



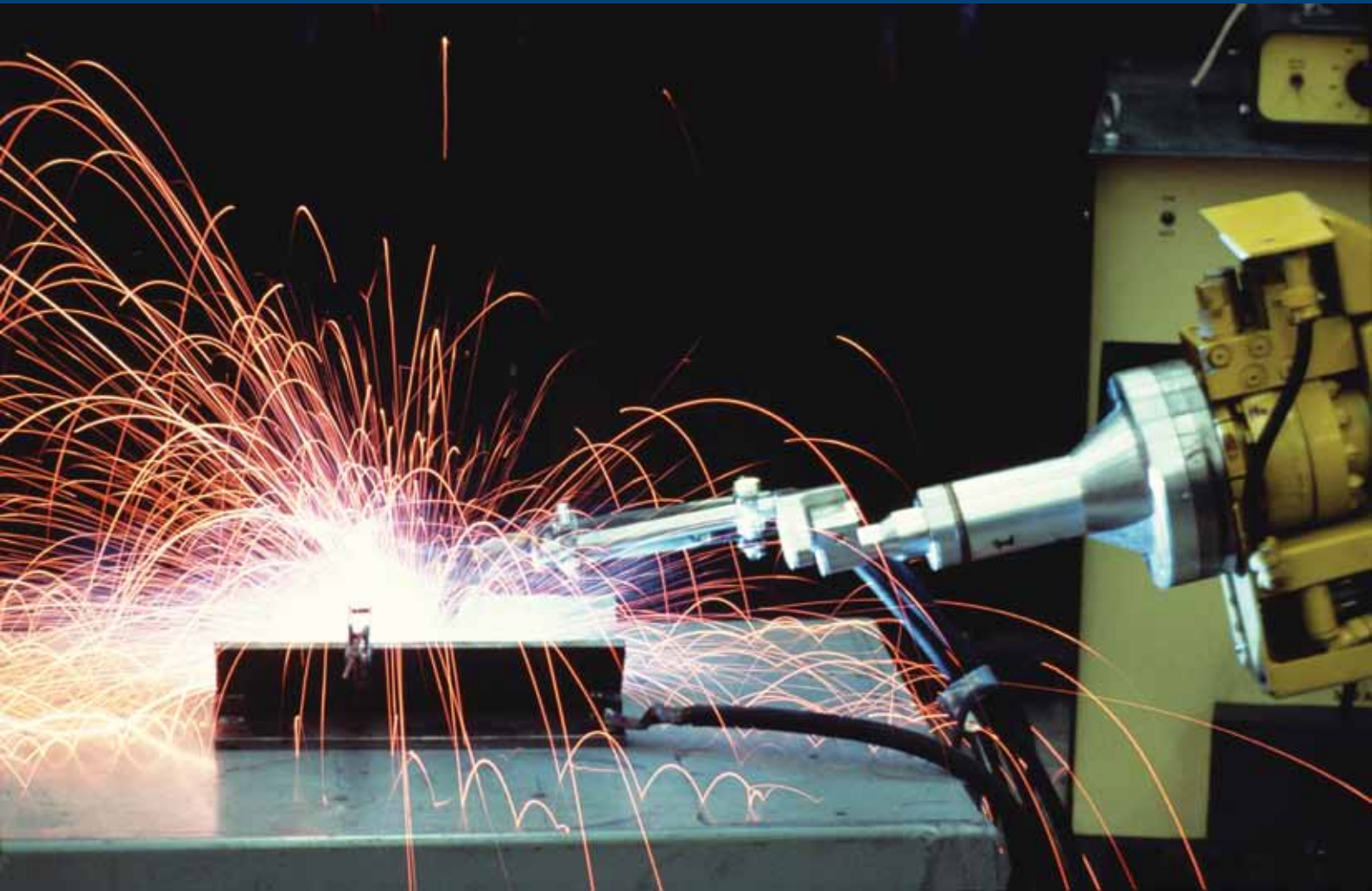
هيئة تشجيع الاستثمار الفلسطينية  
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار  
Palestine Investment Conference



# INSPIRING BUSINESS



# Manufacturing Sector

# Hakoura Gold Chains Production

Project Number:	<b>PIC-2010-IO-035</b>
Project Name:	<b>Hakoura Gold Chains Production</b>
Sponsor Company:	<b>Ghattas Hakoura &amp; Sons Jewellery</b>
Contact Details:	<b>Mr. Yacoub Ghattas Yacoub Hakoura / Manager Omar Al Mokhtar St. Gaza, Palestine Tel: +970-8-2869843 Mobile: +970-59-9100051, +970-59-9408653 Email: jacknjewellery@hotmail.com</b>
Total Cost of the Project:	<b>US\$ 1,050,000</b>
Investment by Current Owners:	<b>US\$ 525,000</b>
Required Investment:	<b>US\$ 525,000</b>

## Project Description:

Mr. Yacoub Hakoura is seeking a strategic partnership with an investor to produce gold chains and other jewellery. The idea of this project is to produce gold chains that are needed by jewellery factories and retail stores. The production of gold will include chains to be used as part of sets and other jewellery items, chains to be used for pendants, and necklaces.

The owner of the idea has extensive experience working as a goldsmith, producing a wide variety of necklaces, rings and bracelets. Market assessments reveal that Gaza Strip lacks any automated production of gold chains. The project will benefit from the following advantages as part of its operational and marketing strategy:

- High product quality, based on the usage of very sophisticated fully automated chain machines (Italian Machinery);
- Leveraging Hakoura's strong reputation in the Gazan goldsmith market;
- Utilizing past successful marketing strategies to sell gold products; and
- Updating current designs in line with European (Italian) and international manufacturers.

The project's customers are gold shops in the Gaza Strip in addition to individuals. Ghattas Hakoura & Sons Jewellery is seeking a strategic partnership with an investor who is willing to collaborate on the establishment of this new line of gold production in the Gaza strip.

## Project Development Time Table:

Infrastructure Development	<b>Not Applicable</b>
Building and Construction Date	<b>Not Applicable</b>
Building and Construction Completion Date	<b>Not Applicable</b>
Furniture & Equipment Purchase	<b>August 2010</b>
Operations Start Date	<b>August 2010</b>

## Current Owners' Profile:

It was in 1939 when Ghattas Yacoub Hakoura at the age of nineteen, started to lay the foundations for a life-long business, starting as a simple goldsmith, who travelled from Gaza to Beer Sheeba with his mother as she searched for a place to earn some money for her family by making dresses for bedouin women. From Beer Sheeba he travelled to the city of Ramleh and finally to Jaffa where he was trained to work as a goldsmith. Upon his return to Gaza, Hakoura quickly established himself as one of the two leading goldsmiths; eventually opening his own jewellery shop.

Mr. Hakoura was well known as one of the foremost two jewellers and goldsmiths in Gaza. His knowledge and experience matured in this field, leading him to become one of the most successful jewellers in recent Gazan history. Today the tradition continues thanks to the legacy he left with his sons, who founded Ghattas Hakoura and Sons Jewellery Company. They now own the largest two branches of the leading jewellery business in Gaza; a dynamic company with a natural talent for creating new and beautiful designs. The company satisfies the various requirements of different consumer tastes, offering its clients a wide assortment of items in 24 kt, 22 kt, 21 kt, and 18 kt.

Ghattas Hakoura & Sons Company's market share within the Gaza Strip exceeds 80%, and is currently employing 27 employees, three administrative employees, one certified mechanical engineer, 20 certified jewellery technicians, one executive secretary, and one advertising specialist.

## Industry Highlights:

Palestine's Jewellery sector has witnessed major growth since the establishment of the Palestinian National Authority. Investments were undertaken in the establishment of many new workshops, particularly in Hebron to supply the local market with jewellery.

The market is monitored by the Ministry of National Economy whose reports indicate an average of approximately 370 Kg of golden jewellery production per month.

Gold and silver jewellery is deep rooted in Palestinian tradition, particularly for brides and accordingly the market is expected to continue its natural growth. Yet, the dramatic increase in gold price on the global market has had repercussions on the Palestinian market. Traditionally, brides are given certain amounts of gold as part of their marriage dowry, as gold prices have risen, grooms' families have begun giving money as a dowry instead of gold.

On the other hand however, gold is seeing a resurgence as a popular investment commodity. Due to recent price increase, investors have begun purchasing gold in the hopes that it will maintain its long-term value more consistently than currencies such as the US Dollar or the Jordanian Dinar.

## SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Utilization of sophisticated production machinery</li> <li>Decades' experience in the production and marketing of gold products</li> <li>Excellent reputation among merchants and customers</li> </ul>	<ul style="list-style-type: none"> <li>High upfront capital requirements</li> </ul>

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> <li>Constant natural increase of demand on Gold</li> <li>Potential for export to the Egypt</li> </ul>	<ul style="list-style-type: none"> <li>Israeli-imposed blockade on Gaza</li> <li>Inability to import raw materials, or other needed tools and equipment</li> </ul>

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

Indicators	2010	2011	2012	2013	2014
<b>Income statement Accounts</b>					
Revenues	83,333	600,000	600,000	630,000	661,500
Direct Expenses	60,533	332,616	332,616	349,247	366,709
Gross Profit	22,800	267,384	267,384	280,753	294,791
Indirect Expenses	41,100	119,875	116,875	119,429	122,700
Net Income	(18,300)	147,509	150,509	161,324	172,091
<b>Cash Flow Accounts</b>					
Operating Cash Flow	(11,133)	309,676	318,509	334,924	351,971
Financing Cash Flow	(600,000)				
Investing Cash Flow	1,050,000	(36,877)	(37,627)	(40,331)	(43,023)
<b>Balance Sheet Accounts</b>					
Total Assets	1,033,700	1,144,332	1,257,214	1,378,307	1,507,480
Total Liabilities	2,000	2,000	2,000	2,100	2,205
Total Equity	1,031,700	1,142,332	1,255,214	1,376,207	1,505,275
<b>Profitability Indicators</b>					
Return on Assets	-1.77%	12.89%	11.97%	11.70%	11.42%
Return on Equity	-1.77%	12.91%	11.99%	11.72%	11.43%

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