



**Pre-Feasibility Study**  
**A Tourist Village Project**  
**Zarqa Governorate**

April, 2017



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## 1. Executive summary

This study aims to determine the pre-feasibility for the project of establishing a tourist village in Zarqa governorate within the district of Beren which is characterized by its charming sceneries and the presence of abundant forest trees that approximately rack up to 700 thousand trees. In addition to that, Beren links four governorates: Jarash, Balqa, Zarqa and Amman, making it a polarized area for visitors. The village consists of green areas, parks, barbecue areas, commercial shops assigned to serve the visitors of the village, as well as the entertainment electric, non-electric and water games for children. This village is the first of its kind in Zarqa governorate.

**Table 1: Initial indicators of the project**

<b>Project Name</b>	Tourist village project
<b>Sector</b>	Tourism
<b>Governorate</b>	Zarqa
<b>Region</b>	Berain
<b>Products/Services</b>	<ul style="list-style-type: none"> <li>● Green areas, parks with barbecue facilities.</li> <li>● Heritage-based restaurants, traditional restaurants, fast food and coffee shops.</li> <li>● Shops and kiosks for selling travel supplies, beverages and other needs.</li> <li>● Entertainment city for the whole family.</li> <li>● Artificial lake with water games.</li> </ul>
<b>Project Description</b>	The project is about establishing an integrated tourist village consisting of green areas, parks, barbecue areas, commercial shops to serve the village visitors, as well as entertainment and water games services for all family members, heritage-based and modern restaurants, and fast food. This village is the first of its kind in Zarqa Governorate. The village is to be established in the district of Berain that is characterized by the charming sceneries and the presence of abundant forest trees; about 700 thousand trees. In addition to that it is located close to some other Governorates like Jerash, Balqa and Amman, as well as the two cities of Zarqa and Russeifa; making it a polarized area for visitors.
<b>Target Market</b>	<ul style="list-style-type: none"> <li>● Jordanian tourists</li> <li>● Arab tourists</li> <li>● Foreign tourists</li> </ul>
<b>Investment Cost</b>	The project investment cost is about JD 14.4 million
<b>The Average Return On Investment</b>	The average return on investment during the five years is about 8.8%

<b>Internal Rate Of Return</b>	The internal rate of return for the project is about 19.2%
<b>Average Added Value Of The Project</b>	The average of added value of the project during the five years is about JD 2 million
<b>Risk Assessment</b>	The Sensitivity Analysis indicates a low risk in case of 10% increase in investment cost, or 10% decrease in revenues, or 10% increase in operating costs.
<b>The Project Justifications</b>	<ul style="list-style-type: none"> <li>• The proximity of the project to the Capital Governorate (Shafa Badran, Al-Ourdon Street), and other Governorates like Jerash, Balqa, as well as the two cities of Zarqa and Russeifa.</li> <li>• Lack of similar projects in the Governorate</li> <li>• Introducing a new concept of tourism and hiking.</li> <li>• Employment of national labor.</li> </ul>
<b>Partners/Stakeholders</b>	<ul style="list-style-type: none"> <li>• The Ministry of Municipal Affairs –municipality of New Berain</li> <li>• The ministry of Tourism and Antiquities</li> </ul>

## 2. The Macroeconomic Environment

### 2.1 An Overview of the Hashemite Kingdom of Jordan

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

**Figure 1: Map of the Hashemite Kingdom of Jordan**



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

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

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

## 2.2 Population

Based on the General Census of Population and Housing in 2015, the population in the kingdom amounted to about 9.5 million people with a population density of 107.3 inhabitants per km<sup>2</sup>, 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 km<sup>2</sup>, 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 <sup>2</sup> )	Population density (people/ km <sup>2</sup> )
<b>Central Region</b>			
Capital	4007526	7,579	528.8
Zarqa	1364878	4761	286.7
Balqa	491709	1120	439.0
Madaba	189192	940	201.3
<b>North Region</b>			
Irbid	1770158	1572	1126.1
Mafraq	549948	26551	20.7
Jerash	237059	410	578.2
Ajloun	176080	420	419.2
<b>Southern Region</b>			
Karak	316629	3495	90.6
Tafeileh	96291	2209	43.6
Maan	144082	32832	4.4
Aqaba	188160	6905	27.2
<b>Total of Kingdom</b>	<b>9531712</b>	<b>88793.5</b>	<b>107.3</b>

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.

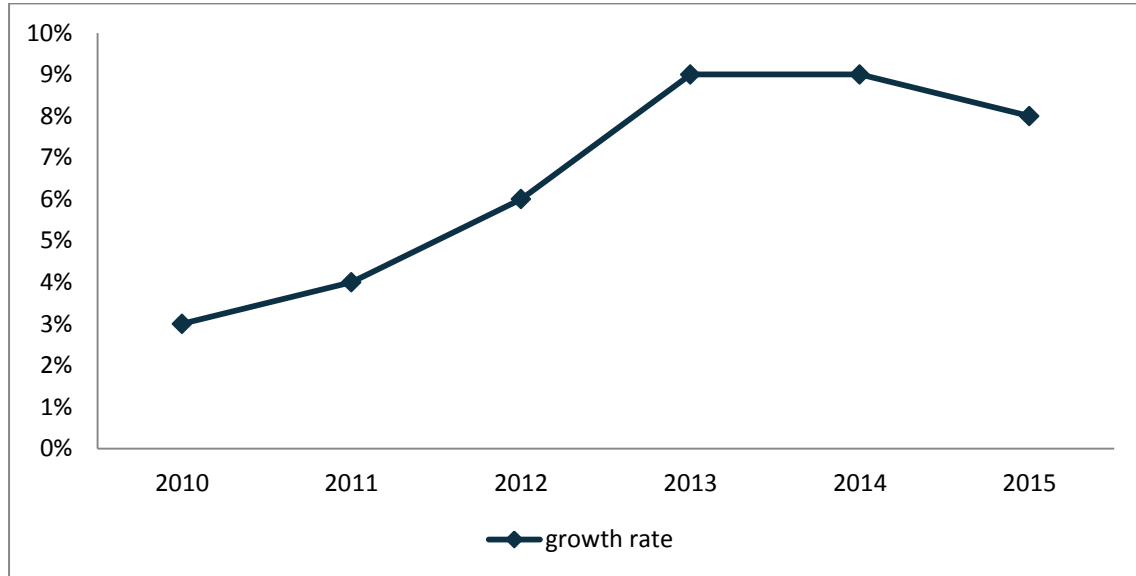
The unemployment rate among Jordanians also witnessed a rise by 1.1 percentage to reach to 13%, due to the structural imbalances that the labor market is suffering from and the acquisition of the low-paid foreign workers on a large number of new jobs in the economy, according to the Central Bank of Jordan.

**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%).

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<sup>1</sup> The Central Bank of Jordan

Furthermore, many of the external sector indicators registered a drop in performance in 2015 due to the deepening instability in the region and almost full closure of the borders with Iraq and Syria. However, the drop in oil prices in the global markets contributed to the decline in the Kingdom's imports bill for energy, as it dropped by 40.6%, which in turn contributed to a decline in total imports and the trade deficit by 11.4% and 14.0%, respectively. Thus, the Current Account, excluding aid, declined to 11.9% of GDP, compared to 12.4% in 2014.

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

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

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

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

	2011	2012	2013	2014	2015
<b>Population (millions)</b>	6.993	7.427	8.114	8.804	9.532
<b>Unemployment rate</b>	12.9	12.2	12.6	11.9	13.0
<b>Production and Prices</b>					
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

	2011	2012	2013	2014	2015
(%)					
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
<b>Money and Banking</b>					
Exchange rate of the Jordanian dinar to the US dollar	1.410	1.410	1.410	1.410	1.410
Money supply (P2)	24,118.9	24,945.2	27,363.4	29,240.4	31,605.5
Net foreign assets of the banking system	9,370.1	6,665.5	6,923.4	7,932.3	8,137.3
Net domestic assets of the banking system	14,748.8	18,279.7	20,440.0	21,308.1	23,468.2
Net debt of the government	6,701.4	9,461.3	10,494.8	10,473.9	11,386.4
Private sector debts (Residents)	14,925.0	15,953.6	17,222.5	17,852.8	18,704.5
Other factors <sup>(1)</sup>	-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	-	-	-
<b>Public Finance</b>					
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 <sup>(2)</sup>	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
<b>Foreign Trade and Balance of Payments</b>					
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) <sup>(3)</sup>	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 about establishing an integrated tourist village consisting of green areas, parks, barbecue areas, commercial shops to serve the village visitors, as well as entertainment and water games services for all family members, heritage-based and modern restaurants, and fast food. This village is the first of its kind in Zarqa governorate. The village is to be established in the district of Beren that is characterized by the charming sceneries and the presence of abundant forest trees; about 700 thousand trees. In addition to that it is located close to some other governorates like Jarash, Balqa, Amman, as well as the two cities of Zarqa and Russeifa; making it a polarized area for visitors.

#### **3.2 Expected Services Description**

The expected services of the project include the following:

- Green spaces and parks as well as barbecue facilities
- Shops and kiosks for selling travel supplies, photography, souvenirs, and the products of the surrounding local community like food and handicrafts- for leasing.
- Entertainment games for all family members (outdoor and indoor)
- Artificial lake with water games.
- Cafes and cafeterias for rent.
- A heritage-based restaurant for rent
- Modern restaurants and fast food restaurants for rent
- Providing adequate shady places to sit down and shady waiting places in front of the games.
- Providing surveillance system through cameras distributed all over the city for security and safety measures, and providing the necessary inspection and security equipments.
- Providing parking lots for cars and buses
- Fashionable design that meets all requirements of people with special needs.
- Providing central air conditioning (cold/hot) for enclosed buildings.
- Providing paved or tiled corridors for pedestrians to facilitate the passage (for people with special needs as well)
- Providing suitable place for prayer
- Providing sky space of 3000 m<sup>2</sup> to establish popular market to display and sell the products of the local community during the seasons.
- Multi-purpose halls for celebrations, weddings, meetings, etc.





### 3.3 Market Analysis

Studies on the internal tourism sector in Jordan show active indicators in this sector. The total number of trips of the domestic tourism in Jordan reached 4 million trips in 2012; distributed on nearly one million trips for overnight visitors and 3 million trips for same-day visitors. As for the volume of domestic tourism expenditure for the same year, whether for overnight visitors or same-day visitors, it reached about JD280 million; mostly paid on transportation services. Therefore, the existence of an integrated tourism product in an area of natural and environmental elements, like the idea of the proposed project in the region of Beren will contribute to the promotion of domestic tourism as this region links between governorates of Amman, Jarash and Balqa and the city of Zarqa and other cities in Zarqa governorate.

It is worth mentioning that the number of the same day visitors was 72% of the total number of internal tourism in Jordan in 2012, as indicated by the study of the sub-accounts of tourism sector in Jordan; which gives a clear indication of the increasing demand for such type of tourism in Jordan. This characterizes the proposed project as it provides services like entertainment, tourism, and recreation in the same day. The following tables show the number of the domestic tourism trips whether for the overnight visitors or the same-day visitors, in addition to the volume of expenditure by the internal tourist on domestic tourism and services received during his trip.

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

Domestic tourism in Jordan	Number of trips *	Average of expenditure ** (Million Dinar)	Average of tourist expenditure (Dinar)
Tourists (overnight visitors)	1,125,553	245.4	218.03
Sama-day visitors	2,875,445	34.7	12.07
<b>Total number of visitors</b>	<b>4,000,998</b>	<b>280</b>	<b>69.98</b>

**Source: Sub-accounts for the tourism sector in Jordan, 2012**

\*is limited to trips that are entirely within Jordan, not the ones made inside Jordan as a part of outbound trips.

\*\* includes both expenditure on trips made entirely within Jordan and expenditure within Jordan during the outbound trips.

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

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

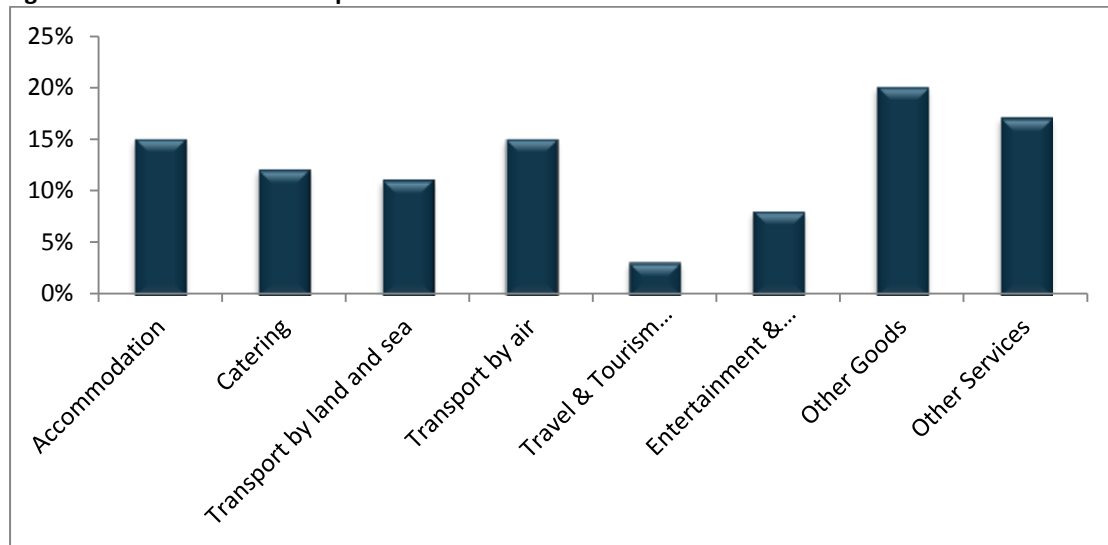
Source: Sub-Accounts for the Tourism Sector in Jordan, 2012

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

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

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

**Figure 3: Domestic tourism expenditure in Jordan for 2012**



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

At the level of Zarqa governorate, the indicators of the tourism sectors are weak compared to other places in the kingdom. There are only 8 hotels in the governorate, two of them are classified as two stars, one hotel is classified as one star while the other 5 hotels are unclassified. In addition to hotels, there are 26 restaurants in the governorate; only two of them are classified as 3 stars and one restaurant is unclassified. The total number of workers in tourism sector in Zarqa governorate is only 1.1% of the total employment in the tourism sector in the kingdom, which largely indicates the weakness of tourism sector and tourism investment in the governorate. This shows the necessity of projects that contribute to the promotion of tourism in the area, especially Beren. The following table shows the number of tourist activities in Zarqa governorate and other governorates where their inhabitants can benefit from the services of the project.

**Table 10: Number of tourist activities for 2016**

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

Source: Ministry of Tourism and Antiquities, 2016

The following table shows the population in the areas close to Beren district which may be half an hour to an hour away from the proposed project. Calculating the people in range of half hour distance, and taking into consideration the population growth rates, the number of people who benefit from the services of the project is expected to reach 3 million.

**Table 11: Population numbers in the regions of the Kingdom near the district of Beren 2015**

Governorate	Populated localities	Issue (2015)
Amman	Tareq	175,194
	Marka	148,100
	Al-Jubayhah	197,160
	Askan Abu Nusayr	72,489
	Shafa Badran	72,315
	Other	3,230,733
<b>Total</b>		<b>3,895,991</b>
Zarqa	Al-Sharq City	10,790
	Zarqa	635,160
	Ad-Dulayl	50,931
	Qasr Al-Hallabat	5,105
	refugee camps	50,131
	Azraq	15,753
	Russeifa	472,604
	Abu Sayah	9,296
	Al Hashimiya	44,730
	Al-Sukhnah	20,693
<b>Total</b>		<b>1,315,193</b>
Balqa	As-Salt	99,890
	Ayn Al-Basha	60,191
	Al-Baqa	68,816
	Other	174,768
<b>Total</b>		<b>403,665</b>
Jarash	Jarash	50,745
	Other	131,689
<b>Total</b>		<b>182,434</b>
Al-Mafraq	Al-Mafraq capital district	196,750
<b>Total</b>		<b>196,750</b>
<b>Total population of areas within half an hour drive</b>		<b>2,697,416 *</b>

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

\* Without counting areas which are more than half an hour away by car from the proposed project.

When the population growth rate is calculated until the expected inauguration of the project in 2019/2020, the number of people who can reach the village within 30-40 minutes reaches about 3 million. Calculating upon the percentage 20% of those who will come to the village and use its utilities and services, the total number of the annual visitors upon which the village will be designed will be 600 thousand persons. Through meetings with the experienced people and those who are involved in the industry of amusement parks, the proportion of usage of outdoor games and the lake will be 75% while the internal games will be 25% of the total number.

## **Demand Size**

It is difficult to calculate the size of demand on the services of the proposed project because the idea of the project is new and unprecedented to the governorate and its surrounding areas. The demand is usually based on supply in tourism projects. However, the demand and its nature can be deduced from some indicators from a field survey conducted on a sample of 972 families from governorates of Amman, Irbid, Balqa, Jarash, Madaba and Zarqa to determine the size of demand on the entertainment games in these governorates. 43% of the respondents forming 417 families said that they use the entertainment games. 59% of the respondents said that they have an access to the entertainment services available in commercial malls in the neighboring governorates like Amman and Irbid while 41% of them obtain this service from their visiting to outbound entertainment parks in Amman and Russeifa.

With regard to the number of annual visits to the internal entertainment (inside the commercial malls) and external entertainment cities, the average number of visits for the indoor entertainment games was 5 visits per each family, while it was 3 visits for the outdoor entertainment games. In addition to that, the average of household expenditure per person when visiting the cities was about 7.7 Dinars.

From above-mentioned information, we find that there is a growing demand on the domestic tourism, especially the entertainment and amusement cities in malls or specialized cities such as the city of Jubayhah and the city of Russeifa. With regard to the expenditure on the internal tourism and amusement cities, despite the modest amounts disbursed by Jordanian families, they are sufficient and encouraging to establish the proposed project. Tourism attractiveness rapid assessment can be conducted to ensure that the proposed project matches the requirements of tourism attractiveness. This assessment is used as an indicator when developing a tourism site or particular project and consequently guarantees the success of the project.

### Overview of the Main Competitors

The governorate of Zarqa lacks the amusement cities and the integrated tourist sites. However, the district of Beren, as previously mentioned, connects several governorates like Balqa, Jarash, and Amman as well as the two cities of Zarqa and Russeifa. This means that most of visitors of the proposed project are expected to be from these governorates. There are two competitors to the village in Amman and Russeifa, namely Jubayha Amusement city and Russeifa (Ard Al Farah entertainment city). They are the closest to the village, but the proposed project is distinguished by its various services and products, and its modern design and games.

In addition to that, there is an indirect competition for the amusement cities in the commercial malls in Amman and Irbid.

<b>Name</b>	<b>Jubayha Amusement City</b>
<b>Location</b>	Jordan, Amman – Jubayha
<b>General Description</b>	<p>Jubayha amusement city was established in 1988 on the hills of Jubayha area with land area of 65 dunums and building area of 3,475 square meters. The city consists of several facilities; the most important of which are the entertainment games and the commercial shops, the size of each range between 20-40 square meters with total area of 600 square meters including 20 commercial shops as well as 30 kiosks ranging between 5-20 square meter to sell toys, snacks, sweets, juices and more. Furthermore, the city has 500 square meter official restaurant serving Arabic foods, and another 40 square meter restaurant serving fast food as well as three cafes serving hot and cold beverages, snacks and hookahs.</p> <p>The city also has management offices, toilets, and parking lot for the employees. The green areas planted with cypresses and pines covers about 50% of the area designated for hiking and sitting.</p> <p>Total number of the employees is 51 employees from the technicians, cleaning workers and security and maintenance employees.</p>
<b>The Provided Services</b>	<ul style="list-style-type: none"> <li>▪ Entertainment Games</li> <li>▪ Food and beverages services</li> <li>▪ Cafes</li> <li>▪ Commercial shops specialized in selling toys, games, snacks and food supplies.</li> <li>▪ Green areas planted with forest trees designated for hiking</li> </ul>

<b>Name</b>	<b>Ard Al Farah Entertainment City (Russeifa Amusement)</b>
<b>Location</b>	Jordan, Zarqa - Russeifa
<b>General Description</b>	<p>Ard Al Farah Entertainment City was established in Russeifa on land, about 6 dunums, leased from the municipality of Russeifa. The city provides the entertainment services, electrical and non-electrical, for adults and children as well as the residents of the area and residents of the neighboring governorates of Amman, Zarqa, Mafraq and others.</p> <p>On the public holidays, about 100 families visit the city every day and 150-600 people use it. This number increases on holidays and events to rack up to approximately 300-500 families (which is a relatively small number because the city is old and the games are old as well and does not have much variety). The price of the ticket is 3 dinars used by adults for two games and the children for four games. Sale is made on the prices of the ticket in normal days to be one dinar per ticket used by adult for one game and the children for two games. In addition, the city consists of two kiosks selling soft drinks and some necessities the visitor need.</p>
<b>The Provided Services</b>	<p>The city offers entertainment services for adults and children. The city has the following games:</p> <ul style="list-style-type: none"> <li>▪ The Bride</li> <li>▪ Animated animals</li> <li>▪ Electric cars</li> <li>▪ Whirlwind</li> <li>▪ Ghost Room</li> <li>▪ chains</li> <li>▪ Mini electric toys for children</li> </ul>



### **3.4 Price Analysis**

A field market study was conducted on the cost of access to the amusement cities and parks in the vicinity of Zarqa governorate, as well as the prices of games and the general prices of services provided in game cities and entertainment areas.

The field survey showed that the prices of the games range between JD 0.5 to 2.5 depending on the type of the game and its users, adults or children. As for billiards and bowling, they are considered as team sports calculated either by hour or by game which is, of course, more expensive. It is noticed that most of amusement cities adopt the packages system i.e. paying a certain amount for the ticket for playing certain games. Offers and discounts are given at certain times to specific categories of customers, such as school students.

As for the other services provided by the village, they are not currently available in amusement cities and shopping malls where there are restaurant rental services, kiosks, cafes and shop rentals. The rental prices of these are not less than 300 JD/M<sup>2</sup> in general except for the kiosks of more than 1000 JD/M<sup>2</sup>. Since the nature of tourist cities differs from that of malls as it is seasonal and fewer customers may come to visit most days of the year except for holidays and feasts, an appropriate and competitive pricing plan will be developed for these services.

### **3.5 Marketing Strategy**

#### **Targeted Market**

The project targets the following customers:

- The domestic tourist from Zarqa governorate and the nearby governorates
- The Arab tourist
- The Jordanian expatriates, especially in summer months
- Foreign tourist.

#### **Expected Services and Products**

The expected project services include the following:

- Green spaces and parks as well as barbecue facilities
- Shops and kiosks for selling travel supplies, photography, souvenirs, and the products of the surrounding local community like food and handicrafts- for leasing.
- Entertainment games for all family members (external and internal)
- Artificial lake with water games.
- Cafes and cafeterias for rent.
- A heritage-based restaurant for rent
- Modern restaurants and fast food restaurants for rent
- Providing adequate shady places to sit down and shady waiting places in front of the games.

- Providing surveillance system through cameras distributed all over the city for security and safety measures, and providing the necessary inspection and security equipments.
- Providing parking lots for cars and buses
- Fashionable design that meets all requirements of people with special needs.
- Providing central air conditioning (cold/hot) for closed buildings.
- Providing paved or tiled corridors for pedestrians to facilitate the passage (for people with special needs as well)
- Providing suitable place for prayer
- Providing sky space of 3000 m<sup>2</sup> to establish popular market to display and sell the products of the local community during the seasons.
- Multi-purpose halls for celebrations, weddings, meetings, etc.

### **Expected Prices**

The pricing strategy of the project is based on the market analysis, competitors, and new services provided by the village. The following are the main average prices the village will deal with, taking into account the offers and low prices for school and university students, companies and seasonal prices for the families:

- JD 6 for the comprehensive package of outdoor games and games of artificial lake where the number of games allowed in the package is to be determined.
- JD 8 for the comprehensive package of indoor games; billiards, bowling and table tennis where the number of games allowed in the package is to be determined
- 200 JD /M<sup>2</sup> for restaurants and cafes (cafeterias) rentals
- 150 JD /M<sup>2</sup> for shop rentals
- 300 JD / M<sup>2</sup> for kiosks rentals
- 100 JD /M<sup>2</sup> for the multi-purpose halls (for external operator)
- 10% of rentals for services like security, cleaning, lighting of corridors and the clinic ... etc.

### **Promotion**

The project's promotional strategy includes:

- Focusing on the administrative cadres experienced in marketing and managing the tourist villages and amusement and entertainment cities to attract the most important potential tenants to the village and to raise the occupancy rates in the village as well as increasing the numbers of potential customers and visitors of the village. High importance can be given to the quality level and the unique and modern services that only the village can provide in Zarqa governorate.
- Discounts and payment facilities can be given to the first tenants interested in the village from the international companies and agencies as to encourage them. Also, a series of incentives and discounts can be given to locally well-known major merchants at the level of the kingdom and the governorate.
- Designing a website with use of social media and thinking of developing a special application for the village.

- Brochures for the village and the services provided therein.
- Advertising in local newspaper and other media at the beginning of the project.
- Placing billboards on the main streets and roads leading to the village.
- Performing big inauguration under auspices of a corporate personality and invited all the concerned personnel to the ceremony.
- Assigning a large budget for promotion as malls needs constant advertising in various media and advertising media with a focus on repeated festivals and celebrations throughout the year.
- Brochures made especially for the games, the park and the provided services in the village.
- Participating in the relevant professional associations related to the work of the village.
- Advertisements, programs and special offers for universities and schools and kindergarten.
- Discounts and special offers for certain categories such as companies, local and international civil society organizations, especially those working with refugees in the governorate with the aim on integrating them into society.

### **Selling**

Sales strategy of the project includes the following:

- Direct reception for the village customers interested in games and hiking.
- Reservation of designated areas in green spaces though telephone communications.
- Direct selling to major tenants such chain stores and international and local brands.
- Direct selling to famous restaurants and cafes.
- Direct selling to telecommunications companies.
- Direct selling to hall operators
- Direct selling to the other categories of the potential investors, especially those whom the village administration wants them to be there.

### **Services**

The project's strategy for providing the services includes the following:

- Giving the village an attractive and expressive name as well as most facilities in the village, preferably historical, geographical, tourist or archaeological names like Patra and Cardo Street. Also, naming the free outdoors games that operate in the form of houses after Jordanian sites, Arab countries and international countries as a means to spread culture among the children and visitors as well as promoting the tourism and local historic places and increasing the interest of the children making them desire to return to the village again and again. This also encourages Arab and foreign tourists to come to the village.
- Diversity of tourism products within the village is beneficial to the surrounding local community and encourages it to interact positively with the village. This also provides multiple options for the visitors, for example, diversity of restaurants that suit all tastes.

- Allocating a restaurant that expresses the history and traditions of the governorate and Jordan through designing it to a heritage style and giving it an attractive name that expresses this concept.
- Providing the local community with the opportunity to display their agricultural products, cheeses, pickles, jams, etc as well as establishing seasonal exhibitions to encourage them to participate and consequently encouraging as many residents as possible to attend and enjoy these offers and to buy directly from the local community. Thus agreements can be concluded to support these ideas by the concerned municipalities and international development programs operating in the kingdom.
- Focus on the quality of services provided
- Permanent and continuous hygiene and respect for the rules of maintaining hygiene and public safety
- Maintenance of games and public facilities on regular basis.
- Paying attention to good and decent treatment for customers and tenants.
- Credibility when dealing with customers and tenants.
- Appointment of a qualified site/operations manager and an assistant responsible for leasing the utilities, maintenance technicians and administrators who work to meet the needs of the tenants and take care of their comfort.
- Security and protection services to protect the village, the tenants and the visitors, in addition to security officer and public relations coordinator to protect the surrounding environment through communication with the relevant governmental entities.
- Adequate cleaning services to maintain the cleanliness of the corridors, entrances of the village and various yards around the clock.
- Air conditioning the village in summer and winter.
- Providing and adequate parking lots for cars and buses inside the village even at peak time.
- Participating in the relevant professional associations.
- Obtaining local and international certificates which helps give more confidence to the tenants and the visitors of the village.
- Paying attention to the proper appearance of the employees.
- Showing interest in providing new and innovative services and using the technology to deal with the tenants and the visitors as well.
- Performing promotional activities from time to time such as children festivals, etc. in addition to the joint activities with the tenants to attract more visitors and customer to the village.

### 3.6 The Expected Market Share

As previously mentioned the village is one of its kinds in Zarqa governorate, and its market share; therefore, is measured by its designed capacity or ability to accommodate the potential customers and tenants of various categories. As previously described, the village is designed on a total area of 50,000 m<sup>2</sup>. The following table shows the expected market share of the project during the first five years of the project.

**Table 12: The share market of the project**

Statement	First year	Second Year	Third Year	Fourth year	Fifth year
Number of working days per year	365	365	365	365	365
Capacity of outdoor games and artificial lake (thousand visitors annually)	600	600	600	600	600
Capacity of indoor games (thousand visitors per year)	200	200	200	200	200
Occupancy rate (%)	45%	53%	56%	60%	64%
Leasable space for restaurants and cafes (m <sup>2</sup> )	5,000	5,000	5,000	5,000	5,000
Leasable space for shops (m <sup>2</sup> )	1,200	1,200	1,200	1,200	1,200
Leasable space for kiosks (m <sup>2</sup> )	500	500	500	500	500
Leasable space for the multi - purpose halls (m <sup>2</sup> )	1,200	1,200	1,200	1,200	1,200

## 4. Technical Study

### 4.1 The Designed Project Capacity

As previously described, the village is designed on a total area of 50,000 m<sup>2</sup>. The following table shows the designed capacity of the project.

**Table 13: The designed capacity of the project**

Item	The Number
Outdoor games and the artificial lake	600,000 Annual user
Indoor games	200,000 Annual user
Restaurants, fast food and cafes	5, 000 Square meters
Commercial shops	1,200 Square meters
Kiosks	500 Square meters
Multi-purpose halls	1,200 Square meters

These details were obtained from the previously mentioned results of the field survey and the market size analysis.

The following table shows the areas required for the project. To reach the designed capacity, 50,000 m<sup>2</sup> of land have to be purchased.

**Table 14: the required space for the project**

Item	Meters square
Land m <sup>2</sup>	5 0,000
Outdoor games (green areas + foundations of games )	10,000
Indoor games (concrete building )	1,500
Barbecue places (green areas and BBQ)	6,000
Artificial lake (natural area and the cavity of the lake)	3,000
The exterior works m <sup>2</sup> (paving and parking lot)	10,000
A variety of restaurants and cafes (concrete buildings )	5,000
Shops and kiosks (concrete buildings )	1,700
Multi - purpose halls (concrete buildings )	1,200
Offices for Administration (concrete buildings )	300
Mosque (concrete building )	500
Sky space for celebrations (concrete building )	3,000
Places for guards, selling tickets and clinic (concrete buildings or caravans)	200
Bathroom facilities and public services including places for people with special needs	100
Green spaces and pedestrian corridors	Other areas

## 4.2 The Required Fixed Assets

The following table shows the material resources required for the project.

**Table 15: material resources required**

Item	Unit	price	value(JD)
Land m <sup>2</sup>	50,000	50	2,500,000
Buildings	10,000	250	2,500,000
Exterior works (parking lots , corridors , lake installations, areas of outdoor games and barbecue )	30,000	50	1,500,000
Games (outdoor , indoor , artificial lake )	package	-	6,000,000
means of transport	2	15,000	30,000
Solar energy system	-	-	1,200,000
Information technology	-	50,000	50,000
Furniture and installations.	-	-	75,000
<b>Total</b>			<b>13,855,000</b>

\* Figures are estimated from the facts of the market study

### 4.3 The Required Human Resources

The following table shows the human resources required. The number of staff required is approximately 89 employees with total salaries of JD 447,480 annually.

**Table 16: Human resources required for the project and costs**

Item	Number of Employees	Salary (JD/monthly)	Total Salary (JD/annually)	Operational (JD/annually)	Administrative (JD/annually)
General Manager	1	4,000	48,000	-	48,000
Director of Operations /site	1	1,500	18,000	18,000	-
Assistant Director of Operations / Site	1	1,000	12,000	12,000	-
leasing operations officer	1	1,200	14,400	14,400	-
Accountant	2	450	10,800	-	10,800
Treasurer	1	400	4,800	-	4,800
Marketing and Sales	2	400	9,600	-	9,600
Procurement	1	400	4,800	-	4,800
Maintenance technician	3	450	16,200	16,200	-
Administrative Assistant	2	400	9,600	-	9,600
Employee for selling tickets	6	400	28,800	28,800	-
Game operator worker	25	400	120,000	120,000	-
Worker for cleaning	18	280	60,480	60,480	-
Farmer, security employee, employee for parking cars	25	300	90,000	90,000	-
<b>Total</b>	<b>89</b>		<b>447,480</b>	<b>359,880</b>	<b>87,600</b>



The following table shows the general job description for the most important jobs required in the project.

Job	Job description
General Manager	Responsible for: <ul style="list-style-type: none"> <li>▪ Directing the administrative staff.</li> <li>▪ Defining the vision, mission and setting strategy for of the tourist village and reflecting it in all means of communication with staff and tenants and mall-goers.</li> <li>▪ VIPs customers files and concluding big deals</li> <li>▪ Setting prices for services of the village and the signing of contracts (partnerships).</li> <li>▪ Follow-up and coordination of work in all village facilities.</li> <li>▪ Assessing the village’s success in achieving the goals set for it (performance).</li> <li>▪ Reporting to the Board of Directors on the performance of the village / company.</li> <li>▪ application of occupational health and safety instructions</li> </ul>
Director of Site /Operations	<ul style="list-style-type: none"> <li>▪ Managing the site smoothly.</li> <li>▪ Managing the village’s operations and ensuring its sustainability and monitoring the rest of the employees.</li> <li>▪ Following up with tenants urging them to abide by the policy and the system of the village in terms of working hours and avoiding disturbing other tenants while doing the decoration.</li> <li>▪ Participating with the General Manager and leasing officers in developing the general policy of the village.</li> <li>▪ Monitoring the movement within the village and keeping the village environment safe and clean through monitoring the security, protection and cleanliness.</li> <li>▪ Managing the relationship with the tenants and reporting their needs to the General Manager.</li> <li>▪ Preventing problems between the tenants for any reason and taking all possible measures to maintain calmness in the village and briefing the owner on the most urgent matters and emergencies.</li> <li>▪ Submitting the periodic reports to the General Manager.</li> </ul>
Leasing officer	<ul style="list-style-type: none"> <li>▪ Developing a plan for leasing within the strategic plan of the village in consultation with the General Manager and marketing the plan.</li> <li>▪ Clarifying and doing the necessary tasks relevant to renting the village and bringing the tenants to generate income in return.</li> <li>▪ Allocation of capital expenditure required or permitted to tenants.</li> <li>▪ Giving specific tasks to the team work to ensure the dates granted and specified for delivery are followed accurately.</li> <li>▪ Setting budget for leasing activities in consultation with the General Manager and the director of the site.</li> <li>▪ Developing a plan to deal with vacant stores (not leased) and those whose leases are expired.</li> <li>▪ Determining the possible increases on wages from the beginning and the duration of each lease taking into consideration the annual increase of prices (step-up lease and CPI)</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Accelerating the leasing process through monitoring the market, and competitors and preparing appropriate proposals for the owner and the tenant.</li> </ul>
Marketing officer	<ul style="list-style-type: none"> <li>▪ Identifying the available opportunities to attract new tenants and setting priorities to reach to them and to prepare for signing the contracts between them and the General Manager/ owner.</li> <li>▪ Making offers and negotiating the fees and the prices within the village policy to sign new contracts.</li> <li>▪ Conducting surveys and market research.</li> <li>▪ Reflecting the customers’ needs to the direct general/ owner.</li> <li>▪ Preparing for festivals and promotions inside and outside the village.</li> <li>▪ Documenting all the contact details and addresses of customers.</li> <li>▪ Representing the village/ company in the meetings related to his work.</li> </ul>
The administrative Assistant	<p>The administrative assistant performs the following tasks:</p> <ul style="list-style-type: none"> <li>▪ Setting the procedures and policies that ensure the attendance and departure of the employees and disbursement of financial dues accordingly, and registering their vacations.</li> <li>▪ Preparing the village workers’ payroll and reports on attendance and discipline at work.</li> <li>▪ Monitoring the periodic purchases and inventory.</li> <li>▪ Monitoring the security guards under the direction of the director of the site or his assistant.</li> <li>▪ Assistance in all aspects of administrative management and coordinating between departments and units working in solving administrative and operational problems on a daily basis.</li> <li>▪ Scheduling and coordinating meetings, interviews, events, and other similar activities.</li> <li>▪ Sending and receive mail, parcels and correspondences</li> <li>▪ Saving and updating the employees’ files</li> </ul>
Accountant	<ul style="list-style-type: none"> <li>▪ Maintaining the records of accounting operations and preparing monthly statements to be sent to both customers and suppliers.</li> <li>▪ Reviewing and matching between the balances of back accounts with the bank statements of these banks.</li> </ul>
Procurement coordinator	<ul style="list-style-type: none"> <li>▪ Organizing and keeping the records and procurement management models and performing the relevant data entry.</li> <li>▪ Participating in planning and preparing the executive programs for procurement management.</li> <li>▪ Ensuring the suppliers can meet the requirement of purchase orders and requirements of quotations.</li> <li>▪ Keeping the records of the suppliers and participating in budget preparation for procurement management.</li> </ul>

#### 4.4 Special Requirements

The following table shows the conditions and requirements for licensing the entertainment and amusement cities that must be considered for development and implementation of the project.

**Table 17: General and Special Conditions for External Recreation Cities**

Statement	The conditions
Concept of external amusement and recreation cities.	<p>Internal city: is any tourist establishment providing specialized services in amusement, entertainment, recreation and culture. It opens its door to domestic and expatriate tourism and is located within a building, buildings, commercial complexes, or closed spaces. It includes devices, equipments, machines and supplies intended exclusively to be used in the project.</p> <p>External city: is any tourist establishment providing specialized services in amusement, entertainment, recreation and culture. It opens its door to domestic and expatriate tourism. It is located in an independent building or detached buildings or on a plot of land designated for this purpose. (Outdoor activities).</p>
Conditions and specifications for the internal recreation cities	<ul style="list-style-type: none"> <li>▪ The minimum registered capital shall be thirty thousand Jordanian Dinars for the Jordanian and fifty thousand for the non-Jordanian.</li> <li>▪ The allocated area shall not be less than (1000 M<sup>2</sup>)</li> <li>▪ Providing special places to sell tickets.</li> <li>▪ Providing separate entrances and exits to visitors.</li> <li>▪ Providing management and secretarial offices.</li> <li>▪ Providing information center at the entrances</li> <li>▪ Providing a backup electric generator.</li> <li>▪ Providing central air conditioning system within the buildings.</li> <li>▪ Providing separate health facilities for men and women.</li> <li>▪ Providing internal PA system</li> <li>▪ Providing surveillance cameras placed according to rules for general security and safety measures.</li> <li>▪ Providing parking lots.</li> <li>▪ First aid kits.</li> <li>▪ Civil defense approval to operate the project.</li> </ul>

Statement	The conditions
<p>Conditions and specifications for the external recreation cities</p>	<ul style="list-style-type: none"> <li>▪ The minimum registered capital shall be thirty thousand Jordanian Dinars for the Jordanian and fifty thousand for the non-Jordanian.</li> <li>▪ The allocated area shall not be less than (4000 M<sup>2</sup>)</li> <li>▪ The land shall be commercial or commercial with special provisions.</li> <li>▪ The project shall provide main entrance leading to the parking lot of buses and cars as well as special entrance for the visitor and special entrance for the citizens and for receiving goods.</li> <li>▪ The project shall provide reception and waiting areas after the main entrance for visitors and pedestrians.</li> <li>▪ Providing parking lot for cars.</li> <li>▪ Providing a back up electrical generator sufficient for the size of the project to be used in case of emergency and power cuts.</li> <li>▪ Providing electrical transport vehicles, elevators, escalators, and elevators (inside the building) in case of multiple floors for more than two floors, including a dedicated elevator for people with special needs.</li> <li>▪ Central air conditioning for closed buildings cold/hot.</li> <li>▪ Providing utilities and health facilities for all components of the project inside and outside the building and allocating some facilities for people with special needs.</li> <li>▪ Providing fire alarm and fire fighting systems and equipments according to civil defense guidelines.</li> <li>▪ Providing external paved or tiled corridors for pedestrians with minimum width of 3 meters to facilitate passage (and for people with special needs as well.)</li> <li>▪ Provision of food and beverage services.</li> <li>▪ Providing storage and cooling warehouses according the service provided.</li> <li>▪ Providing adequate shady places for sitting and shady waiting places in front of the games.</li> <li>▪ Providing a fully equipped first-aid room with ambulance staff.</li> <li>▪ The necessity of a surveillance system through cameras distributed all over the city for reasons of security and safety as well as providing the necessary inspection and security equipments.</li> <li>▪ Securing emergency lighting according to civil defense requirements and providing adequate emergency exits.</li> <li>▪ Providing safety mood systems to the games, so the visitors can safely descend during power outages.</li> <li>▪ Employing adequate number of qualified technicians to operate and maintain the games and adequate number of employees for reasons of security and public safety according to the size of the project, provided that they submit criminal record clearance. The proportion of Jordanian employees shall not be less than 75%.</li> <li>▪ Providing signboards on roads and corridors inside and outside the project in Arabic and English.</li> <li>▪ Providing the infrastructure services for people with special needs of all</li> </ul>

Statement	The conditions
	<p>categories.</p> <ul style="list-style-type: none"> <li>▪ Providing special places for selling tickets and places with umbrella to line up the queues.</li> <li>▪ Providing a signboard at the main entrance indicating all the facilities and services provided and their prices.</li> <li>▪ Providing illuminated sign boards for prices lists for services and instructions of the games in Arabic and English.</li> <li>▪ Assigning department for safety deposit box and lost and found items.</li> <li>▪ Providing internal PA system</li> <li>▪ Providing special uniform for the workers in the project with name tags indicating the name and job of the bearer. Providing the workers with places of their own use (for changing clothes, rest and separate toilets) as well as providing sites for waste disposal.</li> </ul>
<p>Steps and procedures taken to obtain the initial approval of the external and internal amusement and recreation cities.</p>	<ol style="list-style-type: none"> <li>1- The application shall be submitted to the investment promotion agency – investment window accompanied by the following documents: <ul style="list-style-type: none"> <li>- Description of the project in terms of its components, utilities, facilities and services.</li> <li>- Preliminary planning of the project in which all areas of available facilities and services are shown.</li> <li>- Preliminary approval of the project from the relevant regulatory body for external projects.</li> <li>- A recent title deed or ratified lease contract with the title deed.</li> <li>- Recent land-use planning.</li> <li>- Site layout and demarcation.</li> </ul> </li> <li>2- The investment promotion agency shall address the commissioner of Ministry of Tourism And Antiquities in the investment window regarding the application and all documents mentioned in the first step in preparation for completing the procedures for obtaining the preliminary approval and then they are transferred to the Tourism Committee.</li> <li>3- Ministry of Tourism And Antiquities shall issue the preliminary approval for the owner of the project. The approval shall include the following: <ul style="list-style-type: none"> <li>- The approval period shall be two years to enable him to provide the necessary conditions and requirements and the Minister may extend it for a similar period.</li> <li>- The owner shall submit the following approvals to the Ministry before the period ends: <ul style="list-style-type: none"> <li>- Certificate of occupancy issued by the regulatory body.</li> <li>- Final approval to receive the customer and to inaugurate the project issued by the Directorate of Civil Defense.</li> <li>- A commercial register that carries the number of the national establishment and the purpose of which is to establish amusement and recreation city.</li> <li>- Commercial name and/or trade mark of the project.</li> </ul> </li> </ul> </li> </ol>

Statement	The conditions
	<ul style="list-style-type: none"> <li>- Architectural plan certified by the regulatory body.</li> <li>- A notice that this approval does not constitute as a license to the owner of the project.</li> <li>- Compliance with the conditions of the amusement and entertainment cities for the purpose of obtaining the final license.</li> <li>- Informing the ministry in writing for the final inspection and issuing the necessary license.</li> </ul> <p>4- Upon obtaining the preliminary approval from Ministry of Tourism And Antiquities, the relevant applicant shall review it with the investment promotion agency to submit his application to the incentives committee for obtaining the necessary customs and tax exemptions for the internal amusement and recreation cities, only for devices and equipment used in the project.</p> <p>5- The procedures required to obtain the final license:</p> <ul style="list-style-type: none"> <li>- After finishing preparing and furnishing process, the owner of the project notifies Ministry of Tourism And Antiquities for the purposes of final inspection and licensing.</li> <li>- The licensing committee shall make a field visit to the site and submit a detailed report of the findings.</li> <li>- Notification of the final license shall be sent to the applicant to review it with the ministry and to pay 500 dinars as a license fees and subscription fees to join tourist restaurant association.</li> </ul>
Committee of external and internal amusement and recreation cities	Agreement has been made to form a committee called the Committee of Tourism Amusement and Recreation Cities to ensure that the project meets all the requirements and conditions necessary for the purposes of benefiting from the provisions of investment sectors and entities referred to above. The committee consists of members from Ministry of Tourism and Antiquities and Investment Promotion Agency.

#### 4.5 Required Licenses

The following table shows the required licenses from the various authorities to carry out the project.

**Table 18: Licenses required for the project**

Statement	Analysis
Registration of the Company	<ul style="list-style-type: none"> <li>▪ Ministry of Industry, Trade and Supply.</li> <li>▪ Ministry of Tourism And Antiquities</li> </ul>
Establishing the village	<ul style="list-style-type: none"> <li>▪ Municipality (the new Beren )</li> <li>▪ Association Engineers</li> </ul>
The classification	<ul style="list-style-type: none"> <li>▪ Ministry of Tourism And Antiquities</li> </ul>
Operation	<ul style="list-style-type: none"> <li>▪ Municipality, Ministry of Health, Social Security Corporation, Income &amp; Sales Tax Department.</li> </ul>

#### 4.6 Project Timetable

The following table shows the timetable for implementation of the project amounting to 24 months as follows:

Stage	First year (months)												Second year (months)												
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
Studies																									
Design, licensing, approvals and registration of the company																									
Construction and cleaning																									
Preparations and furnishing																									
Trial operation and Employment																									
<b>Total Duration</b>	<b>24 months</b>																								

## 5. Financial Study

### 5.1 Financial Assumptions

The following table illustrates the financial assumptions of the project.

**Table 19: 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	1.5% of total investment
Tax Rate	25%
Exemptions	exemptions by 40% of the income tax
Staff Benefits	25% of salaries
Annual Salaries Increase	5%
Staff Incentives	2% of staff revenues, 0.5% of revenues for administrative
Assets Depreciation Rate	4%-20% of the asset value
Maintenance Cost	6% of total revenues
Costs of Water and Diesel	1.5% of total revenues
Insurance Expense	JD 20 thousand
Accounts Receivable	1% of revenues
Accrued expenses	8% of operation costs



## 5.2 Investment Cost

The project's Investment cost is estimated at JD 14.4 million distributed among fixed assets of JD 13.8 million, working capital and pre-operating expenses totaled of JD 535 thousand. The following table shows the project's Investment cost.

**Table 20: the project's investment cost**

Item	Value (in thousand JD)
Fixed assets	13,855
Pre-operating expenses	216
Working capital	319
<b>Total</b>	<b>14,390</b>

## 5.3 Financing

The project will be financed with the shareholders by 75% which is estimated at about JD 10.8 million, while the other 25% of the project investment cost will be financed through bank loans of about JD 3.6 million.

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

**Table 21: Project financing schedule**

Item	Value (in thousand JD)	%
Equity	10,792	75%
Loan	3,597	25%
<b>Total</b>	<b>14,390</b>	<b>100%</b>

## 5.4 Revenues

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

**Table 22: The Expected Revenues**

Item	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenues of outdoor games and artificial lake</b>					
Number of working days per year	365	365	365	365	365
Occupancy rate	%45	%53	%56	%60	%64
Capacity (annual visitors)	600,000	600,000	600,000	600,000	600,000
Average price of the package after the offers	6	6	6	6	7
revenues of outdoor games	1,620,000	1,908,000	2,016,000	2,160,000	2,534,400
<b>revenues of indoor games</b>					
Number of working days per year	365	365	365	365	365
Occupancy rate	%45	%53	%56	%60	%64
Capacity (annual visitors)	200,000	200,000	200,000	200,000	200,000
Average price of the package after the offers	8	8	8	8	9
revenues of indoor games	720,000	848,000	896,000	960,000	1,126,400
<b>Revenues of renting restaurants and cafes</b>					
Occupancy rate	%60	%70	%75	%80	%85
Leasable space (m2)	5,000	5,000	5,000	5,000	5,000
Average Annual Rent (JD / m2)	200	200	200	200	220
Revenues of renting restaurants and cafes	600,000	700,000	750,000	800,000	935,000
<b>Revenues of renting shops</b>					
Occupancy rate	%60	%70	%75	%80	%85
Leasable space (m2)	1,200	1,200	1,200	1,200	1,200
Average Annual Rent (JD / m2)	150	150	150	150	165
Revenues of renting shops	108,000	126,000	135,000	144,000	168,300
<b>Revenues of renting kiosks</b>					
Occupancy rate	%60	%70	%75	%80	%85
Leasable space (m2)	500	500	500	500	500
Average Annual Rent (JD /	300	300	300	300	330

Item	Year 1	Year 2	Year 3	Year 4	Year 5
m2)					
Revenues of renting kiosks	90,000	105,000	112,500	120,000	140,250
<b>Revenues of renting multi - purpose halls</b>					
Occupancy rate	%60	%70	%75	%80	%85
Leasable space (m2)	1,200	1,200	1,200	1,200	1,200
Average Annual Rent (JD / m2)	100	100	100	100	110
Revenues of renting multi - purpose halls	72,000	84,000	90,000	96,000	112,200
<b>Revenues</b>					
outdoor games and artificial lake revenues of	1,620,000	1,908,000	2,016,000	2,160,000	2,534,400
revenues of indoor games	720,000	848,000	896,000	960,000	1,126,400
Revenues of renting restaurants and cafes	600,000	700,000	750,000	800,000	935,000
Revenues of renting shops	108,000	126,000	135,000	144,000	168,300
Revenues of renting kiosks	90,000	105,000	112,500	120,000	140,250
Revenues of renting multi - purpose halls	72,000	84,000	90,000	96,000	112,200
Other revenues (such as guarding, cleaning and lighting of corridors), 10% of rents	87,000	101,500	108,750	116,000	135,575
<b>Total revenues- JD</b>	<b>3,297.00</b>	<b>3,872.50</b>	<b>4,108.25</b>	<b>4,396.00</b>	<b>5,152.13</b>

## 5.5 The Projected Costs

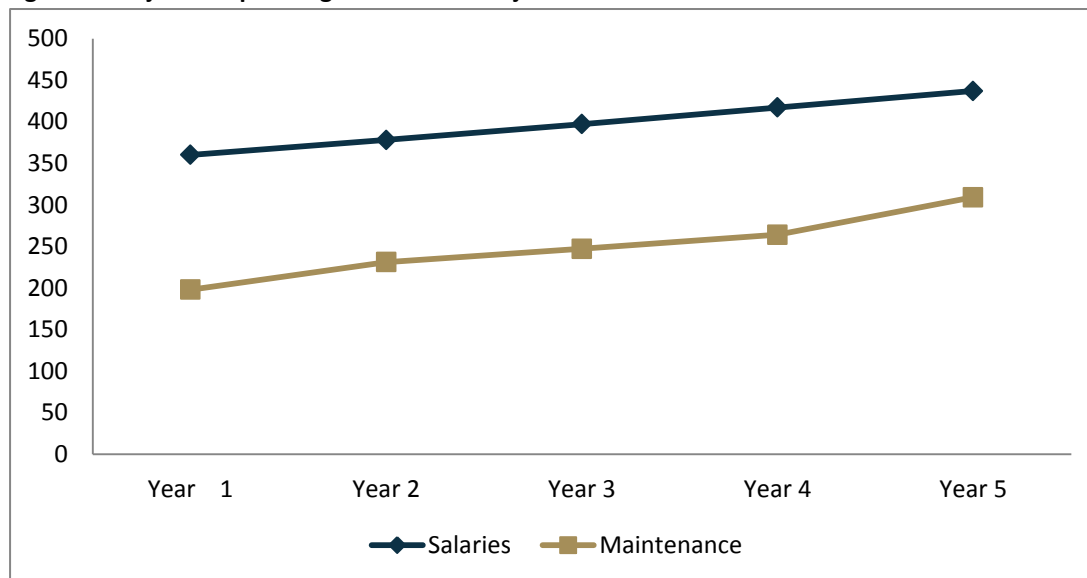
### Operating Costs

The following table shows the project's operating costs according to the previous assumption over five years. Salaries cost in Year 1 amounted to JD 360 thousand which increase to reach JD 437 thousand in Year 5. Moreover, the maintenance cost amount to JD 189 thousand in Year 1 which increases to JD 308 thousand in the year 5.

**Table 23: Operating Costs**

Operating Costs (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	360	378	397	417	437
Staff Benefits	90	94	99	104	109
Staff Incentives	66	77	82	88	103
IT Cost	30	32	33	35	36
Depreciation	1,271	1,271	1,271	1,271	1,271
Maintenance	198	231	247	264	309
Water, Diesel... Etc	49	58	62	66	77
Insurance	20	20	20	20	20
Others	20	21	22	23	24
<b>Total</b>	<b>2,104</b>	<b>2,181</b>	<b>2,234</b>	<b>2,287</b>	<b>2,388</b>

**Figure 4: Projected Operating Costs of the Project**



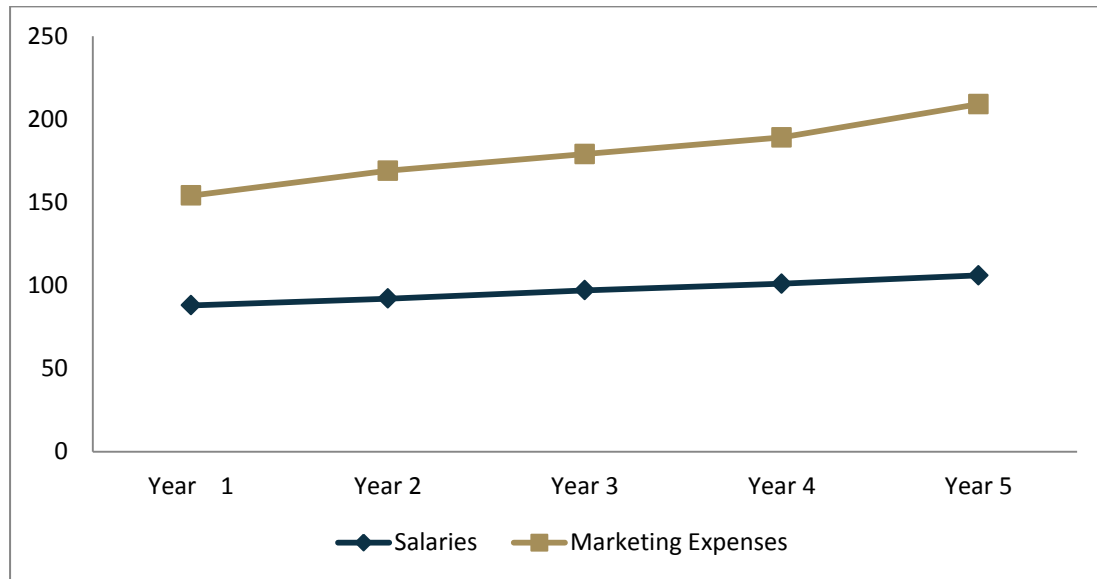
### Administrative Expenses

The following table shows the projected administrative expenses of the project. Employees' salaries reach JD 88 thousand in the first year and increase to JD 106 thousand in the fifth year. The marketing expenses are about JD 66 thousand in the first year and increase to reach JD 103 thousand in the fifth year.

**Table 24: General and Administrative Expenses**

General and Administrative Expenses (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	88	92	97	101	106
Staff Benefits	22	23	24	25	27
Staff Incentives	16	19	21	22	26
Stationery	20	21	22	23	24
Professional Fees	5	5	6	6	6
Marketing Expenses	66	77	82	88	103
Other Expenses	10	11	11	12	12
Amortization	216	-	-	-	-
<b>Total</b>	<b>443</b>	<b>249</b>	<b>262</b>	<b>277</b>	<b>304</b>

**Figure 5: General and Administrative Expenses**



## 5.6 Projected Financial Statements

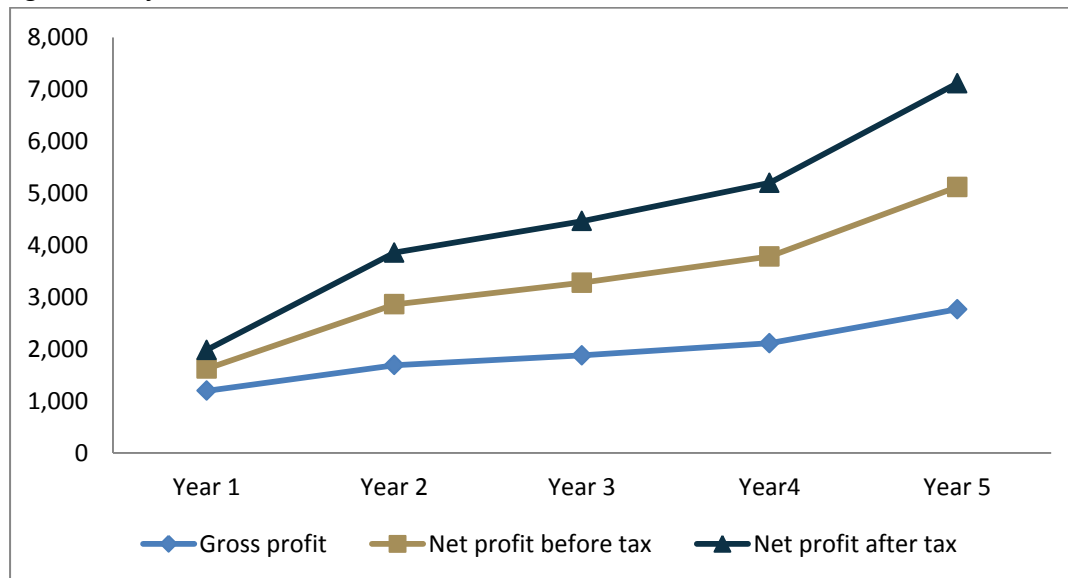
### Income Statement

The following table shows the projected income statement of the project. It indicates that gross profit will increase from JD 1.2 thousand in the first year to JD 2.8 million in the fifth year. The net profit before tax will also increase from JD 426 thousand in the first year to JD 2.4 million in the fifth year, and the net profit after tax will increase from JD 362 thousand in the first year to JD 2 million in the fifth year.

**Table 25: The Projected Income Statement**

Income Statement (in thousand JD)					
Item	Year 1	Year 2	Year 3	Year4	Year 5
Revenues	3,297	3,873	4,108	4,396	5,152
Operating costs (cost of sales)	2,104	2,184	2,232	2,287	2,388
Gross profit	1,193	1,689	1,876	2,109	2,764
Administrative expenses	443	249	262	277	304
Net profit	750	1,440	1,614	1,832	2,460
financial expenses	324	270	216	162	108
Net profit before tax	426	1,170	1,398	1,670	2,352
Tax	64	176	210	250	353
<b>Net profit after tax</b>	<b>362</b>	<b>995</b>	<b>1,188</b>	<b>1,419</b>	<b>1,999</b>

**Figure 6: 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 14.4 million in the year of incorporation to about JD 13.4 million in the fifth year. The Total liabilities will decrease from JD 3.2 million in the first year to about JD 791 thousand in the fifth year. Moreover, the Shareholders' Equity will increase from JD 10.8 million in the year of incorporation to reach JD 12.6 million in the fifth year.

**Table 26: Projected Balance Sheet**

Projected Balance Sheet (in thousand JD)						
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Assets</b>						
Cash	319	1,440	2,410	3,439	4,537	5,808
Receivables	-	33	39	41	44	52
Inventory	-	-	-	-	-	-
Pre- Paid Expenses	-	10	11	11	12	12
<b>Total Current Assets</b>	<b>319</b>	<b>1,483</b>	<b>2,460</b>	<b>3,491</b>	<b>4,593</b>	<b>5,872</b>
Fixed Assets	14,071	14,071	14,071	14,071	14,071	14,071
Cumulative Depreciation	-	1,487	2,758	4,029	5,300	6,571
<b>Net Fixed Assets</b>	<b>14,071</b>	<b>12,584</b>	<b>11,313</b>	<b>10,042</b>	<b>8,771</b>	<b>7,500</b>
<b>Total Assets</b>	<b>14,390</b>	<b>14,067</b>	<b>13,773</b>	<b>13,533</b>	<b>13,364</b>	<b>13,372</b>
<b>Shareholders Equity and Liabilities</b>						
Accrued Expenses and Payables	-	168	175	179	183	191
Long Term Loans	3,597	2,997.88	2,398.30	1,798.73	1,199.15	599.58
<b>Total Liabilities</b>	<b>-</b>	<b>3,166</b>	<b>2,573</b>	<b>1,977</b>	<b>1,382</b>	<b>791</b>
Shareholders Contributions	10,792	10,792	10,792	10,792	10,792	10,792
Retained Earnings	-	109	407	764	1,189	1,789
<b>Shareholders' Equity</b>	<b>10,792</b>	<b>10,901</b>	<b>11,200</b>	<b>11,556</b>	<b>11,982</b>	<b>12,581</b>
<b>Shareholders Equity and Liabilities</b>	<b>14,390</b>	<b>14,067</b>	<b>13,773</b>	<b>13,533</b>	<b>13,364</b>	<b>13,372</b>

### 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 1.9 million in the first year to JD 3.3 million in the fifth year; while the Cash at the ending period will increase from JD 319 thousand in the year of incorporation to JD 5.8 million in the fifth year.

**Table 27: 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
<b>Operation Activities</b>						
Net Profit	-	362	995	1,188	1,419	1,999
Depreciation	-	1,487	1,271	1,271	1,271	1,271
Change In Working Capital	-	125	0	1	1	(0.08)
Cash Flow From Operation	-	1,975	2,266	2,460	2,691	3,270
<b>Investing Activities</b>						
Fixed Assets	(14,071)	-	-	-	-	-
Cash From Investing Activities	(14,071)	-	-	-	-	-
<b>Financing Activities</b>						
Capital (Equity)	10,792	-	-	-	-	-
Loan	3,597	(600)	(600)	(600)	(600)	(600)
Dividends	-	(254)	(696)	(832)	(993)	(1,399)
Cash Flow From Financing Activities	14,390	(853)	(1,296)	(1,431)	(1,593)	(1,999)
Net Cash Flow	319	1,121	970	1,029	1,098	1,271
Cash At The Beginning Period	0	319	1,440	2,410	3,439	4,537
Cash At The Ending Period	319	1,440	2,410	3,439	4,537	5,808

## 5.7 Financial, Economic and Social Analysis

### Financial Analysis

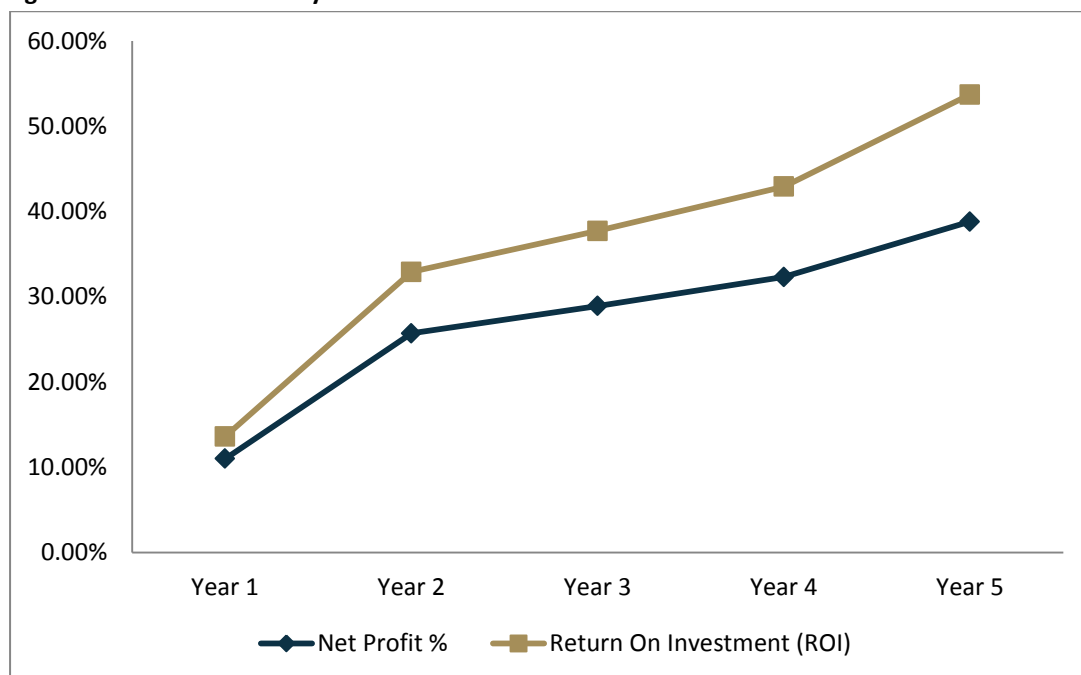


The following table shows the financial analysis of the project. It indicates that the net profit ratio will increase from 11% in the first year to 38.8% in the fifth year, and the return on investment will increase from 2.6% in the first year to 14.9% in the fifth year.

**Table 28: Financial Analysis**

Financial Analysis (In Thousand JD)					
Item	Year 1	Year 2	Year 3	Year 4	Year 5
Assets	14,067	13,773	13,533	13,364	13,372
Revenues	3,297	3,873	4,108	4,396	5,152
Profits	362	995	1,188	1,419	1,999
Capital (Equity)	10,792	10,792	10,792	10,792	10,792
Net Profit %	11.0%	25.7%	28.9%	32.3%	38.8%
Return On Investment (ROI)	2.6%	7.2%	8.8%	10.6%	14.9%
Return On Capital (ROC)	3.4%	9.2%	11.0%	13.2%	18.5%
Net Profit On Revenues	11.0%	25.7%	28.9%	32.3%	38.8%
Assets Turnover (Time)	0.23	0.28	0.3	0.33	0.39

**Figure 7: The Financial Analysis**



### Economic Analysis

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

- The Internal rate of return is 19.2%. It exceeded four times the return on assets, which means the economic feasibility of the project

- The present value of the project reached about JD 13.3 million. It exceeds the net present value with JD 10.8 million, which means the economic feasibility of the project.
- The profitability index of the project reached 1.24 times, which means that the expected value of the project will increase by one time the investment value, which proves that the project is feasible.
- The project payback period is 5.4 years.

**Table 29: the Economic Analysis**

Economic Analysis						
Statement	Year of incorporation	Year 1	Year 2	Year 3	Year 4	Year 5
Net cash flow from operating and investing activities	(10,792)	1,375	1,666	1,861	2,092	2,670
terminal value	-	-	-	-	-	12,581
Net Cash flow	(10,792)	1,375	1,666	1,861	2,092	15,252
Internal Rate of Return (IRR)	19.2%					
present Value	13,372					
Net present value	2,580					
Profitability Index (Time)	1.24					
Payback period (Year)	5.40					

### Social Analysis

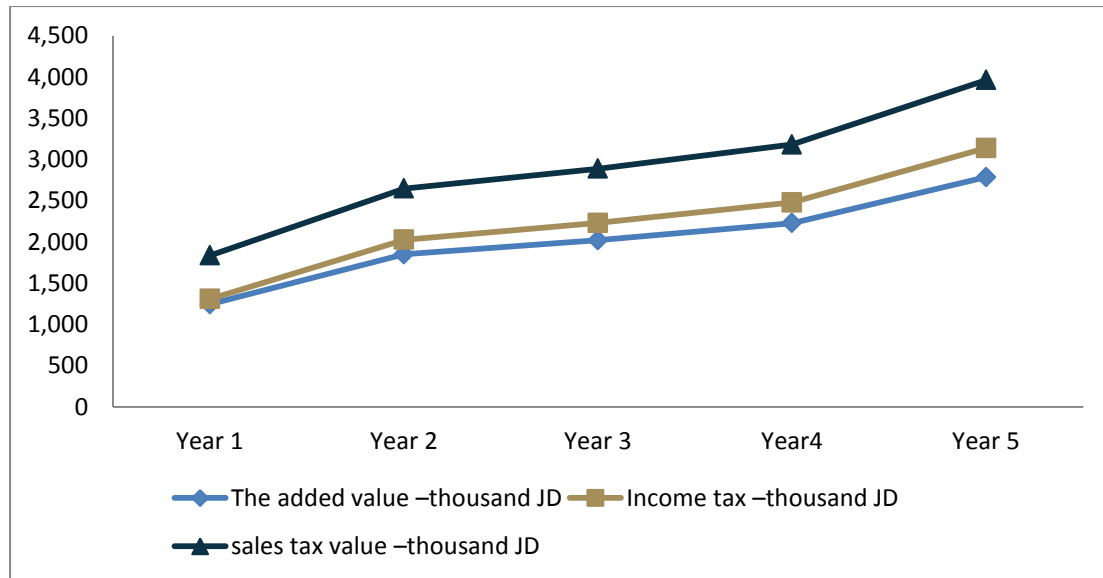
The following table shows the social analysis of the project. It is noticed that the number of staff required for the project will increase from 89 employees in the first year to 96 employees in the fifth year. The number of Jordanian employees will increase from 45 employees in the first year to reach 48 employees in the fifth year.

The added value of the project will also increase from JD 1.2 million in the first year to JD 2.8 million in the fifth year. The income tax will also increase from JD 64 thousand to reach JD 353 thousand in the fifth year.

**Table 30: the Social Analysis of the Project**

Social Analysis (in Thousand JD)					
Statement	Year 1	Year 2	Year 3	Year4	Year 5
Number of Employees	89	91	93	94	96
Jordanian employees	45	45	46	47	48
The added value –thousand JD	1,246	1,852	2,021	2,229	2,787
Income tax –thousand JD	64	176	210	250	353
sales tax value –thousand JD	528	620	657	703	824
Exports value / imports substitution	-	-	-	-	-

**Figure 8: 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 31: Project Risk Matrix**

Risks	Type of Risks	Risk Assessment
<b>Financial Risks</b>	<ul style="list-style-type: none"> <li>▪ <b>Credit Risk</b> 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.</li> <li>▪ <b>Liquidity Risk</b> 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.</li> <li>▪ <b>risk of currency fluctuation</b> Currency risk is the risk of the fluctuation of the value of financial instrument, due to fluctuations in foreign</li> </ul>	<ul style="list-style-type: none"> <li>▪ The financial risks that may face the company are low, because the company payment method is cash</li> <li>▪ There is no risk of currency exchange, because the company sales and purchases by local currency</li> <li>▪ There is no risk of inflation because the company's pricing is based on annual basis</li> </ul>

Risks	Type of Risks	Risk Assessment
	<p>currency exchange rates.</p> <ul style="list-style-type: none"> <li>▪ <b>inflation risk</b> It is the risk associated with the possibility that the inflation or the rise in the cost of living might lead to the decrease the real value of the investment.</li> </ul>	
<b>Business risk (sector risk)</b>	<ul style="list-style-type: none"> <li>▪ <b>Strategic Risk</b> 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.</li> <li>▪ <b>Legal and Regulatory Risks</b> 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.</li> <li>▪ <b>Reputation Risk</b> 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</li> </ul>	<ul style="list-style-type: none"> <li>▪ The risks are considered moderate before the company's establishment, because of getting the approval of the official authorities such as municipality, health and tourism</li> <li>▪ Reputational risk is very high, as the company deals with very sensitive issues such as entertainment activities, food and beverage</li> <li>▪ Market risk in the short term will be moderate because of the low competition from other companies</li> </ul>

Risks	Type of Risks	Risk Assessment
	<p>employees which project a negative image of the company, its performance and its relationships with customers and other stakeholders. Reputation risk also results from circulating rumors about the company and its activities.</p> <p>▪ <b>Competition Risk</b> Competition risk results from domestic and external competitors and reduces sales and profits.</p>	
<p><b>Operational Risk</b></p>	<p>Operational risk involves losses resulting from the failure of internal operations, human resources and systems. It includes:</p> <p>▪ <b>IT Risks</b> 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.</p> <p>▪ <b>Human Resources Risk</b> Losses caused by employees or related to them (intentionally or unintentionally). It also</p>	<p>▪ 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</p> <p>▪ Competitive salaries will be paid</p> <p>▪ Information security plan will be put in place to safely keep the company information</p>

Risks	Type of Risks	Risk Assessment
	<p>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.</p>	
<p><b>State Risk</b></p>	<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"> <li>▪ 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</li> </ul>

## 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 32: Investment Increase by 10%**

Index	Base	Impact	Change
Internal Rate of Return (IRR)	19.2%	16.9%	2.3%
The Present Value at a discount rate of 13% (in Thousand JD)	13,372	13,670	-297.51
Net Present Value at a discount rate of 13% (in Thousand JD)	2,580	1,776	804
Profitability Index (Time)	1.24	1.15	0.09
Payback period (Year)	5.40	6.00	-0.60
The Net Profit Ratio – an average of 5 years	27.3%	26.7%	0.6%
Return on Investment - an average of 5 years	8.8%	8.0%	0.9%
Return on Capital – an average of 5 years	11.1%	9.8%	1.2%
Net Profit On Revenues - an average of 5 years	27.3%	26.7%	0.6%
Assets Turnover (Time) – an average of 5 years	0.31	0.28	0.03
The added value - an average of 5 years (in thousand JD)	2027	2026	0
income tax - an average of 5 (in thousand JD)	210	207	4
sales tax - an average of 5 years (in thousand JD)	666	666	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 16.9%, which is considered high for investment purposes
- The new payback period is 6 years, and it is reasonable for recovery purposes
- The return on capital is 9.8%, which is suitable for investment purposes



**Second: Reducing Revenues by 10%**

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

**Table 33: Reducing Revenues 10%**

Index	Base	Impact	Change
Internal Rate of Return (IRR)	19.2%	15.6%	3.6%
The Present Value at a discount rate of 13% (in Thousand JD)	13,372	11,874	1498.78
Net Present Value at a discount rate of 13% (in Thousand JD)	2,580	1,081	1,499
Profitability Index (Time)	1.24	1.10	0.14
Payback period (Year)	5.40	6.20	-0.80
The Net Profit Ratio – an average of 5 years	27.3%	20.9%	6.4%
Return on Investment - an average of 5 years	8.8%	6.4%	2.4%
Return on Capital – an average of 5 years	11.1%	7.8%	3.3%
Net Profit On Revenues - an average of 5 years	27.3%	20.9%	6.4%
Assets Turnover (Time) – an average of 5 years	0.31	0.28	0.02
The added value - an average of 5 years (in thousand JD)	2027	1673	354
income tax - an average of 5 (in thousand JD)	210	148	62
sales tax - an average of 5 years (in thousand JD)	666	600	67

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

- The internal rate of return is 15.6%, which is considered high for investment purposes
- The new payback period is 6.2 years, and it is reasonable for recovery purposes
- The return on capital reaches 7.8%, 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 34: Increasing the Operating Costs by 10%**

Index	Base	Impact	Change
Internal Rate of Return (IRR)	19.2%	17.3%	1.9%
The Present Value at a discount rate of 13% (in Thousand JD)	13,372	12,569	803.13
Net Present Value at a discount rate of 13% (in Thousand JD)	2,580	1,777	803
Profitability Index (Time)	1.24	1.16	0.07
Payback period (Year)	5.40	5.80	-0.40
The Net Profit Ratio – an average of 5 years	27.3%	22.7%	4.6%
Return on Investment - an average of 5 years	8.8%	7.5%	1.3%
Return on Capital – an average of 5 years	11.1%	9.3%	1.8%
Net Profit On Revenues - an average of 5 years	27.3%	22.7%	4.6%
Assets Turnover (Time) – an average of 5 years	0.31	0.31	(0.00)
The added value - an average of 5 years (in thousand JD)	2027	1836	190
income tax - an average of 5 (in thousand JD)	210	177	34
sales tax - an average of 5 years (in thousand JD)	666	666	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 17.3%, which is considered high for investment purposes
- The new payback period is 5.8 years, and it is reasonable for recovery purposes
- The return on capital is 9.3%, which is suitable for investment purposes