



Pre-Feasibility Study
Establishment of Catering Services Company
Madaba

April, 2017



Table of Contents

1. EXECUTIVE SUMMARY	4
2. THE MACROECONOMIC ENVIRONMENT	6
2.1 AN OVERVIEW OF THE HASHEMITE KINGDOM OF JORDAN	6
2.2 POPULATION	7
2.3 ECONOMIC INDICATORS IN THE KINGDOM	9
2.4 THE JORDANIAN INVESTMENT ENVIRONMENT.....	12
2.5 THE ECONOMIC ENVIRONMENT IN THE SHORT AND MEDIUM TERM	15
3. MARKET STUDY	16
3.1 PROJECT DESCRIPTION	16
3.2 EXPECTED SERVICES DESCRIPTION	16
3.3 DEMAND ANALYSIS	16
3.4 PRICE ANALYSIS	21
3.5 MARKETING STRATEGY	22
3.6 THE EXPECTED MARKET SHARE.....	24
4. TECHNICAL STUDY.....	25
4.1 THE DESIGNED PROJECT CAPACITY	25
4.2 THE REQUIRED FIXED ASSETS	25
4.3 THE REQUIRED HUMAN RESOURCES	25
4.4 SPECIAL REQUIREMENTS	27
4.5 THE REQUIRED LICENSES	33
4.6 PROJECT TIMETABLE.....	33
5. FINANCIAL STUDY	34
5.1 FINANCIAL ASSUMPTIONS.....	34
5.2 INVESTMENT COST.....	35
5.3 FINANCING	35
5.4 REVENUES	36
5.5 THE PROJECTED COSTS	37
5.6 PROJECTED FINANCIAL STATEMENTS	39
5.7 FINANCIAL, ECONOMIC AND SOCIAL ANALYSIS	42
6. RISK AND SENSITIVITY ANALYSIS	45
6.1 RISK ANALYSIS	45
6.2 SENSITIVITY ANALYSIS	48

Madaba Governorate



1. Executive Summary

This study aims at identifying the pre-feasibility of establishing a company providing catering services to school students and employees working in Madaba governorate, and the neighboring areas, particularly the capital governorate, In addition to providing these services for events, activities, celebrations and occasions which require catering services. The company provides its services by catering for these groups in the form of packaged and varied full meals, in the form of independent items sold per person, or through the preparation of food and beverage for the events in full in the form of meals which have a variety of items or preparing to provide buffet services during these events.

Table 1: Initial Indicators of the project

Projects Name	The Establishment of Catering Services Company
Sector	The Services
Governorate	Madaba
Region	Madaba
Products/Services	<ul style="list-style-type: none"> • Prepared and packaged meals and beverages for school and university students • Prepared meals and beverages for employees of companies, factories and institutions • Preparation of food dishes, desserts and various beverages offered in various events, activities and different celebrations in the form of meals or buffets
Project Description	<p>The project is based on the establishment of a Catering services Company to school students and employees working in Madaba governorate, and neighboring areas, especially the capital governorate, in addition to providing these services for events, activities, celebrations and events that require catering services. The company provides its services by Catering to these categories in the form of fully packaged and varied meals or in the form of independent kinds sold per one person, or through the full preparation of food and beverage for the events in the form of comprehensive meals and variety of kinds or services buffets during these events.</p> <p>The company's products will be sold to employees and students by contracting with the schools administrations which sell meals to students or provide them as part of their school program or contracting with companies, factories and institutions that provide to their employees a daily meal as a result of being located in areas where there are no services such as factories located away from population centers or in industrial areas, or through providing food and beverage to participants of events and celebrations according to quantities and recommended kinds of food.</p>

Target Market	<ul style="list-style-type: none"> • Schools and universities in Madaba governorate and neighboring governorates, especially the capital Governorate • Institutions, companies and factories in Madaba governorate and neighboring governorates, especially the capital Governorate • The people of Madaba governorate wishing to hold events • The people wishing to hold events in the governorates which are near of Madaba
Investment Cost	The investment cost of the project amounts to JD 355 thousand.
The Average return on investment	The rate of return on investment reaches 21.8% during the ten years.
Internal Rate of Return	The internal rate of return of the project reaches 30%
Average added value of the project	The added value of the project reaches JD 297 Thousand during ten years
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 proximity of Madaba governorate to many companies and industrial areas in the neighboring governorates, which lack catering services • The proximity of Madaba governorate to some private universities that sell ready-made meals for students • Madaba governorate close to a number of large schools in the Kingdom that provide their students with the ability to buy ready-made meals and kinds which require external preparation • The existence of some tourist places in Madaba Governorate and its proximity to the tourist places in the neighboring governorates, most notably the Dead Sea, which is witnessing many events, activities and celebrations that require the existence of food and beverage catering services
Partners/Stakeholders	<ul style="list-style-type: none"> • Ministry of Industry and Trade • Jordan Food & Drug Administration (JFDA). • Concerned Municipality

2. The Macroeconomic Environment

2.1 An Overview of the Hashemite Kingdom of Jordan

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

Figure 1: Map of the Hashemite Kingdom of Jordan



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

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

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

2.2 Population

Based on the General Census of Population and Housing in 2015, the population in the kingdom amounted to about 9.5 million people with a population density of 107.3 inhabitants per km², where the Capital City knocked off other governorates by population amounting to about 4 million people and a population density of 528.8 inhabitants per km², mainly because Amman is the most attractive governorate for Jordanians and for those coming to Jordan from other countries, followed by Irbid Governorate with a population of 1.8 million people, and then Zarqa Governorate with a population of 1.4 million. Tafila Governorate which is considered to be the least populous governorate whose population is about 96 thousand people.

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

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

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

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

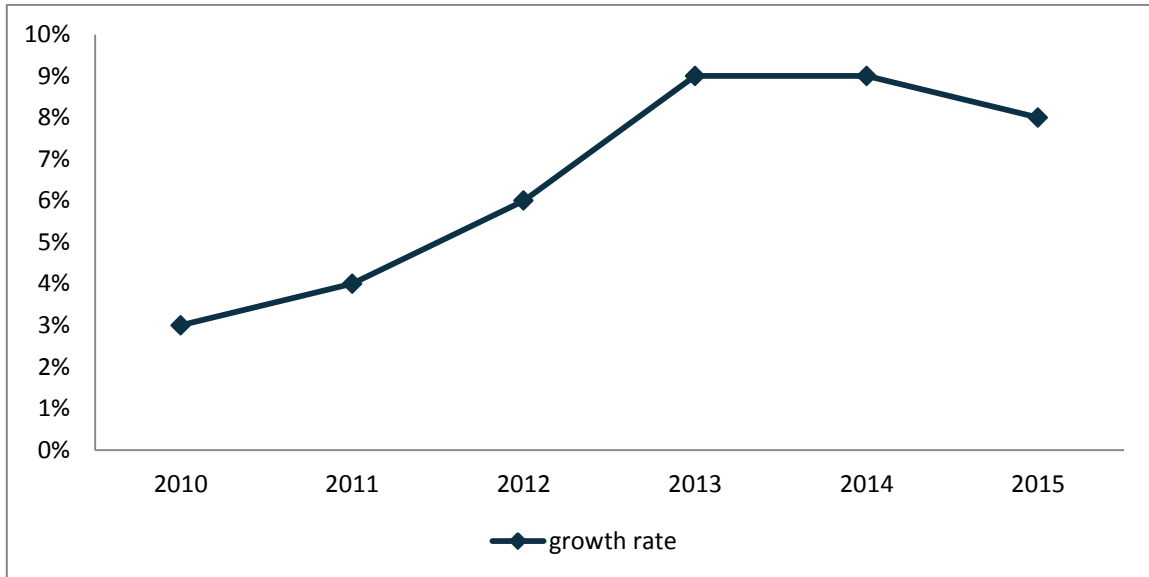
The unemployment rate among Jordanians also witnessed a rise by 1.1 percentage to reach to 13%, due to the structural imbalances that the labor market is suffering from and the acquisition of the low-paid foreign workers on a large number of new jobs in the economy, according to the Central Bank of Jordan.

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

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

Source: Department of Statistics

Figure 2: population growth rate in the Kingdom



2.3 Economic Indicators in the Kingdom ¹

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

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

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

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

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

¹ The Central Bank of Jordan

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

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

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

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

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

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

	2011	2012	2013	2014	2015
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
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 Catering services Company to school students and employees working in Madaba governorate, and neighboring areas, especially the capital governorate, in addition to providing these services for events, activities, celebrations and events that require catering services. The company provides its services by Catering to these categories in the form of fully packaged and varied meals or in the form of independent kinds sold per one person, or through the full preparation of food and beverage for the events in the form of comprehensive meals and variety of kinds or services buffets during these events.

The company's products will be sold to employees and students by contracting with the schools administrations which sell meals to students or provide them as part of their school program or contracting with companies, factories and institutions that provide to their employees a daily meal as a result of being located in areas where there are no services such as factories located away from population centers or in industrial areas, or through providing food and beverage to participants of events and celebrations according to quantities and recommended kinds of food.

3.2 Expected Services Description

The expected products of the project include the following:

- Prepared and packaged meals and beverages for school and university students
- Prepared meals and beverages for employees of companies, factories and institutions
- Preparation of food dishes, desserts and various beverages offered in various events, activities and different celebrations in the form of meals or buffets

3.3 Demand Analysis

To analyze demand for food and beverage, catering services field visits have been conducted to factories and schools that reached service, also the visits covered a sample of competing companies in this field. All data was collected to identify the volume of demand and how to calculate it. In addition, interviews with experts in catering services sector were conducted accordingly. The following assumptions regarding both governorates of Amman and Madaba for 2015:

- The number of marriages reaches 31,916 and the ratio of these weddings that provide catering services is around 25%.
- The number of deaths reaches 19,334, in which provide food and beverage to the mourners is around 40%.
- The number of employees in the industrial sector reaches 64,321; the percentage of employees who get food and beverages services is estimated at 70%.
- The number of school students reaches 740,914 students; about 30% of them receive food and beverage services at their schools.
- The number of colleges' students reaches 83,439 students; about 70% of them receive food and beverages services at the University.

- The revenue resulting from food and beverages services for other events (social occasions such as celebrations, municipal and parliamentary elections, and other) is estimated at about 10% of the total revenue of catering services to other customers.

The following table shows the estimated demand on catering services in the governorates of Amman and Madaba for 2015, according to official statistics, the results of field surveys and expert interviews.

Table 7: Demand of food and beverage services at Amman and Madaba governorates in 2015.

Item	Total	Demand percentage	Number of food and beverage recipients	Revenue/case (JD)	Total Revenue (JD)
Marriages number	31,946	25%	7,979	6000	47,874,000
Deaths number	19,334	40%	7,734	3000	23,200,800
Factory employees number	64,321	70%	45,025	2**	27,014,820
School students number	740,914	30%	222,274	1 **	44,454,840
University students number	83,439	70%	58,407	2**	29,203,650
others	–	–	–	–	17,174,811
Total					188,922,921

Resource: field study results.

*Experts estimations.

* It been assumed that the number of working days for factory employees is (300) days, and the number of university and school students days are (200) days.

Overview of Main Competitors

There are a number of companies which cater food and beverage services to factories and companies employees besides, universities and schools students, as well as for private and social occasions and business events. These companies are located in the Capital governorate and considered a main competitor of the proposed company due to geographical proximity, as well as the fact that the capital governorate is one of the companies target markets. The following tables show the most important data available on those competitors.

Company Name	Zad Catering
Location	Amman, Jordan.
General Description	<p>The company provides food and beverage catering services to a number of sectors in all over the kingdom. It offers about 200 thousand of cold and hot meals daily to the employees belonging to both the public sector and private sectors as well as fieldwork employees in their worksites. In addition to school students. The company its catering of food and beverage services which cover business events and various social ones.</p> <p>The company offers its services through its kitchen which has an area 7500 square meters, and trained staff of 300 employees of various nationalities.</p>
Offering Services	<p>The company offers food and beverage services to the following :</p> <ul style="list-style-type: none"> ▪ Schools ▪ Business companies of both public and private sectors. ▪ Field employees in their worksites. ▪ Private healthy meals. ▪ Social, general and business events.

Company Name	Olive Catering
Location	Biadr Wadi Al-Seer- Amman, Jordan
General Description	<p>The company was established in 2007 at Wadi Al-Seer district in Amman for offering food catering services. It offers a large number of international and national meal type using cooking methods that are relatively similar to home and conventional ones. The company offers its services to all associations and companies which offer meals to its employees, from all sectors. Also it provides a variety of food items selections to, in addition, to individual meal services and school meals.</p> <p>The company offers its services through direct provision to various occasions and ceremonies or through contracting with companies, associations and schools besides, the persons responsible of recurring events and occasions which require permanently and continuously catering services.</p>
Offering Services	<p>The company offers the following food and beverage services:</p> <ul style="list-style-type: none"> ▪ Salads and soups. ▪ Appetizers. ▪ Breakfast meals. ▪ Sandwiches and snacks. ▪ All various drinkers. ▪ Packaged meals. ▪ Main plates special to lunch meal. ▪ Healthy meals and diets meals. ▪ Children meals. ▪ Special meals for patients. <p>The company offers its services to all the following customers:</p> <ul style="list-style-type: none"> ▪ Schools. ▪ Hospitals/ Al-Hussein Cancer Center. ▪ Business companies from the public and private sectors. ▪ Individual meals upon request. ▪ All various events, occasions and ceremonies.
Prices	<ul style="list-style-type: none"> ▪ Food dish + appetizers: JD (2.5-3.5) . ▪ Sandwich + appetizers: JD (2-3). ▪ Healthy meals: JD (3-4). ▪ Healthy salad: JD (2-3)

Company Name	Star Catering Services
Location	Sweifieh –Amman, Jordan/ Aqaba
General Description	<p>Star company was established in 2003. It is one of the largest companies in Jordan which offers food and beverage services to a large number of the kingdom's large companies from both the public and private sectors such as the Arab potash company, Jordan phosphate Mines Company and the Jordanian company for aviation and simulation training in addition to some international and major schools in the kingdom. The company provides its services through contracting with these parties and others to provide them with food and beverage services according to their demand.</p> <p>The company offers all kinds of food whether prepared according to an order, packed for students, employees or others. The company operates through work staff trained on the preparation of international and local food in the two kitchens of the company which are located in Amman and Aqaba, in addition to the preparing of the food and beverage for big events comprising 1000 guests.</p>
Services	<ul style="list-style-type: none"> ▪ Movable kitchen service. ▪ Food and beverage services for business companies and associations. ▪ Food and beverage services for private schools. ▪ Food and beverage services for all kinds of events and occasions (Tents, tables, heaters, movable food preparations, etc). ▪ Other services for events and occasions (tents, tables, heaters and mobile food preparation. Etc.)
Prices	<ul style="list-style-type: none"> ▪ Light sandwiches for breakfast: JD (0.6 - 0.8). ▪ Sandwich for lunch: JD 1.20 . ▪ Meals + salad: JD (1.2-3.7).

Company Name	Al-Tajamouat company for support services.
Location	Al-Tajamouat Industrial city– Sahab – Amman, Jordan.
General Description	<p>A wholly owned company for Al-Tajamouat nutrition and housing services company whose main activity is administrating of all restaurants and food facilities for offering food services of companies besides, purchasing residential facilities and providing specialized housing services.</p> <p>Al-Tajamouat company for support services offers catering services at Al-Tajamouat Industrial city at Sahab city through providing factories employees of daily meals for the three work shifts.</p> <p>The company area is about 1,250 square meters for central kitchens and warehouses. 72% of its clients are foreign workers.</p>
Offering Services	Food meals are offered as breakfast, lunch or dinner according to shifts of factories' employees who are found at the industrial city.
Prices	The range of meal price is from JD (1.25-2) per person (according to the meal which may be breakfast, lunch or dinner)

3.4 Price Analysis

A field survey has been conducted for the most important competitors in the field of catering services to schools, companies and various occasions and events in order to identify the average prices of food and beverage items catered. The following table shows the average prices of the food items provided.

Table 8: Average prices of some different food items provided by the catering services companies

Item	Description	Average Price in JD
Hot food dish with appetizers	Big size	3.5
	Small size	2.5
A sandwich with appetizers	Big size	3
	Small size	2
Healthy meals	Chicken or fish	3
	Mutton	3.5-4
	Salads	2
	Salads with protein	3
	Light snack	2
Open buffet		20-30 per person

3.5 Marketing Strategy

Target Market

The project is targeting to the following clients:

- Schools and universities in Madaba governorate and the nearby governorates especially the capital governorate.
- Institutions, companies and plants in Madaba governorate and the nearby governorates especially the capital governorate.
- Citizens of Madaba governorate who have occasions.
- Citizens of the nearby governorates of who have occasions.

Expected Services and Products

The Project Expected Services shall involve:

- Ready and packed food and beverages meals for the students of schools and universities.
- Ready food and beverages meals for the employees' of the companies, plants and other institution.
- Preparation of various items of food, desserts and beverages catered in the form of meals or buffets in the different events, occasions and celebrations.

Expected Prices

The project pricing strategy involves the following:

Table 9: Expected prices of the project:

The benefiting party from the service	Average Numbers	Average Prices
General occasions (service is catered by the way of the preparation of various items of food and beverages for each occasion not meals. For the approximation of the pricing process, pricing is considered on the basis of the person.)	75 occasions by the average of 300 persons for each occasion	JD 2700 for each occasion
Meals of employees of the companies and plants	70 employee	JD 2 per meal
Meals of students of schools and universities.	600 students	JD 1.20 per meal

Promotion

The Project Promotion Strategy involves the following:

- Designing a website and a page for the company on the social media websites.
- Printing paper and electronic brochures to define the project and its services.
- Direct promotion for the schools, colleges, universities and companies via the communication with the administrations.
- Distribution of advertisements and brochures on the occasions of the special events.

Selling

The Project Sale Strategy involves the following:

- Direct receiving of the clients by the telephone calls and the preparation of the food requests.
- Receiving and communicating with the persons in charge of the occasions, celebrations or the events to prepare the requested food.
- Contracting with the administrations of schools, companies and plants to periodically prepare food.
- Direct sale to the clients in the company site.

Services

The Catering Services Project strategy shall involve the following:

- Concentration on the quality of the products and used materials.
- Permanent and continuous cleanliness.
- Respect of the rules of health, sanitation and general safety.
- The continuous maintenance of the equipment.
- Pay attention to good treatment towards the clients.
- Pay attention to the timely provision of the catering services to clients.
- Provision of services conformed to their specifications.
- Acquaintance with the cooking rules and ways of catering.
- Continuous cleanliness of the used tools, furniture and other facilities and equipment.
- Respect of rules of items preparation and rules related to the service.
- Credibility in dealing with the clients.

3.6 The Expected Market Share

The following table shows the forecasted demand on catering services in the two governorates Madaba and Amman between 2015 and 2019 which is the expected year to start the project on the basis of population growth rate during the last 5 years which reached 3%.

Table 10: The expected demand size on the catering services in the two governorates Amman and Madaba during the period (2015-2019).

Revenues (annual/ JD Thousand)	2015 (JD thousand)	2016 (JD thousand)	2017 (JD thousand)	2018 (JD thousand)	2019 (JD thousand)
Marriage cases revenues	47,874	49,310	50,790	52,313	53,883
Death cases revenues	23,201	23,897	24,614	25,352	26,113
Plant workers revenues	27,015	27,825	28,660	29,520	30,405
School students revenues	44,455	45,788	47,162	48,577	50,034
University students revenues	29,204	30,080	30,982	31,912	32,869
Other events revenues	17,175	17,690	18,221	18,767	19,330
Total (Thousand JD)	188,923	194,593	200,430	206,443	212,637

The following table shows the expected market share of the company in its first five years of operation.

Table 11: The Project Expected Market Share.

Statement	First Year	Second Year	Third Year	Fourth Year	Fifth Year
Expected market size (Thousand JD)	212,637	219,016	225,587	232,354	239,325
The company expected revenues sales (Thousand JD)	722	1,020	1,362	1,756	2,210
Expected market share	0.34%	0.47%	0.60%	0.76%	0.92%

4. Technical Study

4.1 The Designed Project Capacity

The following table shows the project designed capacity.

Table 12: The project designed capacity

Item	Average clients number
Public occasions	165 events
Companies and plants	8 companies and plants
Schools and universities	6 schools and universities

4.2 The Required Fixed Assets

The following table shows the fixed assets needed for the project. A facility with area of 600 m² will be rented with a cost of JD 7 thousand annually.

Table 13: The required fixed assets

Item	Unit	Price (JD)	Value (JD)
Furniture, fixtures and equipment	-	-	150,000
Transportation vehicles	4	25,000	100,000
Information technology(computers & programs)	1	10,000	10,000
Others	-	-	10,000
Total			270,000

*Numbers have been based on the findings of the market research.

4.3 The Required Human Resources

The following table shows the human resources required for the project. The number of needed employees is about 27 employees with total salaries of JD 144, 000 annually.

Table 14: The Human Resources Needed for the Project

Item	Number of employees	Monthly salary (JD)	Total salary (JD/annually)	Operative (JD/annually)	Administrative (JD/annually)
General manager	1	2,000	24,000	-	24,000
Accountant	1	600	7,200	-	7,200
Secretary	1	400	4,800	-	4,800
procurement, warehouses and sales clerks	4	400	19,200	-	19,200
Administrative	2	400	9,600	-	9,600
Cooks & assistants	6	500	36,000	36,000	-
Workers	8	300	28,800	28,800	-
Driver	4	300	14,400	14,400	-
Total	27		144,000	79,200	64,800

The following table shows the general job description for the jobs required by the project.

Table 15: General Job description of the jobs required by the project

Position	Job Description
General Manager	<ul style="list-style-type: none"> ▪ Planning, organizing, coordinating and overseeing everything related to the internal management of the company. ▪ Participating in determining the company policy and managing everything related to the work. ▪ Reviewing reports received by the Administration Section, and overseeing their analysis process, and studying the issues that arise and developing solutions to them. ▪ Technical and administrative supervision of employees, as well as improving their efficiency. ▪ Taking into account the application of safety instructions and occupational health
Cook	<ul style="list-style-type: none"> ▪ Managing the work schedules for kitchen workers, and distributing kitchen work. ▪ Participating in the menus design, and writing the supply order of fresh food (vegetables, fruits) in quantity and quality, and in line with the applicable food list. ▪ Proposing the necessary training programs to increase the efficiency of employees and address the deficiencies and problems that arise when applying the operating cycle. ▪ Implementing the periodic maintenance programs of machines and following-up the repair of malfunctions. ▪ Ensuring that the cooks comply with the cooking methods. ▪ Determining the kitchen spraying programs for insect and rodent control. ▪ Ensuring that all employees in the kitchen apply the approved safety, health and quality rules
Secretary	<ul style="list-style-type: none"> ▪ Receiving cash from customers based on invoices. ▪ Keeping the money and sending it to the approved bank
Worker	<ul style="list-style-type: none"> ▪ Receiving customers and maintaining a constant cleanliness of the section he/she works in, as well as preparing tables and chairs, and receiving customer orders and delivering them to the kitchen. ▪ Checking the orders before taking them to customers. ▪ Immediately reporting any faults or broken equipment. ▪ Full knowledge of the food menu to respond to any inquiries of guests
Sales Clerk	<ul style="list-style-type: none"> ▪ Implementing the executive policies and programs related to Sales Management, and Implementing the approved sales policy and all work orders. ▪ Carrying out all the tasks required by the Marketing and Sales Manager and the Marketing and Sales Coordinator within the work limits of the Marketing and Sales Management. ▪ Submitting a weekly report to the Marketing and Sales Manager to indicate what has been achieved and what has been postponed with a reason statement.
Accountant	<ul style="list-style-type: none"> ▪ Proofing accounting constraints, and preparing monthly bank statements send to both customers and suppliers. ▪ Auditing and reconciling the balances of bank accounts in records with the bank statements of these banks

Position	Job Description
Procurement Clerk	<ul style="list-style-type: none"> ▪ Organizing and maintaining records and forms of Procurement Management and inputting relevant data. ▪ Acting for the Procurement Manager if he is not present. ▪ Participating in planning and preparing executive programs for the Procurement Department, and training the employees working in the Procurement Department on their work. ▪ Ensuring that suppliers can meet the requirements of the purchase orders and the requests for quotations. ▪ Editing the supplier registration record, and participating in the budget preparation of Procurement Management
Warehouse Supervisor	<ul style="list-style-type: none"> ▪ Overseeing the materials request, when their balances in the warehouse reach their reorder point. ▪ Following-up the preparation of item cards, and writing the necessary information on them, as well as updating them on a regular basis. ▪ Registering and re-receiving the loaned materials and inventory from the warehouse to the employees duly. ▪ Taking the responsibility for warehouse assets. ▪ Taking into account the application of the principles of public safety and occupational health in the warehouse.

4.4 Special Requirements

The following table shows the special and general requirements for the trading and preparation of Foodstuff, which must be considered for the development and implementation of the project.

Table 16: Special Requirements for the circulation of Foodstuffs

Statement	Conditions
Circulation of Foodstuffs	The technical rules, scientific principles and health conditions must be observed for the circulation of foodstuffs in order to obtain meals with a high degree of quality, safety and to ensure that they are free from risks.
Raw material	<ul style="list-style-type: none"> ▪ To be suitable for human consumption and conformity with the special Jordanian technical regulations of each category. The use of raw materials which showing signs of damage and corruption, or expired or of unknown source are strictly prohibited. ▪ To be kept properly either in the refrigerator (4°C) or freezing (-18°C) or at room temperature (18-25)°C, and according to the requirements of foodstuff preservation. ▪ To be sure that fresh meat is slaughtered in a regular slaughterhouse and that all seal data are clear such as the name of the slaughterhouse, the date of the slaughter day, the type of meat, and stamped it with the approved slaughterhouse seal. ▪ All food additives such as colors, flavorings, flavorings, spices, salt, etc. should be in accordance with Jordanian technical regulations of each type.
Transportation	It is necessary to ensure that the foodstuffs are transported in a way that prevents any pollution. The appropriate means of transportation should be used according to each type of foodstuff supplied. A refrigerated vehicle shall be used

Statement	Conditions
	<p>as transport means for meat, fish, poultry and fresh vegetables so that the temperature does not exceed 4°C. Frozen transport means shall be used with temperature that do not exceeding 18°C for different frozen transported material.</p>
Storage	<ul style="list-style-type: none"> ▪ The following rule should be followed (what stores first used first). ▪ Foodstuffs classes should be stored in appropriate storage areas. ▪ Foodstuffs should be stored that need to be refrigerated at a cooling temperature (i.e. at 4 ° C) and frozen foodstuffs at freezing temperature (-18 ° C). ▪ The foodstuffs should be arranged according to its classification inside the refrigerators to protect it from mutual contamination. ▪ Raw foods such as meat, poultry and fresh fish should not be stored with cooked (or prepared for cooking) or ready foods in one refrigerator to prevent Mutual contamination. ▪ Do not leave the vegetables wet or exposed on the shelves of the refrigerator. ▪ Do not accumulate snow inside the freezers and work to melt it up to maintain the efficiency of refrigerator cooling-system. ▪ Provide the refrigerator to store the animal carcasses with Clamps for hanging so that the carcasses are far from the sides of the refrigerator to cover the meat inside. ▪ It is strictly prohibited to disconnect the electric power from refrigerated and frozen warehouses for any reason as long as it is filled with foodstuffs. ▪ Storage on the floor of the warehouse is strictly prohibited and high plastic or metal bases are used on the ground surface to facilitate the cleaning process at the bottom. ▪ Storing foodstuffs in a way that allows easy passage of air and easy inspection and cleaning. ▪ Inspection of stored foodstuffs daily to the damaged ones. ▪ Non-food chemicals are kept in specific places away from food, in a way that prevents contamination of food or surfaces that touch food. Chemical materials are kept in clean places and in proper containers.
Preparation of meals	<ul style="list-style-type: none"> ▪ In order to prevent mutual contamination, the place of preparation of meat and fish should be separated from the place where the salads, appetizers, desserts and raw foods are prepared. ▪ The food must be cooked well so that the temperature within the same substance is not less than 75°C to eliminate the causes of the disease. ▪ All refrigerated salads and appetizers should be kept as soon as it is finished of its preparation until its served.
The ready-made meals to be served	<ul style="list-style-type: none"> ▪ It is strictly prohibited to keep foodstuffs or to provide food or beverages that are marked with damage or are not suitable for human consumption. ▪ It is strictly prohibited to keep or offer any cooked foods or prepared beverages from the previous day.

Statement	Conditions
	<ul style="list-style-type: none"> ▪ It is strictly prohibited to keep or offer any food previously prepared in unlicensed places. ▪ All kinds of foodstuffs are kept away from exposure to flies, insects, rodents and sources of pollution with dust and others. ▪ Prepared cold foods are kept for serving at temperature that is not exceeding 4 ° C, such as salads, appetizers, cold meats, etc. ▪ All cooked foods that are presented hot should be kept at a temperature higher than 64 °C by using a water bath or other means and should be covered continuously. ▪ Food cooked is strictly prohibited to touch any raw or fresh ingredients, as any container used to transport or store any fresh food in transporting or storing cooked food is strictly prohibited except after washing it, cleaning, disinfection and drying well. ▪ It is strictly prohibited to use of hot water which is outside of the water heater (electric, gas) in the final phase of preparation of food or drinks. ▪ It is strictly prohibited to prepare mayonnaise within the facility and use only mayonnaise prepared and made in the licensed factories. ▪ To prepare and foodstuffs in the same day of its transport to the customers, with the need to put out a statement card having all necessary information provided for in the relevant technical regulation if the product in its final form. ▪ Canned fresh meat products, salads and ready-made appetizer prepared to catering should be kept in a refrigerated temperature for up to 24 hours. ▪ Catering foodstuffs should be placed in suitable, safe and clean containers and during serving. ▪ The hour and date of preparation of the ready-made material must be put on a label fitted to the edge of the container from the outside.
Using the frozen foodstuffs	The unfreezing process (dissolving) of the frozen foodstuffs should be carried out within the refrigerator at a temperature not exceeding 4°C. It is strictly prohibited to refreeze it or refreeze any other part of it again.
Cooked meals packaging	<p>Foodstuffs must be filled immediately after preparation and put in appropriate containers that meets the following conditions:</p> <ul style="list-style-type: none"> ▪ To suit the nature, structure and type of foodstuffs to be filled. ▪ To be sealed. ▪ Do not reach with foodstuffs, do not change its properties and maintain its temperature. ▪ To be strong and bear the circulation without causing any damage to the material filled. ▪ To bear heat treatment in the case of meals not ready to eat. ▪ To be well-formed and safe to use. ▪ A label of food packages should be issued showing all the data in accordance with the related Jordanian technical regulations. ▪ The event operators, in addition to the above, must restrict and obligate with the following: <ul style="list-style-type: none"> – Aluminum foil should be used in meal packaging.

Statement	Conditions
	<ul style="list-style-type: none"> - The packaging should be tightened and the meals placed in a cork box or other similar material. - The appropriate means of transport shall be used to maintain the temperature of the material.
Foodstuffs transport means	<p>A permit must be obtained from the competent authorities concerned to ensure that the means of transport are met to the conditions of the transport of foodstuffs and that the permit is issued continuously, except as provided in any other relevant instructions as follows:</p> <ul style="list-style-type: none"> ▪ The means of transport should be used only for transporting of meals. ▪ To be kept clean by washing and disinfecting continuously. ▪ To provide adequate shelves. ▪ The workers on the means of transport must have a valid health certificate. ▪ The meals should be packed in a regular manner that does not affect the distribution of cold or hot air, to work to harmonize the distribution of temperature inside and do not cause any mechanical damage to the transported packets. ▪ The means of transport of non-perishable foodstuffs that is stored at room temperature should be closed and non-exposed so that the food is not exposed to direct sunlight, which leads to high temperature and change the characteristics and quality. ▪ To write clearly on the vehicle from the outside a special phrase for transporting foodstuffs products with writing all the institution's data such as the logo, the trade name, the address and the phone number of the restaurant. ▪ Refrigerated and frozen foodstuffs transport means should be: <ul style="list-style-type: none"> - To be sealed and isolated. - Equipped with a cooling unit suitable to its capacity and the required temperature inside. - Equipped with temperature thermometer to read the temperature outside the room and be equipped with temperature control inside the vehicle storage area to suit the type of products that is transported. - The transport storage are shall be provided with a means of illumination that will work automatically when the doors of the refrigerator are opened and shut off when the doors are closed. - The loading and unloading are happened at the required speed to prevent the fluctuation of the internal temperature of the vehicle. ▪ The transport of cooked food prepared for consumption insulated incubators to ensure that the temperature of the foodstuff is maintained at least 64°C until it reaches the place of submission. ▪ Transport refrigerated foodstuffs meals prepared for consumption in incubators to ensure that the temperature of the foodstuff is maintained so that the temperature does not exceed 4°C and until it reaches the place of submission.

Statement	Conditions
Hygiene	<ul style="list-style-type: none"> ▪ Putting posters related to following hygiene rules in places of receiving, composing and preparing food in addition, warehouses and toilets to be clear to all labors using their language and they have to follow them. ▪ Putting hygiene programs for the association, and to be documented. ▪ Caring seriously of association hygiene, especially in places of composing and preparing meat, chickens and vegetables. ▪ Using allowable detergents in cleaning utensils, tools and surfaces touching food. ▪ Cleaning and antisepticising equipments directly after using. ▪ Not allowing using cloth towels to dry equipment surfaces, but replaced by high absorbent paper towels or using dry air. ▪ Using multistage washing systems (rinsing with running water -washing using detergents – rinsing with running water to get rid of the detergent – drying) in work equipments. ▪ Not using any unnecessary, additional equipment in the site. ▪ Maintaining equipment continuously to keep them and the labors using them safe according to planed program. ▪ Accumulating garbage in plastic sacks inside sealed containers with type which covered automatically by foot pushing, beside tying sacks preliminary to get rid of them first by first out of special places for this purpose. ▪ Cleaning and antisepticising garbage containers daily, by using cleaning and suitable antiseptics. ▪ Caring of toilets and hand washing basins, antisepticising them daily by using suitable antiseptics. ▪ Cleaning floors daily and with obligation the water do not get outside limits of the place. ▪ Controlling pests inside the facility and surrounding places and carrying out that through program planned for this purpose. ▪ Using natural ways like electric detonators for fighting insects and supersonic devices for fighting rodents to be put away of composing and preparing places. ▪ Using insecticides in case of non-effectiveness of the previous natural ways to be done, with taking precaution to protect food, machines and tools from pollution provided that they stop working. ▪ Cleaning well after using insecticides to get rid of their effects by using hot water, soup, circulating detergent to get rid of pesticide residues before re-using equipment. ▪ Sticking labels on pesticides, detergents and antiseptics besides, any other chemical material which is danger in hygiene, which product name and using way are cleared, in addition, It is strictly forbidden to store any of these materials in different production locations. ▪ Cleaning and sterilizing the water tank continuously in a suitable and correct way. ▪ Precautions should be taken to prevent food contamination from visitors of food-having sites.

Statement	Conditions
Maintenance	<ul style="list-style-type: none"> ▪ Maintenance of the building consciously from the inside and the outside whenever need. ▪ Making necessary maintenance of electricity, sewage and water networks whenever need. ▪ Noticing any infiltration in sewage and water lines which found outside the building that might affect the facility's products and safety.
Food traders	<ul style="list-style-type: none"> ▪ All labors of the departments of the company or any person who has request with the alimentary material or attached departments should get valid health certificate according to the prescribed instructions. ▪ It is not allowed to any person suspected of having an infected disease transferred through food to work-in the facility. ▪ It is not allowed with any person with inflamed wounds, skin infections, ulcers or diarrhea to work in food preparation or have any contact directly or indirectly with food.
Appearance, behavior, personal hygiene of labors	<ul style="list-style-type: none"> ▪ Following the rule of (clean wherever is) which is washing hands directly with correct way when beginning the work and after dealing with fresh food or any polluted material besides after any process of composing and preparing food, working breaks, getting outside toilets and after, touching any part of the body such as hair, mouth or nose, also, after sneezing, flipping and after coming back to work place if the labor gets out for a reason. ▪ Being in a good look in terms of perfect caring of cleanliness. ▪ Wearing clean uniform during working time and keeping it in closed cabinets inside special changing rooms. ▪ Wearing protective clothes, clean caps and special shoes if needed during work. ▪ Caring of trimming and cleaning nails. ▪ Wearing unused healthy gloves of a type that is used once and nose and mouth covering mask during working in preparing the product whatever needs, keeping in mind that wearing gloves is not a reason for not washing hands well. ▪ Not allowing touching air, nose, mouth and ears, spiting or coughing inside work place. ▪ Not allowing wearing jewelry, rings, watches and pins during food circulation. ▪ Not allowing to eat food, drink and to desist from smoking in the places of preparing, processing and catering and inside warehouses. ▪ Never sleep in the workplace or warehouses.
Training on health related issues	It is necessary of all labors to be trained on conditions and health rules of food circulating for prevention from pollution according to instructions which are issued by food and drug association in this field.
Health control record	The facility owner or responsible manager should keep a record called "health control record" which is issued from food and drug association concerning its form, content and how to use it. Also, the owner or responsible manager should present the record to the food inspector during inspection visits, no change is

Statement	Conditions
	made in the data or observations, whether such change is made by scraping, erasing, removing or otherwise.
Food tracking	<ul style="list-style-type: none"> ▪ The restaurant and kitchen administrator should put a mechanism permitting tracking all circulated food in the association and food-added materials beside, any material that may become in touch with foods during their manufacturing, preparing, filling and through all circulating phases. ▪ The restaurant or kitchen administrator should identify all persons or associations which provide his/her association with foods, food additives or any material may become in touch with foods during their manufacturing, preparing or filling, that is through accredited mechanisms and procedures which may permit the food and drug association to depend on them .

Resource: food and drug association.

4.5 The Required licenses

The following table shows the necessary licenses to implement the project.

Table 17: Licenses required for the project

Item	Analysis
Company registration and licensing	<ul style="list-style-type: none"> ▪ Ministry of industry and trade. ▪ Food and drug association.
Operation	<ul style="list-style-type: none"> ▪ Municipality, health affairs, social security, income and sales tax.

4.6 Project Timetable

The following figure shows the project timeline which is estimated at (14) months:

Phase	Year (month)													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Studies	■	■												
Approvals and company registration and licensing		■	■	■	■	■								
Renting of required facility							■	■						
Furniture, Fixture and Equipment									■	■	■	■		
Employment & Commissioning												■	■	■
Total Duration	(14) months													

5. Financial Study

5.1 Financial Assumptions

The following table illustrates the financial assumptions of the project.

Table 18: The Financial Assumptions of the Project

Item	Assumption
Inflation Rate	3%
Financing Structure	Equity constitutes 100% of the investment
Working Capital	3 months of annual cost
Pre-Operating Expenses	2% of total investment
Tax Rate	20%
Cost of food and beverages	55% of total revenues
Cost of Electricity, diesel, and water	5% of total revenues
Rents and other expenses	JD 7 thousand annually
Insurance Expense	JD 3 thousand annually
Annual Salaries Increase	5%
Staff Incentives	2% of revenues
Assets Depreciation Rate	4%-20% of the asset value
Cumulative Depreciation	JD 39 thousand
Maintenance Cost	2% of total investment
Accounts Receivable	4% of revenues
inventory	10% of operation costs
Accrued expenses	5% of operation costs

5.2 Investment Cost

The project's Investment cost is estimated at JD 456 thousand distributed among fixed assets of JD 270 thousand, working capital and pre-operating expenses totaled of JD 186 thousand. The following table shows the project's Investment cost.

Table 19: the project's investment cost

Item	Value (in thousand JD)
Fixed assets	270
Pre-operating expenses	9
Working capital	177
Total	456

5.3 Financing

The project will be financed with the shareholders by 100% which is estimated at about JD 456 thousand, while there is no needed for loans. The following table shows the financing structure for financing the project.

Table 20: Project financing schedule

Item	Value (in thousand JD)	%
Equity	456	100%
Loan	-	0%
Total	456	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 722 thousand, and increased to reach up to JD 2.2 million in the fifth year.

Table 21: The Expected Revenues

Statement	Year 1	Year 2	Year 3	Year 4	Year 5
Number of Public Events	75	90	108	130	156
Number of Persons In The Event	300	300	300	300	300
Average Revenue Per Person	9	9	10	10	10
Revenues From Public Events	203	250	309	382	473
Number of Companies And Factories	4	5	6	7	8
Number of Persons In The Company	70	70	70	70	70
Average Revenue Per Person	2.0	2.1	2.2	2.3	2.4
Revenues From Companies And Factories	168	212	267	337	425
Number of Schools / Universities	2	3	4	5	6
Number of Students	1,200	1,200	1,200	1,200	1,200
% of Benefiting Students	%60	%60	%60	%60	%60
Average Revenue Per Student	1.20	1.26	1.32	1.39	1.46
Revenues From Schools And Universities	311	508	724	960	1,218
Other Revenues	41	50	62	76	95
Total Revenues – Thousand JD	722	1,020	1,362	1,756	2,210

5.5 The Projected Costs

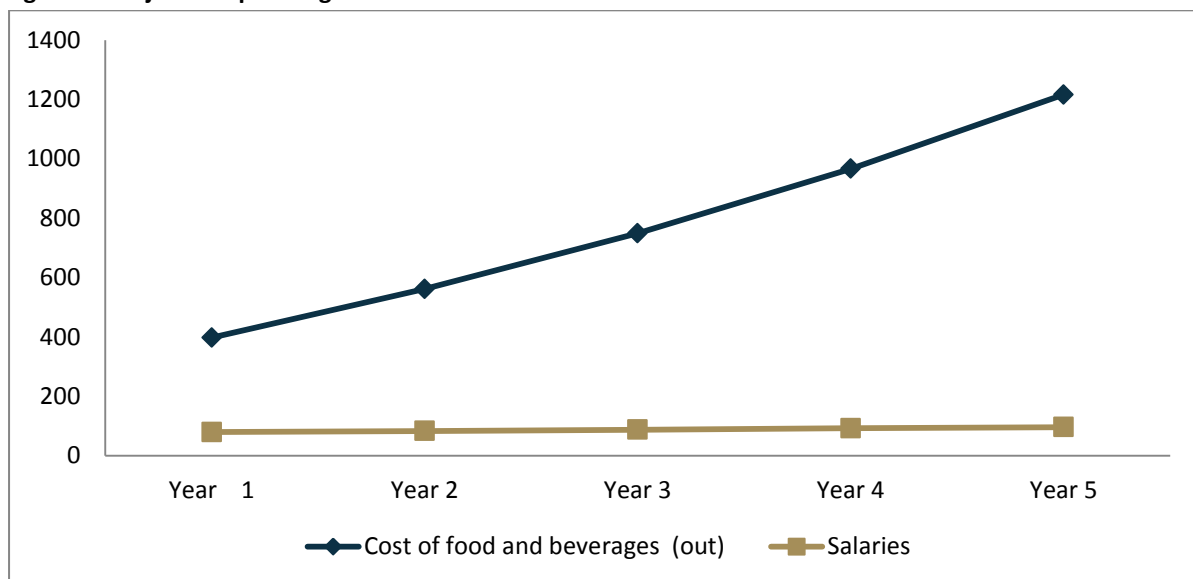
Operating Costs

The following table shows the project's operating costs according to the previous assumption over five years. The food and beverages costs which will be obtained by contracting with external parties amounted to JD 397 thousand in the first year which increases to reach JD 1.2 million in the fifth year. Moreover, Salaries cost in Year 1 amounted to JD 79 thousand which increase to reach JD 96 thousand in Year 5.

Table 22: Operating Costs

Operating Costs (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Cost of food and beverages (out)	397	561	749	966	1216
Salaries	79	83	87	92	96
Staff Benefits	20	21	22	23	24
Staff Incentives	22	31	41	53	66
IT Cost	5	5	6	6	6
Depreciation	54	54	54	54	54
Maintenance	5	6	6	6	7
Electricity, Water, Diesel	7	7	7	7	7
rents	36	51	68	88	111
Insurance	3	3	3	3	3
Others	5	5	6	6	6
Total	633	827	1,048	1,303	1,595

Figure 3: Projected Operating Costs



Administrative Expenses

The following table shows the projected administrative expenses of the project. Employees' salaries reach JD 65 thousand in the first year and increase to JD 79 thousand in the fifth year. The marketing expenses are about JD 22 thousand in the first year and increase to reach JD 66 thousand in the fifth year.

Table 23: General and Administrative Expenses

General and Administrative Expenses (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	65	68	71	75	79
Staff Benefits	16	17	18	19	20
Staff Incentives	14	20	27	35	44
Stationery	5	5	6	6	6
Professional Fees	2	2	2	2	2
Marketing Expenses	22	31	41	53	66
Other Expenses	5	5	6	6	6
Amortization	9	-	-	-	-
Total	138	149	171	195	224

5.6 Projected Financial Statements

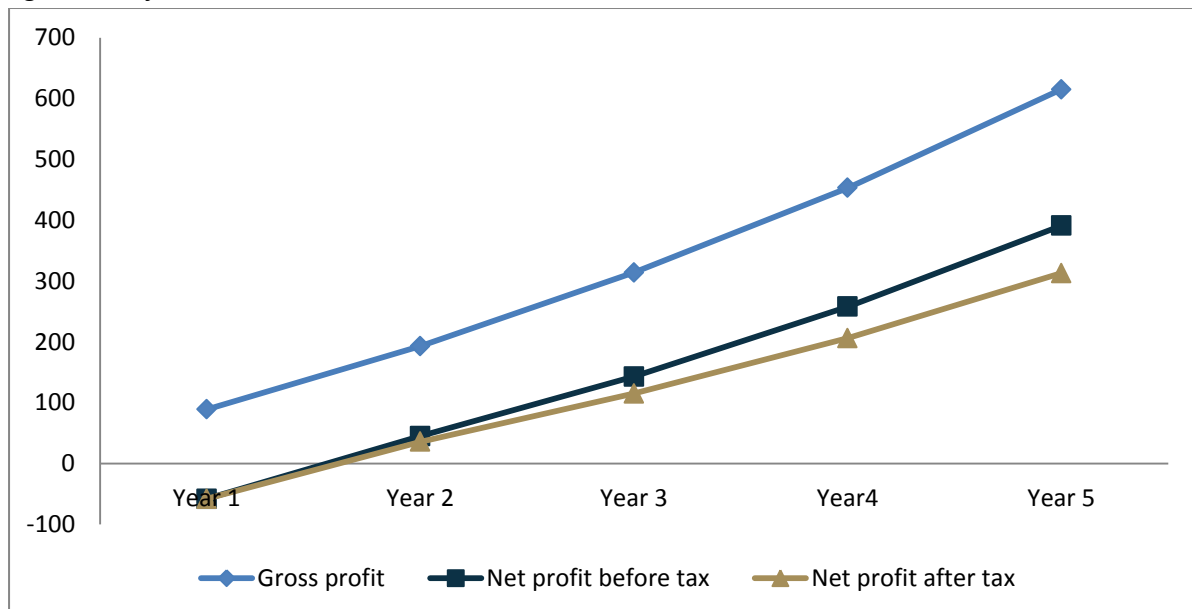
Income Statement

The following table shows the projected income statement of the project. It indicates that gross profit will increase from JD 89 thousand in the first year to JD 615 thousand in the fifth year. The net profit before tax will also increase from JD 45 thousand in the second year to JD 391 thousand in the fifth year, and the net profit after tax will increase from JD 36 thousand in the second year to JD 313 thousand in the fifth year.

Table 24: The Projected Income Statement

Income Statement (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year4	Year 5
Revenues	722	1,020	1,362	1,756	2,210
Operating costs (cost of sales)	633	827	1,048	1,303	1,595
Gross profit	89	193	314	453	615
Administrative expenses	138	149	171	195	224
Net profit	(49)	45	143	258	391
financial expenses	0	0	0	0	0
Amortization	9	-	-	-	-
Net profit before tax	(58)	45	143	258	391
Tax	-	9	29	52	78
Net profit after tax	(58)	36	115	206	313

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 increase from JD 456 thousand in the year of incorporation to about JD 719 thousand in the fifth year.

Table 25: 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	177	181	226	293	384	503
Receivables	-	29	41	54	70	88
Inventory	-	40	56	75	97	122
Pre- Paid Expenses	-	5	5	6	6	6
Total Current Assets	177	254	329	428	557	719
Fixed Assets	279	279	279	279	279	279
Cumulative Depreciation	-	63	117	171	225	279
Pre- operating expenses	-	-	-	-	-	-
Net Fixed Assets	279	216	162	108	54	-
Total Assets	456	470	491	536	611	719
Shareholders Equity and Liabilities						
Accrued Expenses and Payables	-	32	41	52	65	80
Long Term Loans	-	-	-	-	-	-
Total Liabilities	-	32	41	52	65	80
Shareholders Contributions	456	456	456	456	456	456
Retained Earnings	-	(17)	(7)	28	90	183
Shareholders' Equity	456	439	449	484	546	639
Shareholders Equity and Liabilities	456	470	491	536	611	719

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 71 thousand in the second year to JD 338 thousand in the fifth year; while the Cash at the ending period will increase from JD 177 thousand in the year of incorporation to JD 503 thousand in the fifth year.

Table 26: 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	-	(58)	36	115	206	313
Depreciation	-	63	54	54	54	54
Change In Working Capital	-	(42)	(19)	(22)	(25)	(29)
Cash Flow From Operation	-	(37)	71	147	235	338
Investing Activities						
Fixed Assets	(279)	-	-	-	-	-
Cash From Investing Activities	(279)	-	-	-	-	-
Financing Activities						
Capital (Equity)	456	-	-	-	-	-
Loan	-	-	-	-	-	-
Dividends	-	41	(25)	(80)	(144)	(219)
Cash Flow From Financing Activities	456	41	(25)	(80)	(144)	(219)
Net Cash Flow	177	4	46	67	91	119
Cash At The Beginning Period	0	177	181	226	293	384
Cash At The Ending Period	177	181	226	293	384	503

5.7 Financial, Economic and Social Analysis

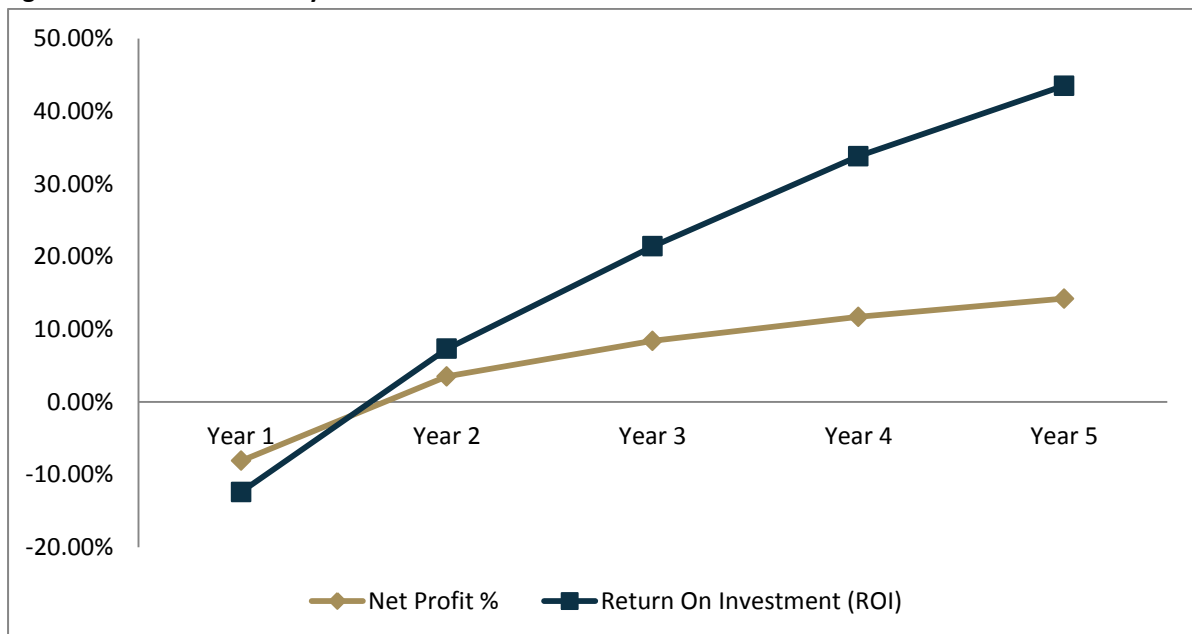
Financial Analysis

The following table shows the financial analysis of the project. It indicates that the net profit ratio will increase from 3.5% in the second year to 14.2% in the fifth year, and the return on investment will increase from 7.3% in the first year to 43.5% in the fifth year.

Table 27: Financial Analysis

Financial Analysis (In Thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Assets	470	491	536	611	719
Revenues	722	1,020	1,362	1,756	2,210
Profits	(58)	36	115	206	313
Capital (Equity)	456	456	456	456	456
Net Profit %	-8.1%	3.5%	8.4%	11.7%	14.2%
Return On Investment (ROI)	-12.4%	7.3%	21.4%	33.8%	43.5%
Return On Capital (ROC)	-12.8%	7.8%	25.1%	45.2%	68.6%
Net Profit On Revenues	-8.1%	3.5%	8.4%	11.7%	14.2%
Assets Turnover (Time)	1.54	2.08	2.54	2.88	3.07

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 28%. 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 799 thousand. It exceeds the investment with JD 343 thousand, which means the economic feasibility of the project.
- The profitability index of the project reached 1.75 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 4.1 years.

Table 28: 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	(456)	(37)	71	147	235	338
terminal value	-	-	-	-	-	639
Net Cash flow	(456)	(37)	71	147	235	977
Internal Rate of Return (IRR)	28%					
present Value	799					
Net present value	343					
Profitability Index (Time)	1.75					
Payback period (Year)	4.1					

Social Analysis

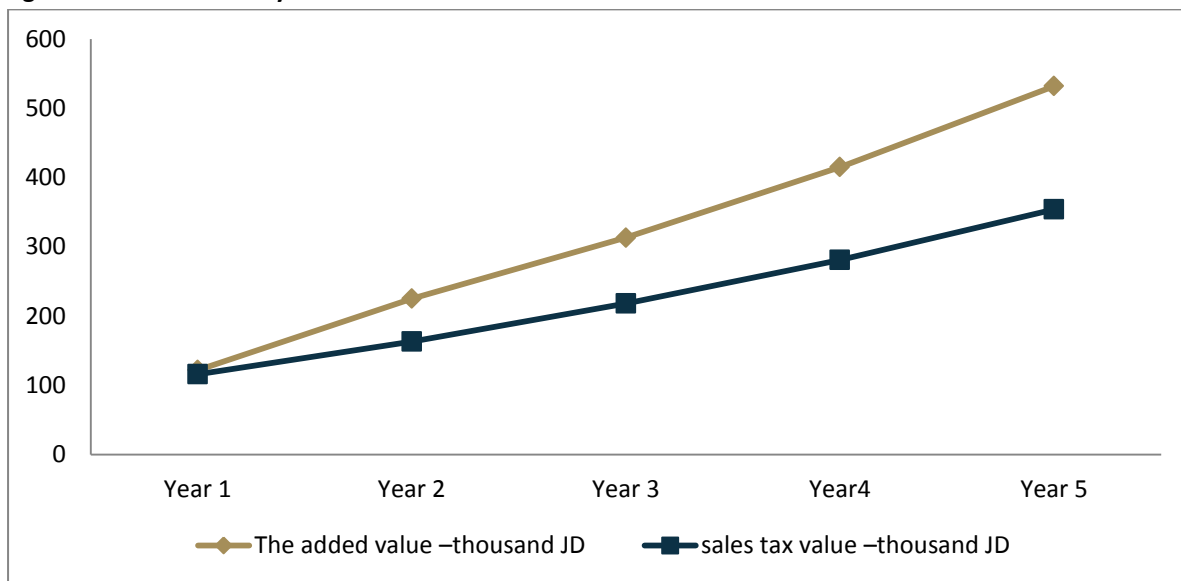
The following table shows the social analysis of the project. It is noticed that the number of staff required for the project will increase from 27 employees in the first year to 29 employees in the fifth year.

The added value of the project will also increase from JD 122 thousand in the first year to JD 532 thousand in the fifth year. The income tax will reach JD 78 thousand in the fifth year.

Table 29: the Social Analysis of the Project

Social Analysis					
Statement	Year 1	Year 2	Year 3	Year4	Year 5
Number of Employees	27	28	28	29	29
Jordanian employees	14	14	14	14	15
The added value –thousand JD	122	225	313	415	532
Income tax –thousand JD	-	9	29	52	78
sales tax value –thousand JD	116	163	218	281	354

Figure 6: 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 30: Project Risk Matrix

Risks	Type of Risks	Risk Assessment
Financial Risks	<ul style="list-style-type: none"> ▪ Credit Risk Credit risk represents the risk of the company's financial loss as a result of the customer's default of the contractual obligation or that of the party dealing with the company through a financial instrument. These risks are mainly caused by trade receivables and others. ▪ Liquidity Risk Liquidity risk is the risk resulting from the company's inability to meet its financial obligations at time. The company's liquidity management is to ensure as much as possible that the company always maintain enough liquidity to meet its obligations as they become due and payable in normal and emergency conditions without incurring unacceptable losses or risks that affect the company's reputation. ▪ risk of currency fluctuation Currency risk is the risk of the fluctuation of the value of financial instrument, due to fluctuations in foreign currency exchange rates. ▪ inflation risk It is the risk associated with the possibility that the inflation or the rise in the cost of living might 	<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 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>Business risk (sector risk)</p>	<p>lead to the decrease the real value of the investment.</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. ▪ Competition Risk Competition risk results from domestic and external 	<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 ▪ Market risk in the short term will be moderate because of the competition from other companies

Risks	Type of Risks	Risk Assessment
	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 ▪ Reputational risk is very high, as the company deals with very sensitive issues such as food and beverage ▪ Competitive salaries will be paid ▪ Information security plan will be put in place to safely keep the company information
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 31: Investment Increase by 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	28%	26%	2%
The Present Value at a discount rate of 13% (in Thousand JD)	799	824	-24.75
Net Present Value at a discount rate of 13% (in Thousand JD)	343	322	21
Profitability Index (Time)	1.8	1.6	0.1
Payback period (Year)	4.10	4.30	-0.20
The Net Profit Ratio – an average of 5 years	6.0%	6.0%	0.0%
Return on Investment - an average of 5 years	18.7%	17.5%	1.2%
Return on Capital – an average of 5 years	26.8%	24.4%	2.4%
Net Profit On Revenues - an average of 5 years	6.0%	6.0%	0.0%
Assets Turnover (Time) – an average of 5 years	2.4	2.2	0.2
The added value - an average of 5 years (in thousand JD)	321	321	0
income tax - an average of 5 (in thousand JD)	33	33	0
sales tax - an average of 5 years (in thousand JD)	226	226	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 26%, which is considered high for investment purposes
- The new payback period is 4.3 years, and it is reasonable for recovery purposes
- The return on capital is 24.4%, 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 32: Reducing Revenues 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	28%	7%	21%
The Present Value at a discount rate of 13% (in Thousand JD)	799	326	473.52
Net Present Value at a discount rate of 13% (in Thousand JD)	343	(130)	474
Profitability Index (Time)	1.8	0.7	1.0
Payback period (Year)	4.10	6.60	-2.50
The Net Profit Ratio – an average of 5 years	6.0%	-2.7%	8.7%
Return on Investment - an average of 5 years	18.7%	0.0%	18.7%
Return on Capital – an average of 5 years	26.8%	1.4%	25.4%
Net Profit On Revenues - an average of 5 years	6.0%	-2.7%	8.7%
Assets Turnover (Time) – an average of 5 years	2.4	2.6	(0.2)
The added value - an average of 5 years (in thousand JD)	321	205	116
income tax - an average of 5 (in thousand JD)	33	8	25
sales tax - an average of 5 years (in thousand JD)	226	204	23

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 7%, which is considered low for investment purposes
- The new payback period is 6.6 years, which is considered long period for this project
- The return on capital reaches 1.4%, which is low 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 33: Increasing the Operating Costs by 10%

Index	Base	Impact	Change
Internal Rate of Return (IRR)	28%	12%	16%
The Present Value at a discount rate of 13% (in Thousand JD)	799	433	365.74
Net Present Value at a discount rate of 13% (in Thousand JD)	343	(23)	366
Profitability Index (Time)	1.8	1.0	0.8
Payback period (Year)	4.10	5.60	-1.50
The Net Profit Ratio – an average of 5 years	6.0%	-0.7%	6.6%
Return on Investment - an average of 5 years	18.7%	4.8%	14.0%
Return on Capital – an average of 5 years	26.8%	7.3%	19.5%
Net Profit On Revenues - an average of 5 years	6.0%	-0.7%	6.6%
Assets Turnover (Time) – an average of 5 years	2.4	2.8	(0.3)
The added value - an average of 5 years (in thousand JD)	321	232	89
income tax - an average of 5 (in thousand JD)	33	14	19
sales tax - an average of 5 years (in thousand JD)	226	226	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 12%, which is considered suitable for investment purposes
- The new payback period is 5.6 years, and it is reasonable for recovery purposes
- The return on capital is 7.3%, which is suitable for investment purposes