



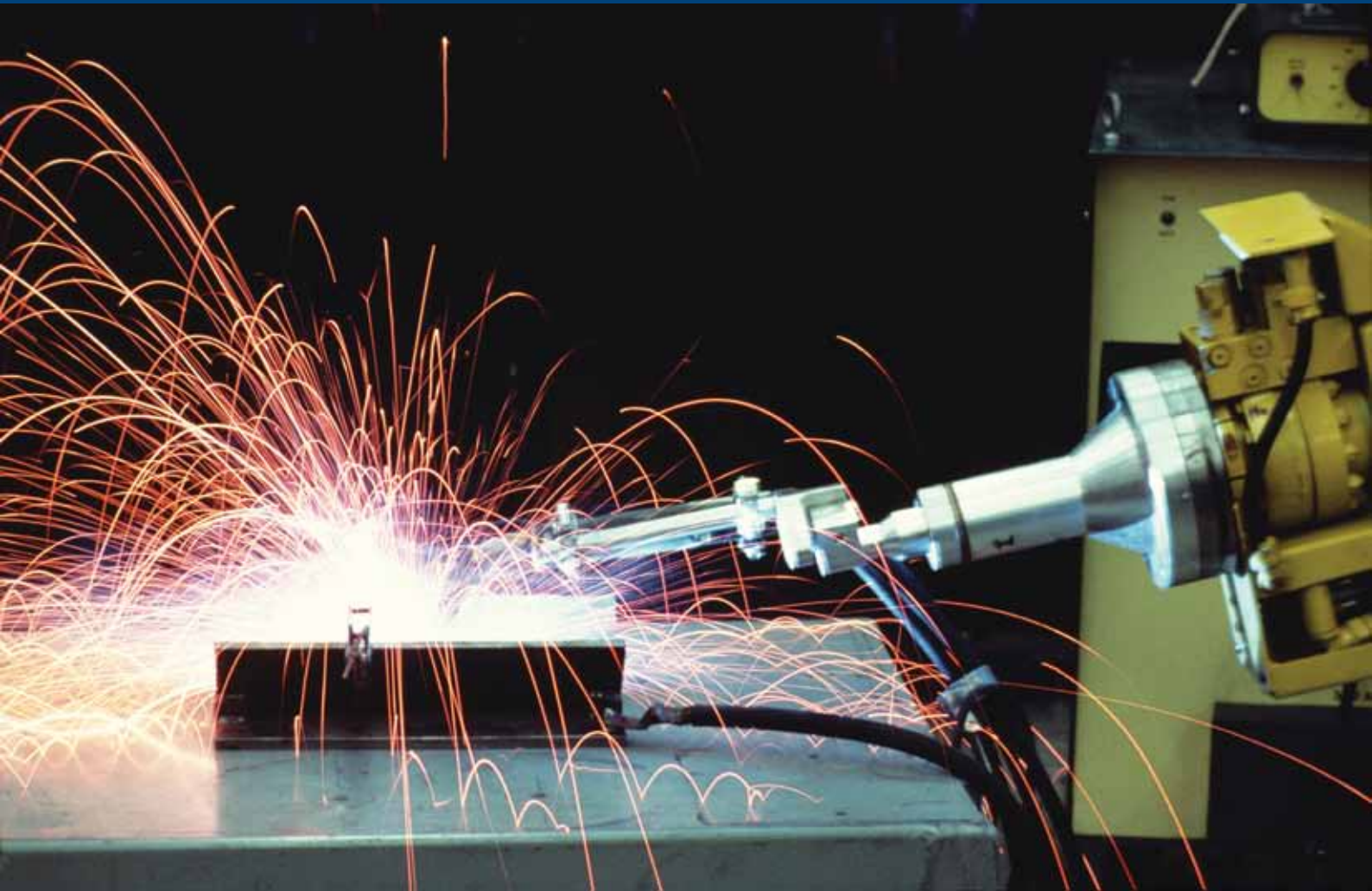
هيئة تشجيع الاستثمار الفلسطينية
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار
Palestine Investment Conference



INSPIRING BUSINESS



Manufacturing Sector

Project Number:	PIC-2010-IO-023
Project Name:	Palestine Aluminum Manufacturing
Sponsor Company:	AI – Orobah for Import and Export and Industry Co.
Contact Details:	Mr. Ala' Abu Ein – General Manager Tel: +970-2-2900742 Fax: +970-2-2900750 Email: alaabuein@yahoo.com Website: www.abueingroup.com
Total Cost of the Project:	US\$ 900,000
Investment by Current Owners:	US\$ 600,000
Required Investment:	US\$ 300,000

Project Description:

AI-Orobah company is looking for a partner to invest in a project for producing kitchenware from Aluminum and Tefal materials, starting from the production of the raw materials themselves that are used in the production process, both from pure and recycled materials. When produced locally, these raw materials will be cheaper than importing, helping to reduce the cost of production for AI-Orobah, as well as other Palestinian manufacturers, wishing to purchase their raw materials from the company. The project will mainly target the Palestinian market, but it will also target the Israeli market, the Jordanian market and the Gulf markets.

Project Development Time Table:

Land Purchase	Directly after funding
Building Construction	4 months after funding
Equipment Order	1 months after funding
Receiving Equipment	3 months after funding
Equipment Installation	1 month after receiving the equipment

Current Owners' Profile:

AI-Orobah for Import & Export & Industry Co. is one of Abu Ein Group companies. Overseeing the management of the factory today, AI Orobah Co. specializes in importing, manufacturing and distribution of all forms of household appliances, in addition to plastic garden furniture.

The project will be closely managed by the General Manager of Al- Orobah for Investment & General Trading Co. and Al-Orobah for Import & Export & Industry Co., Mr. Ala Abu Ein. Mr. Abu Ein was the general manager of the Jordan Aluminum & Copper Factory.

Industry Highlights:

The Palestinian industrial sector is categorized by its wide array of products and interrelated sub-sectors. The sector is severely hampered by the lack of consistent raw material availability due to stringent Israeli restrictions on imports. However, one major mitigating factor has been dedicated, hard working, and resilient nature of the local business community. The highly adaptable Palestinian private sector as a whole has been the driving force for the industry, allowing it to achieve some level of success despite the harsh economic environment created by the Israeli occupation.

One of the main features of industrial sector has been its close connection to the Israeli economy. On one hand this is an unhealthy dynamic as it creates a certain reliance on Israeli economic ties, which are not forged on a level playing field. On the other hand, the industrial sector has undeniably reaped some benefits from Israeli business connections both locally and internationally.

The sector is represented by the Palestinian Federation of Industries (PFI). The PFI advocates for better industrial policies and regulations while working on improving Palestinian industrial performance. The federation began its work in 1999 by representing six industrial associations. Today, the federation counts thirteen different industrial associations as members.

Industry plays an important role in the economic and social well-being of Palestinian society. It employs about 13% of the total workforce and contributes 16% to the GDP. Exports have been a positive economic ambassador for the entire Palestinian cause. The rapid growth of industry was notable during the nineties; however political turmoil has since had an adverse impact on the industrial sector. The leather and shoe making industry as well as the garment and textile industry are examples of badly affected industries. On the other hand, the pharmaceutical and marble & stone industries are examples of sub-sectors that have managed to thrive despite the challenging economic and political circumstances

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> Excellent performance during the past period None of the products is locally produced 	<ul style="list-style-type: none"> Lack of additional financial resources from the current owner

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> The opportunity to export to other markets such as the Israeli and Jordanian markets 	<ul style="list-style-type: none"> Political instability

Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	-	672,000	772,800	888,720	1,022,028
Gross Profit	-	272,400	319,656	369,782	427,646
Net Income	-	,141,792	176,145	212,374	254,515
Cash Flow Accounts					
Operating Cash Flow	-	181,792	208,417	243,487	284,295
Investing Cash Flow	(700,000)	-	-	-	-
Financing Cash Flow	700,000	200,000	(88,072)	(106,187)	(127,257)
Balance Sheet Accounts					
Total Assets	700,000	1,041,792	1,129,864	1,236,051	1,363,309
Total Liabilities	-	-	-	-	-
Total Equity	700,000	1,041,792	1,129,864	1,236,051	1,363,309
Profitability Indicators					
Return on Assets	-	14%	16%	17%	19%
Return on Equity	-	14%	16%	17%	19%

P.O.Box 1984, Ramallah, Palestine
Phone: +970 2 2988791/2, Fax: +970 2 2988793

E-mail: info@pipa.gov.ps
Website: www.pipa.gov.ps