

Pre-Feasibility Study
Dermatology Hospital (Spa)
Dead Sea

April, 2017



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1. Executive Summary

This study aims at determining the Pre-Feasibility of the project to establish a Dermatology Hospital (Spa). The Hospital treats psoriasis diseases, eczema, respiratory diseases, high blood pressure, joint diseases and Rheumatism in the Dead Sea region, through Physical Therapy Clinics, Dermatology Clinics and Clinics of Respiratory System Diseases and blood pressure.

Table 1: Initial Indicators of the Project

Project Name	Dermatology Hospital (Spa)
Sector	Tourism / Therapeutic Sector
Governorate	Balqa Governorate
Region	The Dead Sea within the Development Zone
Products / Services	<p>The project targets visitors with skin diseases, respiratory diseases, high blood pressure, joint diseases and Rheumatism diseases. The project will provide them with the following services:</p> <ul style="list-style-type: none"> • Accommodation and food and beverage services. • Treatment of psoriasis. • Treatment of chronic skin diseases such as eczema. • Treatment of joint diseases and Rheumatism. • Treatment of respiratory diseases. • Treatment of blood pressure diseases. • Physical Therapy. • Providing emergency services.
Project Description	<p>The project is based on the establishment of a Hospital for the treatment of various skin diseases (Spa). It will treat psoriasis diseases, eczema, respiratory diseases, high blood pressure, joint diseases, Rheumatism in the Dead Sea area. The Hospital offers healthcare tourism services for people with various skin diseases from Jordan and tourists from outside Jordan, through the presence of 10 Clinics for Physiotherapy, skin diseases, respiratory diseases, high blood pressure, joint diseases and Rheumatism. The number of rooms in the Therapeutic Hospital (Spa) is 50 rooms.</p> <p>The project is located in the Dead Sea Development Zone, as the Dead Sea is famous for its salts and mineral-saturated black mud that contain 26 important elements for the human body, such as Magnesium, Potassium, Calcium, Bromine, Sulfate, Lithium, Strontium, Iodine, Iron, Selenium, Chrome and zinc. All the mentioned minerals are what the human body needs to improve the performance of the Circulatory System, and increase its ability to dispose of toxins. These minerals help</p>

	<p>the body overcome and get rid of fatigue and backache, and provide the cells with the important elements of their renewal. The experts confirmed that the Dead Sea water, air, soil and sun is the real and natural treatment of Dermatology, due to the availability of the long-term ultraviolet sun light, known for its effectiveness in the treatment of many skin diseases, especially psoriasis.</p>
Target Market	<ul style="list-style-type: none"> • Jordanian patients. • Arab patients. • Patients from Europe, especially from Germany.
Investment Cost	<p>The project's investment cost is about 3.4 million JD</p>
The Average Return On Investment	<p>The average return on investment during the ten years is about 16.7%</p>
Internal Rate Of Return	<p>The internal rate of return for the project is about 24.6%</p>
Average Added Value Of The Project	<p>The average added value of the project in ten years is about 1.3 million JD.</p>
Risk Assessment	<p>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.</p>
The Project Justifications	<ul style="list-style-type: none"> • The increase in skin diseases globally, such as psoriasis and Alopecia Areata. The treatment of psoriasis (a skin disease) in the Dead Sea area has led to a rate of healing (70-85%) of the treated cases. • The lack of health clinics to provide emergency services in the Dead Sea. • Obtaining foreign currency from foreign patients. • Developing the concept of healthcare tourism in Jordan. • The employment of national labor in the field of Physical Therapy. • The existence of a dedicated land in the Dead Sea Development Zone for the hospital. • Linking the project with the Jordanian hospitals to transfer patients.
Partners/ Stakeholders	<ul style="list-style-type: none"> • Dead Sea Development Zone Company • Ministry of Health

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, Mafraq, 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.

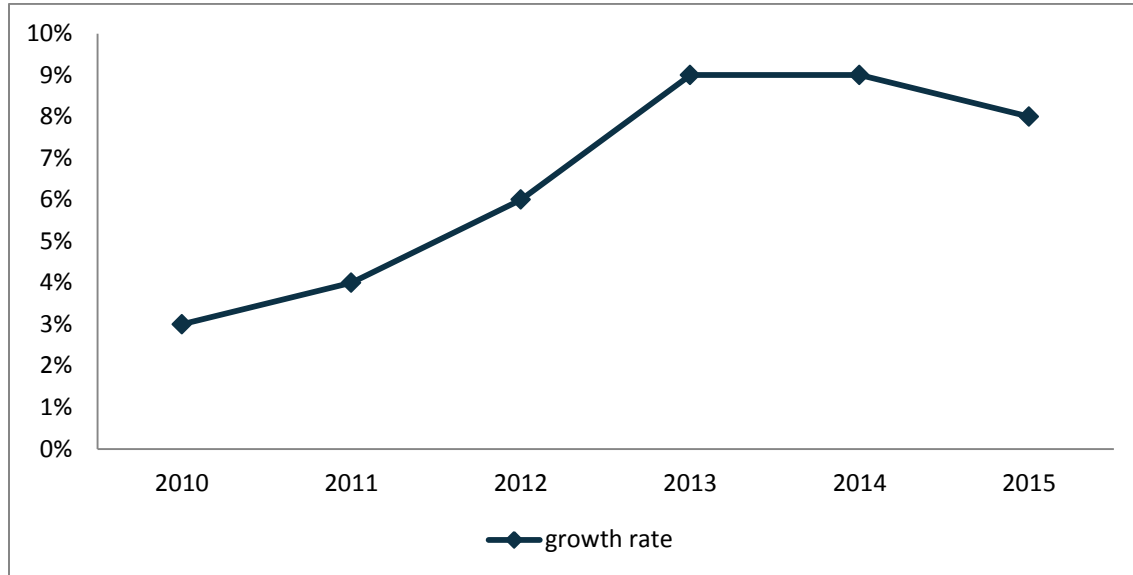
The unemployment rate among Jordanians also witnessed a rise by 1.1 percentage to reach to 13%, due to the structural imbalances that the labor market is suffering from and the acquisition of the low-paid foreign workers on a large number of new jobs in the economy, according to the Central Bank of Jordan.

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%).

¹ The Central Bank of Jordan

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 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 system	14,748.8	18,279.7	20,440.0	21,308.1	23,468.2
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

	2011	2012	2013	2014	2015
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 based on the establishment of a Hospital for the treatment of various skin diseases (Spa). It will treat psoriasis diseases, eczema, respiratory diseases, high blood pressure, joint diseases, Rheumatism in the Dead Sea area. The Hospital offers healthcare tourism services for people with various skin diseases from Jordan and tourists from outside Jordan, through the presence of 50 rooms that contain 75 beds, and 10 Clinics distributed as follows:

- Four Clinics for the treatment of skin diseases.
- Two Clinics for Physical Therapy.
- Two Clinics for the treatment of joint diseases and Rheumatism.
- Two Clinics for the treatment of respiratory diseases and high blood pressure.

The project is located in the Dead Sea Development Zone, as the Zone is famous for its salts and mineral-saturated black mud that contain 26 important element for the human body, such as Magnesium, Potassium, Calcium, Bromine, Sulfate, Lithium, Strontium, Iodine, Iron, Selenium, Chrome and zinc. All the mentioned minerals are what the human body needs to improve the performance of the Circulatory System, and increase its ability to dispose of toxins. These minerals help the body overcome and get rid of fatigue and backache, and provide the cells with the important elements of their renewal. The Zone is also famous for its climate therapy, which is considered as a safe natural remedy with a percentage of purity, without any side effects as in the conventional treatment methods. In addition, the experts confirmed that the Dead Sea water, air, soil and sun is the real and natural treatment of Dermatology, as it has several characteristics that are not available in the world except in the Dead Sea area, due to the availability of the long-term ultraviolet sun light, known for its effectiveness in the treatment of many skin diseases, especially psoriasis. As proved by scientific studies, the treatment of psoriasis (a skin disease) in the Dead Sea area has led to a rate of healing (70-85%) of the treated cases.

3.2 Description of Expected Services

The project targets visitors with skin diseases, respiratory diseases, high blood pressure, joint diseases and Rheumatism diseases. The project will provide them with the following services:

- Hotel class services of accommodation, food and beverage.
- Dermatology services, which include:
 - Treatment of psoriasis.
 - Treatment of chronic skin diseases, such as eczema.
- Physical Therapy services:
 - Treatment of most kinetic imbalances with a nervous and musculoskeletal origin, by using multiple physical therapies, such as:
 - Interferential Therapy.
 - Treatment with electromagnetic waves.
 - Ultrasound.
 - Hydrotherapy.
 - Wax, in addition to therapeutic exercises and relaxing massage.
 - Shock wave therapy.
 - Laser.
 - Therapeutic exercises hall.
- Other services, such as:
 - The treatment of joint diseases and Rheumatism.
 - The treatment of respiratory diseases.
 - The treatment of high blood pressure.

3.3 Market Analysis

Demand for the therapeutic Hospital (Spa) services is affected by the following factors:

- The degree of security and political stability in Jordan.
- The degree of economic growth and rising incomes.
- The degree of population growth.
- Influx of tourists for treatment from outside Jordan.
- The increasing degree of urbanization and cultural diversity of the people, and resorting to the concept of healthcare tourism.
- The degree of excellence in the provision of therapeutic services.
- Prices.
- The Therapeutic Hospital's reputation (Spa).
- The Therapeutic Hospital location and view (Spa).

Demand for The Therapeutic Hospital services (Spa Tourism) is measured by the number of the Dead Sea Hotels' residents (Dead Sea overnight visitors). The Demand analysis indicates the following indicators.

Table 7: The number of overnight visitors in the Dead Sea according to countries groups for the year 2015-2016

Countries Group	2015	*2016
African countries	3321	1797
American States	21491	14665
Arab countries	38562	31460
Asia-Pacific countries	17882	27985
European countries	42815	30071
Jordanian	119431	167299
Total	243,502	273,277

Source: Ministry of Tourism and Antiquities.

* Preliminary data until the third quarter.

NOTE: No statistics are available for the number of Dead Sea visitors for medical tourism.

The following table shows the number of hotels, apartments, rooms and beds, and the number of employees in the Dead Sea Region.

Table 8: the classification and the number of hotels, apartments and other, rooms and beds and the number of their employees and their classification for the year 2016 in the Dead Sea Region

	Number of Hotels	Suites	Rooms	Beds	Number of Employees
5 stars	6	88	1,697	3,100	2,464
4 Stars	2	14	434	682	397
Two stars	1	4	14	25	12
The Total of the Dead Sea Region	9	106	2,145	3,807	2,873

Source: Ministry of Tourism and Antiquities.

The Dead Sea region includes a range of hotels, classified as a five-star, four-star and two-star hotels, as the number of classified hotels is 9, and the number of classified suites is 106. From among these classified hotels, the number of hotels classified as five-star hotels is 6 that include 88 suites and 1,697 rooms, comprising 70% of the total number of rooms in the region.

Table 9: 5-star classified hotels in the Dead Sea Region

▪ Kempinski Hotel Ishtar Dead Sea	▪ Mövenpick Resort & Spa Dead Sea
▪ Grand East Resort & Spa	▪ Holiday Inn Resort Dead Sea
▪ Jordan Valley Marriott Resort & Spa	▪ Crowne Plaza Resort Dead Sea

Source: World Health Organization, Global Report on Psoriasis (Global Report on Psoriasis- WHO)

Many studies have shown that the Dead Sea Region has therapeutic features and benefits that enable it to achieve the greatest tourist financial return for Jordan. The number of Jordanians with psoriasis is about 100 thousand, and about 300 thousand citizens with eczema, while in Saudi Arabia and Iraq, the number of people with psoriasis is about 500 thousand, and the number of people with eczema is about 1.4 million, and about 4.5 million in the United Kingdom, and about 6 million in Germany².

The following table shows the rate of spread of psoriasis amongst the populations of some countries around the world according to the age group.

Table 10: rate of spread of psoriasis in some countries of the world

Country	Year(s) of the study	Sample size	% of Spread
All ages			
Japan	2011-2010	128,000,000	0.44%
United kingdom	2009	7,520,293	1.87%
United State of America	2009	2,572	5.1%
Poland	2009-2005	2,161,832	1.45%
Spain	2013	12,711	2.31%
Adults			
Brazil	2011	12,000	1.3%
Japan	2009-2004	90,880	2.03%
United State of America	2010-2009	6,216	3.2%
United State of America	2011	799,607	0.51%- 1.13%
Children			
Egypt	2012-2011	6,162	0.06%
Italy	2012	135,233	0.2%

Source: Global Report on Psoriasis-WHO

It is worth noting that Jordanian people who suffer from skin diseases do not head for the Dead Sea Region to get proper treatment due to the high cost of treatment. However, they depend on dermatologists resident in the governorates, and rely on taking a tentative treatment (Cortisone).

² Right diagnosis 2004

The following table shows the number of treatments of respiratory diseases, skin diseases and subcutaneous tissue by the doctors in Health Centers for the year 2015. The number of respiratory disease cases that have been treated in Health Centers is around 4 million accounted for 39% of the total diseases groups.

Table 11: the number of treatments in the Health Centers in Jordan for 2015

disease group	Number of treatments	%
Respiratory system diseases	4,132,856	%39
Skin diseases and subcutaneous tissue	613,278	%6
Total *	10,549,815	%100

Source: Directorate of Information and Studies / Ministry of Health.

* Includes all disease groups.

3.4 Demand Analysis

The field research conducted in the Dead Sea Region indicate the presence of two centers that may compete with the project, the Dead Sea Medical Center, located in the Dead Sea Spa Hotel , and the Treatment Center at Zara Spa, located in the Movenpick Resort & Spa Dead Sea.

The number of patients who received treatment at the Dead Sea Medical Center in 2016 was about 700 patients, and the number of patients who received treatment in the Treatment Center at Zara Spa was about 250 patients in 2016. It is noteworthy that most of the patients were German nationals, as they were treated at the expense of their private insurance issued from Germany, and most of the remaining percentage was patients from Kuwait and Europe.

It is worth mentioning that the appropriate time for treating skin diseases and respiratory diseases in the Dead Sea Region begins in March of each year.

Overview of Competitors

The following is a brief overview of the main competitors of the project.

Name	Dead Sea Spa Hotel (Dead Sea Medical Center)
Location	Dead Sea
General Description	It is one of the Treatment Centers at the Dead Sea Spa Hotel, which is equipped with devices specialized in the treatment of many skin diseases, joints diseases and skin care. The Center includes several facilities, including a fitness room, indoor pool and a multipurpose pool.
Main Services	<ul style="list-style-type: none"> ▪ The treatment of joint pain. ▪ Skin Care in a natural way. ▪ Therapy sessions to relieve stress and tension. ▪ Body massages using black Dead Sea mud. ▪ Treatment with ultrasound therapy, interferential therapy, microwaves therapy, Cryotherapy and Hydrotherapy

The following table shows the medical services prices only (without accommodation) in the Dead Sea Medical Center.

Table 12: Treatment services prices in the Dead Sea Medical Center

Treatment prices (US \$)	days 7	days 14	days 21	days 28	Extra day
Psoriasis, vitiligo, acne	205	350	485	610	25
Neurodermatitis	240	415	575	720	30
Psoriasis Athropatica / Psoriasis	345	595	810	990	43
Rheumatism	380	675	935	1160	48
Uveitis	350	460	560	650	33
Uveitis + spondylitis	560	810	1025	1205	58
Lying down under the sun (ONLY)	70	130	180	220	10

Note: The above prices include all taxes in US dollars, and do not include accommodation, food and beverage services.

Name	Movenpick Hotel & Resort Dead Sea (The Treatment Center at Zara Spa)
Location	Dead Sea
General Description	<p>It is a treatment center, located at the Movenpick Hotel & Resort Dead Sea, as it offers relaxation and health treatments for clients / patients. It includes steam rooms, shower facilities with tropical aromatherapy and massage services. In addition, it includes a modern fitness room, equipped with devices to perform cardiovascular, fitness and weight exercises of men and women.</p> <p>The Treatment Center is established on an area of about 200m², and has seven rooms for treatment and counseling, and 4 individual and private climatic treatment areas (natural sun). The Treatment Center is also specializes in the treatment of skin diseases, Rheumatism, respiratory diseases and high blood pressure. It offers a wide range of Hydrotherapy and interferential therapy treatments and has a small pharmacy. The Center has a doctor who specializes in skin diseases, and a doctor specializes in natural medicine, as well as a team of nurses and therapists, to ensure the professional care and attention.</p>
Main Services	<p>Services provided by the Treatment Center</p> <ul style="list-style-type: none"> ▪ a distinctive range of medical packages ▪ Body Massage ▪ Anti-Cellulite ▪ Depresso massage ▪ Beauty ▪ injection therapy services ▪ Ozone Therapy ▪ Colon Cleansing ▪ Photodynamic and magnetic therapy ▪ Galvanic Footbath ▪ Doctor visits ▪ Emergency services ▪ Medical consulting ▪ Guests visits.

Prices of the services provided by the Treatment Center at Zara Spa (without accommodation):

- Medical Packages: (one day package: 300 JD), (3 days treatment package: 720 JD), (3 days package: 520 JD), (a week package: 940 JD). Do not include hotel accommodation, food and beverage services.
- Manual Lymphatic Drainage Massage (full body): 85 JD.
- Manual Lymphatic Drainage Massage (half body): 65 JD.

- Anti-cellulite Package: 275 JD.
- Depresso massage: (parisian contouring machine: 80 JD), (parisian contouring machine x 5: 360 JD).
- Beauty: (bio revitalization: 180 JD), (stretch care: 110 JD), (hair care: 110 JD), (cello care: 110 JD)
- Treatment: (single injection: 75 JD), (two injections: 135 JD)
- Ozone Therapy: 110 JD
- Colon Cleansing: 110 JD
- photodynamic and magnetic therapy: 35 JD
- Galvanic Footbath: 55 JD
- Doctor visits: 50 JD
- Emergency Services: 70 JD
- Medical consultations: 40 JD
- Guests visits: 80 JD

3.5 Marketing Strategy

Target Market

The project targets the following customers:

- Jordanian patients
- Arab patients
- Patients from Europe, especially from Germany.

Expected services and products

The expected project services include the following:

- Accommodation, food and beverage services for visitors.
- Treatment of psoriasis.
- Treatment of chronic skin diseases such as Eczema.
- Treatment of joints diseases and Rheumatism.
- Treatment of Respiratory diseases.
- Treatment of blood pressure diseases.
- Physical Therapy.
- Providing emergency services.

The project focuses on providing distinguished service to attract customers who seek excellence in service delivery, and good price rates.

Expected Prices

The Pricing Strategy of the project includes the following:

- The average price of accommodation, food, beverage and treatment is 200 JD per day.
- The average price of treatment services for visitors without accommodation is 60 JD per day.

Promotion

The Promotional Strategy of the project includes the following:

- Designing attractive website and social media page.
- Brochures for the Therapeutic Hospital (Spa).
- Advertisements in the local newspapers at the beginning of the project.
- Placing a billboard on the main street (Dead Sea - Amman).
- Participation in tourist and medical exhibitions in the world.
- Making contracts with tourism agents and companies specialized in medical services promotion.

Selling

The Selling Strategy of the project includes the following:

- Direct reception of customers through phone calls with the Booking Section at the Therapeutic Hospital (Spa)
- Selling through specialized Tourism Companies to foreign tour groups.
- Selling through companies specialized in medical services promotion.
- Contracting with the insurance in European countries.

Services

The Provision of Services Strategy of the project includes the following:

- The presence of doctors and nurses with extensive experience and good reputation.
- Focusing on the quality of service and materials used.
- Permanent and ongoing cleanliness.
- Respecting the rules of health protection, cleanliness and public safety.
- Maintenance of equipment on an ongoing basis.
- Attach great importance to the courtesy and appearance of employees
- Attach great importance to the kind and decent treatment with customers.
- Attach great importance to the speed of service delivery to customers
- Providing services that match their class.
- Maintaining the cleanliness of the used tools, furniture, various facilities and equipment.
- Respecting the rules of food preparation and the rules related to the service.
- Trust and credibility with customers.

3.6 The Expected Market Share

The following table shows the market share of the project, according to the following assumptions:

- Number of rooms is 50 containing 75 beds.
- Occupancy rate is 40% in the first year, and increases by 2% annually.
- Average residence 7 days.
- The number of overnight visitors is based on the average length of stay and the number of patients.
- The number of the out patients (the one day), as we assumed as visitors staying in Amman and are receiving treatment services for approximately one day and set at about 8 visitors per day, equivalent to 2920 per year. This number increasing by 5% annually.
- Daily number of visitors depends on the number of overnight patients and one day patients divided by the number of days of the year.
- The number of clinics is 10.
- The average number of visitors to the clinic depends on the number of visitors per day divided by the number of clinics.
- The average treatment rate with accommodation is estimated at 200 JD in the first year, and increasing by 3% annually.
- The average treatment rate without accommodation is estimated at 60 JD in the first year, and increasing by 3% per annually.

Table 13: The number of expected visitors patients of the project

statement	First year	Second year	Third year	Fourth year	Fifth year	Sixth year	Seventh year	Eighth year	Ninth year	Tenth year
Number of overnight visitors (patients)	1,043	1,095	1,147	1,199	1,251	1,304	1,356	1,408	1,460	1,512
Number of one day (patient)	2,920	3,066	3,212	3,358	3,504	3,650	3,796	3,942	4,088	4,234

4. Technical Study

4.1 The Designed Project Capacity

The following table shows the designed capacity of the project. The designed capacity of the project is about 50 rooms and 10 clinics for skin diseases treatment and physical therapy.

Table 14: The designed project capacity

Item	Number
Rooms	50 rooms with a capacity of 75 beds
Clinics and physical therapy rooms	10
Absorptive capacity of clinics and physical therapy *	12,000
Number of clinics working days	300
working hours	8
The average duration of treatment per patient	2 hours
The number of patients hotel nights	18,250

* Depends on the number of clinics working days, the number of working hours and average duration of treatment per patient.

The following table shows the area required for the project. In order to reach the designed capacity, it requires the purchase of a land with an area of 10,000 m², and the construction of buildings with a total area of 2,900 m².

Table 15: The Areas required for the project

Item	Unit
Land m ²	10,000
buildings m ²	2,900
External works m ²	2,000

4.2 The Required Fixed Assets

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

Table 16: The Required fixed assets for the Project

Item	Unit	Price (JD)	Value (JD)
Land m ² (Rent) / according to the price of the Dead Sea Development Zone	10,000	5	50,000
Buildings m ² and Mechanical and Electrical Works	2,900	650	1,885,000
External Works m ²	2,000	50	100,000
Rooms Furniture and Equipment	50	12,000	600,000
Clinics and physical therapy rooms	10	27,000	270,000
Information Technology	1	15,000	15,000
Transport vehicles	1	30,000	30,000
Total			2,950,000

* The numbers are estimated from the Market Study.

The following table shows the general and specific requirements for the private Hospitals, which must be considered for the development and implementation of the project.

Table 17: the general and specific requirements for hospitals

Statement	Requirements/Conditions
The building	<ul style="list-style-type: none"> ▪ Shall be independent of any other buildings, and has a wide entrance and exit for vehicles. ▪ Shall have a shelter. ▪ Equipped with backup self-operating generators, to meet the necessary requirements of the building, and shall be approved by the committee. ▪ Equipped with water tanks, and shall be sufficient for the hospital water consumption, at least at the rate of 0.5 m³ per bed daily. ▪ Equipped with fuel tanks, and shall be sufficient for the hospital fuel consumption for at least two weeks. ▪ All the hospital places prepared for use, including toilets, shall be equipped with an appropriate natural or artificial lighting and ventilation. ▪ Equipped with Central Heating System appropriately and adequately. ▪ Equipped with sufficient plumbing installations for water, hot water and wastewater. ▪ Equipped with healthy means to collect liquid and dry waste and their disposal. ▪ Equipped with sufficient numbers of toilets and showers, so that at least one toilet and one shower for every 6 beds, while single or two beds

Statement	Requirements/Conditions
	<p>private rooms shall be equipped with one toilet and one shower for each, and their toilets and showers will not be included in the percentage mentioned.</p> <ul style="list-style-type: none"> ▪ Equipped with means of fire fighting, and emergency fire escape stairs, specified by the General Directorate of Civil Defense. ▪ The hospital space and parks must not be less than three times the floor area of the ground floor of the building, with the exception of the Maternity Hospitals, so as the campus area in any situation shall not be less than two acres for the General Hospital and one acre for the Specialist Hospital. ▪ The doctor on duty housing shall be inside hospital campus.
Ward space	<ul style="list-style-type: none"> ▪ The ward that contains two separate rooms, one with single bed to the patient, shall not be less than (an area of 20 m²).
The room	<ul style="list-style-type: none"> ▪ Excellent First-class room space shall not be less than (15) m² ▪ First-class room space (one bed) shall not be less than (12) m² ▪ second-class room space (Room with two beds) shall not be less than (12) m² ▪ The space allocated per patient in the third-class room, containing three beds and above, shall not be less than (6) m². ▪ The minimum height of the room in the hospital is as follows: <ul style="list-style-type: none"> - Rooms: 2.70 m - kitchens: 2.35 m - Showers and toilets: 2.10 m ▪ Each patient's room in the hospital shall overlook from one of its sides on a balcony, square or skylight.
Stairs	<ul style="list-style-type: none"> ▪ The hospital shall be equipped with two separate stairs, one leads directly to the street, and the second to a large open area. The minimum width of the each stair is as follows: <ul style="list-style-type: none"> - Less than 50 beds: The first stair 1.52 m The Second stair 0.90 m - Over 50 beds: The first stair 1.40 m The Second stair 1.00 m
the elevator	<p>The hospital shall be equipped with elevators if the building height exceeds two floors. The number of elevators shall commensurate with the size of the building and the number of beds, according to the recommendations of the Committee.</p>
Toilet space	<p>The toilet and shower space shall not be less than 2 m² for each.</p>
Main corridors	<p>the main corridors width in the hospital shall not be less than 2 m.</p>
Car Parking	<p>The hospital shall have parking areas for vehicles, within the boundaries of the</p>

Statement	Requirements/Conditions
	<p>building or in the location, in accordance with the proper engineering conditions and standards, which guarantees the freedom of movement of vehicles and parking, with an average of one vehicle for every three beds.</p>
Cleanliness	<ul style="list-style-type: none"> ▪ The Hospital Director shall maintain the cleanliness of the hospital from outside, including the paint and bleaching, and shall have the approval of the Committee. ▪ At least 10% of the hospital area shall be planted with trees a garden area. ▪ The basements in the hospital shall be restricted to the public service, such as shelters, storage rooms, a water well, central heating rooms, cooling system room and electrical transfer station. ▪ Liquid waste and wastewater shall be delivered to the public sewer, if any, and if there is no public sewer, the water must be delivered to a sedimentary sewage pool.
Specialty Hospital	<ul style="list-style-type: none"> ▪ The number of the hospital beds shall be at least 15. ▪ The devices and equipment contained in Annex No.1 shall be available, or as determined by the Committee for each specialty hospital.
	<ul style="list-style-type: none"> ▪ Upon the recommendation of the Committee, the Minister has the right to issue instructions regarding the equipment, devices and the cadre that shall be provided by the hospitals, and modify Annex No.1 of this regulation. ▪ The number of private hospital beds shall not be increased, unless by a Minister decision, and upon the recommendation of the Committee. ▪ In cases of emergencies and accident, the hospital has the right temporarily to use extra beds, and shall stop using such beds when the emergency situation ends.
Employees	<ul style="list-style-type: none"> ▪ Hospital Administration <ul style="list-style-type: none"> - The Director of the Hospital: This refers to the presence of a qualified full-time director in a special office, where he/she is easily accessible by customers. ▪ Special employee's uniform, consisting of trouser, jacket and a tie. ▪ The overall appearance and medical fitness, as this refers to the employees' medical and physical fitness, with the availability of official health certificates for each employee. ▪ Academic qualifications, which is the presence of graduates of medical schools and those who are academically qualified. ▪ The number of employees shall be adequate. ▪ Special dressing area for workers to change their uniforms. This area shall commensurate with employees' number, with the availability of bathrooms and Hygiene means that include drying towels, soap and paper towels.

4.3 The Required Human Resources

The following table shows the human resources required for the project, where the number of required staff is about 62 employees with a total of 420,800 JD salaries annually.

Table 18: Human resources required for the project

Item	Number of Employees	Monthly Salary (JD)	Total Value/ annually (JD)	Operational (JD/ annually)	Administrative (JD/ annually)
Director General	1	3,500	42,000		42,000
Director of Financial and Administration	1	1,500	18,000		18,000
Human resources	1	450	5,400	-	5,400
Accountant	1	450	5,400	-	5,400
Doctors (physicians)	5	1,500	90,000	90,000	
Physiotherapist	5	800	48,000	48,000	
Nurse	5	500	30,000	30,000	
Reception and reservations	2	400	9,600	9,600	
Marketing	1	400	4,800	4,800	
Cooks and Assistants	5	800	48,000	48,000	
Security	3	300	10,800	10,800	
Room service / Food / Beverage / Laundry... Service	27	300	97,200	97,200	
Cleaning and Gardening	3	300	10,800	10,800	
Total	60		420,000	349,200	70,800

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

Table 19: General Job Description of the jobs required in the project

Job	Job Description
Director General	Planning, organizing, coordinating and controlling everything related to the internal management of the hospital, and participating in determining the hospital's policy, and managing everything related to the work. In addition, reviewing the reports received by the administration section, and supervising their analysis process, and studying the issues that arise and develop solutions to them. Technical and administrative supervision of the staff, and improve their efficiency, and taking into account the application of occupational health and safety instructions.
Director of Financial and Administrative	Carrying out administrative tasks aimed at achieving the hospital objectives by performing all the administrative work relating to recruitment, employment, management of the hospital correspondence and information, and performing administrative tasks in the field of financial matters, and developing plans to achieve these objectives efficiently and effectively.
Human resources	Management and development of human resources in the hospital and planning for them, as well as performing all matters related to the employees.
Accountant	Proofing accounting operations records and preparing monthly account statements send to customers and suppliers. In addition, auditing and conformance between the bank accounts balances in the records and the statements of these bank accounts.
Doctors/ physicians	<p>Dermatological and Vinereal Diseases specialist doctor: Providing all the necessary and specialized medical services in the field of dermatologists, which includes examining, diagnosing, providing the necessary services to the patient, supervising the patients, recording their health data on the medical file and prescribing the appropriate treatments according to the medical condition.</p> <p>A Rheumatologist specialist doctor: Providing all necessary medical services in the field of Rheumatism and joints diseases. In addition, performing the treatment of Rheumatism and joints diseases through preventive and curative methods, and supervising all services provided in the field of Rheumatism and joints diseases, which include examining, diagnosing and providing treatment.</p> <p>Infection Control Doctor at the hospital: supervising and ensuring the application of infection control activities within the hospital, and is responsible for taking all necessary measures to prevent the spread of</p>

Job	Job Description
	<p>infection and containing it inside and outside the hospital, as well as preventing their recurrence. Reviewing of therapeutic procedures for infected patients in the hospital and developing regulatory standards, as well as coordinating with the concerned authorities to solve the issue related to the prevention of infection.</p> <p>Emergency Medicine Specialist Doctor: Provide all specialized medical services in the field of emergency (examination, diagnosis and medical treatment). In addition, providing the treatment of urgent diseases, which come to the section in the field of ambulance and emergency, by all available therapeutic means, to save the lives of patients. Overseeing all services provided in the ambulance.</p>
Physiotherapist	<p>Developing a physiotherapy plan for the patient, based on the diagnosis of the doctor, as well as developing appropriate treatments and specifying the length of time needed to achieve the objectives of the treatment plan. Applying therapeutic methods and procedures according to the plan prepared in advance, and reviewing the treatment plan on a regular basis, and adjusting it as needed. Guiding and educating the patient and his/her family regarding the application of the treatment plan and the means used. Continuous coordination with the treating doctor on the progress of the health status of the patient. In addition, applying the principles and rules of public safety at work, and performing any other tasks assigned within his/her competence.</p>
Nurse	<p>Providing comprehensive nursing care to all patients based on the decisions of the doctor, in order to reach an urgent healing for patients.</p>
Marketing	<p>Developing the marketing ideas and services, and working on presenting, activating and implementing them for customers, in order to develop the marketing of hospital services. In addition, performing all matters concerning the nature of his/her work and proposing the promotive actions that improve work performance.</p>
Cooks and assistants	<p>Managing the work schedules for the kitchen employees, distributing tasks in the kitchen, participating in menus design, filling out the supply order for food fresh supply, (vegetables and fruit) in quantity and quality, and in line with the approved food list. Proposing the necessary training programs to raise the efficiency of the employees and address deficiencies and issues that arise in applying the operating cycle. Developing periodic maintenance programs for the the machines, and following-up malfunctions. Ensuring that the chefs are taking into account cooking methods. Determining the kitchen spraying programs to fight insects and rodents, and ensuring that every kitchen workers apply the approved safety, health and quality rules.</p>

4.4 Licenses Required

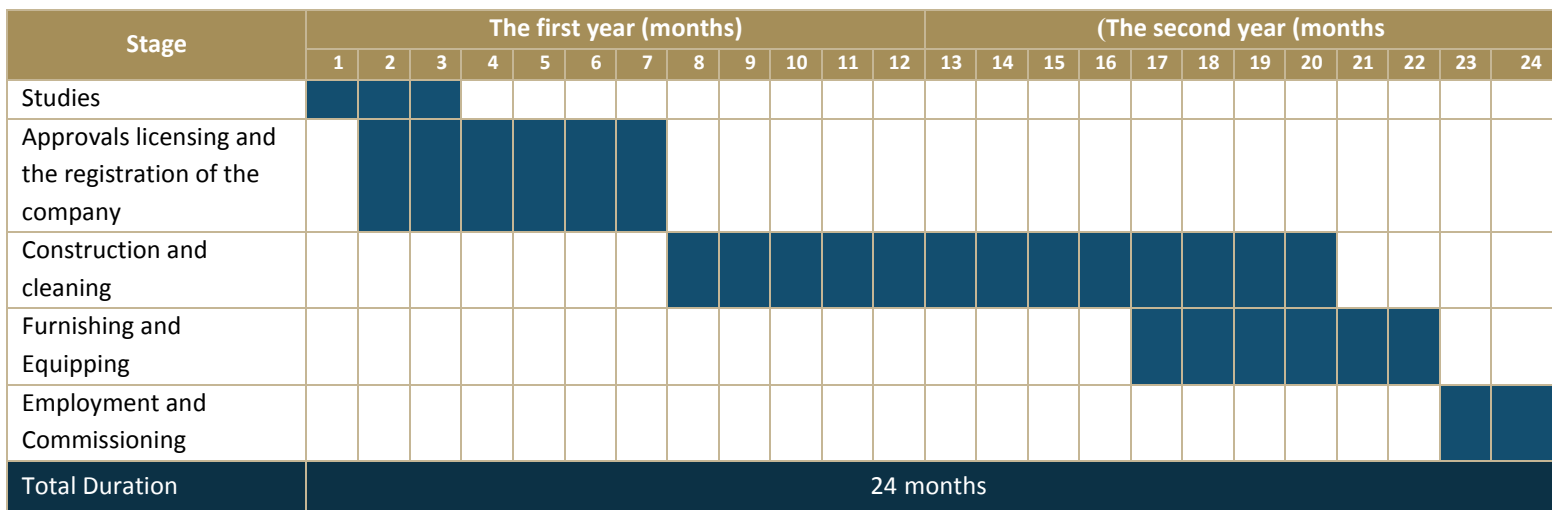
The following table shows the necessary licenses from various authorities to implement the project.

Table 20: Licenses required for the project

statement	Analysis
company registration and Licensing	<ul style="list-style-type: none"> ▪ Ministry of Industry and Trade ▪ Ministry of Health ▪ Dead Sea Development Zone
Operating	<ul style="list-style-type: none"> ▪ Health, social security, income and sales tax

4.5 Project Timeline

The following figure shows the timeline to implement the project, which amounts to 24 months, as follows:



5. Financial Study

5.1 Financial Assumptions

The following table illustrates the financial assumptions of the project.

Table 21: 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	6 months of annual cost
Pre-Operating Expenses	JD 68 thousand
Tax Rate	5%
Exemptions	Fixed assets are exempted from customs, special tax incentives because the project located in the dead sea development zone
Treatment materials cost	6% of total revenues
Staff Benefits	25% of salaries
Staff Incentives	5% of revenues
Assets Depreciation Rate	4%-20% of the asset value
Maintenance Cost	1% of total investment
Cost of electricity and water	8% of total revenues
Other Operation Expenses	JD 5000
Accounts Receivable	2% of revenues
Inventory	15% of food, beverage, and Therapeutic materials costs
Accrued expenses	8.8% of operation costs

5.2 Investment Cost

The project's Investment cost is estimated at JD 3.4 million distributed among fixed assets of JD 2.9 million, working capital and pre-operating expenses totaled of JD 493 thousand.

The following table shows the project's Investment cost.

Table 22: the project's investment cost

Item	Value (in thousand JD)
Fixed assets	2,900
Pre-operating expenses	68
Working capital	425
Total	3,393

5.3 Financing

The project will be financed with the shareholders by 75% which is estimated at about JD 2.5 million, while the other 25% of the project investment cost will be financed through bank loans of about JD 848 thousand.

The following table shows the financing structure for financing the project.

Table 23: Project financing schedule

Item	Value (in thousand JD)	%
Equity	2,544.8	75%
Loan	848.3	25%
Total	3,393	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 3 million in the tenth year.

Table 24: The Expected Revenues

Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Number of rooms	50	50	50	50	50	50	50	50	50	50
Occupancy rate	%40	0.42	0.44	0.46	0.48	0.50	0.52	0.54	0.56	0.58
Number of days in the year	365	365	365	365	365	365	365	365	365	365
Average of stay	7	7	7	7	7	7	7	7	7	7
Number of overnight visitors	1,043	1,095	1,147	1,199	1,251	1,304	1,356	1,408	1,460	1,512
Number of nights (average of 7 nights per visitor with overnight)	7,300	7,665	8,030	8,395	8,760	9,125	9,490	9,855	10,220	10,585
Number of one day visitors	2,920	3,066	3,212	3,358	3,504	3,650	3,796	3,942	4,088	4,234
Number of daily visitors*	28	29	31	32	34	35	36	38	39	41
Number of clinics	10	10	10	10	10	10	10	10	10	10
Average number of clinic visitors	3	3	3	3	3	4	4	4	4	4
Average price of treatment with accommodation/ nigh**	200	206	212	219	225	232	239	246	253	261
Average price of treatment without accommodation	60	62	64	66	68	70	72	74	76	78
Total Revenues – Thousand JD	1,635	1,768	1,908	2,055	2,209	2,370	2,538	2,715	2,900	3,094

* Visitors to clinics expected without hospitalization (tourist spa)

** this rate includes the average price of treatment in addition to accommodation and food and drink services

5.5 The Projected Costs

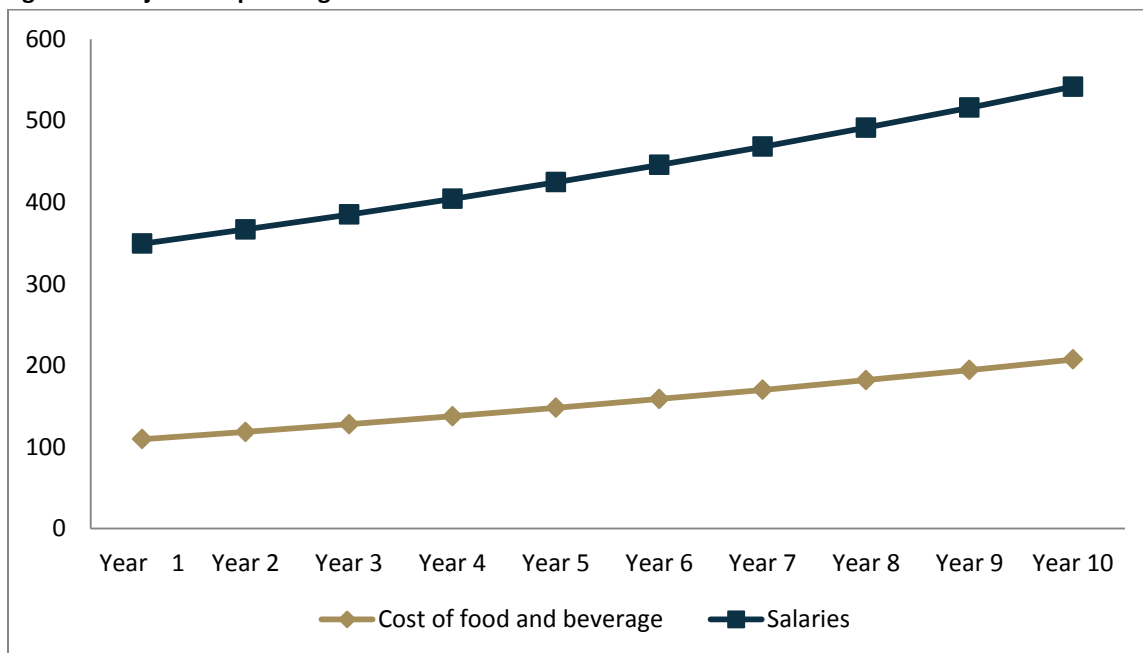
Operating Costs

The following table shows the project's operating costs according to the previous assumption over ten years. Cost of food and beverage in year 1 amounted to JD 109.5 thousand which increase to reach JD 207 thousand in Year 10. Moreover, the salaries' increase from JD 349.2 thousand in the first year to JD 541.7 thousand in the tenth year.

Table 25: Operating Costs

Operating Costs (in thousand JD)										
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cost of food and beverage	109.5	118.4	127.8	137.6	147.9	158.7	170.0	181.8	194.2	207.2
Cost of water and electricity	130.8	141.5	152.7	164.4	176.7	189.6	203.1	217.2	232.0	247.5
Treatment materials	98.1	106.1	114.5	123.3	132.5	142.2	152.3	162.9	174.0	185.6
Salaries	349.2	366.7	385.0	404.2	424.5	445.7	468.0	491.4	515.9	541.7
Staff Benefits	87.3	91.7	96.2	101.1	106.1	111.4	117.0	122.8	129.0	135.4
IT Cost	5.0	5.3	5.5	5.8	6.1	6.4	6.7	7.0	7.4	7.8
Depreciation	208.4	208.4	208.4	208.4	208.4	208.4	208.4	208.4	208.4	208.4
Maintenance	29.5	31.0	32.5	34.1	35.9	37.7	39.5	41.5	43.6	45.8
Rents	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Total	1067.8	1119.0	1172.6	1228.9	1288.0	1349.9	1414.9	1483.0	1554.5	1629.4

Figure 3: Projected Operating Costs



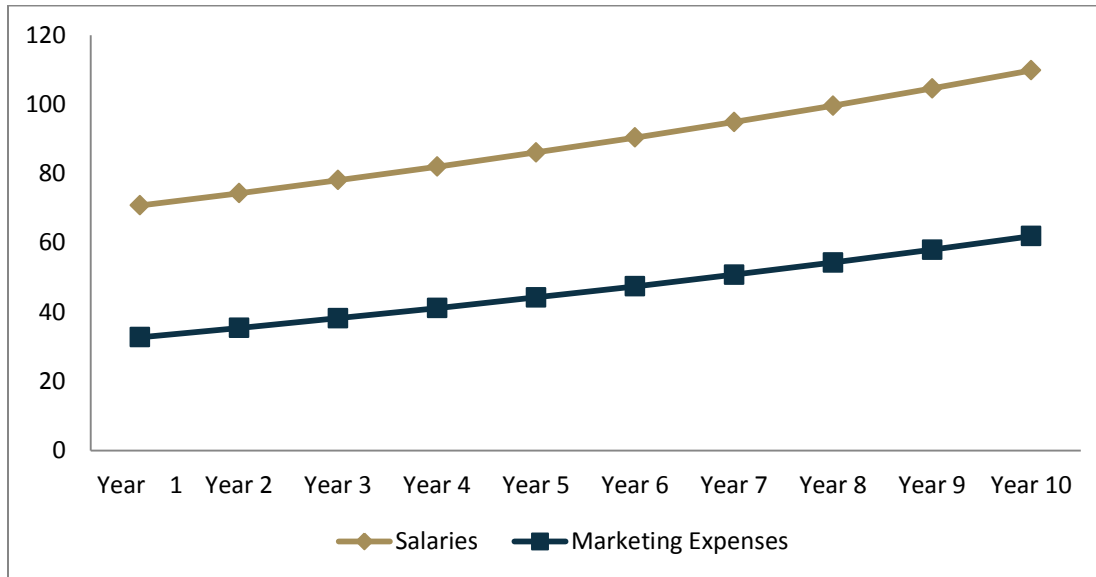
Administrative Expenses

The following table shows the projected administrative expenses of the project. Employees' salaries reach JD 71 thousand in the first year and increase to JD 110 thousand in the tenth year. The marketing expenses are about JD 33 thousand in the first year and increase to reach JD 62 thousand in the tenth year.

Table 26: General and Administrative Expenses

General and Administrative Expenses (in thousand JD)										
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Salaries	70.8	74.3	78.1	82.0	86.1	90.4	94.9	99.6	104.6	109.8
Staff Benefits	17.7	18.6	19.5	20.5	21.5	22.6	23.7	24.9	26.2	27.5
Staff Incentives	81.8	88.4	95.4	102.7	110.4	118.5	126.9	135.7	145.0	154.7
Stationery	5.0	5.3	5.5	5.8	6.1	6.4	6.7	7.0	7.4	7.8
Professional Fees	5.0	5.3	5.5	5.8	6.1	6.4	6.7	7.0	7.4	7.8
Marketing Expenses	32.7	35.4	38.2	41.1	44.2	47.4	50.8	54.3	58.0	61.9
Other Expenses	15.0	15.8	16.5	17.4	18.2	19.1	20.1	21.1	22.2	23.3
Amortization	67.9									
Total	295.8	243.0	258.7	275.2	292.6	310.7	329.8	349.8	370.7	392.6

Figure 4: General and Administrative Expenses



5.6 Projected Financial Statements

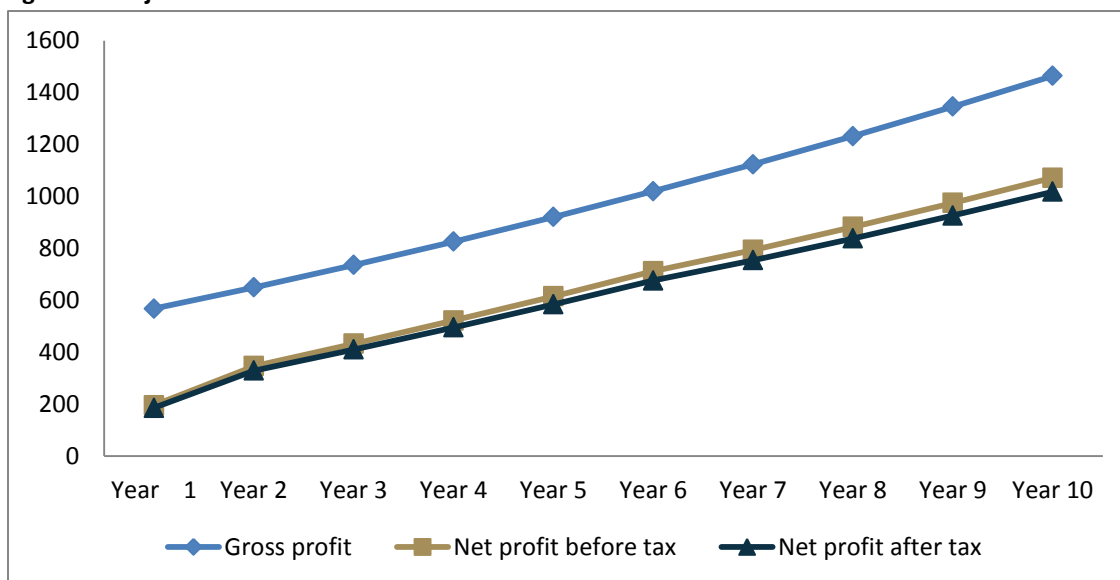
Income Statement

The following table shows the projected income statement of the project. It indicates that gross profit will increase from JD 567 thousand in the first year to JD 1.4 million in the tenth year. The net profit before tax will also increase from JD 195 thousand in the first year to JD 1 million in the tenth year, and the net profit after tax will increase from JD 185 thousand in the first year to JD 1 million in the tenth year.

Table 27: The Projected Income Statement

Income Statement (in thousand JD)										
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues	1,635.2	1,768.5	1,908.3	2,054.9	2,208.5	2,369.6	2,538.3	2,715.0	2,900.0	3,093.7
Operating costs (cost of sales)	1,067.8	1,119.0	1,172.6	1,228.9	1,288.0	1,349.9	1,414.9	1,483.0	1,554.5	1,629.4
Gross profit	567.4	649.5	735.6	825.9	920.5	1,019.6	1,123.4	1,231.9	1,345.5	1,464.3
Administrative expenses	295.8	243.0	258.7	275.2	292.6	310.7	329.8	349.8	370.7	392.6
Net profit	271.6	406.5	476.9	550.7	628.0	708.9	793.6	882.2	974.8	1,071.7
financial expenses	76.3	60.6	44.8	29.1	13.3	(2.4)	-	-	-	-
Net profit before tax	195.2	346.0	432.1	521.6	614.6	711.3	793.6	882.2	974.8	1,071.7
Tax	9.8	17.3	21.6	26.1	30.7	35.6	39.7	44.1	48.7	53.6
Net profit after tax	185.5	328.7	410.5	495.5	583.9	675.7	753.9	838.1	926.1	1,018.1

Figure 5: Projected Income Statement



Projected Balance Sheet

The following table shows the projected balance sheet of the project during the first ten years. It indicates that total assets will increase from JD 3.4 million in the year of incorporation to about JD 4.5 million in the tenth year.

Table 28: Projected Balance Sheet

Projected Balance Sheet (in thousand JD)											
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
Cash	425	602	733	889	1,070	1,278	1,400	1,834	2,292	2,778	3,290
Receivables		33	35	38	41	44	47	51	54	58	62
Inventory		31	34	37	39	42	45	49	52	56	59
Other assets	-	10	10	10	10	10	10	10	10	10	10
Total Current Assets	425	676	812	974	1,161	1,374	1,503	1,943	2,409	2,901	3,422
Fixed Assets	2,968	2,968	2,968	2,968	2,968	2,968	3,283	3,283	3,283	3,283	3,283
Cumulative Depreciation	-	276	485	693	901	1,110	1,318	1,527	1,735	1,943	2,152
Pre- Operating Expenses	-										
Net Fixed Assets	2,968	2,692	2,483	2,275	2,066	1,858	1,965	1,756	1,548	1,339	1,131
Total Assets	3,393	3,367	3,296	3,248	3,227	3,232	3,467	3,699	3,957	4,241	4,553
Shareholders Equity and Liabilities											
Accrued Expenses and Payables		94	98	103	108	113	119	125	131	137	143
Long Term Loans	848	673	498	323	148	(27)	-	-	-	-	-
Total Liabilities		767	597	426	256	87	119	125	131	137	143
Shareholders Contributions	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545
Retained Earnings		56	154	277	426	601	804	1,030	1,282	1,559	1,865
Shareholders' Equity	2,545	2,600	2,699	2,822	2,971	3,146	3,349	3,575	3,826	4,104	4,409
Shareholders Equity and Liabilities	3,393	3,367	3,296	3,248	3,227	3,232	3,467	3,699	3,957	4,241	4,553

Cash Flow Statement

The following table shows the projected cash flow statement of the project during the first ten years. It indicates that the cash flow from operation will increase from JD 482 thousand in the first year to JD 1.2 million in the tenth year; while the Cash at the ending period will increase from JD 425 thousand in the year of incorporation to JD 3.3 million in the tenth year.

Table 29: 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	Year 6	Year 7	Year 8	Year 9	Year 10
Operation Activities											
Net Profit	-	185	329	410	496	584	676	754	838	926	1,018
Depreciation	-	276	208	208	208	208	208	208	208	208	208
Change In Working Capital	-	20	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Cash Flow From Operation	-	482	536	618	703	791	883	961	1,046	1,134	1,225
Investing Activities											
Fixed Assets	(2,968)	-	-	-	-	-	(315)	-	-	-	-
Cash From Investing Activities	(2,968)	-	-	-	-	-	(315)	-	-	-	-
Financing Activities											
Capital (Equity)	2,545	-									
Loan	848	(175)	(175)	(175)	(175)	(175)	27	-	-	-	-
Dividends		(130)	(230)	(287)	(347)	(409)	(473)	(528)	(587)	(648)	(713)
Cash Flow From Financing Activities	3,393	(305)	(405)	(462)	(522)	(584)	(446)	(528)	(587)	(648)	(713)
Net Cash Flow	425	177	131	156	181	208	122	434	459	485	513
Cash At The Beginning Period	0	425	602	733	889	1,070	1,278	1,400	1,834	2,292	2,778
Cash At The Ending Period	425	602	733	889	1,070	1,278	1,400	1,834	2,292	2,778	3,290

5.7 Financial, Economic and Social Analysis

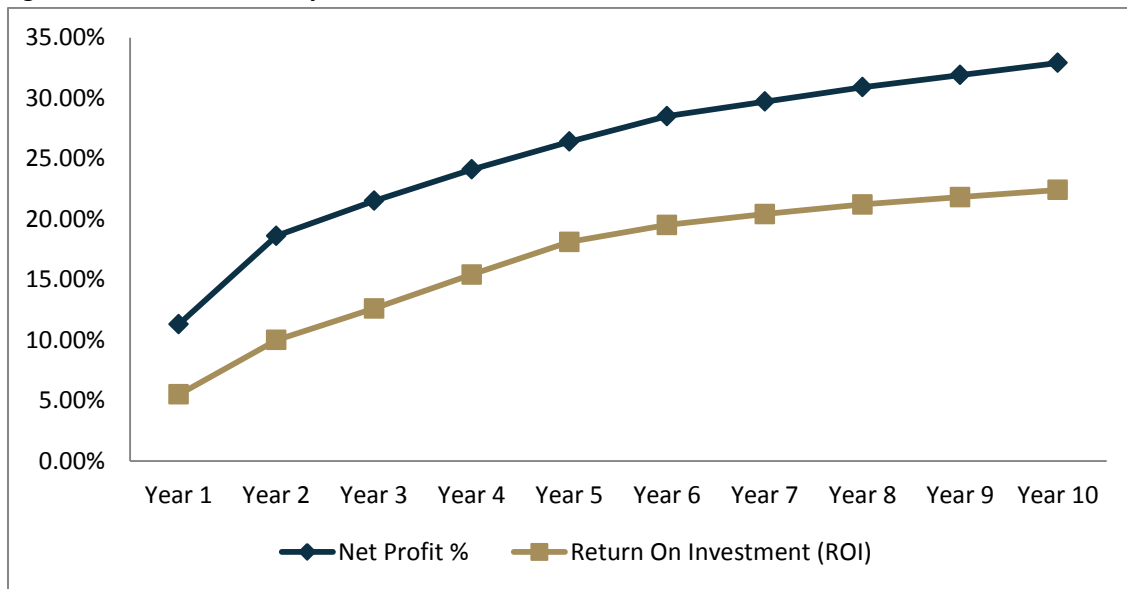
Financial Analysis

The following table shows the financial analysis of the project. It indicates that the net profit ratio will increase from 11.3% in the first year to 33% in the tenth year, and the return on investment will increase from 5.5% in the first year to 22% in the tenth year.

Table 30: Financial Analysis

Financial Analysis (In Thousand JD)										
Item	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets	3,367	3,296	3,248	3,227	3,232	3,467	3,699	3,957	4,241	4,553
Revenues	1,635	1,768	1,908	2,055	2,209	2,370	2,538	2,715	2,900	3,094
Profits	185	329	410	496	584	676	754	838	926	1,018
Capital (Equity)	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545
Net Profit %	11.3%	18.6%	21.5%	24.1%	26.4%	28.5%	29.7%	30.9%	31.9%	32.9%
Return On Investment (ROI)	5.5%	10.0%	12.6%	15.4%	18.1%	19.5%	20.4%	21.2%	21.8%	22.4%
Return On Capital (ROC)	7.3%	12.9%	16.1%	19.5%	22.9%	26.6%	29.6%	32.9%	36.4%	40.0%
Net Profit On Revenues	11.3%	18.6%	21.5%	24.1%	26.4%	28.5%	29.7%	30.9%	31.9%	32.9%
Assets Turnover (Time)	0.49	0.54	0.59	0.64	0.68	0.68	0.69	0.69	0.68	0.68

Figure 6: 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 24.6%. It exceeded six times the risk free rate, which means the economic feasibility of the project
- The present value of the project reached about JD 4.8 million. It exceeds the investment value with JD 2.5 million, which means the economic feasibility of the project.
- The profitability index of the project reached 1.88 times, which means that the expected value of the project will increase by two times the investment value, which proves that the project is feasible.
- The project payback period is 5.3 years.

Table 31: the Economic Analysis

Economic Analysis (in Thousand JD)											
Statement	Year of incorporation	Year1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net cash flow from operating and investing activities	(2,545)	307	361	443	528	616	910	961	1,046	1,134	1,225
terminal value						-	-	-	-	-	4,409
Net Cash flow	(2,545)	307	361	443	528	616	910	961	1,046	1,134	5,635
Internal Rate of Return (IRR)	24.6%										
present Value	4,796										
Net present value	2,252										
Profitability Index	1.88										
Payback period (Year)	5.3										

Social Analysis

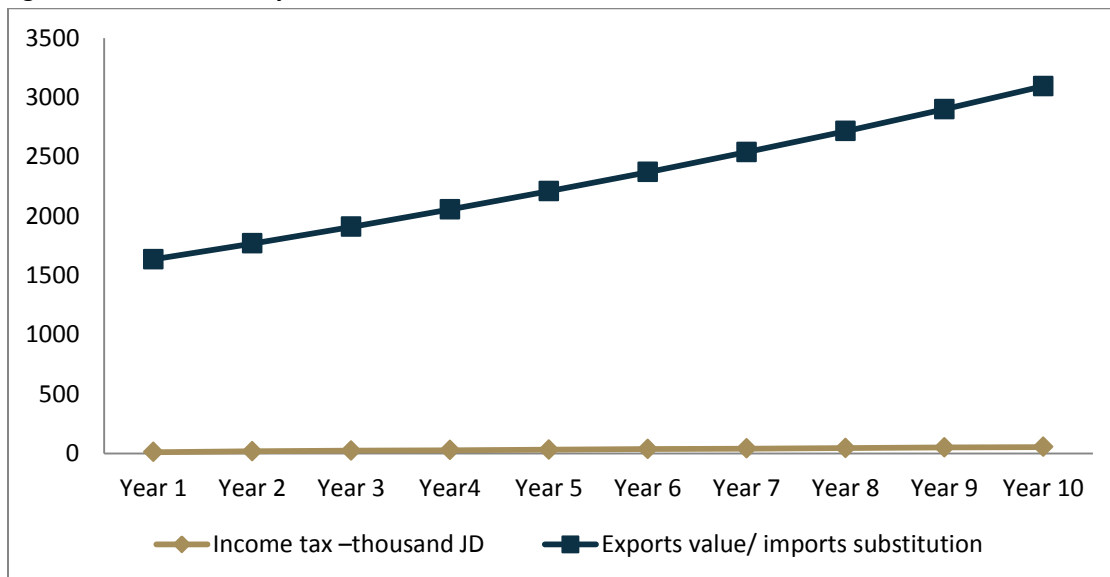
The following table shows the social analysis of the project. It is noticed that the number of staff required for the project will increase from 60 employees in the first year to 72 employees in the tenth year. The number of Jordanian employees will increase from 18 employees in the first year to reach 22 employees in the tenth year.

The added value of the project will also increase from JD 787 thousand in the first year to JD 1.8 million in the tenth year. The income tax will also increase from JD 10 thousand to reach JD 54 thousand in the tenth year.

Table 32: the Social Analysis of the Project

Social Analysis										
Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Number of Employees	60	61	62	64	65	66	68	69	70	72
Jordanian employees	18	18	19	19	19	20	20	21	21	22
The added value –thousand JD	787	940	1,034	1,132	1,235	1,343	1,457	1,577	1,702	1,833
Income tax –thousand JD	10	17	22	26	31	36	40	44	49	54
sales tax value –thousand JD	-	-	-	-	-	-	-	-	-	-
Exports value/ imports substitution	1,635	1,768	1,908	2,055	2,209	2,370	2,538	2,715	2,900	3,094

Figure 7: 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 33: 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 	<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 by foreign currency ▪ There is no risk of inflation because the company's pricing is based on a periodic basis

Risks	Type of Risks	Risk Assessment
	<p>financial instrument, due to fluctuations in foreign currency exchange rates.</p> <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 	<ul style="list-style-type: none"> ▪ The risks are considered low before the company's establishment, because of getting the approval of the official authorities ▪ Reputational risk is very high, as the company deals with very sensitive issues such treatment ▪ Market risk in the short term will be low because of the low competition from other companies (just two centers in dead sea hotels)

Risks	Type of Risks	Risk Assessment
	<p>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 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. 	<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
	<ul style="list-style-type: none"> ▪ 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 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 34: Investment Increase by 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	24.6%	22.5%	2.1%
The Present Value at a discount rate of 13% (in Thousand JD)	4,796	4797.4	(1)
Net Present Value at a discount rate of 13% (in Thousand JD)	2,252	1992.6	259
Profitability Index	1.88	1.71	0
Payback period (Year)	5.30	5.80	(1)
The Net Profit Ratio – an average of 10 years	28.5%	28.2%	0.3%
Return on Investment - an average of 10 years	19.5%	18.0%	1.5%
Return on Capital – an average of 10 years	26.6%	23.8%	2.7%
Net Profit On Revenues - an average of 10 years	28.5%	28.2%	0.3%
Assets Turnover (Time) – an average of 10 years	0.7	0.6	0
The added value - an average of 10 years (in thousand JD)	1343	1344	(0)
income tax - an average of 10 (in thousand JD)	36	35	0
sales tax - an average of 10 years (in thousand JD)	0	0.0%	-

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 22.5%, which is considered high for investment purposes
- The new payback period is 5.8 years, and it is reasonable for recovery purposes
- The return on capital is 23.8%, 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 35: Reducing Revenues 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	24.6%	18.4%	6.2%
The Present Value at a discount rate of 13% (in Thousand JD)	4,796	3557.1	1,239
Net Present Value at a discount rate of 13% (in Thousand JD)	2,252	1012.5	1,239
Profitability Index	1.88	1.40	0
Payback period (Year)	5.30	6.70	(1)
The Net Profit Ratio – an average of 10 years	28.5%	21.7%	6.9%
Return on Investment - an average of 10 years	19.5%	14.7%	4.8%
Return on Capital – an average of 10 years	26.6%	18.2%	8.4%
Net Profit On Revenues - an average of 10 years	28.5%	21.7%	6.9%
Assets Turnover (Time) – an average of 10 years	0.7	0.7	0
The added value - an average of 10 years (in thousand JD)	1343	1130	214
income tax - an average of 10 (in thousand JD)	36	24	11
sales tax - an average of 10 years (in thousand JD)	0	0.0%	-

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 18.4%, which is considered high for investment purposes
- The new payback period is 6.7 years, and it is reasonable for recovery purposes
- The return on capital reaches 18.2%, 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 36: Increasing the Operating Costs by 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	24.6%	20.8%	3.7%
The Present Value at a discount rate of 13% (in Thousand JD)	4,796	4040.5	756
Net Present Value at a discount rate of 13% (in Thousand JD)	2,252	1495.9	756
Profitability Index	1.88	1.59	0
Payback period (Year)	5.30	6.00	(1)
The Net Profit Ratio – an average of 10 years	28.5%	23.1%	5.4%
Return on Investment - an average of 10 years	19.5%	16.7%	2.8%
Return on Capital – an average of 10 years	26.6%	21.5%	5.0%
Net Profit On Revenues - an average of 10 years	28.5%	23.1%	5.4%
Assets Turnover (Time) – an average of 10 years	0.7	0.7	(0)
The added value - an average of 10 years (in thousand JD)	1343	1215	128
income tax - an average of 10 (in thousand JD)	36	29	7
sales tax - an average of 10 years (in thousand JD)	0	0.0%	-

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 20.8%, which is considered high for investment purposes
- The new payback period is 6 years, and it is reasonable for recovery purposes
- The return on capital is 21.5%, which is suitable for investment purposes