



هيئة تشجيع الاستثمار الفلسطينية
Palestinian Investment Promotion Agency



مؤتمر فلسطين للاستثمار
Palestine Investment Conference

INSPIRING BUSINESS





Tourism Sector

Bethlehem Tourism Center

Project Number:	PIC-2010-IO-073
Project Name:	Bethlehem Tourism Center
Sponsor Company:	Anwar Michael Anton Hilal
Contact Details:	Staih Street Beit-Sahour, West Bank, Palestine Tel: +970-59-9233890 Email: hilal_eng@yahoo.com
Total Cost of the Project:	US\$ 2,980,000
Investment by Current Owners:	US\$ 420,000
Required Investment:	US\$ 2,060,000
Debt:	US\$ 500,000

Project Description:

Anwar Michael Anton Hilal is seeking a financing partner to assist in establishing a Tourism Center that consists of a trade center to cater to tourists' needs of souvenirs such as local artisan products including olive wood, mother of pearl, knitting, ceramic, leather, silver, gold and copper products, Hebron glass as well as traditional sweets and drinks, locally produced cheese, etc.

The Tourism Center will also include a Heritage Art Hall along with a bowling alley for the tourists as well as Bethlehem's local residents to enjoy. Specifically it will target tourists visiting Bethlehem from all over the world as well as Palestinians from the West Bank and those living in Israel.

The Tourism Center will be ideal for local business owners as they will be able to rent out building space in a centralized location, as well as being in a location which draws a steady stream of tourists and potential customers.

Project Development Time Table:

	Expected number of months from finance availability
Operations start date	16 months

Current Owners' Profile:

Hilal Construction Company (HCC) located in Bethlehem is one of the leading Palestinian companies in the construction industry. HCC specializes in electro mechanical engineering since 2003.

Hilal Construction Company's vision is to be the top construction company in Palestine. HCC's mission is to build a reputation for its high quality construction projects, including building, finishing and installing electromechanical works. In addition, HCC thrives to ensure that its employees are self-empowered with the ability to access trainings, and thereby increase their knowledge and skill level. HCC aims to provide the best for the Palestinian community while always keeping customer satisfaction as their number one priority.

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"> Bethlehem is a major global destination for tourists Bowling alley will attract local residents to the Center during the low tourist season 	<ul style="list-style-type: none"> Owner lacks sufficient financial resources Tourists often prefer small traditional shops over such shopping centers

External Analysis	
Opportunities	Threats
<ul style="list-style-type: none"> Store rentals are in very high demand 	<ul style="list-style-type: none"> Political instability risks affecting number of tourists visiting Bethlehem

Financial Projections in US\$ for the whole project (old and new investments)

Indicators	2010	2011	2012	2013	2014
Income statement Accounts					
Revenues	0	28,125	468,000	468,000	514,800
Gross Profit	0	28,125	468,000	468,000	514,800
Net Income	0	(8,005)	274,515	248,358	281,696
Cash Flow Accounts					
Operating Cash Flow	0	9,388	338,956	307,572	335,389
Investing Cash Flow	(1,760,000)	(1,150,000)	0	0	0
Financing Cash Flow	1,760,000	1,143,595	(251,864)	(238,786)	(255,455)
Balance Sheet Accounts					
Total Assets	1,760,000	2,912,983	2,957,575	2,983,861	3,021,295
Total Liabilities	0	440,989	348,323	250,431	147,016
Total Equity	1,760,000	2,471,995	2,609,252	2,733,431	2,874,279
Profitability Indicators					
Return on Assets		(0.27%)	9.28%	8.32%	9.32%
Return on Equity		(0.32%)	10.52%	9.09%	9.80%

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