



هيئة تشجيع الاستثمار الفلسطينية
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار
Palestine Investment Conference



INSPIRING BUSINESS



Tourism Sector

| | |
|-------------------------------|--|
| 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% |

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