the greatest potential to create jobs and help mitigate constraints associated with restrictions on the movement and access of people and goods. PIP's grants encourage fixed capital investments by SMEs that otherwise might be reluctant to invest due to the political and other risks that constrain the Palestinian private sector.

The new thread rolling machine was installed in July 2010, and it took less than a month to see a marked increase in revenue. In fact, because Sami Al-Amr was now making colored thread in-house, a revenue source was created that didn't exist before. For example, as soon as the machine was installed, the company began to work on an eight ton order, using raw materials from India. The order took 25 days to complete and yielded 144,000 NIS (about \$38,900) in new revenue. The new machine has also produced work opportunities for women from the local villages. So far, the company has hired eight employees to meet new demand and plans to hire at least four more. With the new machine, Sami Al-Amr is poised to continue building its excellent reputation and business.



A sample of the colored threads that Sami Al-Amr can now produce in-house