



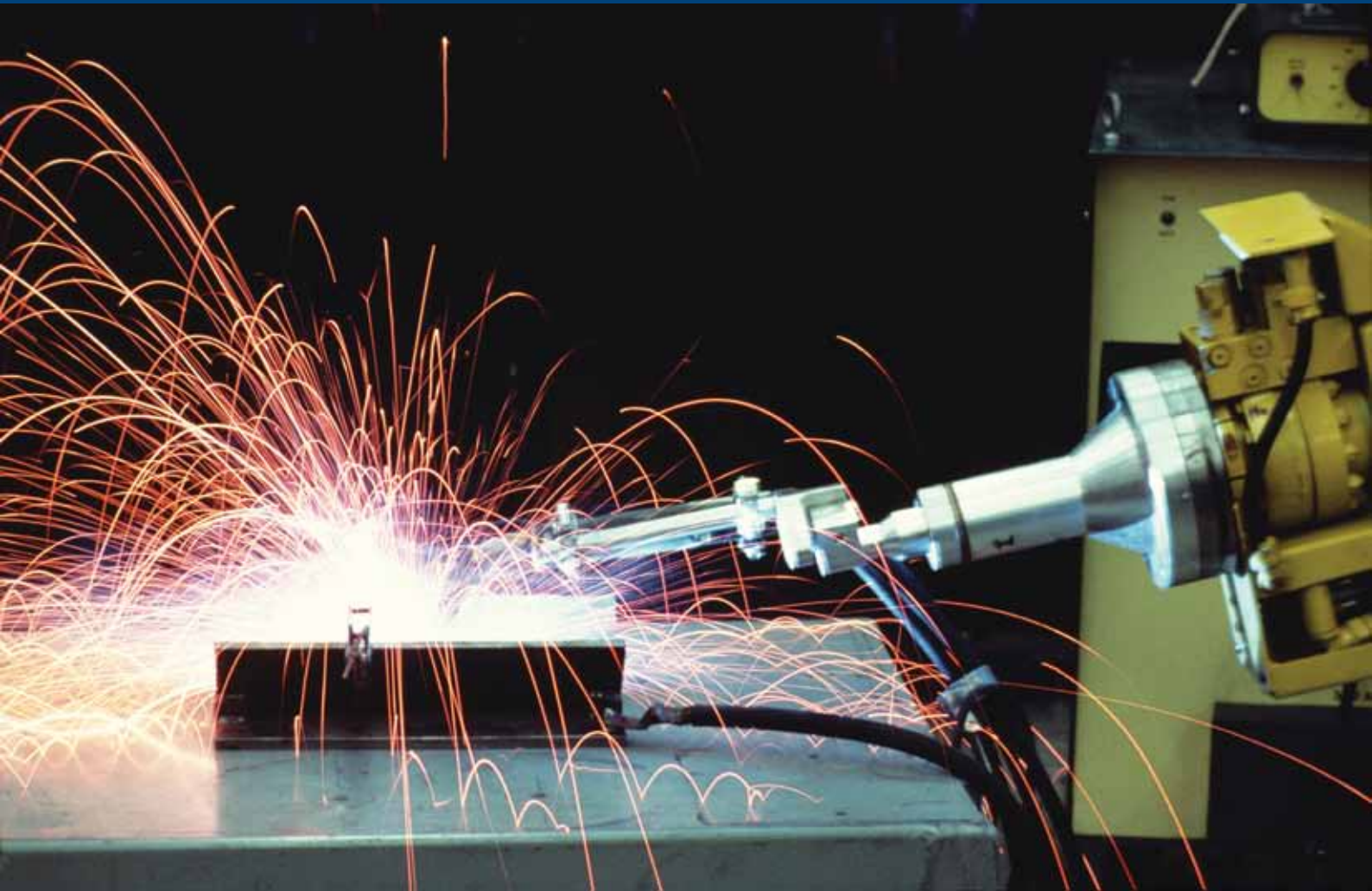
هيئة تشجيع الاستثمار الفلسطينية
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار
Palestine Investment Conference



INSPIRING BUSINESS



Manufacturing Sector

Project Number:	PIC-2010-IO-005
Project Name:	Obaid Workshop Development
Sponsor Company:	Obaid Workshop
Contact Details:	Mr. Samer Obaid Salfit, West Bank, Palestine Tel: +970-9-2519119 Mobile: +970-59-8919112 Email: s_obaid@yahoo.com
Total Cost of the Project:	US\$ 440,860
Investment by Current Owners:	US\$ 19,086
Required Investment:	US\$ 421,774

Project Description:

Obaid Workshop is seeking a partnership with a strategic/financing partner that can help in improving the quality of its workshop products and to expand the size and volume of its work. The workshop products and services portfolio includes Aluminum products, iron products, maintenance and painting, as well as wholesale of iron products. The workshop mainly targets the Salfit market, nonetheless it supplies a diversified base of customers in Nablus, Ramallah, Jericho in addition to other cities.

Project Development Time Table:

Equipment Order	First month of funding
Receiving the Equipment	3 months after ordering

Current Owners' Profile:

Obaid Workshop was established in 2008 by Samer and Osama Obaid, and is considered one of the largest workshops in Salfit. Due to the respected quality and punctual delivery of its services to its customer, Obaid's workshop was able to expand its coverage to the north and the middle of the West Bank.

Industry Highlights:

The Palestinian industrial sector is categorized by its wide variety of products and interrelated sub sector branches. The sector lacks severely the adequate continuously available raw materials for the sustainability of the sector. But it has a great advantage of the dedicated hard

working and resilient business community. The business community, as a driving force for the industry, was able to achieve several successes during difficult uncertain conditions.

One of the main features of industry was its connectivity to the Israeli economy. On one side this is a fatal threat to industry because its success is subject to the Israeli priorities, not the Palestinian priorities, and it is a known fact that most of these priorities are not business related and highly politicized. On the other hand, industry has benefited from Israeli business connections elsewhere in the world.

The sector is represented by the Palestinian Federation of Industries (PFI). The PFI advocates for better industrial policies and regulations and works on developing and upgrading industrial performance. The federation started its work in 1999 with a representation of six industrial associations. Today, thirteen different industrial associations are members of the federation.

Industry is playing an important role in the economic and social well being of the Palestinian society. It employs about 13% of the total workforce and it contributes 16% to the GDP. Exports were (and still are) a good economic ambassador for the entire Palestinian cause. The rapid growth of industry was notable during the nineties, the political uncertainty and turbulences have affected the industrial sector negatively.

A slight shift was noticed in the structuring of industry that is related to both political changes and international economic changes and globalization sequences. The leather and shoe making industry and the garment and textile industry are examples of badly affected industries. Contrary to that, Pharmaceutical industries and marble and stone industries were good examples of positive change.

SWOT Analysis

Internal Analysis	
Strengths	Weaknesses
<ul style="list-style-type: none"> The long experience of the owners in the industry Quality and on-time delivery of the products by the company The workshop classified by the Ministry of Local Government as level 2 workshop and will be upgraded to level 1 when the project is completed 	<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"> Ability to expand the company market share and geographical coverage 	<ul style="list-style-type: none"> Political instability

Financial Projections in US\$

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	241,935	282,258	349,462	376,344	413,978
Gross Profit	143,817	134,409	182,796	215,054	236,559
Net Income	87,061	43,929	76,548	96,871	111,548
Cash Flow Accounts					
Operating Cash Flow	106,142	101,309	135,957	156,280	170,957
Investing Cash Flow	(493,280)	(53,763)	(6,720)		
Financing Cash Flow	493,280	(5,376)	(42,306)	(52,468)	(59,806)
Balance Sheet Accounts					
Total Assets	695,932	734,485	768,727	813,130	864,872
Total Liabilities	22,849	17,473	13,441	9,409	5,376
Total Equity	673,083	717,012	755,286	803,721	859,495
Profitability Indicators					
Return on Assets	13%	6%	10%	12%	13%
Return on Equity	13%	6%	10%	12%	13%

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