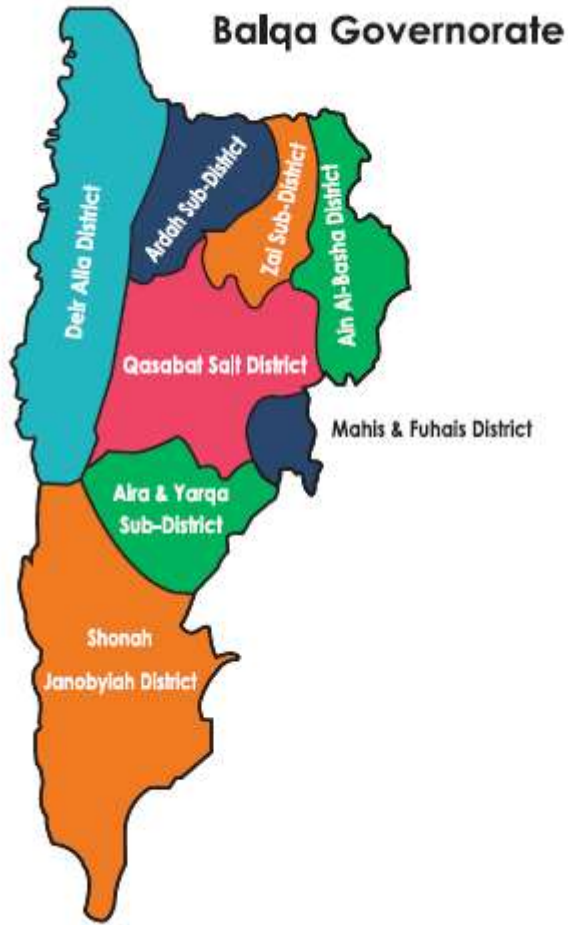

Pre-Feasibility Study
A Theme Park Project
Balqa

April, 2017



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1. Executive Summary

This study aims to identify the pre-feasibility for establishing a theme park in Balqa Governorate. The project will be established in Qasabat-Al Salt district in the vicinity of Amman National University, which is featured by its nearness to Amman, Zarqa and Jerash, making it an attractive area for visitors. The project aims to invest and utilize the land in the area, in order to make it a tourist area attracting tourists and visitors.

Table 1: Initial Indicators of the Project

Project Name	A theme park
Sector	Tourism Sector
Governorate	Balqa
Region	Qasabat-Al Salt district in the vicinity of Amman National University
Products/Services	<ul style="list-style-type: none"> ● A mechanical and electrical amusement games for adults and children ● Closed games hall for adults and children ● Café ● Restaurant ● A set of kiosks ● Car parking
Project Description	<p>The project includes an establishment of a theme park including mechanical and electrical games for adults and children. In addition to a restaurant, café and a set of stalls estimated at about 10 stalls to serve visitors. The project will be established in Balqa Governorate on an area of 15,000 m². The project will also employ 49 workers, including 37 Jordanian workers.</p> <p>The capacity of the project will reach 400 thousand visitors a year. The average per capita spending on the games will amount to about JD 7. The of kiosks will be rented for about JD 2,000 per year per stall, in addition to leasing the restaurants and cafés with an area of about 1,000 square meters.</p>
Target Market	<ul style="list-style-type: none"> ● The local tourist ● The Arab Tourist ● Jordanian expatriate, especially in the summer months ● The foreign tourist
Investment Cost	The investment cost of the project is JD 6,300,000.
The average return on investment	The average return on investment during the five years is about 6.8%

Internal Rate of Return	The internal rate of return for the project is about 19%
Average added value of the project	The average added value on the project during ten years is about JD 831,000
Risk Assessment	The Sensitivity Analysis indicates a low risk in case of 10% increase in investment cost, or 10% increase in operating costs, or 10% decrease in revenues.
The Project Justifications	<ul style="list-style-type: none"> • The project is near the capital city, Balqa, Zarqa, and Jerash. • Lack of similar projects in the governorate. • Introducing a new concept of tourism and entertainment • National Employment
Partners/ Stakeholders	<ul style="list-style-type: none"> • Ministry of Municipalities – The relevant municipality

2. The Macroeconomic Environment

2.1 An Overview of the Hashemite Kingdom of Jordan

The Hashemite Kingdom of Jordan is a landlocked country surrounded by land except at its southern extremity at the port of Aqaba, where that area is the only sea exit area in Jordan. The Kingdom is bordered at its west side by Palestine and the Mediterranean Sea, at its south and east by the Kingdom of Saudi Arabia, at north east by Iraq and at north by Syria.

Figure 1: Map of the Hashemite Kingdom of Jordan



Jordan is marked by three climatic zones from west to east including the Jordan Valley, most of which lies below sea level and is considered subtropical, and upland areas to the east of the Jordan Valley, ranging in height from 100 to 1500 meters above sea level and this is one of the areas dominated by Mediterranean climate, and the desert areas stretching to the east of the highlands.

The total area of the Kingdom is approximately 89.3 thousand square kilometers, and the semi-desert conditions prevail in over 80% of this area where there are some wet lands settings like Azraq Basin.

The kingdom is divided administratively into twelve governorates distributed into three regions: the Northern Region (includes the governorates of Irbid, Ma'raq, Jerash and Ajloun) while the Central Region (includes the governorates of the capital, Zarqa, Balqa, Madaba) and the Southern Region (includes the governorates of Karak, Tafila, Ma'an, Aqaba), and the major cities are Amman (the capital), Zarqa and Irbid.

2.2 Population

Based on the General Census of Population and Housing in 2015, the population in the kingdom amounted to about 9.5 million people with a population density of 107.3 inhabitants per km², where the Capital City knocked off other governorates by population amounting to about 4 million people and a population density of 538.8 inhabitants per km², mainly because Amman is the most attractive governorate for Jordanians and for those coming to Jordan from other countries, followed by Irbid Governorate with a population of 1.8 million people, and then Zarqa Governorate with a population of 1.4 million. Tafila Governorate which is considered to be the least populous governorate whose population is about 96 thousand people.

Table 2: Number of population and population density in the Kingdom for 2015

Governorate	Population (people)	Area (Km ²)	Population density (people/ km ²)
Central Region			
Capital	4007526	7,579	528.8
Zarqa	1364878	4761	286.7
Balqa	491709	1120	439.0
Madaba	189192	940	201.3
North Region			
Irbid	1770158	1572	1126.1
Mafraq	549948	26551	20.7
Jerash	237059	410	578.2
Ajloun	176080	420	419.2
Southern Region			
Karak	316629	3495	90.6
Tafeileh	96291	2209	43.6
Maan	144082	32832	4.4
Aqaba	188160	6905	27.2
Total of Kingdom	9531712	88793.5	107.3

Source: Department of Statistics, Jordan General Population and Housing Census, 2015

On the other hand, the population growth rate has reached about 3% in 2010 and increased to 9% during the years 2013 and 2014 and then dropped a little during 2015 to reach about 8%, according to demographic surveys for the Department of Statistics. The reason for the high growth rates is attributed to the influx of large numbers of refugees from Syria to the Kingdom which resulted in a marked decline in per capita real GDP index by 5.4% to JD 1,197.4, based on the Statements of the Central Bank of Jordan.

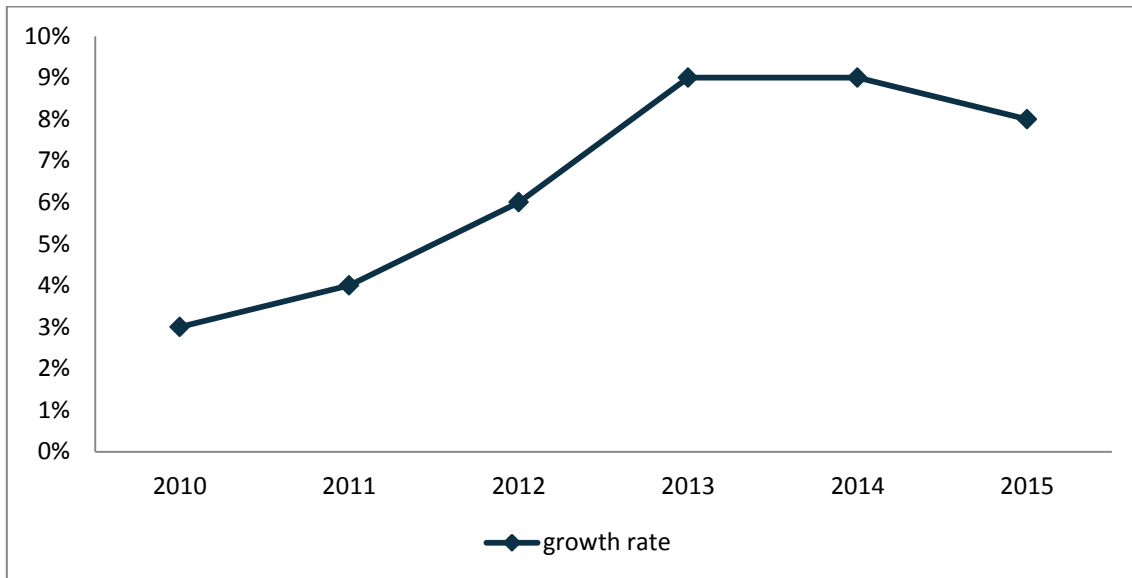
The unemployment rate among Jordanians also witnessed a rise by 1.1 percentage to reach to 13%, due to the structural imbalances that the labor market is suffering from and the acquisition of the low-paid foreign workers on a large number of new jobs in the economy, according to the Central Bank of Jordan.

Table 3: Number of population and population growth in the Kingdom, thousand

	2010	2011	2012	2013	2014	2015
population	6698.0	6993.0	7427.0	8114.0	8804.0	9531.7
growth rate	%3	%4	%6	%9	%9	%8

Source: Department of Statistics

Figure 2: population growth rate in the Kingdom



2.3 Economic Indicators in the Kingdom ¹

Countries across the Middle East are still suffering from instability and closure or partial closure of borders; including the borders of important markets for the Kingdom's products. These factors led to a decline in the performance of many of the economic sectors, including the external sector, national exports, touristic income, and Foreign Direct Investment (FDI), and they contributed to a slowdown in the economic growth to about 2.4% in 2015, compared to 3.1% in 2014. The growth achieved in 2015 came from growth across several economic sectors, especially in the finance, insurance, and real estate services; the transport, storage, and communications services; the mining industry; the manufacturing industry; and the agriculture sector. These sectors contributed a combined 1.8 percentage points (or 75%) of the growth rate achieved during 2015, reflecting the diversity of the economic growth sources in the Kingdom.

Additionally, the general price level registered a decline in the prices of oil, commodities, and other related services in the global markets. Therefore, the general price level, measured by the relative change in the average consumer price index deflated by 0.9% in 2015, compared to the inflation of 2.9% in 2014.

The budget deficit, after aid, increased by 1.2% to a record 3.5% of GDP, compared with 2.3% in the previous year. In addition, the Balance of Payments' Current Account recorded a deficit of 8.9% of GDP, compared with 7.3% in 2014. At the end of 2015, the net public debt amounted to 22,847.5 million Jordanian Dinars (85.8% of the GDP), with an increase of 5.0% of the GDP. However, the total public debt reached 24,876.5 million Jordanian Dinars (93.4% of GDP). This increase resulted from financing both the general budget deficit and the guarantees for loans for the National Electricity Company and the Water Authority, as well as the slowdown of economic growth during 2015. The indebtedness of the National Electricity Company and the Water Authority recorded 6.7 billion Jordanian Dinars at the end of 2015.

On the monetary and banking front, most monetary indicators experienced positive development in performance in 2015, primarily in the Central Bank's foreign reserves, which maintained comfortable levels that amounted to about \$14.2 billion. The dollarisation rate decreased, which reflected positive demand for Jordanian Dinars in comparison to other major foreign currencies. With regards to the activities of licensed banks, the outstanding balance of credit increased by 9.5%, to reach 21,103.5 million Jordanian Dinars at the end of 2015. The total deposits registered with licensed banks increased by 7.7%, to reach 32,598.5 million Jordanian Dinars at the end of 2015. The increase in deposits came as a result of the high dinar deposits, which increased by 2,001.4 million Jordanian Dinars (8.3%), and higher foreign currency deposits, which increased by 336.1 million Jordanian Dinars (5.4%).

Furthermore, many of the external sector indicators registered a drop in performance in 2015 due to the deepening instability in the region and almost full closure of the borders with Iraq and Syria. However, the drop in oil prices in the global markets contributed to the decline in the Kingdom's imports bill for energy, as it dropped by 40.6%, which in turn contributed to a decline in total

¹ The Central Bank of Jordan

imports and the trade deficit by 11.4% and 14.0%, respectively. Thus, the Current Account, excluding aid, declined to 11.9% of GDP, compared to 12.4% in 2014.

The Current Account deficit increased after aid, to reach 2,365.6 million Jordanian Dinars (8.9% of GDP) in 2015, compared with a deficit of 1,851.7 million Jordanian Dinars (7.3% of GDP) in 2014. This decline is due mainly to the decline in total exports by 6.6% and the decline in surplus in the services account by 27.7%, as touristic income decreased by 7.1%, and the decline in the surplus in the current transfers account decreased as a result of reduced foreign aid.

Capital and financial accounts resulted in a net inflow of 1,593.7 million Jordanian Dinars in 2015, compared to 909.0 million Jordanian Dinars in 2014; this was due to the Kingdom's higher net obligations towards the outside world. Foreign Direct Investment registered a net inflow of 909.4 million Jordanian Dinars, and the reserved investment registered an inflow of 918.4 million Jordanian Dinars due to the Kingdom issuing Eurobonds that are worth \$2.0 billion in the global markets. The withdrawal of bank loans on behalf of the Central Bank increased the use of funds from the International and Arab Monetary Funds by 543.3 million Jordanian Dinars. This led to the registration of a surplus in the overall Balance of Payments of 328.7 million Jordanian Dinars during 2015, compared to a surplus of 1,550.7 million Jordanian Dinars during 2014.

According to the Central Bank of Jordan, the increased international investment at the end of 2015 showed an increase in the external net liabilities of the Kingdom, which reached 24,357.5 million Jordanian Dinars, compared with 22,578.8 million Jordanian Dinars at the end of 2014. This was due to an increase in the external balance of assets and financial liabilities for all of the economic sectors in the Kingdom, which reached to 18,657.9 million Jordanian Dinars and 43,015.5 million Jordanian Dinars, respectively, during 2015.

Table 4: main economic indicators 2011 to 2015 in millions of dinars

	2011	2012	2013	2014	2015
Population (millions)	6.993	7.427	8.114	8.804	9.532
Unemployment rate	12.9	12.2	12.6	11.9	13.0
Production and Prices					
GNP at current market prices	20,288.8	21,690.0	23,611.2	25,141.2	26,289.6
GDP at current market prices	20,476.6	21,965.5	23,851.6	25,437.1	26,637.4
The rate of growth in GDP at constant market prices (%)	2.6	2.7	2.8	3.1	2.4
The total national disposable income at current prices	23,743.5	24,774.9	28,424.5	30,302.1	30,234.7
The rate of growth in gross national disposable income at current prices (%)	4.7	-0.2	8.6	3.1	-2.4
Change in the index of consumer prices (%)	4.2	4.5	4.8	2.9	-0.9
The change in the GDP deflator (%)	6.4	4.5	5.6	3.4	2.3
Money and Banking					
Exchange rate of the Jordanian dinar to the US dollar	1.410	1.410	1.410	1.410	1.410
Money supply (P2)	24,118.9	24,945.2	27,363.4	29,240.4	31,605.5
Net foreign assets of the banking system	9,370.1	6,665.5	6,923.4	7,932.3	8,137.3
Net domestic assets of the banking	14,748.8	18,279.7	20,440.0	21,308.1	23,468.2

	2011	2012	2013	2014	2015
system					
Net debt of the government	6,701.4	9,461.3	10,494.8	10,473.9	11,386.4
Private sector debts (Residents)	14,925.0	15,953.6	17,222.5	17,852.8	18,704.5
Other factors ⁽¹⁾	-6,877.6	-7,135.2	-7,277.3	-7,018.5	-6,622.7
Deposits in dinars at licensed banks	19,119.1	17,711.1	21,003.0	24,013.1	26,014.5
Foreign currency deposits at licensed banks	5,258.8	7,258.6	6,590.2	6,247.9	6,584.0
Rediscount rate (%)	4.50	5.00	4.50	4.25	3.75
Treasury bills interest rate for 6 months (%)	3.232	3.788	-	-	-
Public Finance					
Total revenue and foreign aid	5,413.9	5,054.2	5,758.9	7,267.6	6,796.4
Ratio to GDP (%)	26.4	23.0	24.1	28.6	25.5
Total spending	6,796	6,878.2	7,077.1	7,851.1	7,722.9
Ratio to GDP (%)	33.2	31.3	29.7	30.9	29.0
Overall deficit/savings (on an accrual basis)	-1,382.7	-1,824.0	-1,318.2	-583.5	-926.5
Ratio to GDP (%)	-6.8	-8.3	-5.5	-2.3	-3.5
Net outstanding balance of the domestic public debt	8,915.0	11,648.0	11,863.0	12,525.0	13,457.0
Ratio to GDP (%)	43.5	53.0	49.7	49.2	50.5
Outstanding external public debt ⁽²⁾	4,486.8	4,932.4	7,234.5	8,030.1	9,390.5
Ratio to GDP (%)	21.9	22.5	30.3	31.6	35.3
Foreign Trade and Balance of Payments					
Current account	-2,098.8	-3,344.9	-2,487.7	-1,851.7	-2,365.6
Ratio to GDP (%)	-10.2	-15.2	-10.4	-7.3	-8.9
Trade balance (Deficit)	-6,261.7	-7,486.6	-8,270.1	-8,495.6	-7,249.3
Ratio to GDP (%)	-30.6	-34.1	-34.7	-33.4	-27.2
Commodity exports	5,684.5	5,599.5	5,617.9	5,953.6	5,558.3
Imports of goods (FOB) ⁽³⁾	11,946.2	13,086.1	13,888.0	14,449.2	12,807.6
Balance of services (net)	896.0	1,332.3	1,209.5	1,778.9	1,286.4
Income account (net)	-187.8	-275.5	-240.4	-295.9	-347.8
Current transfers (net)	3,454.7	3,084.9	4,813.3	5,160.9	3,945.1
Capital and financial account (net)	2,298.9	3,808.9	1,811.1	908.9	1,593.7
Direct foreign investment in Jordan (net)	1,055.0	1,074.3	1,281.2	1,426.7	905.1

Source: Monthly Statistical Bulletin, Central Bank of Jordan

1. Includes the debts of public and financial institutions and other factors, as shown in the Monetary Survey Agenda.
2. This represents the total balance of drawn loans, minus total repayments.
3. Does not include imports of non-resident entities.

2.4 The Jordanian Investment Environment

Investment Law No. 30 for 2014

Investment Law no. 30 for 2014 is considered an appropriate legislative framework to attract foreign investments and stimulate local investments. It is considered a competitor to other investment laws in the region because it contains many advantages, incentives, and guarantees, and it offers a range of incentives and benefits in and outside the Development and Free Zones. The law includes a series of public provisions, such as foreign investment guarantees (depositing and withdrawal of capital, investment management, and transfers) and the inadmissibility of the disbarment of investment property. The law offers provisions to settle investment disputes, protection, and encouragement of mutual investment agreements between the Kingdom and other countries.

The following shows the major incentives granted by the law:

❖ Incentives and Benefits outside the Development and Free Zones

- The production inputs for the industrial and crafts sectors are exempted from customs duties.
- The return of the general sales tax on the production inputs for the industrial and crafts sectors within 30 days.
- Production inputs and fixed assets of the industrial and crafts sectors are exempted from customs duties and are granted a reduction in general sales tax to 0%.
- Returning to the sales tax on the services needed to practice economic activity within 30 days.
- The goods that are necessary for the economic activities of the following sectors are exempted from customs duties and are subject to 0% general sales tax:
 - Agriculture and livestock, hospitals and specialised medical centres, hotels and touristic facilities, touristic entertainment and recreation centres, call centres, scientific research centres and laboratories, art and media production, convention centres and exhibitions, transfers and/or distributions and/or extraction of water, gas and oil derivatives, air transport, maritime transport, and railways.

❖ Incentives and Benefits inside the Development and Free Zones

- 5% income tax on the income generated from economic activity within the Development Zone.
- 5% income tax on income generated from economic activity in the industrial sector.
- Tax exemptions that are granted in the Kingdom on goods and services exports.
- Reduction of sales tax to 0% on goods and services that are used by the establishment in order to exercise its activity inside the Development Zone.
- 7% sales tax on specific services provided by a registered company in the zone when these services are consumed in the zone.
- Exemptions from customs duties except for a specified number of goods.

❖ **The Reduction of Income Tax in the Least Developed Areas for Regulation No. 44 for 2016**

- The reduction of income tax in the least developed areas for Regulation No. 44 for 2016 was approved. It aims to create an attractive environment for investments that promote economic development through the reduction of income tax outside the Development Zones and in the least developed areas in the Kingdom. The regulation specified the areas that are considered least developed and identified the activities that are excluded from this reduction.
- Under the provisions of Articles 4 and 5 of this regulation, the areas that were categorised as least developed and enjoy the reduction in income tax are divided into four categories; each category enjoys a reduction in income tax on their activities for a period of 20 years.
- Category A includes the Northern Valley District, Deir Alla District, Shouneh Al-Janoubieh District, the Southern Valley District, Rweished District, the Northern Desert District, the North Western Desert District, Al-Azraq Province, Al-Jiza District except for the borders of the new Al-Jiza municipality, Al-Moakar District except for the borders of Al-Moakar municipality, and the Governorate of Aqaba except for the Aqaba Special Economic Zone. The reduction rate for this category is 100%.
- Category B includes the Governorates of Maan, Tafileh, Karak, and Ajloun. The reduction rate for this category is 80%.
- Category C includes the Governorates of Jarash, Mafraq, and Irbid except the borders of the Greater Irbid Municipality. The reduction rate for this category is 60%.
- Category D includes the Governorates of Madaba, Balqa, Amman except for the Greater Amman Municipality, and Zarqa except for the borders of Zarqa Municipality and Russaifeh Municipality. The reduction rate for this category is 40%.

❖ **Trade and Free Trade Agreements**

The most important agreements are:

- Jordan joining the World Trade Organisation in 2000, which led to the opening of the markets of 150 countries for Jordanian exports in goods and services, and provided new opportunities of access to other countries within a clear and transparent environment of laws, regulations, and procedures.
- A series of regional trade agreements, such as the Jordan Partnership Agreement with the European Union, Agadir Agreement, Free Trade Arab Agreement, the free trade agreement between Jordan and the European Free Trade Association, and the adoption of the Euro-Mediterranean simplification of the rules of the Origin System, which includes the decision to simplify the rules of the origins of Jordanian products between Jordan and the European Union came into effect on July 19, 2016, and will remain in effect until December 31, 2026.
- A series of bilateral trade agreements with many countries, such as the free trade agreement between Jordan and the United States of America, the Qualified Industrial Zones Agreement, the free trade agreement between Jordan and Singapore, the free trade agreement with Turkey, the free trade agreement with Canada, and many other agreements.
- Jordan has signed more than 35 agreements with Arab and foreign countries in order to prevent double taxation between Jordan and these countries, thus protecting investors' rights.
- The Agreement of Promotion and Protection of Investments and the Movement of Capital between the Arab Countries was signed in 2000 with 11 Arab countries who are members of

the Arab Economic Unity Council, in order to establish an appropriate environment for investments and economic cooperation between investors in the Arab countries, thus pushing and stimulating investment activities by providing encouragement and mutual protection for Arab investments.

Human Development Report for 2015

The Human Development Report that was issued by the United Nations Development Program in 2015 showed that Jordan fell 3 points to number 80. Please note that Jordan's place on the Human Development Report index value has improved slightly.

Global Competitiveness Report

The Kingdom's rank has improved by one point in the Global Competitiveness Report for the year 2016/2017, at 63 out of 138 countries compared to 64 out of 140 countries in the 2015/2016 report. It is considered an insignificant improvement, especially because of the reduction in the number of countries participating in this year's report. Amongst the Arab countries, Jordan was ranked after the United Arab Emirates, Qatar, the Kingdom of Saudi Arabia, Kuwait, and Bahrain, who were ranked 16, 18, 29, 34, and 39, respectively.

Doing Business Report

In the Doing Business Report that was issued by the World Bank Group, Jordan is still ranked 118, up one rank from the 2016 report, because of the variation in the performance of the different sub-indicators. Jordan ranked ninth among the Arab countries; the United Arab Emirates was ranked first among the Arab countries at 26, followed by Bahrain at 63 and Oman at 66.

2.5 The Economic Environment in the short and medium term

Risks analysis implemented by BMI indicates that the Jordan's political and economic risks in the short and medium term are less than the overall average of the world and the Middle East. The state's risks and the operational risk are estimated to be within the acceptable levels. The international institutions' forecasts point out that the economic and foreign trade indicators are expected to achieve acceptable rates of growth with the exception of the continued increase in internal and external indebtedness.

Table 5: Assessment of short and long-term risks

	Long term		Short term		Operational risks	State risks
	political	Economic	political	economic		
Jordan	63.1	39.2	66.6	46.2	58.7	55.4
Turkey	60.2	49.4	58.4	56.9	55.9	56.1
Egypt	53.3	45	52.4	48.7	42.9	47.5
Lebanon	45.8	54	55.4	53.5	44.2	49.5
West Bank and Gaza	33.1	38.1	32.2	36.5	32.5	34.3
Syria	22.9	24.4	22.4	23.6	29.3	26.1
Regional average	49.4	46.9	51.2	48.7	46.6	48.3
global average	64.1	50.7	61.3	51.9	49.8	54.6

Source: the economy and state risks, IHS, 15/09/2016

Table 6: The most important key economic indicators 2016-2020

Indicator	2016	2017	2018	2019	2020
The growth rate of GDP	2.6	2.7	2.8	3.2	3.1
GDP (in USD billions)	39.6	42.1	44.8	47.8	50.9
Population (In millions)	9.8	10.1	10.4	10.7	11.0
Consumer Price Index (% change)	-0.7	1.8	3.3	4	3.2
Exports (in USD billions)	7.3	7.6	8.2	8.8	9.6
Imports (in USD billions)	18.3	19.2	20.1	21.3	22.8
Foreign direct investment, the net value (in USD billions)	1.5	1.5	1.6	1.6	1.7
Foreign direct investment, the net value (% of GDP)	3.7	3.7	3.6	3.4	3.3
Foreign exchange reserves (in USD billions)	13.9	14.9	15.7	16.8	17.7
Total external debt (in USD billions)	24.4	27.8	30.7	33.7	36
Total external debt (% of GDP)	61.6	66	68.6	70.4	70.6
Total external debt (% of foreign currency earnings)	127.3	138.3	143.6	147.5	147.8

Source: the economy and state risks, IHS, 15/09/2016

3. Market Study

3.1 Project Description

The project is an establishment of a theme park consisting of electric games suitable for children and adults, and containing a restaurant, cafe and stalls in order to serve the visitors of the city. This park is the first of its kind in Balqa Governorate, which lacks such type of projects, this park will be established in Qasabat -Al Salt district in the western area of Al Ahliyya Amman University aiming to utilize the available land in the region and the natural and scenic views it is characterized by, the matter which will turn the area into an attractive area for visitors and tourists coming from different regions.

3.2 Expected Services Description

The project's expected services include:

- A mechanical and electrical amusement games area for adults and children
- Closed games hall for adults and children
- Café
- Restaurant
- A set of kiosks
- Car parking

3.3 Market Analysis

Studies on the internal tourism sector in Jordan² indicate that there are active indicators in the sector. The total number of domestic tours in Jordan in 2012 reached about 4 million tours distributed to nearly one million tours for overnight visitors and about 3 million tours for one-day visitors. As for the volume of internal tourism expenditure, whether for resident tourists or one-day visitors, it reached about JD 280,000,000 in the same year, mostly on transport services. Therefore, a theme park in an area characterized by beautiful nature and outstanding location will contribute to the revitalization of internal tourism, as this area links Amman, Jerash and Zarqa governorates together.

It is noteworthy that the number of one-day visitors accounted for 72% of all domestic tours in Jordan in 2012, as indicated by the sub-accounts study of the tourism sector in Jordan, the matter which gives a clear indication of the increase in demand for such type of tourism in Jordan, which is characterized by the proposed project in terms of providing services for recreation and entertainment within one day. The following tables show the number of domestic tours of one-day or overnight visitors, in addition to the volume of internal tourism spending on domestic tourism and services received during the tour.

² Sub-accounts for the tourism sector in Jordan 2012

Table 7: Number of Domestic Tours and Volume of Expenditure spent on it in Jordan per Type of Tourism in 2012

Domestic tourism in Jordan	Number of tours*	Average Spending (in million JD)**	Average Expenditure per Tourist (JD)
Overnight Tourists	1,125,553	245,4	218,03
One-day Visitors	2,875,445	34.7	12,07
Total Visitors	4,000,998	280	69,98

Source: Sub-Accounts of the Tourism Sector in Jordan, 2012

* Limited to tours launched entirely within Jordan, and does not include tours launched inside Jordan as part of an external tour.

** Includes both expenditure of tours launched entirely within Jordan and expenditure of tours launched inside Jordan as part of an external tour.

Table 8: Domestic tourism expenses in Jordan per type of tourism services for the year 2012

Tourism Services	Domestic Visitors						Total Expenses (Million JD)		
	Domestic Tours (Million JD)			External Tours (pre-departure Expenses) (Million JD)					
	Tourist	One-day Tourist	Total	Tourist	One-day Tourist	Total	Tourist	One-day Tourist	Total
Specified Tourism Services									
Staying	8.0	0.0	8.0	0	0	0	8.0	0.0	8.0
Food & Beverage Services	6.6	5.1	11.7	0	0	0	6.6	5.1	11.7
Transportation Services									
All Types of Transport Excluding Air Transport	8.5	9.7	18.2	37.2	0.3	37.5	45.7	10.0	55.7
Air Transport Services	0.0	0.0	0.0	150.4	0.2	150.6	150.4	0.2	150.6
Travel Agency and Alike	0.7	0.1	0.8	14.8	0.0	14.8	15.5	0.1	15.6
Entertainment Services	1.4	1.4	2.8	0	0	0	1.4	1.4	2.8
Unspecified Tourism Services									
Services	0.6	0.9	1.5	0	0	0	0.6	0.9	1.5
Goods	17.2	16.9	34.1	0	0	0	17.2	16.9	34.1
Gross Total	42.9	34.2	77.1	202.4	0.5	202.9	245.6	34.7	280

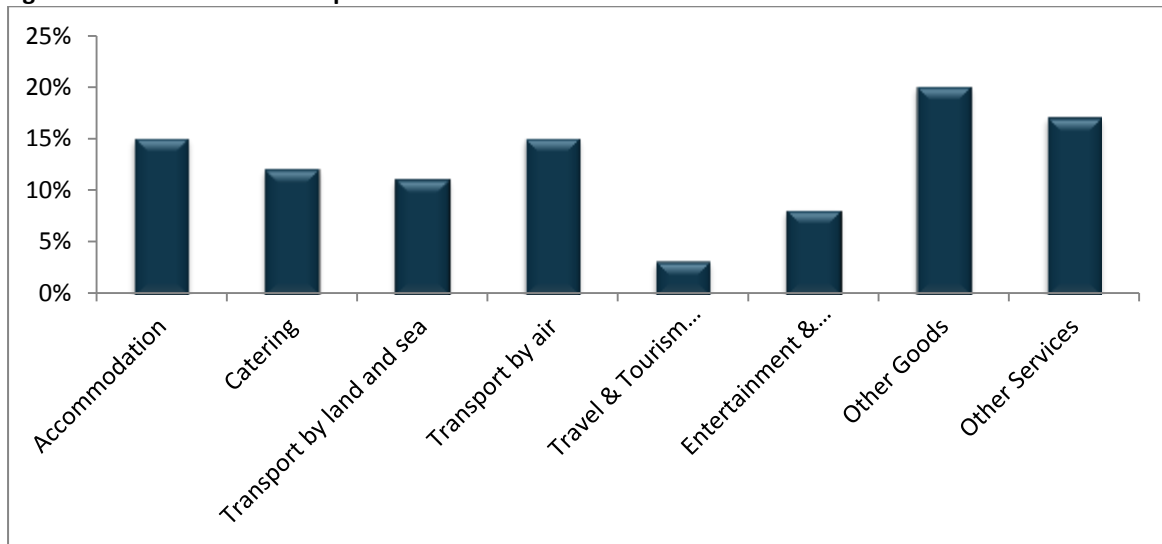
Source: Sub-Accounts for the Tourism Sector in Jordan, 2012

Table 9: Distribution of the Internal Tourism Expenditure Rate for Domestic and Incoming Tourism for the year 2012

Provided Service	Internal Tourism Expenditure (Million JD)	Percentage (%)
Accommodation	496.8	15%
Food & Beverage	414.3	12%
Passengers by land & sea	356.7	11%
Air Passengers	504.9	15%
Travel & Tourism Agents/Tour Operators	88.4	3%
Entertainment & Amusement (Culture/Sports/Recreation)	257.2	8%
Other Goods	682.6	20%
Other Services	580.6	17%
Total	3381.5	100%

Source: Sub-Accounts of the Tourism Sector in Jordan, 2012

Figure 3: Domestic tourism expenditure in Jordan for 2012



Source: Sub-Accounts of the Tourism Sector in Jordan, 2012

Despite the fact that Balqa Governorate is characterized by various tourism features including its varied climate and highlands which reach up to 1300 m above sea level and the many beautiful parks, it is noted that the tourism activities is poor compared to the Kingdom and the capital, which accounts for 69% of the total tourism activities in the Kingdom, while Balqa Governorate contains 69 tourism activities, accounting for 2% of the total tourism activities in the Kingdom. The following table shows the number of tourism activities in the Balqa Governorate and other nearby governorates, which can benefit from the project's services.

Table 10: Number of tourist activities for 2016

Region	Hotels	Tour Operators	Tourist Restaurants	Car Rental	Eastern Antiques Stores	TOURIST Transport	Diving Centers	Aqua Sports	Total of Tourism Activities	Percentage to Kingdom
Balqa	10	6	21	11	14	0	0	0	62	%2
Jerash	2	5	9	1	37	0	0	0	54	%2
Amman	374	669	742	200	170	8	0	0	2,163	%69
Zarqa	5	44	22	10	0	0	0	0	81	%3
Total of Kingdom	562	897	1,002	252	387	8	9	3	3,120	%100

Source: Ministry of Tourism and Antiquities, 2016

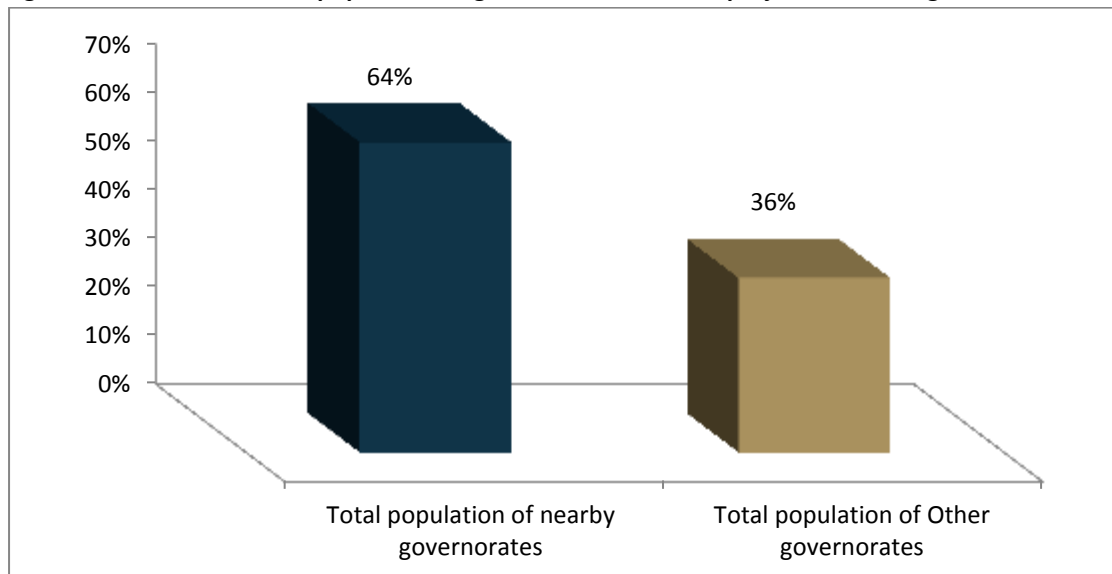
The following table shows the population in Balqa and nearby governorates according to the General Population and Housing Census 2015. The population of Balqa, Amman, Zarqa and Jerash are the largest beneficiaries of the nearby theme park in Balqa Governorate, the population of those governorates amount to about 6 million people, accounting for 64% of the total population of the Kingdom.

Table 11: Population of Balqa Governorate and nearby governorates in 2015

Governorate	Population	Percentage to total population
Balqa	491,709	5%
Jerash	237,059	2%
Amman	4,007,526	42%
Zarqa	1,364,878	14%
Total of Nearby Governorates	6,101,172	64%
Other Governorates	3,430,540	36%
Total of Kingdom	9,531,712	100%

Source: Department of Statistics, General Population and Housing Census 2015

Figure 4: Distribution of the population of governorates near the project and other governorates, 2015



Demand Size

It is difficult to calculate the demand for the services of the proposed project because this project and its idea are new for the governorate and the surrounding areas. Usually the demand is based on supply in tourism projects. However, some of the indicators obtained through launching a field survey of a sample of families from the governorates of Amman, Irbid, Balqa, Jerash, Madaba and Zarqa reached 972 families to determine the demand for entertainment games in these governorates the results indicated that 43% of the total respondents, i.e. 417 of the respondents said that they use entertainment games, and 59% of respondents said that they have access to entertainment games available in commercial malls in neighboring governorates such as Amman and Irbid, while 41% of them receive this service when visiting theme parks in Amman and Rsaifeh.

With regard to the number of visits to each of indoor theme parks (inside malls) and outdoor ones, the average number of visits to indoor parks reached about 5 visits per family annually, while the number of visits to outdoor parks reached 3 visits. In addition, the average expenditure per person when visiting theme parks amounts to about JD 7.7.

Based on the foregoing, it is found that there is an increasing demand for domestic tourism, particularly entertainment and theme parks, both inside malls and in specialized parks such as Al-Jubaiha Theme park.

Key Competitors

Balqa does not have entertainment cities, but it links between several governorates such as Jerash, Amman and Zarqa, so it is expected that most of the proposed theme park city visitors will come from these governorates. There are two main competitors to the park; one is Jubaiha Recreational City and the other, Rusaifeh Theme park (*Ard Al Farah Entertainment City*). In addition, theme parks have indirect competition from the entertainment cities existing in some commercial malls in both Amman and Irbid.

Name	Jubaiha Recreational City
Location	Jordan, Amman - Jubaiha
General Description	<p>Jubaiha recreation city was established in 1988 on the hills of Jubaiha area with a land area of 65 dunums and a building area of 3,475 square meters. The city consists of several facilities, the most important of which are the recreational games, each with a size of 20 to 40 square meters. The city has also about 20 shops on an area of 600 square meters; and about 30 kiosks with an area ranging from 5 to 20 square meters for selling games, light food, sweets, juices and others. In addition, the city has an official 500 square meter restaurant serving Arabic cuisine, another 40-square-meter fast-food restaurant and three cafes serving hot and cold drinks, light snacks and coco.</p> <p>The city also has administrative office area, bathrooms, and parking for the city staff. Green spaces cultivated with cypress and pine trees cover about 50% of the land area designated for hiking and sitting.</p> <p>The total number of staff is approximately 51, including technicians, cleaners, security and maintenance personnel.</p>
Services Provided	<ul style="list-style-type: none"> ▪ Entertainment games ▪ Food and drink services ▪ Cafes ▪ Shops selling games, light foods and food supplies ▪ Green areas planted with forest trees and designated for hiking

Name	Ard Al Farah Entertainment City (Rusaifeh Theme park)
Location	Jordan, Zarqa - Rusaifeh - <i>Al Mashaghel</i>
General Description	<p>Ard Al-Farah Entertainment City was established in the city of Rusaifeh on a land leased from the Municipality of Rusaifehand covering an area of about 6 dunums. The city provides electrical and non-electrical entertainment games services for adults and children. These services are provided for the residents of the region and the neighboring governorates of Amman, Zarqa, Mafraq and others.</p> <p>About 100 families visit the city a day on public holidays and it is used by about 150 to 200 people. This number increases on holidays and events to about 300 to 500 families. The price of the ticket is 3 JDs and the ticket can be used by adults for two games and used by children for four games. The city also provides offers on the tickets' prices in normal days, as a ticket reaches one JDs for an adult to be used for one game, and for children to use it for two games. In addition, the city has two kiosks that sell light drinks and some of the requirement visitors need.</p>
Services Provided	<p>The city offers entertainment services for adults and children. It has the following games:</p> <ul style="list-style-type: none"> ▪ The Bride ▪ The Animated animals ▪ The Electric cars ▪ The Vortex ▪ The Ghost Room ▪ The Strings ▪ Electric toys for children

3.4 Price analysis

A field market study on the cost of access to entertainment cities (Theme Parks) existing in the vicinities of Balqa Governorate, as well as the prices of tickets for games and the general prices of services provided in these places.

The field survey showed that the prices of the games ranged between 0.5 to 2.5 dinars depending on their type and on their users, adults or children. As for billiards and bowling, they are considered as group games and are calculated either by hour or by game, and of course they are more expensive. It has been observed that most theme parks use pay packages-system, that is, to pay a certain amount for the card in exchange for playing a specific set of games. There are also price offers and discounts provided at certain times and to specific categories of customers, such as school students.

3.5 Marketing Strategy

Target Market

The project targets the following customers:

- Local tourists
- Arab tourists
- Jordanian expatriates, especially in the summer months
- Foreign tourists

Expected services and products

The project expected services include the following:

- A mechanical and electrical games area for adults and children
- Closed play area for adults and children
- Café
- Restaurant
- A set of kiosks
- Parking lots

Expected prices

The pricing strategy of the project includes:

- The average per capita spending on games is around JD7
- The average rental price of the kiosk is about 2,000 JD per year
- The average rental price of the restaurant and the café is about 150 JD/m² a year

Promotion

The project's promotional strategy includes:

- Focusing on the management staff experienced in the marketing and management of entertainment and cities (theme parks) in order to increase occupancy rates in the park and increase the number of potential customers and visitors
- Designing a website and using the social media, and it is possible to design a special application for the park
- Designing brochures for the park and its services
- Advertising in local newspapers and other means of the media at the beginning of the project
- Hanging billboards on the main streets and roads leading to the park
- Holding a large opening ceremony under the auspices of a corporate personality, and inviting all the people concerned to this ceremony
- Setting up a budget for publicity. The park needs continuous publicity in various advertising media with a focus on festivals and celebrations repeated during the year
- Ads, programs and special offers for universities, schools and kindergartens

- Providing special offers and discounts for certain categories, such as companies and civil society organizations, both local and international, especially those working with refugees in the governorate with the aim of integrating them into society

Selling

The sales strategy of the project is as follows:

- Direct customer reception
- Direct selling to famous restaurants and cafes
- Trips to schools, kindergartens and children's centers

Services

The project services strategy is as follows:

- Focusing on quality of the services provided
- Permanent and continuous cleanliness and respecting hygiene and public safety rules
- Providing maintenance of games and public facilities on an ongoing basis
- Paying attention to good and decent treatment with customers and tenants
- Credibility in dealing with customers
- Employing a qualified management team, including a director for the sites/operations, an assistant to him, maintenance technicians and administrators
- Providing security and protection services to protect the park and customers, in addition to a security officer and a public relations officers to protect the environment surrounding the park through communicating with relevant government agencies
- Providing adequate parking spaces for cars and buses in the park even during peak hours
- Paying attention to the proper appearance of the employees
- providing new and innovative services and using technology to deal with visitors

3.6 The Expected Market Share

The following table shows the expected market share of the project during the first five years of the project.

Table 12: The project market share

Statement	Year 1	Year 2	Year 3	Year 4	Year 5
Expected number of customers	210,000	231,000	254,100	279,510	307,461
Number of kiosks	10	10	10	10	10
The area of the restaurants and cafes	1,000	1,000	1,000	1,000	1,000
Average per capita expenditure on games/ JD	7	7.2	7.4	7.6	7.9
Rentals of restaurants & Cafes/ JD	150,000	150,000	150,000	150,000	150,000
Kiosk rentals/ JD	20,000	20,000	20,000	20,000	20,000

4. Technical Study

4.1 The Designed Project Capacity

The following table shows the design capacity of the project. It reaches about 400,000 visitors.

Table 13: The Design Capacity of the Project

Item	Number
Number of visitors/year	400,000

The following table shows the area required for the project. In order to achieve the design capacity, it is required to purchase a land of 15,000 square meters, to construct buildings with a total area of 4,000 m² and external works with an area of 2,000 m².

Table 14: Areas required for the project

Item	Unit
The Land m ²	15,000
Buildings m ²	4,000
Outdoor Works m ² (Auto Paving & Garage)	2,000

4.2 The Required Fixed Assets

The following table shows the required fixed assets for the project.

Table 15: Material resources required

Item	Unit	Price	The value (JD)
The Land m ²	15,000	40	600,000
Buildings m ²	4,000	200	800,000
External Works m ²	2,000	50	100,000
Games	group	-	4,200,000
Transport Vehicles	3	15,000	45,000
Information Technology Hardware And Software	-	25,000	25,000
Furniture And Fixtures	900	200	180,000
Total			5,950,000

* Figures were estimated based on the market study

The theme park will contain 5 groups of different games, as follows:

Group	
First group	▪ Mechanical Games for Adults
Second group	▪ Electric Games for Adults
Third group	▪ Mechanical Games for Children
Fourth group	▪ Electric Games for Children
Fifth group	▪ Various Games

4.3 The Required Human Resources

The following table shows the human resources required for the project. The number of employees required is about 49 employees with a total salary of JD 258,000 annually.

Table 16: Human Resources Required For the Project

Item	Number of Employees	Monthly Salary (JD)	Total Annual Salary (JD)	Operational Salary Annual (JD)	Administrative Salary Annual (JD)
Director General	1	3,500	42,000		42,000
Site Manager	1	1,000	12,000	12,000	
Accountant	1	600	7,200		7,200
Treasurer	1	400	4,800		4,800
Procurement, Marketing Officer	2	400	9,600		9,600
Maintenance Technician	2	600	14,400	14,400	
Administrator	2	400	9,600		9,600
Selling Tickets Employee	4	400	19,200	19,200	
Game Operator	15	400	72,000	72,000	
Clean Worker	10	280	33,600	33,600	
Workers, Security, Car Parking	10	280	33,600	33,600	
Total	49	-	258,000	184,800	73,200

The following table shows the general job description of the jobs required in the project.

Table 17: General Job description of the jobs required in the project

Job	Job Description
Director General	<ul style="list-style-type: none"> ▪ Directing the administrative staff ▪ Setting the vision, the mission and the strategy of the theme park and applying them in all means of communication with employees, tenants and mall attendees ▪ Setting prices for games and signing contracts ▪ Following up and coordinating work in all park facilities ▪ Evaluating the park success in achieving its objectives (performance) ▪ Reporting on the performance of the park performance ▪ Consider the implementation of occupational safety and health regulations
Site Manager	<ul style="list-style-type: none"> ▪ Managing sites smoothly ▪ Managing the park operations, ensuring its sustainability and monitoring the rest of the staff ▪ Observing tenants and urging them to abide by the policy and the park system in terms of working hours and not disturbing the other tenants. ▪ Participate with the director general and the leasing officer to develop the general policy of the park. ▪ Observing the movement within the park and keep the park's environment safe and clean by observing security, protection and cleanliness ▪ Managing the relationship with tenants and reflecting their needs and transferring them to the Director General ▪ Preventing problems between tenants for any reason and taking all possible measures to maintain peace in the city and informing the owner of the most urgent events ▪ Submitting periodic reports to the Director General/Owner
Procurement Officer	<ul style="list-style-type: none"> ▪ Organizing and saving procurement management records and models, as well as entering relevant data ▪ Participating in the planning and preparation of procurement management programs ▪ Ensuring that suppliers can meet the requirements of purchase orders and RFQs ▪ Editing suppliers' registration record and participate in procurement management budget preparation.
Marketing Officer	<ul style="list-style-type: none"> ▪ Identify opportunities to attract new tenants and set priorities to reach them and prepare for the signing of contracts between them and the Director General/Owner ▪ Offer proposals and negotiate fees and prices within the park's policy to sign contracts ▪ Identify customer needs and deliver them to the Director General/owner ▪ Prepare for festivals and promotions inside and outside the park ▪ Develop and implement plans for expansion and increase sales

	<ul style="list-style-type: none"> ▪ Document all contact details and addresses of customers
Administrative Officer	<ul style="list-style-type: none"> ▪ Carry out the procedures and policies to ensure the attendance and departure of employees and the disburse their financial dues and the entitlement in accordance with and record the leaves given to them ▪ Prepare the payroll of the workers and report on work, punctuality and discipline ▪ Follow-up on security and guard personnel under the direction of the site director or his assistant ▪ Assist in all aspects of administrative organization and coordinate between departments and operating units ▪ Schedule and coordinate meetings, interviews, events and other similar activities ▪ Send and receive mail, parcels and prepare correspondence ▪ Save and update personnel files
treasurer	<ul style="list-style-type: none"> ▪ Receive cash from customers according to invoices ▪ Preserve the money and supply it to the approved bank
Accountant	<ul style="list-style-type: none"> ▪ Establish the accounting records and prepare the monthly statements of accounts sent to both customers and suppliers ▪ Review and reconcile balances of bank accounts in the records with the accounts of these banks
Workers	<ul style="list-style-type: none"> ▪ Keep the utilities clean in the theme park ▪ Immediately report any breakdowns or failures of equipment ▪ sells tickets to customers ▪ operate various games in the city ▪ organize the car parking for customers
Warehouse Supervisor	<ul style="list-style-type: none"> ▪ Oversee the application of the materials upon arrival of their balances in the warehouse to the point of re-order ▪ Follow-up the preparation of cards and the registration of the necessary information on them and constantly updated same. ▪ Register and re-receive the loaned materials and the materials in custody from the warehouse to the employees duly ▪ Take responsibility for warehouse assets ▪ Take into account the application of the principles of public safety and occupational health in the warehouse

4.4 Special Conditions

The following table shows the conditions and requirements for the licensing of recreational and outdoor entertainment cities in the Kingdom.

Table 18: General and special requirements for Indoors and Outdoors Recreation Cities

Statement	Conditions
The concept of outdoor entertainment cities	<ul style="list-style-type: none"> ▪ Indoors recreation cities : Any tourist establishment concerned about the provision of specialized recreational, tourism, leisure and sporting activities services and which open its doors for domestic and expatriate tourism and is located within a building, buildings, commercial complexes or closed spaces wherein there are the machines, devices, equipment and supplies intended exclusively for the project. ▪ Outdoor recreation cities: Any tourist establishment concerned about the provision of specialized recreational, tourism, leisure and sporting activities services and which open its doors for domestic and expatriate tourism and is located within (an) independent or detached building(s), buildings, or on a plot of land allocated for such purpose.(outdoor activities)
Conditions and specifications for indoors recreation cities	<p>The project owner shall:</p> <ul style="list-style-type: none"> ▪ Ensure that the registered capital shall not be less than thirty thousand Jordanian Dinars for Jordanians and fifty thousand Jordanian for non-Jordanians ▪ Ensure that the area of the allocated site shall not be less than 1000 m2. ▪ Provide special places for ticket sales ▪ Provide separate entrances and exits for visitors. ▪ Provide management and secretarial offices. ▪ Provide information centers at the entrances. ▪ Provide a backup generator. ▪ Provide central air conditioning system in buildings. ▪ Provide separate facilities (bathroom) for men and women. ▪ Provide internal radio. ▪ Provide a system of surveillance through cameras placed properly for reasons of safety and public safety. ▪ Secure parking. ▪ First aid box. ▪ Have obtained the Civil Defense approval for operation of the project.

Statement	Conditions
<p>Conditions and specifications for outdoor recreation cities</p>	<p>The Project owner shall:</p> <ul style="list-style-type: none"> ▪ Ensure that the registered capital shall not be less than thirty thousand Jordanian Dinars for Jordanians and fifty thousand for non-Jordanians. ▪ Ensure that the land area shall not be less than (4000) m2. ▪ Ensure that the land shall be commercial or commercial under special provisions. ▪ Ensure that the project provides a main entrance leading to the parking lot, entrances to visitors and an entrance to citizens and receipt of goods. ▪ The project provides reception and waiting place after the main entrance for visitors and pedestrians. ▪ Provide a parking area. ▪ Provide a backup generator sufficient for the size of the project to be used in case of emergency and power cuts. ▪ Provide electric means of transport in terms of vehicles, lifts, escalators (inside the building) if the building consists of more than two floors, including an elevator for people with special needs. ▪ Provide central hot & cold air conditioner for closed buildings cold hot. ▪ Provide public facilities (bathroom) and services for all components of the project inside and outside the buildings with a percentage of such facilities allocated for the people with disabilities. ▪ Provide fire alarm systems and equipment/according to civil defense guidelines. ▪ Provide paved or tiled corridors for pedestrians not less than three meters in width to facilitate passage of the visitors (and of the people with special needs). ▪ Provide food and beverage services. ▪ Provide storage and cooling warehouses according to the services provided. ▪ Provide adequate shaded spaces (Coffee shops) and shaded waiting areas before the areas dedicated for games. ▪ Provide a fully equipped first-aid room with ambulance staff. ▪ Meet the need for a surveillance system through cameras distributed throughout the city for the purpose of security and safety and provide the necessary inspection equipment. ▪ Provide emergency lighting according to General Directorate of Jordan Civil Defense (JDC) requirements and provide adequate emergency exits. ▪ Provide a system in the gaming areas to maintain people's safety in the case of power outages. ▪ To employ sufficient number of technical staff qualified to operate and maintain the games and a sufficient number of employees for the purpose of safety and security commensurate with the size of the project with a provision of police certificates for each of them taking into

Statement	Conditions
	<p>account that the proportion of Jordanian employees shall not be less than 75%.</p> <ul style="list-style-type: none"> ▪ Provide road signs on roads and walkways inside and outside the project in both Arabic and English. ▪ Provide infrastructure services for people with special needs in different categories. ▪ Provide special places for selling tickets and shared places for the arrangement of queues. ▪ Provide adequate information centers within the city. ▪ Provide a guide panel at the main entrance to show all facilities and services and the prices of the services therein. ▪ Provide price lists for services and instructions for the use of games in Arabic and English. ▪ Provide a safety deposit department. ▪ Provide internal radio. ▪ Provide a special uniform for the project workers with a badge showing the name of the employee and his/her own profession, providing space for their own use (changing clothes, rest and bathrooms). ▪ Provide waste collection and disposal spaces.
<p>Steps and the followed procedures for obtaining a primary approval to the indoors and outdoors recreation cities</p>	<ol style="list-style-type: none"> 1. The application shall be submitted to the Investment Promotion Corporation attaching thereto the following: <ul style="list-style-type: none"> – Description of the project in terms of components, facilities and services provided thereby – Initial schemes of the project showing all the facilities areas and the services provided. – Preliminary approval to the project by the competent entities concerned with the external projects. – The title deed or a certified lease with the title deed. – A recent land scheme – Site layout and demarcation. 2. The Investment Promotion Corporation shall address the Commissioner of the Ministry of Tourism and Antiquities in the investment window regarding the application accompanied by all the documents mentioned in the first step in preparation for completing the procedures for obtaining the preliminary approval and then turning to the Tourism Committee. 3. The Ministry of Tourism and Antiquities shall issue the initial approval to the project owner. The approval shall include the following: <ul style="list-style-type: none"> – That the approval period is two years to enable it to meet the necessary conditions and requirements and the Minister may extend same for a similar period. – That the project owner shall submit to the Ministry before the end

Statement	Conditions
	<p>of the period the following approvals:</p> <ul style="list-style-type: none"> - Permission issued by the regulatory body. - Approval of the Civil Defense Directorate to receive customers and open the project. - A commercial register on which the national establishment number is issued and the purpose of which is to establish an entertainment city - A commercial name and a trademark - Architectural charts certified by the regulator body - A not to the effect that that this approval does not constitute a license for the project owner - Adherence to the conditions of the entertainment and cities for the purpose of obtaining the final license. - Notification to the Ministry in writing for final disclosure and licensing purposes. <p>4. After obtaining the preliminary approval from the Ministry of Tourism and Antiquities, the applicant shall review the Investment Promotion Corporation in order to present his application to the incentives committee and obtain the necessary customs and tax exemptions, provided that the customs and tax exemptions shall for the entertainment and recreation cities are only for the equipment and devises used in the project.</p> <p>5. The Procedures for obtaining the final license:</p> <ul style="list-style-type: none"> - After the completion of the furnishing the entertainment city the owner of the project shall inform of the Ministry of Tourism and Antiquities for the purposes of final inspection and license - The licensing committee shall visit the site and prepare a detailed report. - The applicant shall be notified of the final approval to go to the ministry and pay the license fee, which is an amount of 500 dinars and a fee for the subscription in the Tourist Restaurant Association.
<p>The indoors and outdoors recreation and entertainment cities committee</p>	<p>It was agreed to form a committee called The Indoors and outdoors Recreation and Entertainment Cities Committee in order to ensure that the project meets all the requirements and conditions necessary for the purposes of benefiting from the provisions of the Investment zones and sectors referred to above. The committee consists of members from both the Ministry of Tourism and Antiquities and the Investment Promotion Corporation.</p>

Source: Ministry of Tourism and Antiquities, Article (4) of the Investment Law No. (2) of 1996 and its amendments for the year 2007.

4.5 The Required Licenses

The following table shows the licenses required from the different bodies for the execution of the project

Table 19: The licenses required for the project

Statement	Entity
company registration	<ul style="list-style-type: none"> Ministry of Industry and Trade
Establishment of a recreation and entertainment city	<ul style="list-style-type: none"> Municipality concerned Engineers Syndicate
Licensing	<ul style="list-style-type: none"> The Ministry of Tourism and Antiquities
operation	<ul style="list-style-type: none"> Municipal, social security, income tax and sales Department

4.6 Project Implementation Plan

The following table shows the project implementation period of 24 months, as follows:

Phase	The First Year by months												The Second Year by months											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
Studies	■	■	■																					
Design, licensing, approvals and registration of the company		■	■	■	■	■	■																	
Construction						■	■	■	■	■	■	■	■	■	■	■	■	■	■	■				
Furnishing and equipping																■	■	■	■	■	■	■		
Recruitment and commissioning																						■	■	■
Total Period	24 Months																							

5. Financial Study

5.1 Financial Assumptions

The following table illustrates the financial assumptions of the project.

Table 20: The Financial Assumptions of the Project

Item	Assumption
Inflation Rate	3%
Financing Structure	Equity constitutes 75% of the investment and loans constitute 25%
Interest Rate	9%
Working Capital	3 months of annual cost
Pre-Operating Expenses	2% of total investment
Tax Rate	20%
Exemptions	Fixed assets are exempted from customs and tax exemptions by 40% of the income tax
Maintenance Cost	6% of total revenues
Electricity Cost	8% of total revenues
Costs Of Water, Diesel, And Others	1.5% of total revenues
Marketing Expenses	1% of total revenues
Other Operation Expenses	JD 10,000 in the first year, with 5% annually increase
Staff Benefits	25% of salaries
Annual Salaries Increase	5%
Staff Incentives	2% of revenues
Assets Depreciation Rate	4%-20% of the asset value
Growth Rate Of Expenses	3%
Insurance Expense	JD 10,000
Accounts Receivable	1% of revenues
Accrued expenses	8% of operation costs

5.2 Investment Cost

The project's Investment cost is estimated at JD 6.3 million distributed among fixed assets of JD 5.9 million, working capital of JD 205 thousand, and pre-operating expenses JD 126 thousand. The following table shows the project's Investment cost.

Table 21: the project's investment cost

Item	Value (in thousand JD)
Fixed assets	5,950
Pre-operating expenses	126
Working capital	205
Total	6,281

5.3 Financing

The project will be financed with the shareholders by 75% which is estimated at about JD 4.8 million, while the other 25% of the project investment cost will be financed through bank loans of about JD 1.6 million.

The following table shows the financing structure for financing the project, where:

- The interest rate is 9%.
- The loan will be paid during 6 years.

Table 22: Project financing schedule

Item	Value (in thousand JD)	%
Equity	4,710.4	75%
Loan	1,570.1	25%
Total	6,281	100%

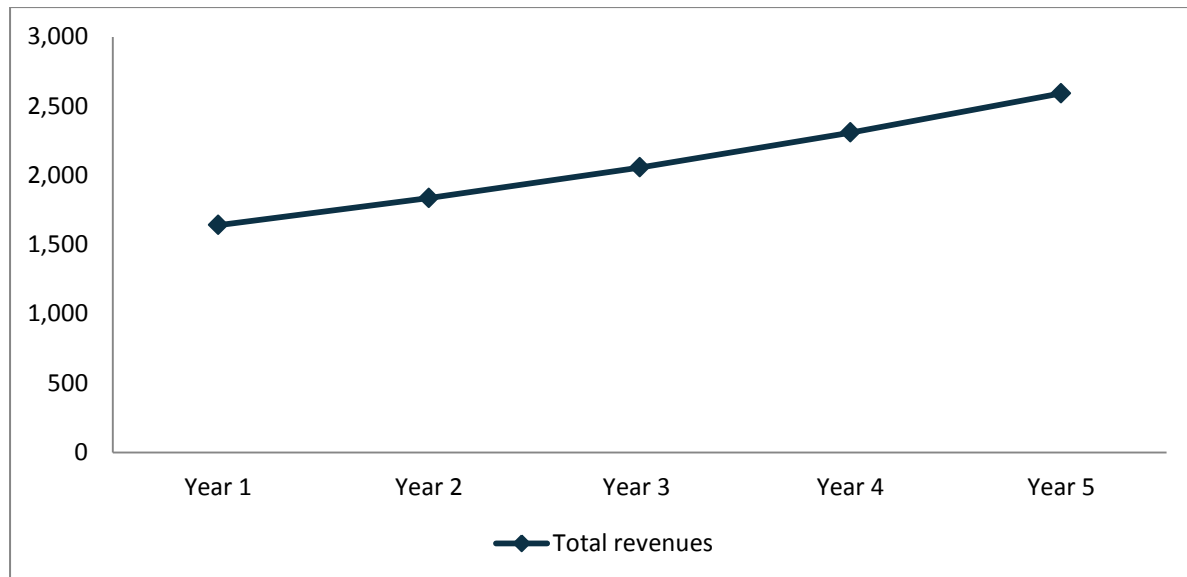
5.4 Revenues

The following table shows the total revenues of the project, where it is noted that the revenues in the first year amounts to about JD 1.6 million, and increased to reach up to JD 2.6 million in the fifth year.

Table 23: The Expected Revenues

Statement	Year 1	Year 2	Year 3	Year 4	Year 5
Expected Number Of Customers	210,000	231,000	254,100	279,510	307,461
Number Of Kiosks	10	10	10	10	10
The Area Of The Restaurants And Cafes	1,000	1,000	1,000	1,000	1,000
Average Per Capital Expenditure On Games/ JD	7	7.2	7.4	7.6	7.9
Kiosk Rent/ JD	2,000	2,000	2,000	2,000	2,000
Rent Of Restaurants & Cafes/ JD	150	150	150	150	150
Revenues Of Tickets	1,470,000	1,665,510	1,887,023	2,137,997	2,422,350
Revenues Of Restaurants & Cafes/ Rent /JD	150,000	150,000	150,000	150,000	150,000
Revenues Of Kiosk Rents/ JD	20,000	20,000	20,000	20,000	20,000
Total Revenues – Thousand JD	1,640	1,836	2,057	2,308	2,592

Figure 5: Total expected revenues



5.5 The Projected Costs

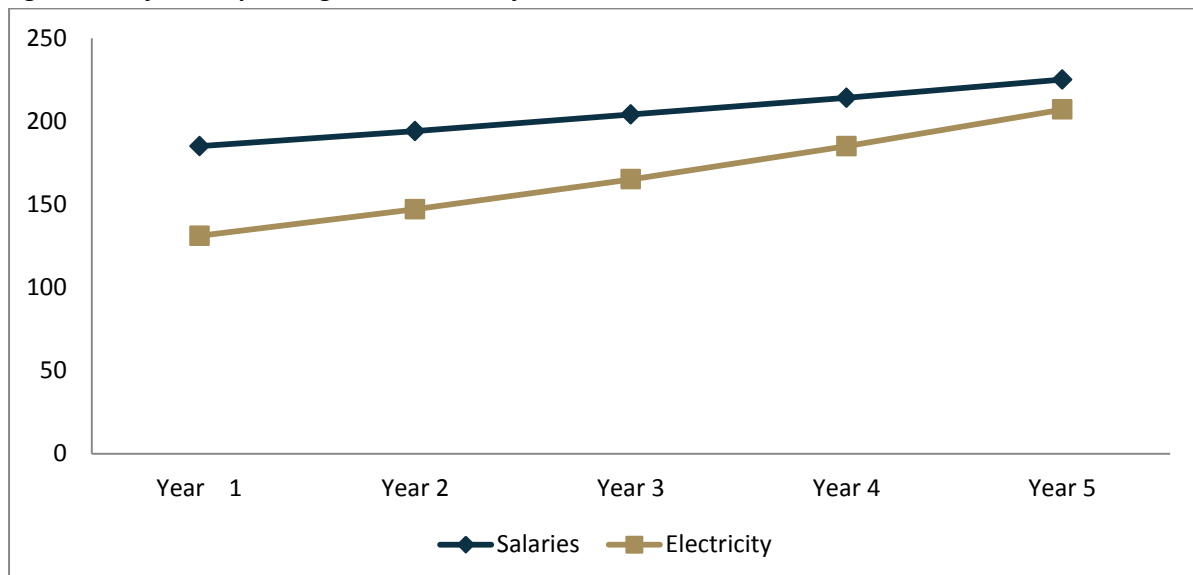
Operating Costs

The following table shows the project's operating costs according to the previous assumption over five years. Salaries cost in Year 1 amounted to JD 185,000 which increase to reach JD 225,000 in Year 5. Moreover, the electricity cost amount to JD 131,000 in Year 1 which increases to JD 207,000 in the year 5.

Table 24: Operating Costs

Operating Costs (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	185	194	204	214	225
Staff Benefits	46	49	51	53	56
Staff Incentives	33	37	41	46	52
IT Cost	20	21	22	23	24
Depreciation	716	716	716	716	716
Maintenance	98	110	123	138	156
Electricity	131	147	165	185	207
Water, Diesel... Etc	25	28	31	35	39
Insurance	10	10	10	10	10
Others	10	11	11	12	12
Total	1,274	1,321	1,374	1,432	1,497

Figure 6: Projected Operating Costs of the Project



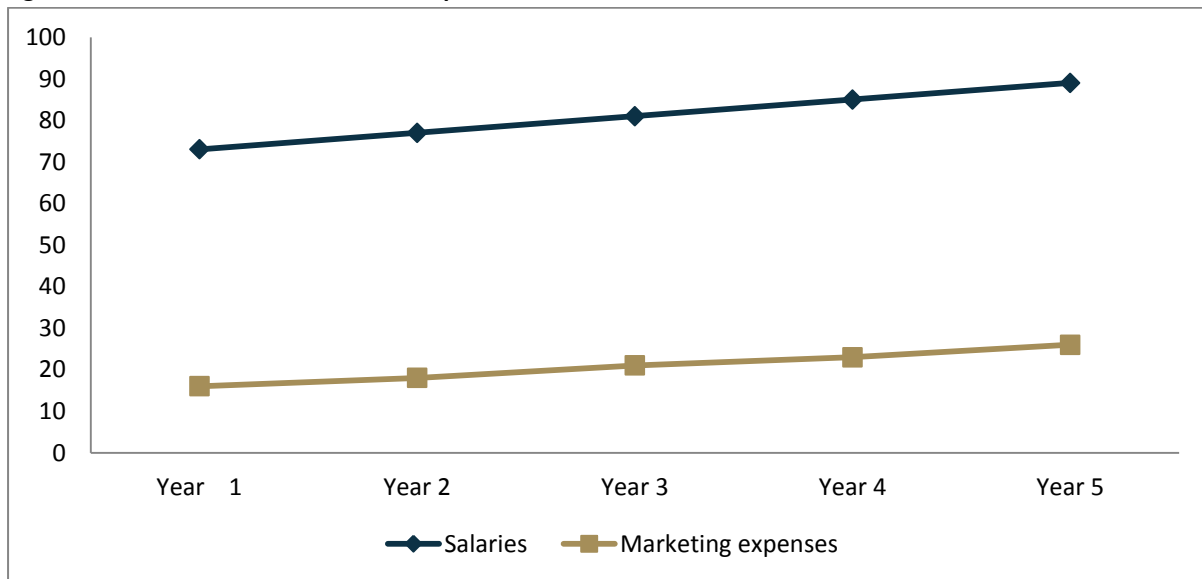
Administrative Expenses

The following table shows the projected administrative expenses of the project. Employees' salaries reach JD 73 thousand in the first year and increase to JD 89 thousand in the fifth year. The marketing expenses are about JD 16 thousand in the first year and increase to reach JD 26 thousand in the fifth year.

Table 25: General and Administrative Expenses

General and Administrative Expenses (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	73	77	81	85	89
Staff Benefits	18	19	20	21	22
Staff Incentives	8	9	10	12	13
Stationery	12	13	13	14	15
Professional Fees	3	3	3	3	4
Marketing Expenses	16	18	21	23	26
Other Expenses	5	5	6	6	6
Amortization	126	-	-	-	-
Total	262	145	154	164	174

Figure 7: General and Administrative Expenses



5.6 Projected Financial Statements

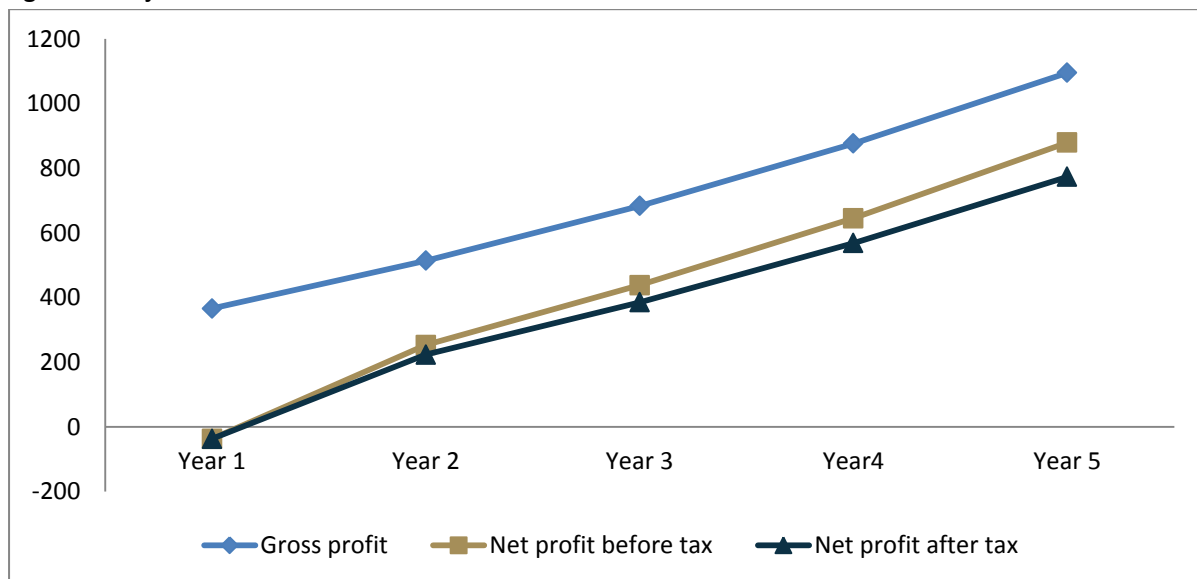
Income Statement

The following table shows the projected income statement of the project. It indicates that gross profit will increase from JD 366 thousand in the first year to JD 1.1 million in the fifth year. The net profit before tax will also increase from JD 253 thousand in the second year to JD 879 thousand in the fifth year, and the net profit after tax will increase from JD 223 thousand in the second year to JD 773 thousand in the fifth year.

Table 26: The Projected Income Statement

Income Statement (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	1,640	1,836	2,057	2,308	2,592
Operating costs (cost of sales)	1,274	1,321	1,374	1,432	1,497
Gross profit	366	514	683	876	1,095
Administrative expenses	262	145	154	164	174
Net profit	104	370	530	712	921
financial expenses	141	117	92	67	42
Net profit before tax	(37)	253	438	645	879
Tax	-	30	53	77	105
Net profit after tax	(37)	223	385	568	773

Figure 8: Projected Income Statement



Projected Balance Sheet

The following table shows the projected balance sheet of the project during the first five years. It indicates that total assets will decrease from JD 6.3 million in the year of incorporation to about JD 5.6 million in the fifth year. The Total liabilities will decrease from JD 1.4 million in the first year to about JD 315 thousand in the fifth year

Table 27: Projected Balance Sheet

Projected Balance Sheet (in thousand JD)						
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5
Assets						
Cash	205	836	1,345	1,903	2,516	3,191
Receivables	-	16	18	21	23	26
Inventory	-	-	-	-	-	-
Pre- Paid Expenses	-	10	11	11	12	12
Total Current Assets	205	862	1,374	1,935	2,551	3,229
Fixed Assets	6,076	6,076	6,076	6,076	6,076	6,076
Cumulative Depreciation	-	842	1,558	2,274	2,990	3,706
Net Fixed Assets	6,076	5,234	4,518	3,802	3,086	2,370
Total Assets	6,281	6,096	5,892	5,737	5,637	5,599
Shareholders Equity and Liabilities						
Accrued Expenses and Payables	-	102	106	110	115	120
Long Term Loans	1,570	1,295	1,020	745	470	195
Total Liabilities	-	1,397	1,126	855	585	315
Shareholders Contributions	4,710	4,710	4,710	4,710	4,710	4,710
Retained Earnings	-	(11)	56	171	342	574
Shareholders' Equity	4,710	4,699	4,766	4,882	5,052	5,284
Shareholders Equity and Liabilities	6,281	6,096	5,892	5,737	5,637	5,599

Cash Flow Statement

The following table shows the projected cash flow statement of the project during the first five years. It indicates that the cash flow from operation will increase from JD 880 thousand in the first year to JD 1.5 million in the fifth year; while the Cash at the ending period will increase from JD 205 thousand in the year of incorporation to JD 3.2 million in the fifth year.

Table 28: The Expected Cash Flows Statement

Cash Flow Statement (in thousand JD)						
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5
Operation Activities						
Net Profit	-	(37)	223	385	568	773
Depreciation	-	842	716	716	716	716
Change In Working Capital	-	76	1	1	2	2
Cash Flow From Operation	-	880	940	1,103	1,285	1,491
Investing Activities						
Fixed Assets	(6,076)	-	-	-	-	-
Cash From Investing Activities	(6,076)	-	-	-	-	-
Financing Activities						
Capital (Equity)	4,710	-	-	-	-	-
Loan	1,570	(275)	(275)	(275)	(275)	(275)
Dividends	-	26	(156)	(270)	(397)	(541)
Cash Flow From Financing Activities	6,281	(249)	(431)	(545)	(672)	(816)
Net Cash Flow	205	631	509	558	613	675
Cash At The Beginning Period	0	205	836	1,345	1,903	2,516
Cash At The Ending Period	205	836	1,345	1,903	2,516	3,191

5.7 Financial, Economic and Social Analysis

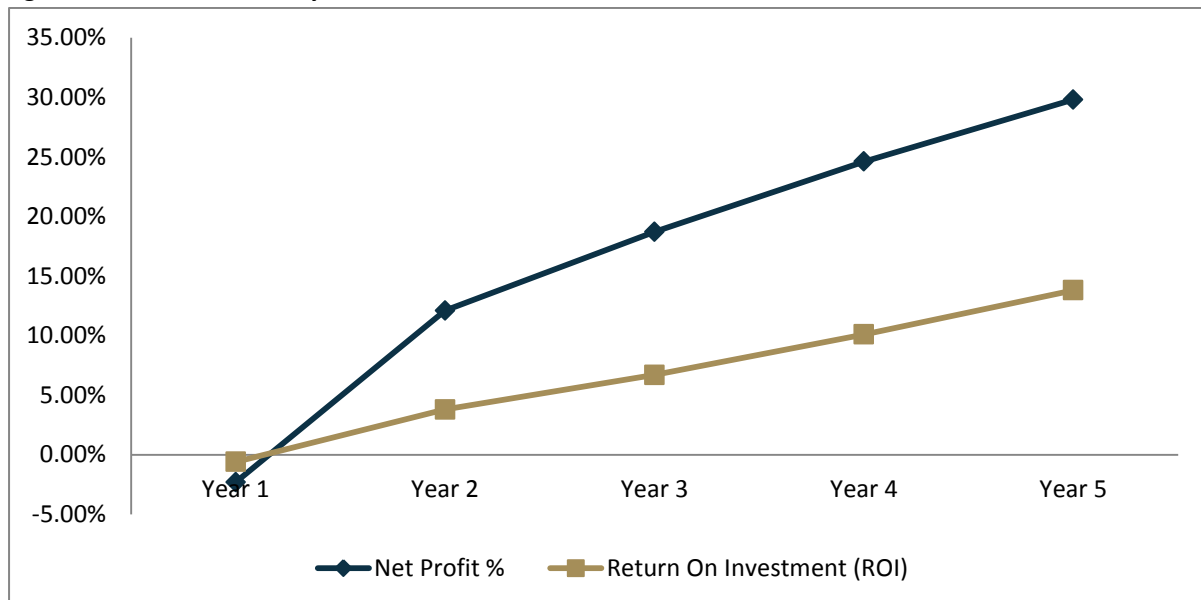
Financial Analysis

The following table shows the financial analysis of the project. It indicates that the net profit ratio will increase from 12.1% in the second year to 29.8% in the fifth year, and the return on investment will increase from 3.8% in the first year to 13.8% in the fifth year.

Table 29: Financial Analysis

Financial Analysis (In Thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Assets	6,096	5,892	5,737	5,637	5,599
Revenues	1,640	1,836	2,057	2,308	2,592
Profits	(37)	223	385	568	773
Capital (Equity)	4,710	4,710	4,710	4,710	4,710
Net Profit %	-2.3%	12.1%	18.7%	24.6%	29.8%
Return On Investment (ROI)	-0.6%	3.8%	6.7%	10.1%	13.8%
Return On Capital (ROC)	-0.8%	4.7%	8.2%	12.1%	16.4%
Net Profit On Revenues	-2.3%	12.1%	18.7%	24.6%	29.8%
Assets Turnover (Time)	0.27	0.31	0.36	0.41	0.46

Figure 9: The Financial Analysis



Economic Analysis

The following table shows the economic analysis of the project during the first five years, we conclude that:

- The Internal rate of return is 19%. It exceeded five times the return on assets, which means the economic feasibility of the project
- The present value of the project reached about JD 5.8 million. It exceeds the net present value with JD 4.7 million, which means the economic feasibility of the project.
- The profitability index of the project reached 1.23 times, which means that the expected value of the project will increase by one time the investment value, which proves that the project is feasible.
- The project payback period is 5.3 years.

Table 30: the Economic Analysis

Economic Analysis (in Thousand JD)						
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5
Net cash flow from operating and investing activities	(4,710)	605	665	828	1,010	1,216
terminal value	-	-	-	-	-	5,284
Net Cash flow	(4,710)	605	665	828	1,010	6,500
Internal Rate of Return (IRR)	19%					
present Value	5,778					
Net present value	1,067					
Profitability Index (Time)	1.23					
Payback period (Year)	5.30					

Social Analysis

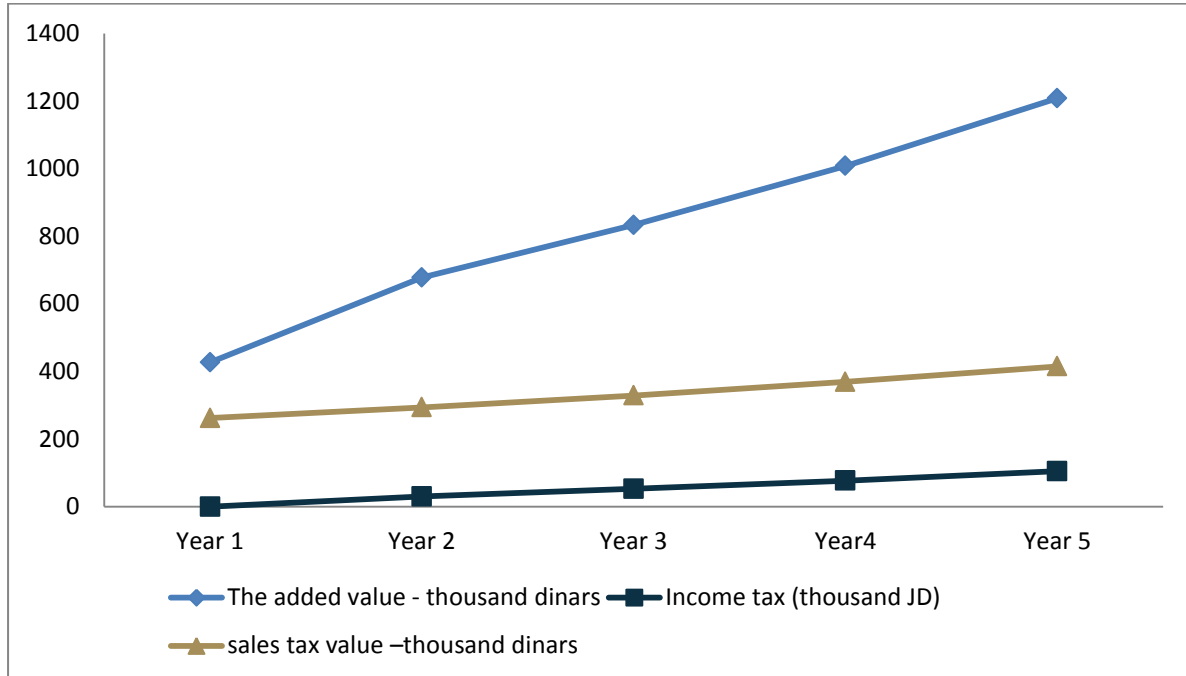
The following table shows the social analysis of the project. It is noticed that the number of staff required for the project will increase from 49 employees in the first year to 53 employees in the fifth year. The number of Jordanian employees will increase from 37 employees in the first year to reach 40 employees in the fifth year.

The added value of the project will also increase from JD 427 thousand in the first year to JD 1.2 million in the fifth year. The income tax will also increase from JD 30 thousand to reach JD 105 thousand in the fifth year.

Table 31: the Social Analysis of the Project

Social Analysis					
Statement	Year 1	Year 2	Year 3	Year4	Year 5
Number of Employees	49	50	51	52	53
Jordanian employees	37	37	38	39	40
The added value –thousand JD	427	678	833	1,008	1,208
Income tax –thousand JD	-	30	53	77	105
sales tax value –thousand JD	262	294	329	369	415
Exports value / imports substitution	-	-	-	-	-

Figure 10: The Social Analysis



6. Risk and Sensitivity Analysis

6.1 Risk Analysis

The following table shows the risk matrix analysis that may face the project.

Table 32: Project Risk Matrix

Risks	Type of Risks	Risk Assessment
Financial Risks	<ul style="list-style-type: none"> ▪ Credit Risk Credit risk represents the risk of the company's financial loss as a result of the customer's default of the contractual obligation or that of the party dealing with the company through a financial instrument. These risks are mainly caused by trade receivables and others. ▪ Liquidity Risk Liquidity risk is the risk resulting from the company's inability to meet its financial obligations at time. The company's liquidity management is to ensure as much as possible that the company always maintain enough liquidity to meet its obligations as they become due and payable in normal and emergency conditions without incurring unacceptable losses or risks that affect the company's reputation. ▪ risk of currency fluctuation Currency risk is the risk of the fluctuation of the value of financial instrument, due to fluctuations in foreign currency exchange rates. 	<ul style="list-style-type: none"> ▪ The financial risks that may face the company are low, because the company payment method is cash ▪ There is no risk of currency exchange, because the company sales and purchases by local currency ▪ There is no risk of inflation because the company's pricing is based on a periodic basis

Risks	Type of Risks	Risk Assessment
	<ul style="list-style-type: none"> ▪ inflation risk It is the risk associated with the possibility that the inflation or the rise in the cost of living might lead to the decrease the real value of the investment. 	
<p>Business risk (sector risk)</p>	<ul style="list-style-type: none"> ▪ Strategic Risk It is the risk resulting from taking bad decisions by the company's management, or implementing the decisions in a wrong way, or not taking the decisions at the right time; which leads to losses or causes loss of alternative opportunities. ▪ Legal and Regulatory Risks These risks are reflected as a result of non-compliance with laws, guidelines and instructions governing the work. Legal risks are caused by the company's break of the laws governing the work in the state in which the company operates. While regulatory risks arise from the company's violation of laws and standards issued by the regulatory authorities. ▪ Reputation Risk Reputation risk arises from influential negative public views which result in great losses of customers or money. It includes the actions of the company's management or its employees which project a negative image of the 	<ul style="list-style-type: none"> ▪ The risks are considered moderate before the company's establishment, because of getting the approval of the official authorities such as municipality and tourism ▪ Reputational risk is very high, as the company deals with very sensitive issues such as entertainment activities, food and beverage ▪ Market risk in the short term will be low because of the low competition from other companies in the governorate

Risks	Type of Risks	Risk Assessment
	<p>company, its performance and its relationships with customers and other stakeholders. Reputation risk also results from circulating rumors about the company and its activities.</p> <ul style="list-style-type: none"> ▪ Competition Risk Competition risk results from domestic and external competitors and reduces sales and profits. 	
<p>Operational Risk</p>	<p>Operational risk involves losses resulting from the failure of internal operations, human resources and systems. It includes:</p> <ul style="list-style-type: none"> ▪ IT Risks They are losses arising from downtime or systems failure due to the infrastructure, information technology, or the lack of systems, and any failure or malfunction in the systems. They include: the crash of computer systems, breakdowns in communication systems, programming errors, computer viruses and opportunities losses due to breakdown. ▪ Human Resources Risk Losses caused by employees or related to them (intentionally or unintentionally). It also includes acts that are intended as methods of cheating, abusing property or 	<ul style="list-style-type: none"> ▪ Operational risks are very low, for the company will contract with specialized technical bodies to develop the required information systems, in order to manage operations ▪ Competitive salaries will be paid ▪ Information security plan will be put in place to safely keep the company information

Risks	Type of Risks	Risk Assessment
	circumvent the law, regulations or company policy by officials or employees, as well as losses arising from the relationship with the customer, shareholders, regulators and any third party.	
State Risk	State Risk includes politicians' interference, civil unrest, wars, financial and monetary policies and high level of debts.	<ul style="list-style-type: none"> ▪ State Risk is considered to be low, due to security and political stability; international reports indicate that State Risk is low both in medium and long terms

6.2 Sensitivity Analysis

First: Increase of Investment Cost By 10%

The following table shows the results of the sensitivity analysis when investment cost increases by 10%.

Table 33: Investment Increase by 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	19%	17%	2%
The Present Value at a discount rate of 13% (in Thousand JD)	5,778	5,981	203-
Net Present Value at a discount rate of 13% (in Thousand JD)	1,067	786	281
Profitability Index (Time)	1.23	1.15	0.08
Payback period (Year)	5.3	5.7	0.4-
The Net Profit Ratio – an average of 5 years	16.6%	15.8%	0.8%
Return on Investment - an average of 5 years	6.8%	5.8%	1.0%
Return on Capital – an average of 5 years	8.1%	7.1%	1.0%
Net Profit On Revenues - an average of 5 years	16.6%	15.8%	0.8%
Assets Turnover (Time) – an average of 5 years	0.4	0.3	0.1
The added value - an average of 5 years (in thousand JD)	831	829	2
income tax - an average of 5 (in thousand JD)	53	52	1
sales tax - an average of 5 years (in thousand JD)	334	334	0

The above analysis refers to the feasibility of investment in the project, in light of the high cost of the total investment of the project, which increased by 10%. It is noted that:

- The internal rate of return reaches 17%, which is considered high for investment purposes
- The new payback period is 5.7 years, and it is reasonable for recovery purposes
- The return on capital is 7.1%, which is suitable for investment purposes

Second: Reducing Revenues by 10%

The following table shows the results of the sensitivity analysis when reducing revenues by 10%.

Table 34: Reducing Revenues 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	19%	15%	4%
The Present Value at a discount rate of 13% (in Thousand JD)	5,778	4,981	797
Net Present Value at a discount rate of 13% (in Thousand JD)	1,067	271	796
Profitability Index (Time)	1.23	1.06	0.17
Payback period (Year)	5.3	6.3	1.0-
The Net Profit Ratio – an average of 5 years	16.6%	8.4%	8.2%
Return on Investment - an average of 5 years	6.8%	%3.7	%3.1
Return on Capital – an average of 5 years	8.1%	4.1%	4.0%
Net Profit On Revenues - an average of 5 years	16.6%	8.4%	8.2%
Assets Turnover (Time) – an average of 5 years	0.4	0.3	0.1
The added value - an average of 5 years (in thousand JD)	831	643	188
income tax - an average of 5 (in thousand JD)	53	32	21
sales tax - an average of 5 years (in thousand JD)	334	300	34

The above analysis shows the low sensitivity of the project in case of reducing the revenues or demand by 10%. It indicates that:

- The internal rate of return is 15%, which is considered high for investment purposes
- The new payback period is 6.3 years, and it is reasonable for recovery purposes
- The return on capital reaches 4.1%, which is suitable for investment purposes

Third: Increasing the Operating Costs by 10%

The following table shows the results of the sensitivity analysis when increasing the operating costs by 10%.

Table 35: Increasing the Operating Costs by 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	19%	16%	3%
The Present Value at a discount rate of 13% (in Thousand JD)	5,778	5,250	528
Net Present Value at a discount rate of 13% (in Thousand JD)	1,067	540	527
Profitability Index (Time)	1.23	1.11	0.12
Payback period (Year)	5.3	5.9	0.6-
The Net Profit Ratio – an average of 5 years	16.6%	10.5%	6.1%
Return on Investment - an average of 5 years	6.8%	4.7%	2.1%
Return on Capital – an average of 5 years	8.1%	5.5%	2.6%
Net Profit On Revenues - an average of 5 years	16.6%	10.5%	6.1%
Assets Turnover (Time) – an average of 5 years	0.4	0.4	0.0
The added value - an average of 5 years (in thousand JD)	831	706	125
income tax - an average of 5 (in thousand JD)	53	40	13
sales tax - an average of 5 years (in thousand JD)	334	334	0

The above analysis shows the feasibility of the project in light of increasing the operating costs of the project by 10%. It indicates that:

- The internal rate of return is 16%, which is considered high for investment purposes
- The new payback period is 5.9 years, and it is reasonable for recovery purposes
- The return on capital is 5.5%, which is suitable for investment purposes