



هيئة تشجيع الاستثمار الفلسطينية
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار
Palestine Investment Conference



INSPIRING BUSINESS



Education Sector

Kuhail Vocational Training Center

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Project Number:	PIC-2010-IO-105
Project Name:	Kuhail Vocational Training Center
Sponsor Company:	Osama Jaber Kuhail Co. for Trading, Industry and Contracting
Contact Details:	Mr. Osama Kuhail Al Rimal, Gaza, Palestine Tel: +970-8-2844204 Email: usama.kuhail@pcu.org.ps
Total Cost of the Project:	US\$ 1,028,000
Investment by Current Owners:	US\$ 514,000
Required Investment:	US\$ 514,000

Project Description:

Osama Jaber Kuhail Co. for Trading, Industry and Contracting is seeking a strategic and financial partnership with an investor that can help in establishing a Vocational Training Center in the Al Rimal area of Gaza.

The Center will be specialized in providing vocational training for Gazan people in the following areas:

- Construction;
- Carpentry and blacksmithing;
- Aluminum work;
- Decorating and painting;
- Maintenance of construction machinery;
- Health and safety;
- Mechanical work;
- Buildings general maintenance;
- Heating and cooling.

The center will be open for all people with different educational levels and backgrounds, but the main focus will be 9th and 12th grade graduates.

Project Development Time Table:

Land Development & Improvement	2rd Quarter 2010
Building and Construction start Date	2rd Quarter 2010
Building and Construction Completion Date	September 2010
Equipment Purchase & production	August 2010
Operations Start Date	September 2010

Current Owners' Profile:

Osama Jaber Kuhail Co. for Trading, Industry and Contracting was established in May 2001 construction company. It employs 82 employees.

Osama Jaber Kuhail Co. is classified by Palestinian Contractors Union in the following field:

- Public work: First
- Electro Mechanics: First
- Water and Sewerage: First
- Metal construction: Third
- Building: First A

The company is co-owned by Osam Kuhail (90%) and Nuhad Kuhail (10%).

Industry Highlights:

There are various entities (governmental, non-governmental and UN) that have been involved in providing Vocational Education and Training for Palestinian youth through different pre-employment schemes. Some of these institutes are also providing tailor-made life-long learning programs. Unlike any other country where governments are mostly the main provision of VET, due to the political status most NGOs and UN has been involved in VET since 1948, UN and some NGOs are also involved with Palestinian refugees in the region. In addition; there are other private sectors, non-governmental and civil society organizations that are providing various (Limited Skills) short courses and adult education as part of Life Long Learning in Palestine. Linkages between the different systems and the general education system are still lacking. Following is a summary of VET providers in the West Bank and Gaza Strip, the data are based on a recent study conducted by the ILO:

Ownership	Institutes #	Duration
Ministry of Labor	12 VTC centers	6-10 months
Ministry of Education and Higher Education	14 VSS	2 scholastic years
Ministry of Social Affairs	14 VTCs	2 years
Other Ministries	Ex-Prisoners (Abu-Jihad) PECDAR-NITT	variant
UNRWA	3 VTCs	2 years
NGO-VSS	3 VSS	2 scholastic years
NGO-VTC	7 VTCs	11 months to 2 years
NGO schools & centers run 6-11 months VT	3 institutes	11 months VT
Private cultural centers, NGO centers, women centers	Over 200 registered at MEHE & MOL	30- 300 hours courses

Despite the improvements in the TVET system in Palestine, there are still many difficulties that face the technical and vocational education training in Palestine, these include:

- Lack of self motivation by students to go through technical and vocational training and the community's negative perception of this type of training.
- Weak academic performance of students enrolled in the technical and vocational education.
- Difficulties of enrollment in higher education institutions by technical and vocational education graduates.
- The high establishment and operating costs of technical and vocational training institutions.
- Deficiencies in adopting changes in technology.
- Difficulties in obtaining employment opportunities and access to job market.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Extensive experience in contracting and construction 	<ul style="list-style-type: none"> • Investor will only be providing 50% of the total project cost
<ul style="list-style-type: none"> • Strong possibility donors will support the project 	
<ul style="list-style-type: none"> • The center is specialized in construction related trainings 	
<ul style="list-style-type: none"> • The first training center of its kind in Gaza Strip 	

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • Demand on specialized vocational training is expected to grow 	<ul style="list-style-type: none"> • Ongoing political instability
	<ul style="list-style-type: none"> • Competition from other donor funded projects

Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	180,000	450,000	650,000	800,000	840,000
Expenses	1,024,211	560,700	587,100	630,270	664,834
Gross Profit	(844,211)	(110,700)	62,900	169,730	175,167
Depreciation	19,200	57,600	57,600	57,600	57,600
Net Income	(863,411)	(168,300)	5,300	112,130	117,567
Cash Flow Accounts					
Operating Cash Flow	(246,800)	(160,700)	18,733	187,313	196,567
Investing Cash Flow	(608,000)	0	0	0	0
Financing Cash Flow	1,028,000	0	0	(250,000)	(250,000)
Balance Sheet Accounts					
Total Assets	994,000	830,700	831,833	693,547	561,113
Total Liabilities	0	5,000	833	417	417
Total Equity	994,000	825,700	831,000	693,130	560,697
Profitability Indicators					
Return on Assets	(3.42%)	(20.26%)	0.64%	16.17%	20.95%
Return on Equity	(3.42%)	(20.38%)	0.64%	16.18%	20.97%

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