



هيئة تشجيع الاستثمار الفلسطينية
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار
Palestine Investment Conference



INSPIRING BUSINESS



Tourism Sector

Project Number:	PIC-2010-IO-065
Project Name:	Olympic Swimming Pools
Sponsor Company:	Yarkon Company for Trading and Contracting
Contact Details:	Mr. Husam Eddeen Jarallah Al-Khozondar Omar Al-Mokhtar St. Gaza City, Gaza Strip, Palestine Tel: +970-59-9408248 Email: hosamjnk@yahoo.com
Total Cost of the Project:	US \$ 2,148,000
Investment by Current Owners:	US \$ 2,000,000
Required Investment:	US \$ 148,000

Project Description:

Yarkon Company for Trading and Contracting is seeking an investor to collaborate on this opportunity for building and operating a recreational facility containing Olympic-size swimming pools. The project facilities will include three swimming pools, green areas, parking space and a chalet.

The project aims to improve the quality of life of Gazan youth and adults, the project will target the youth of Gaza by training and coaching them as well as organizing competitions and games, especially in the summer season.

The pools will be built on an 8 dunum area of land, in central Gaza Strip and will be the first facility in Palestine to have Olympic size swimming pools. The facilities will maintain the highest of standards in safety, cleanness and service.

Current Owners' Profile:

Mr. Husam Al-Khozondar owns the land identified for this project in partnership with his father and four brothers. The Khozondar family is well-known in Gaza for its entrepreneurial spirit and proven success in establishing new investments in various sectors including trade, hospitality and services.

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"> • First Olympic size pool in either West Bank or Gaza • Moderate weather conditions year-round in Gaza 	<ul style="list-style-type: none"> • Required building materials are as of yet unavailable

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> • Attract groups of visitors from the West Bank 	<ul style="list-style-type: none"> • Ongoing political instability • Difficult economic conditions

Financial Projections in US\$ for the whole project

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	6,667	80,000	100,000	107,500	115,563
Gross Profit	5,867	77,600	97,600	104,980	112,917
Net Income	(5,565)	43,306	63,306	69,806	76,288
Cash Flow Accounts					
Operating Cash Flow	(3,535)	49,396	69,396	75,896	82,378
Investing Cash Flow	(2,117,000)	0	0	0	0
Financing Cash Flow	2,148,000	(15,827)	(17,451)	(19,072)	(20,824)
Balance Sheet Accounts					
Total Assets	2,142,435	2,185,741	2,233,221	2,285,575	2,342,791
Total Liabilities					
Total Equity	2,142,435	2,185,741	2,233,221	2,285,575	2,342,791
Profitability Indicators					
Return on Assets	(0.26%)	1.98%	2.83%	3.05%	3.26%
Return on Equity	(0.26%)	1.98%	2.83%	3.05%	3.26%

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