



**Pre-Feasibility Study
Establishing Event Management and
Organization Company in Madaba Governorate**

April 2017



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Madaba Governorate



Executive Summary

This study aims at determining the pre-feasibility to establish a company that organizes events through its permanent location in Madaba. The company organizes two kinds of events; the first type of events is related to the various tourist seasons as well as different popular and traditional activities, with which Madaba is distinguished and characterized with, such as handicrafts and mosaics that is very popular in Madaba, Christian Pilgrimage seasons, various agricultural seasons and other activities. The other type is related to organizing celebrations and special events such as weddings, engagement parties, in addition to organizing companies' related events such as meetings, regular meetings and events in the permanent company's location in the governorate.

The project site contains equipped halls specialized for all kinds of events organized by the company. The company site provides all necessary equipment, requirements and supplies necessary for different events, in addition to competent outsourcing to provide any other unavailable requirements.

Table 1: Initial Indicators of the Project

Project Name	Event management Company
Sector	Tourism
Governorate	Madaba
Region	Madaba City
Products/Services	Events management and organization services, including: <ul style="list-style-type: none"> • Tourist, traditional and heritage activities events. • Private parties' occasions. • Companies events.
Project Description	The project is to establish a company for organizing tourist and popular activities events in line with the various seasons and occasions in the governorate over the year, in addition to organizing the private parties and events, (such as, marriage and engagement parties), as well as events of companies, (such as meetings and workshops) through its permanent site in Madaba Governorate.
Target Market	<ul style="list-style-type: none"> • In bound tourism. • Internal tourism of students from schools, universities and community colleges. • Arab and Jordanian tourist; especially in summer months. • Companies in various sectors; especially the major ones. • People in Madaba Governorate desiring to hold parties and events. • People in governorates near to Madaba desiring to hold parties and events.
Investment Cost	The investment cost of the project is JD 1.009 million.
The Average Return On Investment	Average return on investment (ROI) during the five years is 15.8%.

Internal Rate Of Return	Internal Rate of Return (IRR) for the project is 23%.
Average Added Value Of The Project	The average added value for the project within five years is JD 381 thousand.
Risk Assessment	The Sensitivity Analysis indicates a low risk in case of 10% increase in investment cost, or 10% increase in operating costs, whereas a high risk in case of 10% decrease in revenues.
The Project Justifications	<ul style="list-style-type: none"> • The unavailability of large halls to hold social events in Madaba Governorate. • Many people desire to hold their events in external open areas rather than the closed areas, hotels or halls. • Highlighting the relative advantage of Madaba Governorate in terms of agriculture, tourism and heritage. • Employing the manpower and micro-projects` owners in the region. • Enriching the tourist visit with a distinguished memorable experience.
Partners/Stakeholders	<ul style="list-style-type: none"> • Ministry of Tourism and Antiquities. • Municipality.

1. The Macroeconomic Environment

1.1 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.

1.2 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.

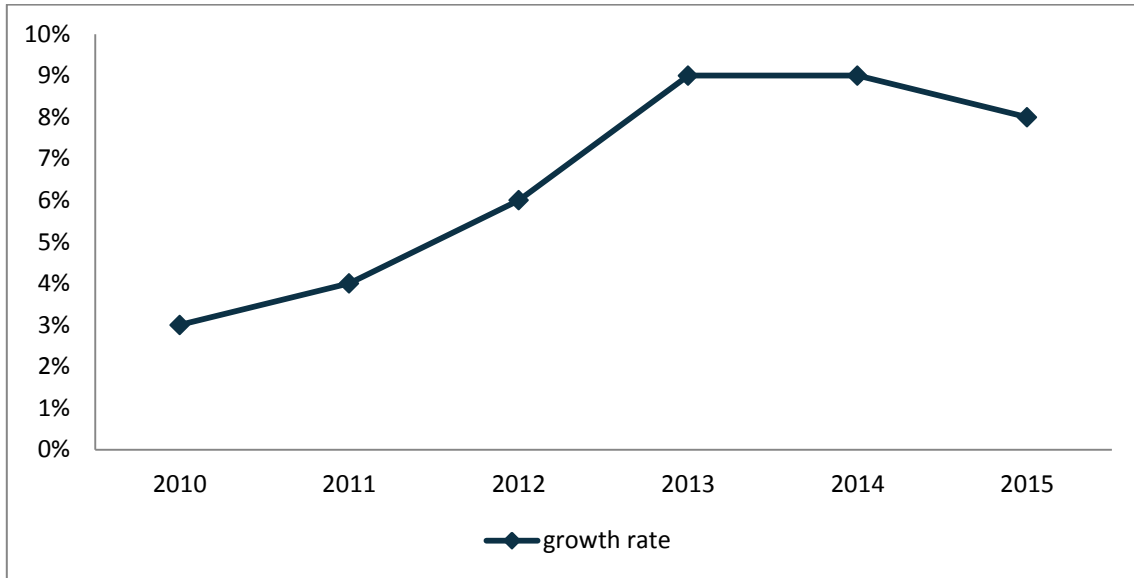
The unemployment rate among Jordanians also witnessed a rise by 1.1 percentage to reach to 13%, due to the structural imbalances that the labor market is suffering from and the acquisition of the low-paid foreign workers on a large number of new jobs in the economy, according to the Central Bank of Jordan.

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



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

	2011	2012	2013	2014	2015
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.

1.4 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.

1.5 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

2. Market Study

2.1 Project Description

The project is to establish a company that organizes events through its permanent site in Madaba. The company organizes two kinds of events; the first type of events is related to the various tourist seasons as well as different popular and traditional activities with which Madaba is distinguished with throughout the year, such as handicrafts and mosaics that is very popular in Madaba, Christian Pilgrimage seasons, various agricultural seasons and other activities. The other type is related to organizing celebrations and special events such as weddings, engagement parties, in addition to organizing companies' related events such as meetings, regular meetings and events in the permanent company's location in the governorate.

The project site contains equipped halls specialized for all kinds of events organized by the company. The company site provides all the necessary equipment, requirements and supplies necessary for different events, in addition to competent outsourcing to provide any other Unavailable requirements.

2.2 Expected Services Description

The expected project services include events organization services that include:

- Organizing events, tourist, popular and traditional activities as follows:
 - Organizing regular festivals/fairs (weekly, bi-weekly or monthly) associated with different seasons in Madaba, (such as Olive season, Christian pilgrimage season and World Mosaic Week)

- Organizing parties and special events as follows:-
 - Holding parties in the company's internal and external halls equipped with furniture and equipment such as sound and lighting systems.
 - Providing food and beverage services by sub-contracting to specialized service providers.
 - Providing photography services, flower arrangement, etc. through sub-contracting with specialized service providers.

- Organizing corporate events as follows:-
 - Holding events in the internal and external halls (such as meetings, seminars, workshops, etc.)
 - Providing food and beverage services by sub-contracting to specialized service providers.
 - Provide all supplies and equipment necessary to implement events, which include (projectors, sound devices, etc.)

- The company also provides the following services:-
 - Internet connection (wifi)
 - Parking

2.3 Market Analysis

Overview of the tourism sector in Madaba

Madaba is characterized by its tourist nature that provides religious and therapeutic tourism facilities. There are many religious and archeological sites in addition to the tourist areas such as the Ma'in water falls, as well as climatic diversity in different regions of Madaba, which encourages tourists and hikers to visit these areas throughout the year.

The Most important archaeological and tourist sites in Madaba include the following:

- Mount Nebu
- St. George's Orthodox Roman Church (Map Church)
- Makawar area, Makawar Citadel is located at the top of the hill, also known as Great Herod's Castle.
- Ma'in water falls, which is around 3 km to the south near the town of Madaba, where there are mineral springs that can treat some neurological and skin diseases.
- Umm Al-Rasas site
- Al-Maghtas (the baptism site)
- Madaba traditional Museum and Archaeological Museum
- Madaba Visitors Center
- Dead Sea Panorama

Madaba is also famous for ancient mosaics and churches. The province includes a large number of churches such as the Church of the Virgin Mary, the Church of the Martyrs, the Church of Ela Al-nabi and the Church of Apostles, where there are many mosaics paintings. It also has the Muhtarak palace, Saraya building and other archaeological sites.

It should be noted that Madaba has won the title of the "2016 International City of Mosaic Handicrafts" in the competition organized by the World Craft Council. Madaba's victory of this world title placed it in a distinguished place on the map of world tourism regarding handicrafts and mosaics profession. This will contribute to promoting tourism in Madaba through organizing handicrafts and mosaics exhibitions there.

Market Size Analysis

Demand on the proposed project services in this region is affected by several factors, which include the following:

First: Organizing festivals and tourist events

- **Visitors of tourist and archaeological sites in Madaba.**

The proposed project in this study is affected by the number of visitors to the tourist and traditional sites in Madaba. It targets mainly both domestic and international tourists (Local tourism). The following table indicates the total number of visitors of the archaeological and tourist sites in Madaba and nearby areas including foreign and Jordanian visitors, for the years 2010 until the third quarter of the year 2016, as follows:

Table 7: Number of visitors of architectural and tourist sites in Madaba Governorate 2010-2016:

Site	2010	2011	2012	2013	2014	2015	3 rd quarter 2015	3 rd quarter 2016
Mount Nebu	394,993	207,821	189,188	173,210	167,904	106,316	72,483	74,310
Map Church	399,057	217,518	212,550	207,021	208,959	129,485	89,492	95,327
Makawar	18,638	13,884	13,143	10,871	12,181	9,770	7,438	6,608
Umm Al-Rasas	14,834	12,165	10,817	13,102	15,945	8,352	5,844	4,936
Al-Maghtas (baptism site)	160,673	97,530	88,662	86,339	91,555	65,990	47,108	54,628
Madaba Museum	23,500	13,300	15,650	18,575	19,050	13,987	10,100	6,750
Madaba Visitors Center	228,636	110,991	92,272	93,066	101,141	72,149	46,904	44,575
Dead Sea Panorama	16,873	15,611	16,500	13,562	35,150	28,400	21,900	33,701

Source: Ministry of Tourism and Antiquities

* Umm Al-Rasas from January to March

According to the above table. It can be noticed that the number of visitors from 2011 to 2014 has generally declined in the archaeological and tourist sites. The main reason for this is the impact of instability in neighboring countries. In contrast, the number of visitors to some sites from January to September 2016 began to increase compared with the same period in 2015. The number of visitors to Mount Nebo has reached 2.5%, to The Map Church is 6.5%, and also to Al-Maghtas (Baptism site) has increased by around 16%. In Dead Sea Panorama, which is near to the project area, the percentage of visitors reached 54%. This indicates an improvement in total visitor increase numbers to these places, where the project targets these visitors to visit the tourist and traditional events that are organized through the proposed company.

It should be noted that figures of the Madaba Tourism Directorate regarding the number of visitors to Madaba during the first two months of this year indicated that 22,567 visitors from different nationalities have arrived, while the number in these two months of last year was 13,711 visitors,

which means that the number has increased by 64%, that gives unquestionable indications of a remarkable improvement of tourism season this year.

- **Kingdom Visitors:**

The project also targets the Kingdom's visitors from the Arab and foreign countries to Jordan for tourism. The following table shows the number of visitors to the Kingdom from 2011 to 2015, as well as the entrance center. The comers through Queen Alia International Airport, Amri, Modawara and Jordan Valley are most likely to visit Madaba because it is close and the probability to visit Madaba is high.

Table 8: Comers for 2011-2015

Travel method	1000 people				
	2011	2012	2013	2014	2015
Land	6,115	5,215	3,957	3,768	3,205
Sea	364	363	281	291	283
Air	2,408	2,656	2,794	2,973	2,989
Total	8,886	8,234	7,032	7,032	6,477
Authorized center					
Queen Alia International Airport	2,106	2,459	2,638	2,885	2,926
Amman Civil Airport	147	134	100	38	29
Airport of Aqaba	154	62	56	50	34
Ramtha	319	201	11	0	1
Amari	1502	1463	1331	1282	1050
Modawara	750	665	509	547	611
Durra	377	353	325	337	238
Port of Aqaba	364	363	281	291	283
Jordan River Crossing	265	254	248	230	204
Al Karama	370	451	366	178	45
Wadi Araba Crossing	215	155	151	140	111
Bridges	746	753	723	866	913
Jaber	1572	920	293	188	32

Source: Department of Statistics, Statistical Yearbook 2015

The performance indicators of the tourism sector showed that the total number of the Kingdom visitors (Dead Sea visitors and one day visitors) during the period of January and February 2017 has increased by 9.4% compared with the same period in 2016. As for the number of visitors to archaeological sites, the number of visitors to Madaba has increased by 45% and visitors to Mount Nebo increased by 45%. These positive indicators for the Jordanian tourism sector during the first two months of this year assures that the tourism sector's progress has achieved more gains, restored confidence and put Jordan on the world tourism map.

It should be noted that Jordan is interested in transit tourists traveling in Jordan, and The Ministry of Tourism and Antiquities has launched the Transit Tourism Program, which includes two tourist buses to serve the transit passengers within routes and programs specially designed for transit passengers to allow them to visit tourist sites in Madaba and the capital. The program targets transit passengers

that their duration of waiting at the airport is more than 6 hours and less than 24 hours at a nominal cost. Transit passengers will be exempted from visa fees. This program will attract more visitors to the area, which will positively affect the proposed project.

- **Hotel guests in Madaba**

According to statistics of the Ministry of Tourism and Antiquities, there are 11 hotels in Madaba in 2016, as the following table indicates the number of hotels as well as its classification as follows:

Table 9: Number of classified and unclassified hotels and apartments for 2016:

Location	Classification	Hotel No.
Maeen	4 Stars	1
Madaba	3 Stars	1
	2 Stars	1
	1 Star	4
	Hotel apartments	1
	Unclassified	3
Total of Madaba Governorate		11

Source: Ministry of Tourism and Antiquities, 2016

The total number of visitors to Madaba Hotels in 2015 was 5,295 visitors, of which Jordanians were 520 visitors. The number of Maeen Hotel visitors reached 10,454, of which 5,625 were Jordanians. These visitors are coming for tourism. They are to visit Tourism and traditional events organized at the project site.

Table 10: number of nights and number of hotels guests:

Region		2015	
		Madaba	Janna Maeen
African countries	Nights No.	59	118
	Guests No.	28	46
American countries	Nights No.	858	1118
	Guests No.	645	873
Arab countries	Nights No.	1221	1959
	Guests No.	536	1475
Asian and Pacific countries	Nights No.	1848	491
	Guests No.	587	392
European countries	Nights No.	4301	3369
	Guests No.	2979	2043
Jordanian	Nights No.	959	6380
	Guests No.	520	5625
Total	Nights No.	9,246	13,435
	Guests No.	5,295	10,454

Source: Ministry of Tourism and Antiquities, 2016

- **Local tourism**

Local tourism includes local visitors coming from different governorates within Jordan, among those tourists the project directly targets school, university and community college students for their large

numbers and their significant and positive impact on the activities of the proposed project as follows:

- Schools Visitors

Schools are making a number of local tourism trips for their students to visit tourist and archeological sites in various places in Jordan, where they are potential visitors to visit the events organized by the project. The following table indicates the number of schools (public and private) and the number of students in Madaba and nearby governorates. Kindergarten students have been excluded. The students in elementary and secondary stages, are the most likely to make a visit to the tourism places and events in Madaba.

Table 11: Number of schools and students for 2015:

Governorate	School No.	Total Students	Students of elementary and secondary school
Madaba	195	48,867	45,260
Amman	2,190	692,047	647,904
Zarqa	748	270,253	256,809
Jerash	267	56,211	52,298
Karak	392	72,965	67,803
Balqa	473	126,815	117,416

Source: Ministry of Education, Annual Report 2015

- Visitors of universities and community colleges

The following table shows the number of public and private universities during the academic year 2014/2015 in Madaba and nearby areas. The table shows a large number of target students to visit the events organized by the project in the region.

Table 12: Number of students in Madaba and nearby areas for 2014-2015:

Governorate	Universities No.	Students No.
Madaba	1	1,322
Amman	10	82,117
Zarqa	2	35,942
Karak	1	20,556
Balqa	2	33,587

Source: Ministry of Higher Education and Scientific Research

As for the targeted community colleges, the number of students reached 8.179 for academic year 2014-2015

Second: Organization of Events & Occasions

This service includes organizing parties and special events such as weddings and engagement parties, as well as organizing events for companies such as meetings, workshops, etc. the most important related indicators are as follows:

• **Number of marriages:**

As for organizing the parties and Occasions at the project site, the size of demand for parties in Madaba is affected by the number of marriages. The table below shows the number of marriages for

the years 2011-2015 in Madaba, in addition to Amman, which is close to Madaba and many of the citizens may wish to hold parties in Madaba because of the high occupancy rates of wedding halls places in Amman, especially in the summer months, in addition to the tendency of many people to hold their events in open places such as farms and other places.

Table 13: marriages for 2011-2015:

Governorate	2011	2012	2013	2014	2015
Madaba	1727	1868	1720	2145	2176
Amman	24587	26851	26822	29440	29740

Source: Department of Statistics, Statistical Yearbook 2015

- **Number of economic establishments**

The number of economic establishments operating in Madaba from all economic activities amounted to 3,612 establishments. The following table shows the number of economic establishments operating in Madaba as well as the number of establishments in the areas near Madaba which are likely to go to Madaba for holding special events.

Table 14: number of economic facilities operating within the kingdom by the economic sector and governorate:

Governorate	Economic sector					Total
	Manufacturing sector	Commercial sector	Construction sector	Services sector	Mining and Extractive Industries Sector	
Madaba	507	2,171	10	923	1	3,612
Amman	9,886	37,522	799	21,099	32	69,338
Balqa	1,146	4,929	43	1,981	3	8,102
Zarqa	3,498	14,038	169	5,811	15	23,531
Karak	584	3,416	12	1,224	6	5,242

Source: Department of Statistics, General establishments Census 2011

Overview of Competitors:

As for the activities that compete with the proposed project and similar to it in the areas near Madaba, Jara Market in Amman is one with similar activities. The following table shows the details of this market.

Company Name (Exhibition)	Jara Market
Site	Amman
General Description	Seasonal market begins on a weekly basis every Friday during May and ends in September. This market is established annually by the Association of Jabal Amman Residents and it is a heritage market being established in Jabal Amman neighborhood in downtown Amman and the tourists often visit it during summer. The market is established under the patronage of the Honorary President of the Prince Ali Bin Al Hussein Society and in coordination with the Greater Amman Municipality. The activity of this market started in season of 2005.
Market Exhibits	This market concentrates on the folklore, popular art, local and Arab art, and fine art, where many artists display their creations including the paintings, sculptures, antiques and copper works. Most exhibits of this market are handicrafts and accessories, and there is a theater for singing and popular parties. It also includes a children's area and an oriental café. This market targets local and visiting families of Jordan.
Prices	Cost of leasing a table for displaying the handmade goods is 35 JD/day. If the goods include food, the cost of leasing a table is 60 JD/day.

As for organizing the parties and events, the study team has collected information about the most important entities that render services of organizing parties and events in Madaba Governorate and the nearby areas as follows:

Organizing and holding the private parties and events:

Place Name	Madbon
Site	Madaba
General Description	Farm provides an outdoor space specialized for holding various parties and events between June and October. It is equipped with all equipment and supplies and it can accommodate up to 500 people.
Prices	Cost of reserving the location is 10 JD/ person. Plus cost of lighting and sound system of JD 1,500. Cost of food service in case of adding the same is JD 24 per person excluding tax.

Place Name	Our Farm
Site	Airport Road
General Description	Outdoor place allocated for holding various parties and events. It is

Prices	<p>equipped with all furniture, equipment and supplies of holding the parties including the lighting, sound and electricity systems ... etc. It includes swimming pool and can accommodate up to 400 people. The farm has indoor hall accommodates for 150 people.</p> <p>Cost of organizing the party is as follows:</p> <ul style="list-style-type: none"> - Organizing party includes all supplies plus the hospitality; (cake and juice), JD 3,500 for 200 people. - Organizing party includes all supplies plus complete buffet, JD 6,500 for 200 people. - Place reservation only JD 1,500.
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Place Name	Level Farm
Site	Yaduda opposite Madaba bridge
General Description	Outdoor place specialized for holding various parties and events. It is equipped with all furniture, equipment and supplies of holding the parties including the lighting, sound and electricity systems... etc. It can accommodate up to 300 people.
Prices	<p>Cost of organizing party is as follows:</p> <ul style="list-style-type: none"> - Organizing the party by Level Farm including the place, all equipment's of lightings, photographing, music and car as well as service of food and drink from 35/40/50 JD / person (according to the chosen menu).

Place Name	Exit Club
Site	Airport road
General Description	External place to hold the parties contains swimming pool and terraces and it can accommodate up to 500 people.
Prices	Cost of organizing party inclusive all supplies plus buffet from 32-48 JD/Person inclusive of the tax and service (according to the chosen menu) in addition to a night stay at a 5 star hotel in Amman.

Place Name	Naya Farm
Site	Madaba Bridge Umm Al Amad Area
General Description	Farm with area specialized for holding parties and events, which can accommodate up to 350 people.
Prices	<p>Cost of organizing the party is as follows:</p> <ul style="list-style-type: none"> - Organizing party includes all supplies plus night stay in 5 stars hotel in Dead Sea, JD 8,000 for 200 people. - Cost of buffet 14 JD/P inclusive tax and service. - Place reservation only JD 1,500 up to 350 person.

Place Name	Royal Hall of Celebrations (Zahrat Al Madaen)
Site	Madaba
General Description	Separated halls for the men and women, where all services are provided, where the events and parties are organized and the hospitality services

	could be outsourced (food, drink).
Prices	Separated hall for the men and women – capacity 200-250 person, per hall. Cost of reserving hall 350 JD for period from January to February Cost of reserving hall 500-550 JD for period from March to September. Inclusive the following: <ul style="list-style-type: none"> • Tables and chairs. • Roses assorting. • Music. • Lighting. Cost of photographing and wedding procession, upon request, 200 JD.

Place Name	Al Majd Hall for celebrations and events
Site	Madaba
General Description	Separated halls for celebrations and events, capacity 550 people
Prices	Cost of reserving hall inclusive tables, chairs, rose and lighting, 350 JD. Cost of reserving hall inclusive tables, chairs, rose, lighting, wedding procession and photographing, 550 JD. Cost of reserving hall inclusive tables, chairs, rose, lighting, wedding procession, photographing, hospitality (Cake and Juice) for 350 people, 800 JD.

Organization of Corporate Events:

As for places of holding the events of the companies, the halls available in the classified hotels are reserved, which provide services of organizing the events of the companies. The prices of organizing these events in Madaba Hotels are as follows:

Hotel Classification	Number of existing hotels	Hall reservation cost	Lunch cost per person
Five stars	1	Cost of hall reservation for one day JD 200.	Lunch cost per person is JD 28.
Four stars	2	Cost of hall reservation for one day from JD 100 to 150.	Lunch cost per person from JD 10 to 12.

Here, we indicate to prices of organizing these events by the indirect competitors including the hotels existing in Amman. The prices of organizing these events range between:

Hotel classification	Cost of hall reservation	Cost of lunch per person
Five stars	Cost of hall reservation for one day ranges from JD 500 to 2,500.	Cost of lunch per person ranges from JD 18 to 20.
Four stars	Cost of hall reservation for one day range from JD 200 to 1,200.	Cost of lunch per person ranges from JD 12 to 15.

2.4 Marketing Strategy

Target Market

The project targets the following categories:

- Foreign incoming tourism from all countries whether through tourist groups or individual tourist.
- Local tourism including individuals, families and groups of students from schools, colleges and universities.
- Arab tourist and Jordanian expatriate especially in summer.
- All sectors of companies; especially the major ones.
- People in Madaba Governorate desiring to hold parties.
- People in governorates near Madaba desiring to hold parties.

Expected prices

Project price strategy includes:

- Marriage and engagement parties and events of companies; cost per person JD 22 inclusive food and beverage and 6 JD / per person exclusive food and beverage.
- Participation in tourist events; cost of participation in tourist events organized by the company is JD 50 per day.

Promotion

Promotion strategy of the project includes:

- Designing website and page on social media websites for the company.
- Printing paper and electronic brochures about the project and the area history.
- Advertising the events being organized in the area in the Jordanian and International tourist websites; such as, Tourism Promotion Authority.
- Direct promotion for project events at schools, colleges and universities by communication with the managements thereof.
- Attracting tourist groups, whether from the incoming or local tourism through the tourist offices (tour operators).
- Advertisements in the local newspapers to attract Jordanian and local citizens.
- Billboards on Queen Alia International Airport and on the main roads (Amman - Madaba) and within city of Madaba.

Sale

Project sale strategy includes the following:

- Direct reception of visitors in the project site.

- Concluding contracts for the tourist groups through tourism and travel offices (incoming tourism and local tourism).

Services

Project services strategy includes the following:

- Concentrating on services quality and rendered products.
- Continued and permanent cleanness.
- Respecting rules of keeping the health, cleanness and public safety.
- Continued maintenance of supplies.
- Giving attention to the proper appearance of staff.
- Giving attention to good and decent treatment with clients.
- Giving attention to rendering the services rapidly for clients.
- Rendering services in conformity with the offered specifications.
- Credibility in dealing with clients.

2.5 The Expected Revenues

The following table shows the expected revenues of the project for first five years of the project operation. It was assumed that cost of reservation of halls inclusive the food is 40% out of the total occupancy rate and the percentage of reservation without food is 60% out of the total occupancy rate.

Table 15: Expected Revenues

Statement	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Number of large halls (indoor and outdoor), Capacity – 400 people	1	1	1	1	1
Number of small halls, capacity 50 people.	2	2	2	2	2
Designed capacity (person)	500	500	500	500	500
Number of days per annum	330	330	330	330	330
Occupancy rate	35%	40%	45%	50%	55%
Cost of person inclusive food	22	23	24	25	27
Cost of person exclusive food	6	6	7	7	7
Number of tourist events organized by the company per year	8	9	10	11	12
Number of participants in events	50	50	50	50	50
Cost per participant	50	53	55	58	61
Total revenues (thousand JD)	736	883	1,043	1,217	1,405

3. Technical Study

3.1 The Designed Project Capacity

The project consists of halls allocated for holding various kinds of parties, including large hall with an area of 600 m², outdoor courtyard, with an area 500 m², accommodates 400 people, in addition to two small halls accommodates 50 people. Thereupon, the designed capacity of the project is 500 people.

As for the tourism events, the area allocated for these events is 400 m², accommodates 50 participants.

3.2 The Required Fixed Assets

The following table shows the total cost of fixed assets of the project that reached JD 833.000.

Table 16: Total cost of fixed assets:

Item	Unit	Price (JD)	Value (JD)
Land m ²	4,000	50	200,000
Buildings(m ²)	1,480	250	370,000
External works(m ²)	500	100	50,000
Furniture and fixtures	1,480	100	148,000
Transportation vehicles	2	15,000	30,000
IT	-	25,000	25,000
Others			10,000
Total			833, 000

The figures are estimated based upon the market study.

3.3 The Required Human Resources

The following table shows the human resources required for the project. The required number of employees is around 25 employees with total salaries in an amount of 145.200 JD/ annually; the administrative salaries represent 54.000 JD/annually and the operating salaries represent 91.200 JD/annually.

Table 17: Human resources required for the project and cost:

Item	Employee No.	Salary (JD/monthly)	Total Salary(JD/ annually)	Administrative (JD/annually)	Operational (JD/annually)
Director general	1	2,000	24,000		24,000
Events and parties organizer	3	1,000	36,000		36,000
Accountant	1	600	7,200		7,200
Cashier	1	400	4,800		4,800
Sales and marketing officer	2	400	9,600		9,600
Administrator	2	400	9,600		9,600
Labor	15	300	54,000	54,000	
Total	25		145,200	54,000	91,200

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

Table 18: General Job description of the jobs required in the project

Job	Job description
Director general	The director general is responsible for the company management in general and his responsibilities include the planning, organization, development, following up of the work and workers, implementing the action plan and budget, technical and administrative supervision on the employees and raising their efficiency, monitoring the implementation of instructions of vocational health and safety, developing and improving the work quality, policies and procedures.
Events and parties organizer	Events and parties organizer manages and supervises the halls and all issues related thereto including the readiness thereof and provision of all tools and equipment, maintaining the same periodically, coordinating with all authorities related to the events inside and outside the company to reserve and arrange the halls as required, following up the events and solving any issues or problems could occur.
Accountant	The accountant performs the following tasks: <ul style="list-style-type: none"> • Recording entries of accounting operation, preparing the monthly account statements and reviewing and matching between balances of bank accounts recorded in the books and the account statements of these banks. • Participating in preparing the estimated budget in cooperation with the concerned directors.

	<ul style="list-style-type: none"> • Monitoring the policies and procedures of the financial plans and ensuring that they are in conformity with the systems and laws. • Preparing the estimated budget inclusive the salaries and allowances, operating costs, maintenance and operation programs and projects under execution and new projects.
Cashier	<p>The cashier performs the following tasks::</p> <ul style="list-style-type: none"> • Preparing the cash statement on a daily basis. • Receiving the cash and cheques to be deposited daily in accounts of the company at banks. • Depositing the cash balance daily in the bank. • Verifying the accounting entries and carrying forward in books. • Supervising the accounting registration. • Preparing the final accounts and preparing various reports about bank balances.
Sales and marketing officer	<p>Participating in the planning, developing the marketing and sales plans, implementing the policies and executive plans of the sales and marketing department, implementing the approved sales policy and raising the periodic reports to the concerned director at the company to illustrative the completed works.</p>
Administrator	<p>The administrator presents the administrative support inclusive keeping the files, replying to the telephone calls and registering the notes during the meetings and supervising the logistic and secretary issues.</p>
Labor	<p>This job includes:</p> <p>Service worker: rendering the hospitality services inclusive the food and beverage for the clients in the indoor and outdoor halls of the company.</p> <p>Cleaning worker: keeping the company's utilities including the indoor and outdoor halls and others clean.</p> <p>Security and safety workers: providing the safety and security for the company and its clients and keeping the safety and security of the properties and visitors and protecting it from stealing, aggression or any moral and material damages.</p> <p>Valet: serving the clients by undertaking the task of their car parking in the parking allocated for the company and keeping the car until returning the same to the clients.</p>

3.4 The Required Licenses

The following table shows the licenses required for the implementation of the project:

Table 19: Licenses required for the project:

Statement	Analysis
Company registration and licensing	<ul style="list-style-type: none"> Ministry of Industry & Trade. Ministry of Tourism and Antiquities
Operation	<ul style="list-style-type: none"> Municipality Social Security Income and sales tax

3.5 Project Timetable:

The following table shows the period for execution of the project which is estimated at 14 months; as follows:

Stage	Year (month)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Studies														
Approvals & Company registration														
Building & Cleaning														
Furnishing														
Employment and commissioning														
Total period	14 months													

4. Financial Study

4.1 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	12%
Exemptions	Tax exemptions by 40% of taxable income
Staff Benefits	25% of salaries
Annual Salaries Increase	5%
Staff Incentives	3% of total revenues
Assets Depreciation Rate	4%-20% of the asset value
Accounts Receivable	4% of revenues
Accrued expenses	8% of operation costs
Maintenance Cost	JD 17 thousand in the first year with 5% annually increase
Costs of Electricity, Gas and Water	7% of total revenues
Insurance Expense	JD 5,000 annually
IT expenses	8 thousand in the first year with 5% annually increase
Other Operation Expenses	5 thousand in the first year with 5% annually increase
Stationary	5 thousand in the first year with 5% annually increase
Professional fees	5 thousand in the first year with 5% annually increase
Marketing Expenses	3% of total revenues
Other General & Administrative expenses	5 thousand in the first year with 5% annually increase
Food & Beverage cost	35% of total revenues

4.2 Investment Cost

The project's Investment cost is estimated at JD 1.009 million distributed among fixed assets of JD 833 thousand, and working capital and pre-operating expenses in total at JD 176 thousand. The following table shows the project's Investment cost.

Table 21: the project's investment cost

Item	Value (in thousand JD)
Fixed assets	833
Per-operating expenses	21
Working capital	155
Total	1,009

4.3 Financing

The project will be financed with the shareholders by 75% which is estimated at about JD 757 thousand, while the other 25% of the project investment cost will be financed through bank loans of about JD 252 thousand. The following table shows the financing structure for financing the project.

Table 22: Project financing schedule

Item	Value (in thousand JD)	%
Equity	757	75%
Loan	252	25%
Total	1,009	100%

4.4 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 736 thousand, and increased to reach up to JD 1.405 million in the fifth year due to increase in the occupancy rate.

It should be noted here that it was assumed that the booking of halls includes food is 40% and without food is 60%.

Table 23: The Expected Revenues

Statement	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
Number of large halls (indoor and outdoor), Capacity – 400 people.	1	1	1	1	1
Number of small halls, capacity 50 people.	2	2	2	2	2
Designed capacity (person)	500	500	500	500	500
Number of days per annum	330	330	330	330	330
Occupancy rate	%35	%40	%45	%50	%55
Cost of person inclusive food	22	23	24	25	27
Cost of person exclusive food	6	6	7	7	7
Number of tourist events organized by the company per year	8	9	10	11	12
Number of participants in events	50	50	50	50	50
Cost per participant	50	53	55	58	61
Total revenues (thousand JD)	736	883	1,043	1,217	1,405

4.5 The Projected Costs

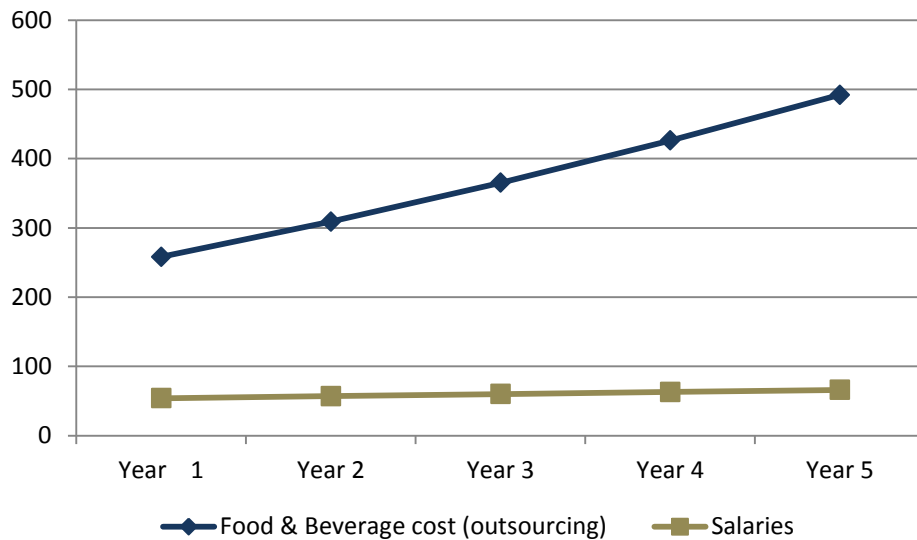
Operating Costs

The following table shows the project's operating costs according to the previous assumption over five years. Food & Beverages cost which will be obtained by contracting with third parties in Year 1 amounted to JD 258 thousand and increase to reach JD 492 in Year 5. Salaries cost in Year 1 amounted to JD 54 thousand which increase to reach JD 66 thousand in Year 5. the following table shows the operating costs for the first five years of the project.

Table 24: Operating Costs

Operating Costs (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Food & Beverage cost (outsourcing)	258	309	365	426	492
Salaries	54	57	60	63	66
Staff Benefits	14	14	15	16	16
Staff Incentives	22	26	31	37	42
IT Cost	8	8	9	9	10
Depreciation	62	62	62	62	62
Maintenance	17	17	18	19	20
Electricity, Gas and Water	52	62	73	85	98
Insurance	5	5	5	5	5
Others	5	5	6	6	6
Total	496	567	644	728	818

Figure 3: Projected Operating Costs of the Project



Administrative Expenses

The following table shows the projected administrative expenses of the project. Employees' salaries reach JD 91,000 in the first year and increase to JD 111,000 in the fifth year. The marketing expenses are about JD 22,000 in the first year and increase to reach JD 42,000 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	91	96	101	106	111
Staff Benefits	23	24	25	26	28
Staff Incentives	15	18	21	24	28
Stationery	5	5	6	6	6
Professional Fees	5	5	6	6	6
Marketing Expenses	22	26	31	37	42
Other Expenses	5	5	6	6	6
Amortization	21				
Total	187	180	194	210	227

4.6 Projected Financial Statements

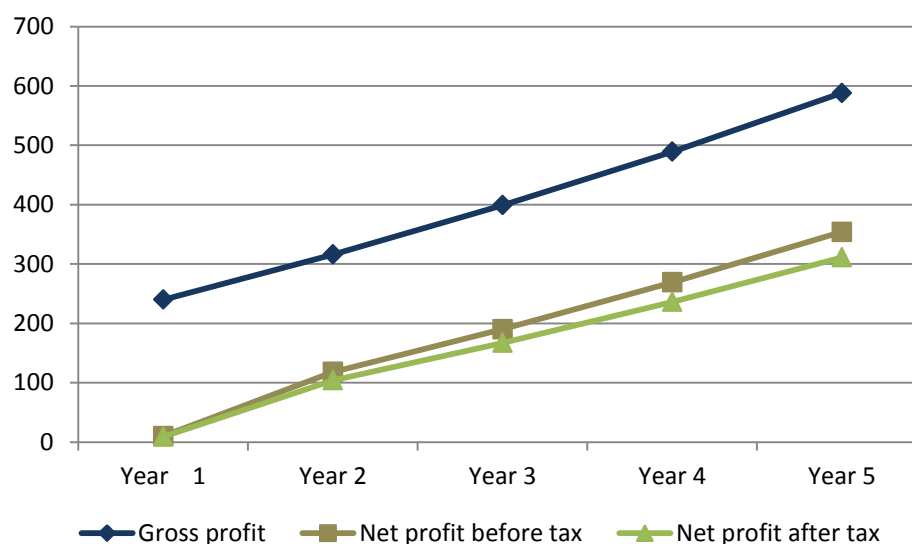
Income Statement

The following table shows the projected income statement of the project. It indicates that gross profit will increase from JD 240 thousand in the first year to JD 588 thousand in the fifth year. The net profit before tax will also increase from JD 10 thousand in the first year to JD 354 thousand in the fifth year, and the net profit after tax will increase from JD 9 thousand in the first year to JD 311 thousand in the fifth year.

Table 26: The Projected Income Statement

Income Statement (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year4	Year 5
Revenues	736	883	1,043	1,217	1,405
Operating costs (cost of sales)	496	567	644	728	818
Gross profit	240	316	399	489	588
Administrative expenses	187	180	194	210	227
Net profit	53	137	205	279	360
financial expenses	23	19	15	11	7
Pre-operating expenses amortization	21				
Net profit before tax	10	118	190	269	354
Tax	1	14	23	32	42
Net profit after tax	9	104	167	236	311

Figure 4: 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 1.009 million in the year of incorporation to about JD 1.098 million 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	155	160	203	263	344	447
Receivables		29	35	42	49	56
Inventory		26	31	37	43	49
Pre- Paid Expenses		20	21	22	23	24
Total Current Assets	155	236	290	364	459	577
Fixed Assets	854	854	854	854	854	854
Cumulative Depreciation	-	83	146	208	271	333
Pre-operating expenses	-					
Net Fixed Assets	854	771	708	646	583	521
Total Assets	1,009	1,006	998	1,010	1,042	1,098
Shareholders Equity and Liabilities						
Accrued Expenses and Payables		40	45	52	58	65
Long Term Loans	252	207	162	117	72	27
Total Liabilities		247	208	169	130	93
Shareholders Contributions	757	757	757	757	757	757
Retained Earnings		3	34	84	155	248
Shareholders' Equity	757	759	791	841	912	1,005
Shareholders Equity and Liabilities	1,009	1,006	998	1,010	1,042	1,098

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 56 thousand in the first year to JD 366 thousand in the fifth year; while the Cash at the ending period will increase from JD 155 thousand in the year of incorporation to JD 447 thousand 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	-	9	104	167	236	311
Depreciation	-	83	62	62	62	62
Change In Working Capital	-	(36)	(6)	(7)	(7)	(8)
Cash Flow From Operation	-	56	160	223	291	366
Investing Activities						
Fixed Assets	(854)	-	-	-	-	-
Cash From Investing Activities	(854)	-	-	-	-	-
Financing Activities						
Capital (Equity)	757	-				
Loan	252	(45)	(45)	(45)	(45)	(45)
Dividends		(6)	(73)	(117)	(166)	(218)
Cash Flow From Financing Activities	1,009	(51)	(118)	(162)	(211)	(263)
Net Cash Flow	155	5	42	61	81	103
Cash At The Beginning Period	0	155	160	203	263	344
Cash At The Ending Period	155	160	203	263	344	447

4.7 Financial, Economic and Social Analysis

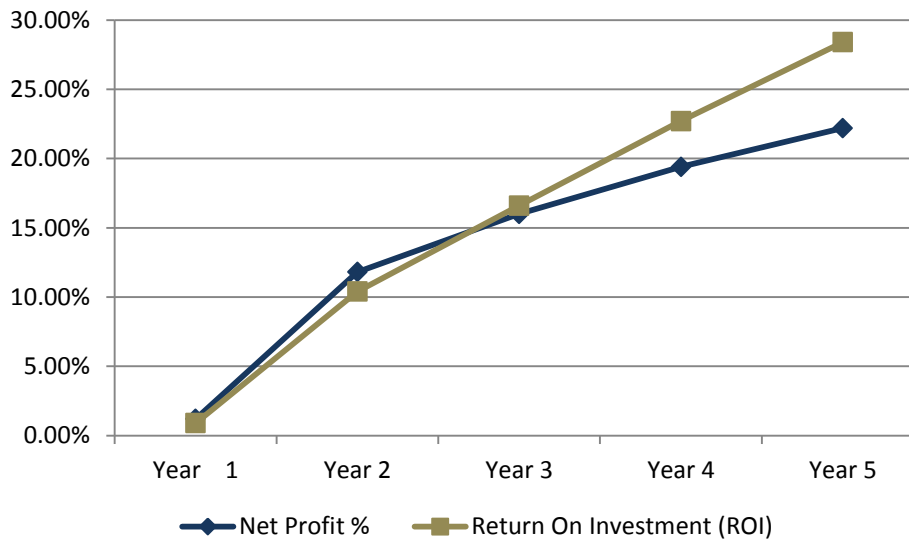
Financial Analysis

The following table shows the financial analysis of the project. It indicates that the net profit ratio will increase from 1.2% in the first year to 22.2% in the fifth year, and the return on investment will increase from 0.9% in the first year to 28.4% 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	1,006	998	1,010	1,042	1,098
Revenues	736	883	1,043	1,217	1,405
Profits	9	104	167	236	311
Capital (Equity)	757	757	757	757	757
Net Profit %	1.2%	11.8%	16.0%	19.4%	22.2%
Return On Investment (ROI)	0.9%	10.4%	16.6%	22.7%	28.4%
Return On Capital (ROC)	1.1%	13.7%	22.1%	31.2%	41.2%
Net Profit On Revenues	1.2%	11.8%	16.0%	19.4%	22.2%
Assets Turnover (Time)	0.73	0.89	1.03	1.17	1.28

Figure 5: 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 23%. 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 1.094 million. It exceeds the net present value with JD 756 million, which means the economic feasibility of the project.
- The profitability index of the project reached 1.45 times, which means that the expected value of the project will increase by 1.45 times the investment value, which proves that the project is feasible.
- The project payback period is 4.8 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	(757)	11	115	178	246	321
terminal value						1,005
Net Cash flow	(757)	11	115	178	246	1,326
Internal Rate of Return (IRR)	23%					
present Value	1,094					
Net present value	338					
Profitability Index (Time)	1.45					
Payback period (Year)	4.80					

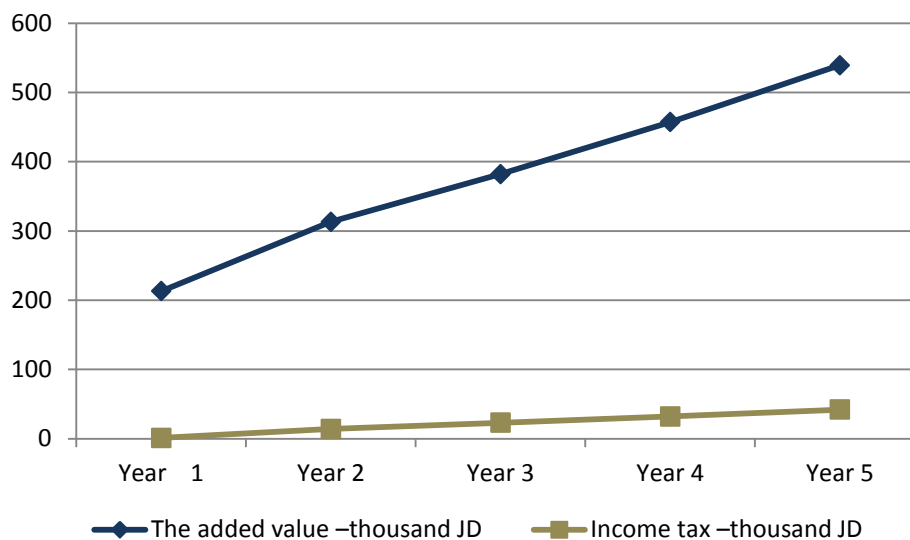
Social Analysis

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 25 employees in the first year to 27 employees in the fifth year. The added value of the project will also increase from JD 213 thousand in the first year to JD 539 thousand in the fifth year. The income tax will also increase to reach JD 42 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	25	26	26	27	27
Jordanian employees	13	13	13	13	14
The added value –thousand JD	213	313	382	457	539
Income tax –thousand JD	1	14	23	32	42
sales tax value –thousand JD	118	141	167	195	225

Figure 6: The Social Analysis



5. Risk and Sensitivity Analysis

5.1 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
<p>Financial Risks</p>	<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. ▪ inflation risk It is the risk associated with the 	<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
	<p>possibility that the inflation or the rise in the cost of living might lead to the decrease the real value of the investment.</p>	
<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 company, its performance and its relationships with customers and other stakeholders. Reputation risk also results from circulating rumors about the company and its activities. 	<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 moderate because of the competition from other companies in the governorate

Risks	Type of Risks	Risk Assessment
	<ul style="list-style-type: none"> ▪ Competition Risk Competition risk results from domestic and external competitors and reduces sales and profits. 	
Operational Risk	<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 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. 	<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
State Risk	<p>State Risk includes politicians' interference, civil unrest, wars, financial and monetary policies and high level of debts.</p>	<ul style="list-style-type: none"> ▪ State Risk is considered to be low, due to security and political stability; international reports

Risks	Type of Risks	Risk Assessment
		indicate that State Risk is low both in medium and long terms

5.2 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)	23%	21%	2%
The Present Value at a discount rate of 13% (in Thousand JD)	1,094	1,127	(32)
Net Present Value at a discount rate of 13% (in Thousand JD)	338	294	43
Profitability Index (Time)	1.45	1.35	0
Payback period (Year)	4.80	4.11	1
The Net Profit Ratio – an average of 5 years	14.1%	13.9%	0.2%
Return on Investment - an average of 5 years	15.8%	14.2%	1.5%
Return on Capital – an average of 5 years	21.9%	19.6%	2.2%
Net Profit On Revenues - an average of 5 years	14.1%	13.9%	0.2%
Assets Turnover (Time) – an average of 5 years	1.0	0.9	0.1
The added value - an average of 5 years (in thousand JD)	381	381	0
income tax - an average of 5 (in thousand JD)	23	22	0
sales tax - an average of 5 years (in thousand JD)	169	169	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 21%, which is considered high for investment purposes
- The new payback period is 4.11 years, and it is reasonable for recovery purposes
- The return on capital is 19.6%, 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)	23%	11%	12%
The Present Value at a discount rate of 13% (in Thousand JD)	1,094	708	386
Net Present Value at a discount rate of 13% (in Thousand JD)	338	(48)	386
Profitability Index (Time)	1.45	0.94	1
Payback period (Year)	4.80	5.00	(0.2)
The Net Profit Ratio – an average of 5 years	14.1%	5.9%	8.2%
Return on Investment - an average of 5 years	15.8%	7.7%	8.1%
Return on Capital – an average of 5 years	21.9%	9.6%	12.3%
Net Profit On Revenues - an average of 5 years	14.1%	5.9%	8.2%
Assets Turnover (Time) – an average of 5 years	1.0	1.0	0.0
The added value - an average of 5 years (in thousand JD)	381	288	93
income tax - an average of 5 (in thousand JD)	23	10	13
sales tax - an average of 5 years (in thousand JD)	169	152	17

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 11%, which is considered sensitive for investment purposes
- The new payback period is 5 years, and it is reasonable for recovery purposes
- The return on capital reaches 9.6%, 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)	23%	16%	7%
The Present Value at a discount rate of 13% (in Thousand JD)	1,094	858	237
Net Present Value at a discount rate of 13% (in Thousand JD)	338	101	237
Profitability Index (Time)	1.45	1.13	0.31
Payback period (Year)	4.80	5.00	(0.2)
The Net Profit Ratio – an average of 5 years	14.1%	8.6%	5.5%
Return on Investment - an average of 5 years	15.8%	10.9%	4.9%
Return on Capital – an average of 5 years	21.9%	14.3%	7.6%
Net Profit On Revenues - an average of 5 years	14.1%	8.6%	5.5%
Assets Turnover (Time) – an average of 5 years	1.0	1.1	(0.05)
The added value - an average of 5 years (in thousand JD)	381	324	57
income tax - an average of 5 (in thousand JD)	23	15	8
sales tax - an average of 5 years (in thousand JD)	169	169	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 years, and it is reasonable for recovery purposes
- The return on capital is 14.3%, which is suitable for investment purposes