



هيئة تشجيع الاستثمار الفلسطينية
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار
Palestine Investment Conference



INSPIRING BUSINESS



Tourism Sector

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:

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"> 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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