



هيئة تشجيع الاستثمار الفلسطينية
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار
Palestine Investment Conference



INSPIRING BUSINESS



Tourism Sector

Project Number:	PIC-2010-IO-064
Project Name:	Bethlehem City Tour
Sponsor Company:	Laila Tours & Travel
Contact Details:	Ms. Laila M. Asfoura Laila Tours & Travel Middle East Building, Manger Str. P.O.Box 516, Bethlehem, Palestine. Tel: +970-2-2777997 Fax: +970-2-2777996 E-mail: laila@lailatours.com Website: http://www.lailatours.com
Total Cost of the Project:	US\$ 1,500,000 (additional US\$ 750,000 after two years of operation)
Investment by Current Owners:	US\$ 375,000
Required Investment:	US\$ 1,125,000 equity investment

Project Description:

Bethlehem City Tour is a new idea that aims to give tourists a closer and more realistic view of the Holy City and its surroundings. Private buses with tour guides on board will make tours across Bethlehem district, stops are to be made at the most attractive and important sites where tourists will have the opportunity to interact with local people, see the factories of handcrafts and have a closer look at the historical and religious sites.

Route Network: A licensed tour guide from the Ministry of Tourism & Antiquities will guide the tourists through the religious sites of Bethlehem. After Bethlehem, the tour continues to Beit Sahour to visit the Shepherds Fields then drives up to Beit Jala to visit the Cremisan Monastery and enjoy a panoramic view of the area. Afterwards the tour proceeds to Al Khader village to visit Saint George's monastery and Solmon's pools.

Bethlehem City Tour is seeking a partnership with a strategic/financing partner that can help in the establishment of this route network, starting with the building of the premises, purchasing of the equipment, furniture and buses. Bethlehem City Tour already started negotiating the purchase of the land needed for the investment, and secured the licenses and permits needed. Financing is needed to implement the project.

Project Development Time Table:

Land Development & Improvement	June 2010
Building and Construction start Date	September 2010
Building and Construction Completion Date	August 2011
Furniture & Equipment Procurement	September 2011
Operations Start Date	October 2011
Inauguration Date	24 December 2011

Current Owners' Profile:

Bethlehem City Tours is a Palestinian registered private partnership company, which started its operations within the Palestinian tourism sector in 2007. The company is an integral part of the community and provides essential services for tourists visiting Bethlehem.

Bethlehem City Tours leads visitors to a greater understanding of the true values and authenticity of Bethlehem. Tourists enjoy visiting Palestine and the Holy Sites; moreover they get to know more about Palestinian culture, lifestyle, social settings and history.

Industry Highlights:

The Palestinian tourism sector is mainly based around the 'pilgrimage' sub-sector; as it has been for more than 2000 years. It also benefits from Palestinian expatriates returning to visit their families and to a lesser extent from 'friends' of Palestine, the latter often young backpackers. Palestine clearly suffers hugely from an image problem and this will take time to change. However nearby markets with security issues such as Jordan, Egypt and of course Israel itself have successfully rebranded themselves in recent years and created successful tourist industries, albeit with much bigger budgets than Palestine is likely to have. Palestine itself started changing the image and promoting the Palestinian tourism sites away from security problems.

As of December 2009, there were 97 hotels in Palestine distributed as following:

- northern West Bank: 7 hotels with 166 rooms and 346 beds
- middle of the West Bank: 26 hotels with 1,083 rooms and 2,465 beds
- the Jerusalem area: 33 hotels with 1,639 rooms and 3,688 beds
- South of the West Bank: 23 hotels with 1,777 rooms and 3,989 beds
- The Gaza Strip: 8 hotels with 321 rooms and 536 beds

The average room occupancy in hotels operating in Palestine was 1,458 hotel rooms per day at 29% of all available rooms available. The number of guests in Palestinian hotels in the year 2009 totaled to 447,025 guests, 13% of them are Palestinians and 35% from the European Union. About 49% of these stayed in Jerusalem hotels, 30% in the south of the West Bank (Bethlehem and Hebron) and 19% in the middle of the West Bank (Jericho and Ramallah). Only a tiny proportion stayed in the northern West Bank or in Gaza. Hotel figures compare favorably with the year 2000 (355,711) and the subsequent decline to the low point of 51,357 in 2002. The 2008 figure represents an occupancy rate of 36%, and there is evidence that this figure will be surpassed by the years of 2010 and 2011.

The average number of employees working in hotels reached 1,648 workers, including 1,398 male and 250 female. Those working in managerial positions have reached 299 workers including 236 male and 63 female, while those in the operating positions have reached 1,349 workers, including 1,162 male and 187 female.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> The prime location of Bethlehem The first of its kind in the Palestinian Territory Existence of similar desired experience 	<ul style="list-style-type: none"> Lack of additional financial resources from the current owner

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> The great potential for Bethlehem tourism The number of Christian tourists from all over the world is on the rise The dramatic increase in the real estate value in Bethlehem 	<ul style="list-style-type: none"> Political instability and ongoing conflict between Israel and Palestine

Financial Projections in US\$ for the whole project

Indicators	2010	2011	2012	2013	2014	2015
Income statement Accounts						
Revenues	-	607,725	689,850	1,629,771	1,787,315	1,996,469
Expenses	-	374,132	387,621	489,233	505,287	524,144
Gross Profit	-	233,593	302,229	1,140,538	1,282,028	1,472,325
Interest Expense and Taxes	-	47,722	56,567	180,530	199,869	226,423
Net Income	-	185,871	245,662	960,008	1,082,159	1,245,902
Cash Flow Accounts						
Operating Cash Flow	-	331,862	349,734	1,136,982	1,256,916	1,418,317
Financing Cash Flow	1,540,212	(32,770)	(50,416)	(50,416)	(50,416)	(50,416)
Investing Cash Flow	(1,500,000)	0	0	(750,000)	0	0
Balance Sheet Accounts						
Total Assets	1,540,212	1,741,035	1,960,048	3,006,818	4,069,018	5,299,957
Total Liabilities	275,000	289,952	263,303	350,064	330,104	315,142
Total Equity	1,265,212	1,451,083	1,696,746	2,656,754	3,738,913	4,984,815
Profitability Indicators						
Return on Assets	-	10.68%	12.53%	31.93%	26.60%	23.51%
Return on Equity	-	12.81%	14.48%	36.13%	28.94%	24.99%

Project Number:	PIC-2010-IO-065
Project Name:	Olympic Swimming Pools
Sponsor Company:	Yarkon Company for Trading and Contracting
Contact Details:	Mr. Husam Eddeen Jarallah Al-Khozondar Omar Al-Mokhtar St. Gaza City, Gaza Strip, Palestine Tel: +970-59-9408248 Email: hosamjnk@yahoo.com
Total Cost of the Project:	US \$ 2,148,000
Investment by Current Owners:	US \$ 2,000,000
Required Investment:	US \$ 148,000

Project Description:

Yarkon Company for Trading and Contracting is seeking an investor to collaborate on this opportunity for building and operating a recreational facility containing Olympic-size swimming pools. The project facilities will include three swimming pools, green areas, parking space and a chalet.

The project aims to improve the quality of life of Gazan youth and adults, the project will target the youth of Gaza by training and coaching them as well as organizing competitions and games, especially in the summer season.

The pools will be built on an 8 dunum area of land, in central Gaza Strip and will be the first facility in Palestine to have Olympic size swimming pools. The facilities will maintain the highest of standards in safety, cleanness and service.

Current Owners' Profile:

Mr. Husam Al-Khozondar owns the land identified for this project in partnership with his father and four brothers. The Khozondar family is well-known in Gaza for its entrepreneurial spirit and proven success in establishing new investments in various sectors including trade, hospitality and services.

Industry Highlights:

Palestine's comparative advantage of being home to Bethlehem, the birthplace of Jesus, Jericho, the oldest continuously inhabited city in the world, and Jerusalem being home to the three monotheistic religions provides a unique draw for tourists. Furthermore, visitors

to Palestine are always amazed at the diversity of activities to enjoy. From its hospitable people and rich cultural heritage to its beautiful landscape and diverse cuisine, Palestine has lots to offer in addition to its many shrines, churches and mosques.

Despite the latest political unrest which began in September 2000, today tourism in Palestine is showing clear signs of recovery. According to the latest figures released by the Palestinian Ministry of Tourism and Antiquities, the number of overnight stays in Palestinian hotels for the 1st quarter of 2008 reached 88,038 nights compared to 36,479 overnights in the 1st quarter of 2007; an increase of 141.3%. As far as the total number of visitors to Palestine, the MOTA and industry experts believe that arrivals will top the one million mark this year – a new record for Palestine.

Both the public and private sectors are investing millions in developing, restoring and upgrading facilities that cater to the tourism industry. New hotels and restaurants are opening throughout the West Bank, while overall touristic activities on offer in Palestine have quickly diversified. In addition the MOTA is implementing numerous restoration and beautifications projects in the West Bank and East Jerusalem.

Hotels constitute the backbone of the Palestinian tourism sector in terms of income, investment and employment. As with all tourism sub-sectors in Palestine, the hospitality industry has suffered as a direct result of the political conditions under which they have had to operate since 1967. Between 1967 and 1994, the number of Palestinian hotels remained virtually static. Scarcely any permits to build hotels, or convert existing buildings into hotels, were granted by the Israeli authorities to investors in Palestine. However once the Palestinian Authority took control of the major cities, it ushered in a period of major growth in tourism investment. Between 1994 and 2000, private sector investment in tourism alone exceeded US\$ 700 million.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • First Olympic size pool in either West Bank or Gaza • Moderate weather conditions year-round in Gaza 	<ul style="list-style-type: none"> • Required building materials are as of yet unavailable

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • Attract groups of visitors from the West Bank 	<ul style="list-style-type: none"> • Ongoing political instability • Difficult economic conditions

Financial Projections in US\$ for the whole project

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	6,667	80,000	100,000	107,500	115,563
Gross Profit	5,867	77,600	97,600	104,980	112,917
Net Income	(5,565)	43,306	63,306	69,806	76,288
Cash Flow Accounts					
Operating Cash Flow	(3,535)	49,396	69,396	75,896	82,378
Investing Cash Flow	(2,117,000)	0	0	0	0
Financing Cash Flow	2,148,000	(15,827)	(17,451)	(19,072)	(20,824)
Balance Sheet Accounts					
Total Assets	2,142,435	2,185,741	2,233,221	2,285,575	2,342,791
Total Liabilities					
Total Equity	2,142,435	2,185,741	2,233,221	2,285,575	2,342,791
Profitability Indicators					
Return on Assets	(0.26%)	1.98%	2.83%	3.05%	3.26%
Return on Equity	(0.26%)	1.98%	2.83%	3.05%	3.26%

Developing and Expanding Al Yasmeen Hotel and Historical Compound

3

Project Number:	PIC-2010-IO-067
Project Name:	Developing and Expanding Al Yasmeen Hotel and Historical Compound
Sponsor Company / Individual:	Al Yasmeen Investment Co.
Contact Details:	Mr. Nasser Abdul Hadi Nablus, Palestine Tel: +970-9-2333555 Fax: +970-9-2333666 Email: info@alyasmeen.com Website: www.alyasmeen.com
Total Cost of the Project:	US\$ 1,250,000
Investment by Current Owners:	US\$ 750,000
Required Investment:	US\$ 500,000

Project Description:

Nablus is one of the oldest cities in the world, It was originally called “Shechem” by its Canaanite inhabitants. The Romans built a new city (Flavia Neapolis, in honor of the Roman Emperor Flavius Vespasian) a short distance from Shechem. The name Nablus comes from Neapolis as in Naples in the South of Italy. Nablus is distinguished by its location in a narrow valley between the two mountains Gerizim and Ebal. Holy places and Tourist attractions near the city include Joseph’s Tomb and Jacob’s Well. The business opportunity is to take an equity stake in an historic hotel in Nablus – the Al Yasmeen Hotel. The existing tourist hotel occupies a 600 year old building located in the heart of the Old City in Nablus. The hotel consists of 26 rooms, one suite, 2 restaurants, meeting halls, and a commercial mall with 36 stores. The hotel first opened in 1998 and attracted visitors and guests with an average occupancy of 75%. However, following the outbreak of the Intifada in 2000, the occupancy level dropped to around 10%. In 2008, the average occupancy rate surpassed 30%, the current occupancy rate is almost equivalent to pre-2000 rate. The owners are seeking partners to invest in renovating the existing hotel and doubling the carrying capacity to 50 rooms while upgrading the entire facility to a 4 star hotel.

Project Development Time Table:

Infrastructure Development	Completed
Building and Construction Date	October 2010
Building and Construction Completion Date	October 2011
Furniture & Equipment Procurement	November 2011
Operations Start Date	December 2011

Current Owners' Profile:

Al Yasmeen Investment Company was established in 1997 with the objective of developing the hospitality industry in Palestine. The company's first project consisted of reaching an investment agreement with local landlords to renovate the 600 year old building and transform it into a hotel.

The company then opened the second branch of the famous restaurant "Zeit Ou Zaatar" in Jerusalem; with the third branch opening for business in Ramallah in 2005.

Al Yasmeen Investment Company holds stakes in publicly listed Palestinian companies such as: Palestine Plastic Industries Company, Arab Real Estate Company, and Arab Insurance Company.

The company's chairman was responsible for establishing the first 2 hotels in Nablus, namely the Al Qasr Hotel, targeting business travelers, and the Al Yasmeen Hotel, targeting local and international tourists.

Industry Highlights:

Palestine's comparative advantage of being home to Bethlehem, the birthplace of Jesus, Jericho, the oldest continuously inhabited city in the world, and Jerusalem being home to the three monotheistic religions provides a unique draw for tourists. Furthermore, visitors to Palestine are always amazed at the diversity of activities to enjoy. From its hospitable people and rich cultural heritage to its beautiful landscape and diverse cuisine, Palestine has lots to offer in addition to its many shrines, churches and mosques.

Despite the latest political unrest which began in September 2000, today tourism in Palestine is showing clear signs of recovery. According to the latest figures released by the Palestinian Ministry of Tourism and Antiquities (MOTA), the number of overnight stays in Palestinian hotels for the 1st quarter of 2008 reached 88,038 nights compared to 36,479 overnights in the 1st quarter of 2007; an increase of 141.3%. As far as the total number of visitors to Palestine, the MOTA and industry experts believe that arrivals will top the one million mark this year – a new record for Palestine.

Both the public and private sectors are investing millions in developing, restoring and upgrading facilities that cater to the tourism industry. New hotels and restaurants are opening throughout the West Bank, while overall touristic activities on offer in Palestine have quickly diversified. In addition the MOTA is implementing numerous restoration and beautifications projects in the West Bank and East Jerusalem.

Hotels constitute the backbone of the Palestinian tourism sector in terms of income, investment and employment. As with all tourism sub-sectors in Palestine, the hospitality industry has suffered as a direct result of the political conditions under which they have had to operate since 1967. Between 1967 and 1994, the number of Palestinian hotels

remained virtually static. Scarcely any permits to build hotels, or convert existing buildings into hotels, were granted by the Israeli authorities to investors in Palestine. However once the Palestinian Authority took control of the major cities, it ushered in a period of major growth in tourism investment. Between 1994 and 2000, private sector investment in tourism alone exceeded US\$ 700 million.

SWOT Analysis

Internal Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Centrally located in the heart of the Old City of Nablus Consistent high occupancy rate (around 75%) Experienced management Diversification of services provided by the hotel 	<ul style="list-style-type: none"> Financial position was badly affected following 8 years of political unrest Needs renovation

External Analysis

Opportunities	Threats
<ul style="list-style-type: none"> Increasing demand on hotel and meeting facilities particularly in northern West Bank Rebound and increase in tourism arrivals Domestic tourism is on the rise Limited competition 	<ul style="list-style-type: none"> Potential for deterioration of political and security situation Misconception and negative image of Nablus in international markets (regarded as unsafe)

Financial Projections in US\$

Indicators	2011-2010	2012	2013	2014	2015
Income statement Accounts					
Revenues	0	351,000	504,000	630,000	810,000
Expenses	0	227,155	291,245	344,613	420,083
Gross Profit	0	123,845	212,755	285,387	389,917
Depreciation	0	63,750	63,750	63,750	63,750
Net Income	0	60,095	149,005	221,637	326,167
Cash Flow Accounts					
Operating Cash Flow	0	123,845	212,755	285,387	398,917
Investing Cash Flow	(1,250,000)	0	0	0	0
Financing Cash Flow	1,250,000	(60,000)	(150,000)	(200,000)	(300,000)
Balance Sheet Accounts					
Total Assets	1,250,000	1,250,095	1,249,100	1,270,737	1,296,904
Total Liabilities	0	0	0	0	0
Total Equity	1,250,000	1,250,095	1,249,100	1,270,737	1,296,904
Profitability Indicators					
Return on Assets	0	4.81%	11.93%	17.44%	25.15%
Return on Equity	0	4.81%	11.93%	17.44%	25.15%

Hisham's Palace Commercial and Tourism Compound

4

Project Number:	PIC-2010-IO-068
Project Name:	Hisham's Palace Commercial and Tourism Compound
Sponsor Company / Individual:	Mr. Mazen Sinokrot
Contact Details:	Mr. Mazen Sinokrot Tel: +970-2-2955701 Fax: +970-2-2955702 Mobile: +970-59-9279006 Email: ceo@sinokrot.com Website: www.sinokrot.com
Total Cost of the Project:	US\$ 8,150,000
Investment by Current Owners:	US\$ 3,500,000
Required Investment:	US\$ 4,650,000

Project Description:

Hisham's Palace Hotel is an existing building located in the heart of Jericho City on a piece of land with a total area of 2.5 Dunum. The owner of the hotel owns another piece of land next to the hotel's land with a total area of another 2.5 Dunum.

The owner intends to construct a 6 floor building with a total built up area of 15,000 square meters as follows:

1. 2 floors of commercial stores; 250 stores, 20 square meters for each store.
2. 2 floors of office spaces; 100 offices, 40 – 50 square meters for each office.
3. 2 floors of 2 – 3 stars hotel; 150 hotel rooms.

The proposed project is responding to the increasing demand for modern commercial and office spaces in Jericho City, as well as the increasing demand for medium-level hotel rooms. In addition, the project is planned at this timeframe to accompany the near celebrations of Jericho 10,000 years. The owner is also aiming through this project to preserve one of the oldest buildings in Jericho city.

The project targets local visitors of Jericho City, foreign tourists, and retailers and providers of professional and medical services who are interested in establishing their businesses in Jericho. Some of these private businesses target visitors and tourists visiting Jericho, other private businesses target the residents of Jericho city and locals.

The project is proposing renting the first 2 floors as commercial stores for rental fees in addition to key money – paid for one time –, the 3rd and 4th floors will be rented to providers of professional and medical services for rental fees only, and the last 2 floors will be operated directly by the owner as a 2 – 3 stars hotel.

Project Development Time Table:

Infrastructure Development	June 2010
Building and Construction Date	July 2010
Building and Construction Completion Date	May 2012
Furniture & Equipment Procurement	June 2012
Operations Start Date	July 2012

Current Owners' Profile:

Mr. Mazen Sinokrot was appointed Minister of National Economy until March 2006. Also the Chairman of Board for the Palestine Standards Institute, Palestine Investment and Promotion Agency, Palestine Industrial Zones, and Free Zones Authority.

Mr. Sinokrot is the Chairman of Sinokrot Global Group (SGG); the largest family owned business group in Palestine established in 1982 based in Ramallah with a state of the art infrastructure on 35,000 sqm of buildings, 800 employees supported by a modern management and marketing systems covering more than 30 export markets in addition to the local market.

SGG works in the manufacturing, trade, tourism, agriculture, and services sectors. Companies working under the umbrella of SGG include Sinokrot Food Company, Sinokrot Company for Animal and Agricultural Products, Zadona Agro-Industrial Company, Sultan Cable car and Tourist Center, Palestinian Gardens Company and Fresh Herbs Project, Grand National Markets, Sultan Company for Mineral Waters, Palestinian Company for Industrial Supplies, and Ajyal Trading Company.

Industry Highlights:

Palestine's comparative advantage of encompassing Bethlehem, the Birthplace of Jesus, Jericho, the oldest continuously inhabited city in the world and Jerusalem being home to the three monotheistic religions provides a unique tourism offer. Furthermore, visitors to Palestine will be amazed at the diversity of activities to discover. From its hospitable people and rich cultural heritage to its beautiful landscape and diverse cuisine, Palestine has lots to offer in addition to its many shrines, Churches and Mosques.

Despite the latest political unrest which began back in September 2000, today tourism to Palestine is showing clear signs of recovery. According to the latest figures released by the Palestinian Ministry of Tourism and Antiquities, the number of overnight stays in Palestinian hotels for the first quarter of 2008 reached 88,038 nights compared to 36,479 overnights in the first quarter of 2007; an increase of 141.3%. As far as the total number of visitors to Palestine, Ministry of Tourism and Antiques (MOTA) and the industry believe that arrivals will top the one million mark this year; a new record for destination Palestine surpassing 2,000 arrivals figures.

Both the public and private sector are investing millions in developing, restoring and upgrading the industry. New hotels are opening across the West Bank. The overall tourism offer in Palestine has diversified and expanded its offering. MOTA is implementing numerous restoration and beautifications projects are across the West Bank and East Jerusalem.

Hotels constitute the backbone of the Palestinian tourism sector in terms of income, investment and employment. As with all tourism sectors in Palestine, hotels have suffered as a direct result of the political conditions under which they have had to operate since 1967. Between 1967 and 1994, the number of Palestinian hotels remained virtually unchanged. Hardly any

permits to build hotels, or convert to hotels, were granted by the Israeli authorities to any investor in the Palestinian sector. However once the Palestinian Authority took control of the major cities, investment in tourism saw a boom. Between 1994 and 2000, private sector investment in tourism alone exceeded US\$ 700 million.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
• Prime location of the project	• Limited available financial resources
• Clean ownership of the land	• Tight implementation schedule
• Short payback period of the project	
• Historical reputation of Hisham's Palace existing hotel	
• Strong experience of the owner	

External Analysis	
Opportunities	Threats
• Jericho 10,000 years celebrations	• Political and security situation in the Palestinian Territory
• Increasing number of tourists visiting Jericho	• Israeli procedures in isolating and closing Jericho
• Increasing internal tourism	
• Limited number of well organized commercial centers in Jericho	
• Limited number of hotel rooms in Jericho	

Financial Projections in US\$

Indicators	2010-2011	2012	2013	2014	2015
Income statement Accounts					
Revenues	0	5,200,000	6,193,000	1,512,000	1,836,000
Expenses	0	430,500	909,600	1,006,800	1,055,400
Gross Profit	0	5,200,000	6,193,000	1,512,000	1,836,000
Depreciation	0	71,250	142,500	142,500	142,500
Net Income	0	4,698,250	5,140,900	362,700	638,100
Cash Flow Accounts					
Operating Cash Flow	0	4,769,500	5,283,400	505,200	780,600
Investing Cash Flow	(6,875,000)	(1,275,000)	0	0	0
Financing Cash Flow	8,150,000	(4,500,000)	(5,000,000)	(350,000)	(600,000)
Balance Sheet Accounts					
Total Assets	8,150,000	8,348,250	8,489,150	8,501,850	8,539,950
Total Liabilities	0	0	0	0	0
Total Equity	8,150,000	8,348,250	8,489,150	8,501,850	8,539,950
Profitability Indicators					
Return on Assets	0	56.3%	60.6%	4.3%	7.5%
Return on Equity	0	56.3%	60.6%	4.3%	7.5%

Project Number:	PIC-2010-IO-069
Project Name:	Expansion of Jerusalem Hotel in Jericho
Sponsor Company:	Jerusalem Hotel – Jericho
Contact Details:	Mr. Ahmad Saleh Abu Hommos Amman Street, Jericho P.O. Box: 77, Jericho, Palestine Tel: +970-2-2322444 Fax: +970-2-2323109 Website: http://www.jerusalemhotel-jericho.com/
Total Cost of the Project:	US\$ 1,441,808
Investment by Current Owners:	US\$ 807,308
Required Investment:	US\$ 634,500

Project Description:

Jerusalem Hotel is located in the oldest and lowest city in the world – Jericho. Currently it consists of 50 rooms and suites. The hotel’s location has proven highly strategic as it is on the road leading to and from the Jordanian border; the only available land port for Palestinians living in the West Bank as well as for many of their visitors. The hotel’s average occupancy rate currently exceeds 65%, and demand is rising quickly.

The owner is aiming to expand the current size of the hotel both horizontally and vertically, by constructing seven new floors to the existing building, including a parking lot, a multi-purpose hall, and the installment of air-conditioning units for all old and new facilities. The hotel’s total area will increase from 960 square meters to 2,018 square meters. The total cost of the expansion is estimated at US\$ 634,500.

Project Development Time Table:

Land Development & Improvement	January 2011
Building and Construction Start Date	January 2011
Building and Construction Completion Date	September 2011
Furniture & Equipment Procurement	December 2011
Inauguration Date	January 2012

Current Owners' Profile:

Jerusalem Hotel first opened its doors to guests in 1995 as a small hotel and restaurant in the middle of Jericho, one of the most attractive tourism and recreational centers in Palestine. Jerusalem Hotel since then became known for its high quality, top-notch guest services, and competitive prices. As it is close to the center of Jericho, the travelers' lounge, and various historical and recreational attractions, the hotel has managed to maintain strong earnings through all high and low seasons, despite the difficult circumstances facing the Palestinian economy.

Thanks to its extensive hotel management experience and hard-earned reputation, Jerusalem Hotel expects to flourish in the coming years as the local tourism sector is set to grow significantly, thereby increasing visitor traffic through Jericho. With the help of the anticipated renovations and additional planned rooms and facilities, hotel management plans to continue offering consistently higher quality services and be highly rated.

Industry Highlights:

Palestine's comparative advantage of being home to Bethlehem, the birthplace of Jesus, Jericho, the oldest continuously inhabited city in the world, and Jerusalem being home to the three monotheistic religions provides a unique draw for tourists. Furthermore, visitors to Palestine are always amazed at the diversity of activities to enjoy. From its hospitable people and rich cultural heritage to its beautiful landscape and diverse cuisine, Palestine has lots to offer in addition to its many shrines, churches and mosques.

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SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • The prime location of Jericho • Extensive hospitality industry experience • Renowned quality of guest services • Competitive pricing 	<ul style="list-style-type: none"> • Lack of necessary funding to complete upgrade/renovation
External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • Jericho's growing ability to draw local and international tourists • Rising value of Jericho's real estate 	<ul style="list-style-type: none"> • Political instability • Competition from other hotels and resorts in the Jericho region

Financial Projections in US\$ for the whole project (old and new investments)

Indicators	2011	2012	2013	2014	2015	2016
Income statement Accounts						
Revenues	305,174	762,935	839,229	923,151	1,015,466	1,117,013
Expenses	118,883	297,208	312,069	327,672	344,056	361,258
Gross Profit	186,291	465,727	527,160	595,479	671,411	755,755
Interest Payment	0	0	0	0	0	0
Depreciation and Amortization	37,305	93,262	93,262	93,262	93,262	93,262
Taxes	29,797	74,493	86,780	100,444	115,630	132,499
Net Income after Tax	119,189	297,972	347,118	401,774	462,519	529,994
Cash Flow Accounts						
Operating Cash Flow	168,510	540,975	974,873	1,477,091	2,055,240	2,717,733
Investing Cash Flow	(634,500)	0	0	0	0	0
Financing Cash Flow	634,500	(148,986)	(173,559)	(200,887)	(231,260)	(264,997)
Balance Sheet Accounts						
Total Assets	1,441,808	1,590,794	1,764,353	1,965,240	2,196,500	2,461,497
Total Liabilities	216,271	238,619	264,653	294,786	329,475	369,225
Total Equity	1,225,537	1,352,175	1,499,700	1,670,454	1,867,025	2,092,272
Profitability Indicators						
Return on Assets	8.27%	18.73%	19.67%	20.44%	21.06%	21.53%
Return on Equity	9.73%	22.04%	23.15%	24.05%	24.77%	25.33%

Bethlehem Tourism Center

Project Number:	PIC-2010-IO-073
Project Name:	Bethlehem Tourism Center
Sponsor Company:	Anwar Michael Anton Hilal
Contact Details:	Staih Street Beit-Sahour, West Bank, Palestine Tel: +970-59-9233890 Email: hilal_eng@yahoo.com
Total Cost of the Project:	US\$ 2,980,000
Investment by Current Owners:	US\$ 420,000
Required Investment:	US\$ 2,060,000
Debt:	US\$ 500,000

Project Description:

Anwar Michael Anton Hilal is seeking a financing partner to assist in establishing a Tourism Center that consists of a trade center to cater to tourists' needs of souvenirs such as local artisan products including olive wood, mother of pearl, knitting, ceramic, leather, silver, gold and copper products, Hebron glass as well as traditional sweets and drinks, locally produced cheese, etc.

The Tourism Center will also include a Heritage Art Hall along with a bowling alley for the tourists as well as Bethlehem's local residents to enjoy. Specifically it will target tourists visiting Bethlehem from all over the world as well as Palestinians from the West Bank and those living in Israel.

The Tourism Center will be ideal for local business owners as they will be able to rent out building space in a centralized location, as well as being in a location which draws a steady stream of tourists and potential customers.

Project Development Time Table:

	Expected number of months from finance availability
Operations start date	16 months

Current Owners' Profile:

Hilal Construction Company (HCC) located in Bethlehem is one of the leading Palestinian companies in the construction industry. HCC specializes in electro mechanical engineering since 2003.

Hilal Construction Company's vision is to be the top construction company in Palestine. HCC's mission is to build a reputation for its high quality construction projects, including building, finishing and installing electromechanical works. In addition, HCC thrives to ensure that its employees are self-empowered with the ability to access trainings, and thereby increase their knowledge and skill level. HCC aims to provide the best for the Palestinian community while always keeping customer satisfaction as their number one priority.

Industry Highlights:

Palestine's comparative advantage of being home to Bethlehem, the birthplace of Jesus, Jericho, the oldest continuously inhabited city in the world, and Jerusalem being home to the three monotheistic religions provides a unique draw for tourists. Furthermore, visitors to Palestine are always amazed at the diversity of activities to enjoy. From its hospitable people and rich cultural heritage to its beautiful landscape and diverse cuisine, Palestine has lots to offer in addition to its many shrines, churches and mosques.

Despite the latest political unrest which began in September 2000, today tourism in Palestine is showing clear signs of recovery. According to the latest figures released by the Palestinian Ministry of Tourism and Antiquities, the number of overnight stays in Palestinian hotels for the 1st quarter of 2008 reached 88,038 nights compared to 36,479 overnights in the 1st quarter of 2007; an increase of 141.3%. As far as the total number of visitors to Palestine, the MOTA and industry experts believe that arrivals will top the one million mark this year – a new record for Palestine.

Both the public and private sectors are investing millions in developing, restoring and upgrading facilities that cater to the tourism industry. New hotels and restaurants are opening throughout the West Bank, while overall touristic activities on offer in Palestine have quickly diversified. In addition the MOTA is implementing numerous restoration and beautifications projects in the West Bank and East Jerusalem.

Hotels constitute the backbone of the Palestinian tourism sector in terms of income, investment and employment. As with all tourism sub-sectors in Palestine, the hospitality industry has suffered as a direct result of the political conditions under which they have had to operate since 1967. Between 1967 and 1994, the number of Palestinian hotels remained virtually static. Scarcely any permits to build hotels, or convert existing buildings into hotels, were granted by the Israeli authorities to investors in Palestine. However once the Palestinian Authority took control of the major cities, it ushered in a period of major growth in tourism investment. Between 1994 and 2000, private sector investment in tourism alone exceeded US\$ 700 million.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Bethlehem is a major global destination for tourists • Bowling alley will attract local residents to the Center during the low tourist season 	<ul style="list-style-type: none"> • Owner lacks sufficient financial resources • Tourists often prefer small traditional shops over such shopping centers

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • Store rentals are in very high demand 	<ul style="list-style-type: none"> • Political instability risks affecting number of tourists visiting Bethlehem

Financial Projections in US\$ for the whole project (old and new investments)

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	0	28,125	468,000	468,000	514,800
Gross Profit	0	28,125	468,000	468,000	514,800
Net Income	0	(8,005)	274,515	248,358	281,696
Cash Flow Accounts					
Operating Cash Flow	0	9,388	338,956	307,572	335,389
Investing Cash Flow	(1,760,000)	(1,150,000)	0	0	0
Financing Cash Flow	1,760,000	1,143,595	(251,864)	(238,786)	(255,455)
Balance Sheet Accounts					
Total Assets	1,760,000	2,912,983	2,957,575	2,983,861	3,021,295
Total Liabilities	0	440,989	348,323	250,431	147,016
Total Equity	1,760,000	2,471,995	2,609,252	2,733,431	2,874,279
Profitability Indicators					
Return on Assets		(0.27%)	9.28%	8.32%	9.32%
Return on Equity		(0.32%)	10.52%	9.09%	9.80%

Murad Tourist Resort & Hotel

Project Number:	PIC-2010-IO-074
Project Name:	Murad Tourist Resort & Hotel
Sponsor Company:	Murad Tourist Resort & Hotel
Contact Details:	Mr. Jamil Murad / Mr. Shaker Murad Bethlehem, Beit Sahour Street, Palestine Tel: +970-2-2759880 Fax: +970-2-2759881 Email: info@murad.ps Website: www.murad.ps
Total Cost of the Project:	US\$ 24,552,460
Investment by Current Owners:	US\$ 15,297,060
Required Investment:	US\$ 9,255,400

Project Description:

Murad Hotel and Resort Company is located in Bethlehem, 15 minutes from the city centre and close to Shepherds' field. The company is seeking a partnership with a strategic/financing partner in order to add multiple tourist facilities that blend historic authenticity with modern technology and entertainment systems..

Murad Hotel and Resort is located in Bethlehem and it has been working from June 2006 until now on phases 1, 2 and 3 of the project. Remarkable segments and projects were completely achieved mainly:

- Four swimming pools
- Business halls
- 25 chalets
- Rocky rooms
- Coffee shop and restaurant
- Murad therapy baths / Turkish cave
- AD – DAY'A Tent
- Tourist Hotel (phase1)/ 33 rooms
- Spa for ladies

The estimated cost of the above mentioned items accomplished until now is around 10 million U.S. dollars.

As part of its continued development, the company is seeking to add more facilities that will include an Amusement Park, Stationary Crew Ships and 15 VIP chalets.

Project Development Time Table:

15 VIP chalet	10 months from funding
Tourist Hotel (Phase 2)	12 months from funding
Dancing launch	8 months from funding
Multipurpose hall	9 months from funding
Modern kitchen	4 months from funding
Resort gardens	5 months from funding
Children playground	7 months from funding
Water falls and water fountains	4 months from funding
Upgrading the existing Olympic swimming	3 months from funding

Current Owners' Profile:

Murad's Investment Group Co. was established since more than 30 years. The group established Murad's Undertaking Co. in 1976, this company was accredited as one of the largest construction and reconstruction companies in the country. Then it established Murad's Rent a Car Co. which has recently become an agency for Hyundai Co. for cars and one of the biggest modern tourist rent car Companies at Bethlehem District.

In 2006, Murad's Tourist Resort was inaugurated and has been internationally recognized as premium tourist offering in the Holyland. This Resort was the first of its kind in the country where its basic utilities formed part of the local topography (underground caverns) with paid capital that exceeded 10 million USD.

Industry Highlights:

The Palestinian tourism sector is mainly based around the 'pilgrimage' sub-sector; as it has been for more than 2000 years. It also benefits from Palestinian expatriates returning to visit their families and to a lesser extent from 'friends' of Palestine, the latter often young backpackers. Palestine clearly suffers hugely from an image problem and this will take time to change. However nearby markets with security issues such as Jordan, Egypt and of course Israel itself have successfully rebranded themselves in recent years and created successful tourist industries, albeit with much bigger budgets than Palestine is likely to have. Palestine itself started changing the image and promoting the Palestinian tourism sites away from security problems.

As of December 2009, there were 97 hotels in Palestine distributed as following:

- Northern West Bank: 7 hotels with 166 rooms and 346 beds
- Middle of the West Bank: 26 hotels with 1,083 rooms and 2,465 beds
- The Jerusalem area: 33 hotels with 1,639 rooms and 3,688 beds
- South of the West Bank: 23 hotels with 1,777 rooms and 3,989 beds
- The Gaza Strip: 8 hotels with 321 rooms and 536 beds

The average room occupancy in hotels operating in Palestine was 1,458 hotel rooms per day at 29% of all available rooms available. The number of guests in Palestinian hotels in the year 2009 totaled to 447,025 guests, 13% of them are Palestinians and 35% from the European Union. About 49% of these stayed in Jerusalem hotels, 30% in the south of the

West Bank (Bethlehem and Hebron) and 19% in the middle of the West Bank (Jericho and Ramallah). Only a tiny proportion stayed in the northern West Bank or in Gaza. Hotel figures compare favorably with the year 2000 (355,711) and the subsequent decline of 51,357 in 2002. The 2008 figure represents an occupancy rate of 36%, and there is evidence that this figure will be surpassed by the years of 2010 and 2011.

The average number of employees working in hotels reached 1,648 workers, including 1,398 male and 250 female. Those working in managerial positions have reached 299 workers including 236 male and 63 female, while those in the operating positions have reached 1,349 workers, including 1,162 male and 187 female.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Large variety and comprehensive products and services which include sport, entertainment, tourism, recreation and educational and heritage activities • The Resort is first of its kind in Palestine Territory 	<ul style="list-style-type: none"> • Lack of additional financial resources
External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • The great potential of tourism in Bethlehem • The number of Christian tourists from all over the world is on the rise • The increase in the domestic tourism 	<ul style="list-style-type: none"> • Political instability

Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	759,732	835,705	5,204,000	5,646,200	5,737,410
Gross Profit	405,273	445,800	3,909,540	4,321,850	4,383,170
Net Income	108,475	119,323	2,748,440	3,160,750	3,222,070
Cash Flow Accounts					
Operating Cash Flow	113,899	125,289	2,885,862	3,318,788	3,383,073
Investing Cash Flow	(6,610,000)	(6,610,000)	0	0	0
Financing Cash Flow	14,552,460	0	0	0	0
Balance Sheet Accounts					
Total Assets	16,718,475	23,447,798	26,196,238	29,356,988	32,579,058
Total Liabilities	1,051,892	946,703	937,236	843,512	759,161
Total Equity	15,666,583	22,501,095	25,259,002	28,513,476	31,819,897
Profitability Indicators					
Return on Assets	1%	1%	10%	11%	10%
Return on Equity	1%	1%	11%	11%	10%

Project Number:	PIC-2010-IO-075
Project Name:	Hayat Nablus
Sponsor Company:	Hayat Nablus for Development and Investment Ltd
Contact Details:	<p>Mr. Omar Barham, Chairman of the Board of Directors Mr. Samer Atyah, General Manager Nablus, Tunis Street, Palestine Tel: +970-9-2347788 Fax: +970-9-234776 Email: Info@hayat-nablus.com Website: www.hayat-nablus.com</p>
Total Cost of the Project:	US\$ 1,144,600
Investment by Current Owners:	US\$ 583,746
Required Investment:	US\$ 560,854

Project Description:

Hayat Nablus is the first touristic project of its kind in Nablus. The venue houses a conference and events hall, restaurant, terrace, gym, pools and nursery. The owners of the project are seeking funds to develop the centre and to add more facilities, including a hotel in the coming years. The center provides an “all in one” venue in one location. The project facilities include:

Hayat Nablus Hall for conferences and events

Hayat Nablus has a large hall that is over 800 square meters, equipped with modern equipment and high experienced staff fully trained to provide outstanding customer service. The staff capable to offer wedding planner services to its customers.

Hayat Nablus is also equipped with the latest devices to enable workshops and training courses, as well as video conferencing system, for interested companies and institutions.

Hayat Nablus Restaurant

The restaurant overlooks the beautiful nature of Nablus with a capacity of more than 400 customers. The restaurant’s terrace offers its customers a none-forgettable experience, where they can enjoy smoking Argeela and watching movies on large screens. In addition, the restaurant houses an internal hall which can host more than 150 customers.

Pools

Hayat Nablus has a number of internal and external swimming pools that meet Olympic standards and are equipped with the latest devices for water filtration and sterilization.

Hayat Nablus also offers swimming courses and other water sports for all ages, managed by trained professionals, certified by the Palestinian Pool Union.

Fitness Center

Hayat Nablus fitness center is considered one of the most advanced centers in Nablus, which is equipped with high quality training machines and facilities. The center also includes modern rooms for dry and steam sauna, as well as a special pool for foot care built to treat skin problems such as skin cracks, dehydration, as well as other problems, using special materials. The center also includes a special room for massage and natural treatment for those who need therapeutic massage sessions under the supervision of specialized cadres for both sexes.

The center staff also designs health programs for physical fitness, body building, weight loss and nutrition programs that are carefully selected to fit the physical structure of each person.

The Nursery

Hayat Nablus has a first-class nursery with a staff experienced in dealing with children. The nursery in Hayat Nablus is equipped with all modern entertainment and educational material aimed at making the children's stay enjoyable. The nursery is open in the evening hours for customers of Hayat Nablus.

Project Development Time Table:

Outdoor Kids Facility	Nov. 2010 – April 2010
Indoor Kids Facility	Nov. 2010 – April 2010
Wedding Hall for Men	Dec. 2010 – April 2010
Expansion the Gym	Aug. 2010 – Sep. 2010
Expansion the Parking	Sep. 2010 – Oct. 2010
Building the Hotel	Jan. 2012 – June 2013

Current Owners' Profile:

Hayat Nablus was established in 2009. It is the first tourism services project of its kind in Nablus. The project is located in the calm and prestigious area of Rafeedia, at a distance from the city center, yet easily accessible from all over Nablus.

Industry Highlights:

The Palestinian tourism sector is mainly based around the 'pilgrimage' sub-sector; as it has been for more than 2000 years. It also benefits from Palestinian expatriates returning to visit their families and to a lesser extent from 'friends' of Palestine, the latter often young backpackers. Palestine clearly suffers hugely from an image problem and this will take time to change. However nearby markets with security issues such as Jordan, Egypt and of course Israel itself have successfully rebranded themselves in recent years and created successful tourist industries, albeit with much bigger budgets than Palestine is likely to have. Palestine itself started changing the image and promoting the Palestinian tourism sites away from security problems.

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The average number of employees working in hotels reached 1,648 workers, including 1,398 male and 250 female. Those working in managerial positions have reached 299 workers including 236 male and 63 female, while those in the operating positions have reached 1,349 workers, including 1,162 male and 187 female.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> Project already has high customer traffic Availability of adjacent land for expansion 	<ul style="list-style-type: none"> Lack of additional financial resources from the current owner

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> The increase in domestic tourism Limited number of hotels in North Palestine 	<ul style="list-style-type: none"> Political instability

Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	876,344	1,123,656	1,123,656	1,123,656	1,123,656
Gross Profit	607,527	720,430	720,430	720,430	720,430
Net Income	496,987	609,890	609,890	609,890	609,890
Cash Flow Accounts					
Operating Cash Flow	521,836	640,385	640,385	640,385	640,385
Investing Cash Flow	(572,300)	(572,300)	(134,408)	(134,408)	(134,408)
Financing Cash Flow	1,144,600	-	-	-	-
Balance Sheet Accounts					
Total Assets	4,307,678	5,489,868	6,234,166	6,978,464	7,722,762
Total Liabilities	284,418	255,976	230,378	207,341	186,607
Total Equity	4,023,260	5,233,892	6,003,788	6,771,123	7,536,155
Profitability Indicators					
Return on Assets	12%	11%	10%	9%	8%
Return on Equity	12%	12%	10%	9%	8%

Sultan Cable Car and Tourist Center

Project Number:	PIC-2010-IO-076
Project Name:	Sultan Cable Car and Tourist Center
Sponsor Company / Individual:	Sinokrot Global Group (SGG)
Contact Details:	Mr. Mazen Sinokrot, Chairman of the Board of Directors Tel: +970-2-2955701 Fax: +970-2-2955702 Mobile: +970-59-9279006 Email: ceo@sinokrot.com Website: www.sinokrot.com
Historical Cost of the Project:	US\$ 5,135,000
Investment by Current Owners:	US\$ 4,600,000
Market Value of the Project:	US\$ 13,000,000
Offered Ownership Share:	25%

Project Description:

The center is comprised of a state of the art cable car linking Jericho to the Mount of Temptation in less than five minutes. The cable is 1330 meters long from the base station to the top station in the mountain. There are 12 cabins and each cabin takes 8 persons with a carrying capacity of 625 persons per hour. Cabin number two accommodates disabled tourists.

The view from the top station is breath taking and there are a number of catering outlets including the Sultan Restaurant and coffee shop. The overview of ancient Jericho is overwhelming.

In addition, the cabins travel over the Jericho oasis and - banana fields and half way through the journey to the Mount of Temptation there is a brief stopover to allow the visitors to take pictures and enjoy the panoramic view of Jericho. The Monastery is a few minutes' walk from the top station.

The Management is considering a mid-term strategy for the coming three years to expand the center, its services as well as constructing a hotel and other recreational facilities. Outlined below is a framework of the expansion plan:

- Constructing and operating a hotel
- Activating and operating the restaurant on the main street
- Increasing the annual number of the center's visitors to 400,000 by 2012
- Establishing and operating a water park
- Providing catering and food delivery services
- Upgrading the services provided by the facility to 4-star level

Project Development Time Table:

Preparing and start operation the restaurant in the main street	2010
Preparing water park	2011
Developing the level of all facilities services to four stars level	2012
Finishing the hotel construction work	2011
Adding food delivering service to the facilities services	2010

Currenttt Owners' Profile:

The chairman of SGG, Mr. Mazen Sinokrot was appointed Minister of National Economy until March 2006. Also the Chairman of Board for the Palestine Standards Institute, Palestine Investment and Promotion Agency, Palestine Industrial Zones, and Free Zones Authority.

Mr. Sinokrot is the Chairman of Sinokrot Global Group (SGG); the largest family owned business group in Palestine established in 1982 based in Ramallah with a state of the art infrastructure on 35,000 sqm of buildings, 800 employees supported by a modern management and marketing systems covering more than 30 export markets in addition to the local market.

SGG works in the manufacturing, trade, tourism, agriculture, and services sectors. Companies working under the umbrella of SGG include Sinokrot Food Company, Sinokrot Company for Animal and Agricultural Products, Zadona Agro-Industrial Company, Sultan Cable car and Tourist Center, Palestinian Gardens Company and Fresh Herbs Project, Grand National Markets, Sultan Company for Mineral Waters, Palestinian Company for Industrial Supplies, and Ajyal Trading Company.

Industry Highlights:

Palestine's comparative advantage of being home to Bethlehem, the birthplace of Jesus, Jericho, the oldest continuously inhabited city in the world, and Jerusalem being home to the three monotheistic religions provides a unique draw for tourists. Furthermore, visitors to Palestine are always amazed at the diversity of activities to enjoy. From its hospitable people and rich cultural heritage to its beautiful landscape and diverse cuisine, Palestine has lots to offer in addition to its many shrines, churches and mosques.

Despite the latest political unrest which began in September 2000, today tourism in Palestine is showing clear signs of recovery. According to the latest figures released by the Palestinian Ministry of Tourism and Antiquities, the number of overnight stays in Palestinian hotels for the 1st quarter of 2008 reached 88,038 nights compared to 36,479 overnights in the 1st quarter of 2007; an increase of 141.3%. As far as the total number of visitors to Palestine, the MOTA and industry experts believe that arrivals will top the one million mark this year – a new record for Palestine.

Both the public and private sectors are investing millions in developing, restoring and upgrading facilities that cater to the tourism industry. New hotels and restaurants are opening throughout the West Bank, while overall touristic activities on offer in Palestine have quickly diversified. In addition the MOTA is implementing numerous restoration and beautifications projects in the West Bank and East Jerusalem.

Hotels constitute the backbone of the Palestinian tourism sector in terms of income, investment and employment. As with all tourism sub-sectors in Palestine, the hospitality industry has suffered as a direct result of the political conditions under which they have had to operate since 1967. Between 1967 and 1994, the number of Palestinian hotels remained virtually static. Scarcely any permits to build hotels, or convert existing buildings into hotels, were granted by the Israeli authorities to investors in Palestine.

However once the Palestinian Authority took control of the major cities, it ushered in a period of major growth in tourism investment. Between 1994 and 2000, private sector investment in tourism alone exceeded US\$ 700 million.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • First of its kind in Palestine • Strategic Location • High operation capacity 	<ul style="list-style-type: none"> • Low utilization rate of operation capacity • Facilities low capacity

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • The increase in the number of tourists to Palestinian Territory • The increase in the domestic tourism 	<ul style="list-style-type: none"> • Political instability

Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	2,322,581	4,704,301	5,376,344	6,182,796	7,110,215
Gross Profit	1,705,215	3,564,736	4,052,694	4,660,598	5,359,903
Net Income	483,785	1,907,241	2,241,920	2,677,547	3,178,519
Cash Flow Accounts					
Operating Cash Flow	1,093,025	2,647,170	3,015,451	3,449,959	3,949,922
Investing Cash Flow	(537,634)	-	-	-	-
Financing Cash Flow	(290,271)	(1,427,492)	(1,345,152)	(1,606,528)	(1,907,111)
Balance Sheet Accounts					
Total Assets	5,639,457	6,179,242	7,098,412	8,196,312	9,498,633
Total Liabilities	777,473	554,362	576,763	603,645	603,645
Total Equity	4,861,984	5,624,881	6,521,649	7,596,917	8,864,075
Profitability Indicators					
Return on Assets	9%	31%	32%	33%	33%
Return on Equity	10%	34%	34%	35%	36%

Nablus Amusement Park (NAP)

Project Number:	PIC-2010-IO-078
Project Name:	Nablus Amusement Park (NAP)
Sponsor Company:	Al-Mobdeoon Investment Company
Contact Details:	Mr. Wael Othman Salous Yafo Street. near the Municipal Stadium P.O. Box: 1134, Nablus, Palestine Tel: +970-9-2380333 Fax: +970-9-2380333 Mobile: +970-59-7251000, +970-56-9251000 E-mail: wael@alqalaa.ps, qalaa@alqalaa.ps Website: http://www.alqalaa.ps
Total Cost of the Project:	US\$ 770,869
Investment by Current Owners:	US\$ 254,394
Required Investment:	US\$ 516,474

Project Description:

Al-Mobdeoon Investment Company seeks to establish an entertainment park for the inhabitants of Nablus city as well as its surrounding villages and refugee camps. It is estimated, based on figures generated by the Palestinian Central Bureau of Statistics that the annual household spending on recreational activities for the year 2008 was about US\$ 16,227,106. Nevertheless, the governorate does not have an integrated amusement park, and a good portion of the amount spent goes towards times spent outside Nablus. The project's location, on the western side of Nablus city, was chosen with the aim of minimizing the distance for those living in the villages and nearby communities. The location can be easily reached by paved roads and public transportation.

The park shall have multiple facilities, including a full service restaurant offering adult and children's menus. On the other hand, guests with their own lunch baskets and coolers can also enjoy the use of the service. NAP shall have the most exhilarating collection of rides in Palestine. Guests who enjoy thrilling experiences can get that adrenaline rush, while those who prefer milder thrills will be able to choose from a variety of more relaxing rides. The park's atmosphere shall be suitable for individuals and families, while all guests' safety and comfort will be paramount to the park's owners and management.

There is no direct competition in Nablus. Other recreational sites are either limited to non-electric entertainment, such as the three municipal parks and shopping centers, or are located as far away as Tulkarem, Jenin, or Amman.

Project Development Time Table:

Land Development & Improvement	June 2010
Building and Construction start Date	June 2010
Building and Construction Completion Date	August 2011
Furniture & Equipment Purchase	November 2011
Inauguration Date	January 2012

Current Owners' Profile:

Al-Mobdeoon Investment Company is a Palestinian registered private partnership company, which started its operations within the Palestinian tourism sector in the year 2008. Its first investment was the Al-Qalaa City for Occasions and Celebrations (hosting wedding and engagement parties, conferences, business meetings, oriental and western buffets, birthday parties, graduation parties, and seminars). It consists of the following facilities:

1. Al-Qalaa Theater, a 600 square meter theater with a capacity of over 550 persons, equipped with modern machines and equipment: sound system, two large LCD screens, two projectors, light system, air conditioner, smoke machine, bubble machine and a control room;
2. Al Nobalaa Hall, a 250 square meter hall with a capacity of 250 people, suitable for small celebrations and receptions. It is designed in a classical fashion with antique decorations. It includes the following modern systems: sound system, one screen L.C.D, one projector, full light system, and an air conditioner.
3. Parking Lot: indoor parking with a capacity of 90 vehicles, and outdoor parking with a capacity of 30 vehicles.

The company hopes that its next step will be the establishment of the Nablus Amusement Park (NAP), which would be the first of its kind in Nablus, the West Bank's largest city.

Industry Highlights:

Palestine's comparative advantage of being home to Bethlehem, the birthplace of Jesus, Jericho, the oldest continuously inhabited city in the world, and Jerusalem being home to the three monotheistic religions provides a unique draw for tourists. Furthermore, visitors to Palestine are always amazed at the diversity of activities to enjoy. From its hospitable people and rich cultural heritage to its beautiful landscape and diverse cuisine, Palestine has lots to offer in addition to its many shrines, churches and mosques.

Despite the latest political unrest which began in September 2000, today tourism in Palestine is showing clear signs of recovery. According to the latest figures released by the Palestinian Ministry of Tourism and Antiquities, the number of overnight stays in Palestinian hotels for the 1st quarter of 2008 reached 88,038 nights compared to 36,479 overnights in the 1st quarter of 2007; an increase of 141.3%. As far as the total number of visitors to Palestine, the MOTA and industry experts believe that arrivals will top the one million mark this year – a new record for Palestine.

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Hotels constitute the backbone of the Palestinian tourism sector in terms of income, investment and employment. As with all tourism sub-sectors in Palestine, the hospitality industry has suffered as a direct result of the political conditions under which they have had to operate since 1967. Between 1967 and 1994, the number of Palestinian hotels remained virtually static. Scarcely any permits to build hotels, or convert existing buildings into hotels, were granted by the Israeli authorities to investors in Palestine. However once the Palestinian Authority took control of the major cities, it ushered in a period of major growth in tourism investment. Between 1994 and 2000, private sector investment in tourism alone exceeded US\$ 700 million.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • The historical city of Nablus draws many visitors • The first park of its kind in the Nablus governorate 	<ul style="list-style-type: none"> • High initial capital requirements

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • The dramatic increase in the real estate value in Nablus • The high number of children relative to the population & consistently high birth rate in Palestine • Competitive prices as compared to transportation costs of reaching similar sites 	<ul style="list-style-type: none"> • Economic instability facing many Palestinian households leads to risk of lower disposable income

Financial Projections in US\$ for the whole project (old and new investments)

Indicators	2010/2011	2012	2013	2014	2015	2016
Income statement Accounts						
Revenues	-	520,047	551,732	601,387	658,519	656,873
Expenses	-	121,296	122,079	124,656	127,149	129,692
Gross Profit	-	398,751	429,653	476,731	531,370	527,181
Interest Payment	-	24,971	22,223	19,276	16,179	12,923
Depreciation and Amortization	-	114,643	114,643	114,643	114,643	114,643
Taxes	-	38,871	43,918	51,422	60,082	59,942
Net Income after Tax	-	220,266	248,869	291,390	340,466	339,673
Cash Flow Accounts						
Operating Cash Flow	33,048	317,156	632,166	994,254	1,410,981	1,823,519
Investing Cash Flow	221,346	(110,133)	(124,434)	(145,695)	(170,233)	(169,836)
Financing Cash Flow	516,474	(70,821)	(79,821)	(79,821)	(79,821)	(79,821)
Balance Sheet Accounts						
Total Assets	770,869	835,151	901,988	987,138	1,093,729	1,196,667
Total Liabilities	0	139,563	150,379	166,856	185,980	184,513
Total Equity	770,869	695,588	751,609	820,282	907,749	1,012,154
Profitability Indicators						
Return on Assets	-	26.37%	27.59%	29.52%	31.13%	28.38%
Return on Equity	-	31.67%	33.11%	35.52%	37.51%	33.56%

Project Number:	PIC-2010-IO-079
Project Name:	Qalqilya Health and Entertainment Center
Sponsor Company:	Qalqilya Municipality
Contact Details:	Mr. Samer Dwabash Mobile: +970-59-7916585 Email: abdalmom@yahoo.com
Total Cost of the Project:	US \$600,000
Investment by Current Owners:	US \$300,000
Required Investment:	US \$300,000

Project Description:

Qalqilya Municipality is seeking a financing partner to assist in the implementation of building a venue that will include a half Olympic indoor swimming pool, fitness area and an entertainment center. The Municipality aims at building this establishment on the grounds of the city of Qalqilya's amusement park and zoo.

The project will focus on improving the overall services, conditions and appearance of the grounds in order to encourage local residents along with Palestinians from the West Bank and those living in Israel to visit and enjoy the facility. Qalqilya Municipality's intentions are to decrease the emotional stress of the citizens of the city from the Israeli occupation and the presence of the wall which has both physically and emotionally imprisoned the Palestinians.

The projects customers will be mainly athletes who are either professional or amateur swimmers along with those who are interested in participating in swimming races and contests. This facility will be open to public of different ages and both genders.

The project will also focus on encouraging women who enjoy swimming to visit the facility since it will be indoors and segregated. Additionally, the project will motivate governmental and nongovernmental organizations who are interested in encouraging, educating and uplifting youth in Palestine to conduct field trips to the establishment and enjoy the facility.

Qalqilya Municipality will be the first to create a fully equipped half Olympic indoor swimming pool that will meet the standards of pools worldwide.

Qalqilya Municipality has extensive experience in promoting tourists and citizens of Palestine to visit their city and participate in their cities local events.

The project's administration that currently operates Qalqilya's recreational park and zoo accepting roughly 300,000 visitors from Palestine a year will also be running the operations of the newly established facility.

Project Development Time Table:

	Expected number of months from finance availability
Establishment of Project	12

Current Owners' Profile:

Qalqilya Municipality was established in 1912 by the first local council in accordance with a specific structure of the family under the chairmanship of the late Omar Hussein Younis.

Qalqilya Municipality provides various services to its citizens and those in the surrounding villages through its various departments that work under the supervision of the mayor and the municipal council which consists of 15 members.

Qalqilya Municipality has been developing the educational system in the city through its substantial contribution of building schools as a result of the growing need for educational units and constant maintenance of all schools and educational facilities. The Municipality also supports the city's health sector by tackling the environmental pollution, and finding appropriate waste management methods. Additionally, the municipality is trying to overcome the high level of unemployment rates, by creating job opportunities and connecting to donor countries to assist in the agricultural sector since Qalqilya's land is very well known for its healthy soil and quality produce. Despite the Municipality's efforts to improve the citizen's standard of living and Qalqilya's overall economy, they still suffer tremendously from the political situation which has led to the closure and the economic embargo on the Palestinian territories and in particular the city of Qalqilya. However, Qalqilya's Municipality is making great efforts to maintain the quality and efficiency of the services it provides to its citizens.

Industry Highlights:

Since 1994, optimism about the future political situation prevailed in Palestine resulting in significant growth for the tourism industry. In 2000, an estimated 12,000 workers were employed in the sector, with estimated total income receipts reaching US \$226.3 million; following the outbreak of the Intifada, tourism dropped by over 90 percent in 2001 and 2002. More recently, the local tourism industry has expanded as Palestinians look for local recreational alternatives, especially in the spring and summer. Families and groups are interested in educational holidays that include visits to historical sites, museums, festivals, and heritage or cultural-based attractions. This is a growing trend in the tourism sector.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Increase Qalqilya's visitors • The project will offer a unique recreational and cultural experience that is not available in the Northern parts of Palestine • Project offers a diverse range of services under one roof • The Northern climate allows the facility to operate for a long season 	<ul style="list-style-type: none"> • Lack of financial resources

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • Great potential for the local tourism industry • Ground facilities will allow for future expansions 	<ul style="list-style-type: none"> • Political instability

Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	107,271	134,089	160,907	187,725	214,542
Gross Profit	40,277	50,284	60,341	70,397	80,454
Net Income	925	7,406	13,887	20,367	26,848
Cash Flow Accounts					
Operating Cash Flow	25,925	32,406	38,887	45,367	51,848
Investing Cash Flow	(500,000)	0	0	0	0
Financing Cash Flow	600,000	0	0	0	0
Balance Sheet Accounts					
Total Assets	600,925	608,331	622,218	642,585	669,434
Total Liabilities	0	0	0	0	0
Total Equity	600,925	608,331	622,218	642,585	669,434
Profitability Indicators					
Return on Assets	0.15%	1.22%	2.23%	3.17%	4.01%
Return on Equity	0.15%	1.22%	2.23%	3.17%	4.01%

Project Number:	PIC-2010-IO-081
Project Name:	JAR Recreational Parks
Sponsor Company:	JAR Industrial and Trading Co.
Contact Details:	Mr. Yousef Joma'a Yousef Al-Safadi Jerusalem St, Gaza City, Palestine Tel: +970-59-9412850 Email: mcc_yy@yahoo.com
Total Cost of the Project:	US\$ 647,750
Investment by Current Owners:	US\$ 350,000
Required Investment:	US\$ 324,750

Project Description:

This proposed project aims to improve the quality of life of Gaza's youth and adults, by building three new recreational parks inside the Gaza Strip, with an estimated area of 1,800 square meters per park. Targeting families and children, the parks will include a barbeque area, children's toys, green areas and swimming pools.

The parks are slated to be built on hills away from the beach, this is especially important for the success of the project since water sources are much cleaner than those near the beach. Recent studies revealed that water sources within the areas very close or directly on the Gaza beach are highly polluted.

Project Development Time Table:

Land Development & Improvement	June 2010
Building and Construction start Date	August 2010
Building and Construction Completion Date	September 2010
Operations Start Date	October 2010
Inauguration Date	October 2010

Current Owners' Profile:

Mr. Yousef Al-Safadi is the Board Deputy Chairman of JAR Industrial and Trading Co., a producer and trader of different sorts of food products.

Industry Highlights:

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SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> High quality services, including clean and hygiene water Moderate prices compared to competition Nice view of Gaza's beaches 	<ul style="list-style-type: none"> No previous experience in managing this type of park

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> Potential attraction of West Bank inhabitants, and tourists Moderate weather condition all year round in Gaza strip Current lack of recreational facilities and activities in Gaza 	<ul style="list-style-type: none"> Ongoing blockade on Gaza and political instability The possibility of not being able to import building materials

Financial Projections in US\$ for the whole project

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	45,000	54,000	60,000	60,000	63,000
Gross Profit	44,550	52,750	58,250	58,163	61,071
Net Income	31,313	34,120	39,470	39,245	41,794
Cash Flow Accounts					
Operating Cash Flow	35,700	44,650	50,000	49,775	52,324
Investing Cash Flow	(533,000)	0	0	0	0
Financing Cash Flow	674,750	0	(80,000)	(80,000)	(80,000)
Balance Sheet Accounts					
Total Assets	706,063	740,183	699,653	658,898	620,691
Total Liabilities					
Total Equity	706,063	740,183	699,653	658,898	620,691
Profitability Indicators					
Return on Assets	4.43%	4.61%	5.64%	5.96%	6.73%
Return on Equity	4.43%	4.61%	5.64%	5.96%	6.73%

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