



هيئة تشجيع الاستثمار الفلسطينية  
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار  
Palestine Investment Conference



# INSPIRING BUSINESS



# Agribusiness Sector

# Abu Hasera Fishing Farm

Project Number:	<b>PIC-2010-IO-054</b>
Project Name:	<b>Abu Hasera Fishing Farm</b>
Sponsor Company / Individual:	<b>Mr. Mohamed Abu Hasera</b>
Contact Details:	<b>Mr. Mohamed Abu Hasera Mobile: +970-59-9401819</b>
Total Cost of the Project:	<b>US\$ 1,000,000</b>
Investment by Current Owners:	<b>US\$ 500,000</b>
Required Investment:	<b>US\$ 500,000</b>

## Project Description:

This venture provides the opportunity to take an equity stake in a new salt water fish farm. The farm will consist of five main pools located on a piece of land directly adjacent to the beach of Gaza.

The farm will produce several types of fish with a focus on varieties that are not commonly available in the local market. Targeted clients will mainly be fish markets in the Gaza Strip and the West Bank as well as Israeli markets when production levels and movement conditions allow. Existing fish farms in Gaza currently meet around 50% of the local market demand. Equipment providers and other production inputs are already identified.

Production capacity in the first and second year of operations is anticipated to be at 25% with US\$ 48,000 in annual revenues; increasing to US\$ 60,000 in the 3rd year and onwards with 100% of production capacity utilized.

## Project Development Time Table:

Company Registration and licensing	<b>3rd Quarter 2010</b>
Purchasing equipment and setting up facility	<b>4rd Quarter 2010</b>
Operations Start Date	<b>1st Quarter 2011</b>

### **Current Owners' Profile:**

Mr. Mohamed Abu Hasera is a successful businessman and investor in the real estate and hospitality sectors. He owns and manages a well-known restaurant in the heart of Gaza city. Mr. Abu Hasera comes from a family with a long history of Mediterranean sea fishing, fish farming and fish restaurants.

### **Industry Highlights:**

Fishing is a vital industry in the Gaza Strip, and one that dates back to the time of the ancient port of Gaza. However the sector has suffered tremendously since the resumption of armed clashes in 2000. Palestinian fishing vessels are restricted to sailing only 5km from the shore and the economic blockade since 2007 has prevented the importing of many materials necessary for the fishing sector.

Before the latest war on Gaza, the number of fishermen working in Gaza was around 6,000, whose annual output was approximately 3,000 tons of fish, most of which was exported to Israel. Since the year 2000, the number of fishermen has dwindled to several hundreds only, given the difficulty of earning a livelihood under the strict blockade imposed by the Israelis.

## SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Immediate demand for higher fish supply</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively long lead time (up to 12 months) before the first batch of fish will be ready</li> </ul>
<ul style="list-style-type: none"> <li>• Extensive experience as a businessman as well as in fishing industry</li> </ul>	
<ul style="list-style-type: none"> <li>• Availability of land adjacent to sea</li> </ul>	

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Future ability to service the West Bank and Israeli markets</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing political and security conditions in Gaza</li> </ul>
	<ul style="list-style-type: none"> <li>• Risk of inability to import production inputs</li> </ul>
	<ul style="list-style-type: none"> <li>• Fish are highly sensitive to the growing process and can be disturbed by a number of factors</li> </ul>

## Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
<b>Income statement Accounts</b>					
Revenues	12,000	48,000	60,000	60,000	63,000
Expenses	36,342	50,184	44,559	44,229	40,817
Gross Profit	(13,200)	20,100	34,500	34,500	40,950
Depreciation	9,720	19,440	19,440	19,440	19,440
Net Income	(34,062)	(21,624)	(3,999)	(3,669)	2,744
<b>Cash Flow Accounts</b>					
Operating Cash Flow	(32,792)	(2,454)	19,711	20,271	16,684
Investing Cash Flow	(941,500)	0	0	0	0
Financing Cash Flow	1,000,000	0	(27,482)	(23,877)	(20,280)
<b>Balance Sheet Accounts</b>					
Total Assets	966,388	944,494	912,983	885,437	868,001
Total Liabilities	450	180	150	150	250
Total Equity	965,938	944,314	912,833	885,287	867,751
<b>Profitability Indicators</b>					
Return on Assets	(3.52%)	(2.29%)	(0.44%)	(0.41%)	0.32%
Return on Equity	(3.53%)	(2.29%)	(0.44%)	(0.41%)	0.32%

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