

Islamic Republic of Iran
Organization for investment economic and technical assistance of Iran

"Summary of technical-economical prefeasible study"

The name:

Golin Recreational Center

Sector : Tourism Industry

Sub sector: Tourism

The owner of:

Cultural heritage, tourism and handicrafts

Counselor plan:

Razi University

The Address:

Kermanshah

Date of P.F.S:

2024/10/22

**Manager of Iran Investment Opportunities
SHAHRIG Engineering Company**

shahrig.comwww.



Contents

1- Abstract2

2- Project’s location**Error! Bookmark not defined.**

2-1- Province.....**Error! Bookmark not defined.**

2-2- the County
...**Error! Bookmark not defined.**

2-3- the project
...**Error! Bookmark not defined.**

2-4- access to the infrastructures
...**Error! Bookmark not defined.**

3- Technical Specifications of plan.....**Error! Bookmark not defined.**

3-1– product
...**Error! Bookmark not defined.**

3-2- project's requirements
...**Error! Bookmark not defined.**

3-2-1-Space and infrastructure required
...**Error! Bookmark not defined.**

3-2-2-Equipment and machinery
...**Error! Bookmark not defined.**

3-2-3- Raw materials and intermediate components
...**Error! Bookmark not defined.**

3-2-4-management and human resources
...**Error! Bookmark not defined.**

4- Ownership and legal permission.....**Error! Bookmark not defined.**

4-1- ownership of land
...**Error! Bookmark not defined.**

4-2- Intellectual property and incentives
...**Error! Bookmark not defined.**

4-3- legal permission
...**Error! Bookmark not defined.**

5- Market study and Competition.....**Error! Bookmark not defined.**

5-1- Introduce target market
...**Error! Bookmark not defined.**

6- Physical Progress of project**Error! Bookmark not defined.**

7- Action plan and Implementation schedule**Error! Bookmark not defined.**

8- Financial projection**Error! Bookmark not defined.**

8-1- The cost estimate
...**Error! Bookmark not defined.**

The cost estimate
...**Error! Bookmark not defined.**

8-2- Estimated revenues
...**Error! Bookmark not defined.**
8-3-Duration of project operation
...**Error! Bookmark not defined.**
8-4-Break-even analysis
...**Error! Bookmark not defined.**
8-5- Cost-benefit analysis
...**Error! Bookmark not defined.**
8-6- Sensitivity analysis of IRR
...**Error! Bookmark not defined.**
8-7- Summarize table
...**Error! Bookmark not defined.**
8-8-Estimation of exchange rate changes during the project implementation
...**Error! Bookmark not defined.**
9- Capital needs, the supply and guarantees method**Error! Bookmark not defined.**
9-1- Foreign currency needed
...**Error! Bookmark not defined.**
9-2- The Way of participation and finance method
...**Error! Bookmark not defined.**
9-3- Payback period
...**Error! Bookmark not defined.**
10- Incentives, features and advantages of project**Error! Bookmark not defined.**

1- Abstract:

PROJECT PROFILE - SUMMARY SHEET

Project Introduction			
1- Project title: Accommodation, Restaurant, Tourism Services, and Handicraft Store at the Golin Recreation Center			
2- Sector: Tourism Industry		Subsector: Tourism	
3- Products / Services: This project represents a service-oriented venture within the tourism sector. The tourism industry is among the most lucrative and job-generating sectors in contemporary society, providing employment for a substantial share of the global workforce. The offerings at this tourism center comprise a restaurant and villas, a swimming pool and fishing platform, guided tour services, and a handicraft shop.			
4- location (address): Golin Village , Gilan Gharb County, Kermanshah Province			
Free Zone <input type="checkbox"/>	Economic Special Zone <input type="checkbox"/>	Industrial Estate <input type="checkbox"/>	Main Land <input type="checkbox"/>

5- Project description:

This project is designed to accommodate a capacity of 16,800 visitors annually. Once the necessary permits are obtained, construction will commence, followed by the acquisition of the operating license, which will lead to the initiation of operations. The center aims to cover its costs and generate annual revenue through a variety of services, including welfare services, restaurant facilities, jet skiing, fishing, and other water sports.

In accordance with the standards for developing a tourist complex of this size, a land area of 1,500 square meters is required, which includes 1,000 square meters of covered space and 500 square meters of open space. The proposed site for this plan meets these requirements with 1,500 square meters of land. The facility will be equipped with adequate power capacity, with electricity sourced from the Gilan Gharb County grid.

For the implementation of the plan, approximately 1,500 square meters will be dedicated to a security building, waiting hall, open areas, gazebos, green spaces, and public parking within the premises. The plan is located in Golin Village, renowned for its picturesque and scenic environment, making it an ideal destination for both domestic and international tourists.

Project Status	
6- Local / internal raw material access : 100%	
7- Sale : - Anticipated local market :70% - Anticipated export market :30%	
8 – Project total time (from start of activities to start of commercial operation in years) : The implementation of the project stages until its operation is planned to take 15 months.	
Schedule	Start of activities : Start of works at site End of Works : Start of commercial operation :

9- Project status :

- Feasibility study available? Yes
- Required land provided? No
- Legal permissions (establishment license, foreign currency quota, environment, etc) taken? No
- Partnership agreement concluding with local /foreign investor? No
- Financing agreement concluding? No
- Agreement with local /foreign contractor(s) concluding? No
- Infrastructural utilities (electricity water supply, telecommunication, fuel, road, etc) procured? No
- List of know- how, machinery, equipment, as well as seller /builder companies defined? Yes
- Purchases agreement machinery, equipment and know-how concluded? No

Financial Table**10- Financial structure :**

Descriptions	Local Currency Required			Foreign Currency Required Million Euro	Total Million Euro
	Million Rials	Rate	Equivalent in Million Euro		
Fix Capital	136,580	600	0.228	-	0.228
Current Capital	13,990	600	0.023	-	0.023
Total Investment	150,750	600	0.251	-	0.251

- Value of foreign equipment / machinery 0 Million Euro
- Value of local equipment / machinery 0.016 Million Euro
- Value of foreign technical know-how 0 Million Euro
- Value of local technical know-how 0 Million Euro
- Net present value (NPV): 0.083 Million Euro
- Internal Rate of Return (IRR): 35 %
- Capital Rate of Return: 54.1 %
- Payback Period: 4 years

General Information**11 - Project type : Establishment ■****Expansion and completion □****12- Company Profile**

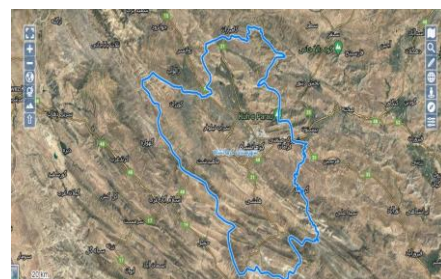
- Name (Legal/Natural persons): 1. Dr. Bijan Rezaee 2. Dr. Somayeh Azami
- Company's current activities: Razi University
- Address: Razi University, Taq-e Bostan, Kermanshah, Iran.
- Tel: +988334277605-6 Fax: +988334277605-6
- E-mail: info@razi.ac.ir Web Site: <https://en.razi.ac.ir>
- Company's legal structure :
- Government ■ Non-Governmental □ Public non-governmental □

2- Plan Location:

2-1. Province:

Kermanshah Province, spanning 25,009 square kilometers and centered around the city of Kermanshah, ranks as Iran's 17th largest province. Situated in western Iran, it lies between latitudes 33°40' to 35°18' N and longitudes 45°24' to 48°7' E. It borders Kurdistan Province to the north, Lorestan and Ilam Provinces to the south, Hamadan Province to the east, and shares a 371-kilometer border with Iraq to the west. The average elevation is approximately 1,200 meters above sea level. Kermanshah Province covers 1.5% of Iran's total area. According to current administrative divisions, Kermanshah includes 14 counties, 31 cities, 86 rural districts, and 2,793 inhabited villages. The 2016 Census by Iran's Statistical Center recorded a population of 1,952,434, with a density of 78 people per square kilometer across 25,009 square kilometers. The largest city, Kermanshah, serves as the provincial capital with a population of 946,651. In terms of road infrastructure, Kermanshah ranks 11th nationwide in total road length (excluding rural roads), 17th in highway and freeway length per 1,000 kilometers, and 18th in main roads. The city of Kermanshah holds the highest proportion of

Province Location Map
Within the Country



roadways due to its substantial area within the province.

With its extensive network of intercity and rural roads, Kermanshah Province is well-positioned to undertake ambitious road development plans, aiming to upgrade a significant portion of its road network to expressway standards. With six official border crossings (Khosravi, Parviz Khan, Sumar, Shushmi, Sheikh Saleh, and Tileh Koh) and substantial tourism potential, Kermanshah Province is well-positioned to significantly contribute to the country's foreign exchange revenue and national income. A key strategy to realize this potential is to invest in the development of its road infrastructure and transportation fleet. The Kermanshah International Airport is currently one of Iran's leading airports by flight volume, and the planned railway project will link it to the international Khosravi border and Iraq. Kermanshah is predominantly mountainous, with 70.8% of its area classified as mountainous terrain. The remaining 22.1% consists of plains, while 7.1% is categorized as foothills. In terms of altitudinal classification, 76.5% of the province is situated within the 1000-2200 meter elevation range, with the 1400-1800 meter band being the most

prevalent. If we divide Kermanshah Province into two primary elevation categories—below and above 1400 meters—approximately 58.2% of the province's area falls within the higher elevation category, while the remaining 41.8% is at elevations below 1400 meters. Therefore, in addition to being a mountainous region, Kermanshah Province also has significant elevations. Kermanshah Province has a temperate mountainous climate. In the 4th century AD, this province, which was a pleasant village at the time, was chosen as the second royal residence of the Sassanian Empire. Extensive gardens were built in this area during the Sassanian period, providing a serene retreat for Sassanian monarchs for centuries. Throughout the Islamic period, Kermanshah was renowned for its pleasant climate, flowing waters, lush vegetation, and affordable goods. Writing in 290 AH, the geographer Ibn Faqih describes Kermanshah in his work 'Al-Buldan': "From Madain to the Balkh River, Qabad traversed vast lands, yet nowhere did he find a region as enchanting as Kermanshah and the Hamdan-Asadabad pass. The purity of its air, the sweetness of its water, and the delight of its breeze compelled him to construct Qarmasin." Kermanshah experiences a maximum of 2999

hours of sunshine annually, with the highest solar radiation occurring in July and August, and the lowest in December and January. The climatic and ecological conditions of Kermanshah, characterized by moderate annual rainfall and relative humidity, give rise to a landscape predominantly covered in forests and pastures. The region also features arable lands that are both irrigated and rain-fed. The annual average temperature in Kermanshah Province is approximately 14 degrees Celsius, and the average annual precipitation is 456.8 millimeters. The primary inhabitants of Kermanshah are Kurds. Kermanshah Province is the ancestral homeland of numerous prominent Kurdish tribes, including the Zangeneh, Kalehor, Guran, Jaaf, Sanjabi, Qalakhany, Kelyayi, Bajlan, Zoleh, Jamir, as well as Laki tribes such as Jalalvand, Kakavand, Osmanvand, Payravand, and Balavand. Despite the official classification of Laks as a Kurdish subgroup, Kermanshah exhibits linguistic diversity, with Turkish-speaking communities, particularly the Sonqori Turks, residing alongside the Kilyayi Kurds in the city of Sanqor and Kelyai. The Sanqori dialect is a variety of Azerbaijani Turkish that is often described as a transitional form between Azerbaijani Turkish and Khorasan Turkish.

Additionally, a community of Lors resides in Kangavar County, speaking the Luri-e-Salasi dialect. Over the past two centuries, migrants from other provinces, particularly Hamadan, Markazi, Isfahan, and Semnan, have settled in Kermanshah. Some non-Kurdish families, such as the Al-Aqa, Nojumi, Meybodi, Feyz Mahdavi, Shahrastani, Soduqi, Muhammadi Eraghi, Kazazi, Jaberi, and Dezfuli families, migrated to Kermanshah due to religious motivations to promote Shia Islam. These migrations have contributed to the distinctive Kermanshahi Persian dialect.

2-2. County:

Gilan-e-Gharb County is one of the counties in Kermanshah Province, located in the western part of the province. This county has a population of over 65,000, with approximately 21,000 residing in Gilan-e-Gharb city, 3,000 in Sarmast city, and the rest in rural and nomadic areas. The county is bordered by Sarpol-e-Zahab and Kerend-e-Gharb

County Location Map Within the Province



to the north, Eslamabad-e-Gharb to the east and northeast, Ivan, Sumar, and Mandali city of Iraq to the southeast, south, and southwest, and Naftshahr and Qasr-e-Shirin county to the west. Gilan-e-Gharb is 155 kilometers from the provincial capital and 60 kilometers from the Sumar border market. Due to its unique climate, the region has both warm and cold areas. In the warm area, spring begins as early as mid-February, attracting enthusiastic tourists. With its distinct climate, numerous ancient mounds, and natural attractions, Gilan-e-Gharb boasts a rich historical background from ancient times and has been a site of various events in modern history.

2-3. Project Location:

Golin Village is one of the villages in Gilan-e-Gharb County, known for its breathtaking attractions that captivate every visitor. Golin is part of the central district of Gilan-e-Gharb County in Kermanshah Province. One of the unique features of this village is its location amidst highlands and mountains, offering tourists a pleasant and memorable experience. In the past, this area included six villages, which were later

Project Location Map



reduced to four based on administrative divisions. These include the villages of Chaman, Najjar, Al-Morad, and Anjavaroord. Golin has a moderate and mountainous climate with lush and pleasant nature. This village is one of the historical and ancient areas of Gilan-e-Gharb County, featuring a beautiful gorge that is 40 meters long and 400 meters deep, covered with trees and various fruit orchards, with its pomegranates being particularly famous. A roaring and lengthy river flows through the green trees in this gorge, enriching the path with beauty and tranquility for visitors and tourists. Golin is located 33 kilometers from Gilan-e-Gharb County and 215 kilometers from Kermanshah.

2-4. Infrastructure Accessibility:

Row	Required Infrastructure	Distance to Project Site	Infrastructure Source
1	Water	0	Water well at the project site
2	Electricity	2 kilometers	Anjavaroord village
3	Gas	2 kilometers	Anjavaroord village
4	Telecommunications	5 kilometers	Shelin village
5	Main Road	25 kilometers	-
6	Secondary Road	4 kilometers	-
7	Airport	235 kilometers	-
8	Port	630 kilometers	-
9	Railway Station	230 kilometers	-

1- Plan Technical Specifications:

3-1. Product:

Today, the tourism industry holds significant value and importance in all societies and is referred to as the engine of development. As one of the largest and most diverse industries in the world, it is recognized as a crucial source of income and job creation for many countries. Due to its economic and social importance, it is receiving increasing attention, and governments prioritize it. Currently, tourism is one of the main pillars of the global economy and one of the key industries with rapid growth in global economic development. By creating the highest level of added value both directly and indirectly, it can influence other economic and cultural activities. Globally, the tourism industry ranks third after oil and automotive industries. Tourism is a recreational activity pursued by travelers seeking the beauty of nature, comfort, relaxation, and pleasure, along with gaining experiences. In the tourism industry, a variety of recreational, accommodation, sports, and even commercial services are provided to tourists. Tourism has become so vast and expandable that, in today's world, it is considered a full-fledged industry. Like any other industry, it can create jobs and generate income. This project

Product/Sample Image



provides services in the tourism sector. The tourism industry is one of the most profitable and employment-generating industries in modern society, accounting for a significant portion of global employment. The services offered at this tourism center include restaurants and villa accommodations, swimming pools and fishing platforms, tourism tours, and handicraft stores.

3-2. Plan Requirements:

3-2-1. Required Space and Infrastructure:

This project is planned with an annual capacity of 16,800 visitors. After obtaining the necessary permits and the operating license, construction will begin, followed by operational activities. Therefore, the project will generate sufficient annual revenue from its services, including recreational facilities, a restaurant, a fishing platform, tourism tours, and a handicrafts store, to cover its costs and produce annual income. In accordance with the standards for establishing a tourism complex with a capacity of 16,800 visitors annually, 1,500 square meters of land are required, of which 1,000 square meters will be designated as covered space, and 500 square meters as open space. The total allocated land for the implementation of this plan is 1,500 square meters. For this complex, the necessary power infrastructure, including a transformer with the required capacity, will be provided and sourced from the electricity supply of Gilan-e-Gharb County. For implementing the plan, approximately 1,500 square meters will be used for a security building and a waiting hall. Additionally, the open area will include green spaces, gazebos, public parking lots, and other facilities. The plan site, Golin Village, offers a beautiful and

picturesque environment, making it an ideal location for catering to both domestic and international tourists.

Investment in Land, Landscaping, and Buildings

Row	Description/Structure Name	Details	Plan Required Investment		Total Cost (Million IRR)
			Quantity/Area Required (m²)	Unit Purchase/Construction Price (IRR)	
1	Land	1,500 m² of public lands	1500	0	0
2	Landscaping Operations	As per related details	1500	2,815,000	4.220
3	Construction Operations	Accommodation	600	125,000,000	75,000
		Restaurant Building	200	100,000,000	20,000
		Other Buildings	200	100,000,000	20,000
Total			-	-	119,220

3-2-2. Machinery and Equipment:

Required Machinery and Equipment (Primary)

Row	Machine/Equipment Name	Total Quantity	Plan Required Investment		Total Cost (Million IRR)
			Domestic Purchase Price	Currency	
1	Gas Stove for Restaurant	1	500	Million IRR	500
2	Restaurant Oven	1	1,700	Million IRR	1,700
3	Refrigerator Display	1	50	Million IRR	50

4	Standing Refrigerator	1	170	Million IRR	170
5	Steel Table for Restaurant	1	120	Million IRR	120
6	Industrial Meat Grinder	1	270	Million IRR	270
7	Dough Maker	1	120	Million IRR	120
8	Dough Maker	1	100	Million IRR	100
9	Industrial Grill	1	140	Million IRR	140
10	Industrial Fryer	1	350	Million IRR	350
11	Water Cooler	1	250	Million IRR	250
12	Cooking Utensils	1	850	Million IRR	850
13	Hall Equipment (Tables, Chairs, Beds, Décor, Decorative Elements)	1	1000	Million IRR	1000
Total					5,620

Required Machinery Equipment (Auxiliary)

Row	Electricity Connection / Demand Bandwidth	Unit of Measurement	Type	Plan Required Investment (Million IRR)		Total Cost (Million IRR)
				Quantity	Purchase Cost per Unit (Million IRR)	
1	Electricity Connection / Demand Bandwidth	KW	Facilities	5	60	300
2	Various Electrical Cables	M	Facilities	200	4	800

3	Lighting System Equipment	Unit	Facilities	4	40	160
4	Electrical Panels and Related Equipment Cost	Unit	Facilities	1	200	200
5	Water Connection	-	Facilities	1	210	210
6	Other Water Transfer Equipment	Unit	Facilities	1	300	300
8	Other Piping (Electricity, etc.)	M	Facilities	60	3	180
9	Firefighting, Safety, Hygiene Equipment	Capsules	Facilities	4	30	120
10	Gas Piping	M	Facilities	120	5	600
11	Gas Connection	-	Facilities	1	350	350
12	Air Ventilation Equipment	Fan	Facilities	2	35	70
13	Other Safety Equipment and CCTV Systems	Set	Facilities	1	150	150
14	Office Equipment	Set	Office Equipment	1	250	250
15	Other Auxiliary Facilities	-	Facilities	1	500	500
Total						4,190

3-2-3. Raw Materials and Intermediate Parts:

Restaurant Raw Materials

Row	Description	Unit	Purchase Cost (IRR)	Annual Consumption	Annual Cost (Million IRR)
1	Rice	kg	650,000	1,100	715
2	Meat	kg	5,800,000	550	3,190
3	Chicken	kg	950,000	1,100	1,045
4	Oil	liter	550,000	600	330
5	Various Vegetables	kg	250,000	1,000	250
6	Soft Drinks	unit	150,000	1,000	150
7	Yogurt	unit	150,000	1000	150
8	Dough (Yogurt Drink)	unit	150,000	1000	150
9	Bottled Water	unit	50,000	1,000	50
10	Other Restaurant Supplies	-	-	1	140
Total					6,170

3-2-4. Management and Human Resources

Row	Skill Level	Number	Base Salary (Thousand IRR)
1	Specialist	3	200,000
2	Skilled	4	150,000
3	Unskilled	8	125,000

- Required Workforce: 3
- Indirect Unskilled Workers: 4
- Direct Specialist Workers: 8

2- Ownership and Legal Permits:

4-1. Land Ownership:

The National Land and Housing Organization is obligated to provide the necessary lands to investors at appraised prices through a five-year lease-to-own arrangement. According to Article (6) of the Law on the Development of Iran's Tourism Industry (approved in 1991), the Urban Land Organization, municipalities, the Forests and Rangelands Organization, and other ministries and relevant organizations are required to allocate the necessary lands for the establishment of tourism facilities. These allocations must be carried out upon the recommendation of the Cultural Heritage, Tourism, and Handicrafts Organization, at regional or finalized prices, in a manner that does not lead to a reduction in public revenues. Furthermore, tourism facilities and travel service offices are subject to industrial tariffs for fuel, water, electricity, and telephone costs, including both connection and usage. The relevant authorities are mandated to calculate and collect these costs based on industrial tariffs, irrespective of the construction license type, land use, or consumption level.

4-2. Intellectual Property and Incentives:

- In the area of external financing (finance), pursuant to the law establishing the Ministry of Cultural Heritage, Handicrafts, and Tourism, at least 10% of the country's total finance quota must be allocated to the development of tourism and handicraft plans.
- A 50% tax exemption is granted to all tourism facilities holding an operational license for a period of six years.
- Special authority is granted to provincial governors for the determination, approval, and resolution of tourism plans at the

provincial scale, exclusively through the Provincial Planning and Development Council.

- A 10-year tax exemption is provided to hospitals, hotels, and tourism accommodation centers located in less-developed areas, while a 5-year tax exemption applies to those situated in other regions.

4-3. Legal Permits:

Pursuant to Article (7) of the Law on the Development of Iran's Tourism Industry, Article (1) of the Law on the Establishment of the Ministry of Cultural Heritage and Tourism, and the Law on the Establishment of the Ministry of Cultural Heritage, Tourism, and Handicrafts, the issuance, renewal, suspension, and revocation of any licenses for the establishment and operation of tourism facilities fall under the jurisdiction of the Ministry of Cultural Heritage, Tourism, and Handicrafts. All tourism facilities are required to obtain an operational license from this Ministry in order to conduct their activities.

3- Market Analysis and Competition:

One of the key options attracting the attention of policymakers, planners, and rural development investors today, due to urban expansion and environmental pollution, is the establishment and expansion of rural tourism. Recognized as one of the essential and significant industries in the economic and cultural sectors, rural tourism can play a critical role in reducing urban psychological pressures and preventing excessive migration of villagers to cities. Today, many countries regard rural tourism as a strategy for developing rural spaces. Tourism is now considered a means to create employment opportunities and increase villagers' income. Developing rural tourism through entrepreneurial initiatives and innovative solutions has opened new pathways for investors,

entrepreneurs, and stakeholders in this field. Kermanshah Province, as one of the most promising regions for rural tourism development, exemplifies the underutilization of regional capacities in the country. With its historical attractions, diverse natural blessings such as varied climates and year-round appeal, this province ranks among the top provinces in the nation. Around each tourism attraction where daily recreational activities are possible, the operational radius extends at least to the regional level. Thus, creating facilities for daily recreation for attractions with regional impact in the short term and attractions with zonal impact in the long term is essential.

In this context, establishing recreational tourism complexes can pave the way for empowering rural residents, improving their living standards and public welfare, facilitating investment attraction, and preventing the loss of environmental and human resources in villages. Kermanshah Province, with its ancient civilization and culture and abundant tourism attractions, can play a significant role in this regard. The tourism industry interacts with various economic sectors directly and indirectly and is recognized for its profound and mutual positive economic, social, and cultural impacts. Tourism creates numerous opportunities for small family businesses, most of which involve direct and mutual interactions between hosts and guests within tourist-friendly homes and properties. This family engagement is vital for the visitor's experience and satisfaction and for the sustainable development of the destination and local community. Temporary accommodation plays a key role in enhancing the operational radius of tourism attractions. Where temporary daily or even overnight accommodations are available, the operational radius expands at least to the regional level. Therefore, building temporary accommodation facilities for attractions with regional impact in the short term and zonal impact in the long term is essential.

In this context, establishing the Golin Tourism Center can provide the foundation for empowering rural communities, enhancing the quality of life for local residents, and, consequently, facilitating investment attraction and preventing the loss of environmental and human resources in the region.

5-1. Target Market Introduction:

Given the significant importance of the tourism industry in developing the economic systems of societies and the ongoing competition among countries to attract international tourists, focusing on marketing—particularly the selection of target markets—stands out as one of the most critical issues for any tourism destination.

In this plan, the target market includes a diverse range of tourists from across the country. Additionally, considering that Kermanshah Province is one of the five provinces bordering Iraq, with over 300 kilometers of shared borders, and favorable conditions such as strong cultural and religious ties, a golden opportunity has been created for the national economy and, consequently, for Kermanshah Province. This opportunity becomes even more prominent when the possibility of establishing effective connections with two distinct linguistic and religious regions of Iraq—Kurdistan and its Arab-speaking areas—is taken into account, leveraging the strong cultural, linguistic, and religious similarities. The shared land border between Kermanshah Province and Iraq strengthens the economic linkage between the two regions. As such, this project holds the potential to become a key tourism hub for attracting visitors from Iraq.

Plan Physical Progress Timeline:

Yes ☐

No ☒

This plan is a developmental initiative designed to address the country's needs for recreational and tourism services. The implementation stages of this project have not yet progressed.

4- Operational Program and Plan Implementation Schedule:

The implementation phases of the plan, up to its operational launch, have been scheduled to take 15 months.

Table: Below is the timeline for the plan's execution

		Mt h. 1	Mt h. 2	Mt h. 3	Mt h. 4	Mt h. 5	Mt h. 6	Mt h. 7	Mt h. 8	Mt h. 9	Mt h. 10	Mt h. 11	Mt h. 12	Mt h. 13	Mt h. 14	Mt h. 15
Golin Recreational Center Plan	Feasibilit y Study															
	Obtainin g Permits															
	Construc tion															
	Equipme nt															
	Training															
	Operatio n															

5- Project Financial Plan:

8-1. Cost Estimates:

Table: Costs Estimates

Row	Item	Cost (Million IRR)
1	Fixed Capital Investment	136,580
2	Operational Costs (Working Capital)	12,760
3	Financial Costs	149,340

Table: Fixed Investment Estimation (Capital Costs)

Row	Item		Cost (Million IRR)
1	Land Purchase Cost		0
2	Landscaping and Land Improvement		4,220
3	Construction and Building Development		115,000
4	Machinery and Production Equipment		5,620
5	Service and Auxiliary Equipment		4,190
6	Safety and Environmental Equipment		0
7	Overhead Costs		0
8	Pre-Production Expenses	- Pre-Investment Studies	260
		- Project Management and Organization	840
		- Technology Acquisition	0
9	Contingencies		6,450
Total			136,580

Table: Working Capital Estimates (Production Costs)

Row	Item		Cost (Million Rials)
Variable Costs			46,630
1	Raw Materials		6,170
2	Human Resources		30,300
3	Marketing (excluding human resources)		1,760
4	Other Variable Costs	- Fuel and Energy	1,560
		- Maintenance	4,640
		Unforeseen Expenses	2,200
Fixed Costs			19,630
5	Raw Materials		0
6	Human Resources		7,580
7	Marketing (excluding human resources)		0
8	Depreciation		10,110
9	Other Fixed Costs	- Fuel and Energy	390
		- Maintenance	410
		- Unforeseen Expenses	920

		- Insurance	220
Total			66,260

8-2. Revenue Estimates:

Table: Revenue Estimates for the First 5 Years

Row	Item	Q1	Q2	Q3	Q4	Year 1	Year 2	Year 3	Year 4	Year 5
1	Accommodation									62,940
2	Restaurant									19,520
3	SightseeingTours									26,440
4	Handicraft Store									20,590
Total										129,490

8-3. Project Operation Period:

The operation lifecycle includes the useful operational life, which in tourism plans is typically designed for a period of 10 years. During the operation process, due to the provision of services, both revenues and costs will be incurred. However, the revenues are generally higher than the costs; Otherwise, the project would lack economic justification.

8-4. Break-Even Analysis:

Fixed Capital Investment= Fixed Costs – Pre-operation Costs

Fixed Capital Investment= 110550 + 1060 = 111610

A. Product Cost Price (IRR):

Cost Price = Total Annual Production Costs / Total Production Volume

Cost Price = 64280000000 / 16800 = 3719047 (IRR)

B. Annual Break-Even Percentage:

Annual Break-Even Percentage= Fixed Costs (TFC) / Total Sales (P) – Variable Costs (V)

Annual Break-Even Percentage= 19630 / 117280 - 46630 = 28%

The value of (P-V) holds particular significance and is referred to as the contribution margin per unit. This profit per unit, or in other words, the portion of each sale that covers fixed costs, is considered as such. Consequently, the break-even point occurs when the total contribution margin of all units equals the total fixed costs. In other words, this level of sales covers not only the fixed costs but also more than 28% of them.

The relationship between total sales revenue and total costs indicates that this plan generates a profit for the company 28% above the annual break-even point and creates a margin of safety for production activities over the course of three production cycles. In break-even analysis, the margin of safety represents the amount by which actual or projected sales exceed the sales required to break even, with an excess of more than 28% over the break-even sales.

D. Gross Value Added (Million IRR)

Gross Value Added = Total Sales – (Maintenance + Fuel and Energy + Raw Materials and Packaging)

$$\text{Gross Value Added} = 117280 - (6170 + 1950 + 5050) = 104110$$

E. Net Value Added (Million IRR)

Net Value Added = Gross Value Added – (Pre-Operational Depreciation + Depreciation)

$$\text{Net Value Added} = 104110 - (10110 + 210) = 93790$$

F. Gross and Net Profit (Million IRR)

1- Gross Profit (Million IRR)= Sales Revenue – Cost of Goods Sold

2- Net Profit (Million IRR)= Gross Profit – (Administrative, Sales, Advertising, and Other Costs)

Gross Profit = 117280 - 64280 = 53000

Net Profit = 53000 - (1980) = 51020

G. Fixed Capital Per Capita (Million IRR)

Fixed Capital Per Capita = Fixed Investment / Number of Personnel

Fixed Capital Per Capita = 111610 / 17 = 6565

H. Total Investment Per Capita (Million IRR)

Total Investment Per Capita = Total Investment / Number of Personnel

Total Investment Per Capita = 50990 / 12 = 7316

I. Annual Rate of Return

Rate of Return = (Total Revenue – Total Costs) / Total Investment

Rate of Return = 117280 - 66260 / 124370 = 41%

J. Annual Payback Period

$$\text{Payback Period} = \frac{1}{\text{IRR}} + \text{The duration of the construction period}$$

Payback Period = 4 years

Cost-Benefit Analysis:

Table: Project Profitability Indicators

Present Value of Total Costs During Execution and Operation	66,260
Present Value of Total Costs During Execution and Operation	117,280
Present Value of Total Revenue During Execution and Operation	52,860
Benefit-to-Cost Ratio (B/C)	1.8
Internal Rate of Return (IRR)	39%

8-6. Sensitivity Analysis of the Project:

Table: Sensitivity Analysis

Discount Rate (Percentage)	Net Present Value (NPV) (Million IRR)
10	164,281
20	70,241
30	23,482
40	-1,562
50	-15,706
60	-23,970
70	-28,871
80	-31,757
90	-33,391
100	-34,226

8-7. Summary:

Project Economic Analysis Summary

Activity Type	Detailed Activity Description with Code (ISIC)	Product Name	Nominal Capacity (Unit)
Golin Recreational Center	-	Accommodation Services Restaurant Services Tourism Tours Handicrafts Store	16,800 visitors annually
Execution Period	Total Fixed Investment (Million IRR)	Annual Working Capital (Million IRR)	Required Workforce
15 Months	111,610	12,760	17 persons
Internal Rate of Return (IRR)	Net Present Value (NPV) (Million IRR)	Applicant's Contribution (Million IRR)	Benefit-Cost Ratio (B/C)
39%	52,860	24,880	8.1

8-8. Estimated Exchange Rate Fluctuations During the Project Implementation:

Since part of the revenue generated by the implementation of the plan comes from providing services to foreign tourists, fluctuations in the exchange rate will impact the revenue derived from these services and the evaluation results. Additionally, regarding the procurement of machinery and equipment for the plan, since all the necessary equipment for implementing the plan is produced and supplied locally, exchange rate fluctuations will not affect the initial investment costs for the project.

6- Capital Requirements, Funding Methods, and Guarantees:

9-1. Foreign Currency Needed:

Row	Year	Required Foreign Currency Amount
1	First	0
2	Second	0
3	Third	0
4	Fourth	0
5	Fifth	0

9-2. Participation and Funding Mechanisms:

The loan for establishing a recreational and tourism complex is considered one of the government's policies to further develop the tourism sector, given the role of tourism activities in job creation and the use of supportive mechanisms. One of the financial attractions of this plan is the tax exemption provided by the government to support stakeholders in this field. Other supportive mechanisms include the provision of loans. For investors who are unable to start the recreational and tourism complex using their own financial resources, they can take advantage of bank facilities. However, this also comes with its own specific conditions, and the loan for the plan can only be obtained if

certain conditions are met. Among these conditions is the economic viability of the plan. If the costs exceed the income and profits, the plan will not be economically viable and may lead to significant losses for the investor. The Ministry of Cultural Heritage, Tourism, and Handicrafts, based on "Clause A of Note 18" and "Clause A of Article 52 of the Accession Law," provides financial facilities and loans in the tourism sector. To this end, the Ministry has aimed to create fairness among individuals who wish to start a business in the tourism sector by offering loans with a reasonably low-interest rate. It is clear that "Clause A of Note 18" and "Clause A of Article 52 of the Accession Law" are the legal provisions set for providing financial facilities to tourism investment applicants.

9-3. Payback Period:

The payback period for this project, based on the amount of fixed and variable capital and the annual revenue generated from providing services, is approximately 4 years, after which the investment will be recouped, or in other words, the initial investment will be recovered.

7- Plan Incentives, Features, and Benefits:

The financial support for tourism plans includes the provision of bank loans and their repayment terms, as well as tax exemptions, which, if favorable, facilitate the implementation of the plan and create favorable conditions for investment. Below are some of these conditions:

One of the important bank facilities for tourism plans is the provision of long-term bank loans of up to 70% of the fixed investment, offered by state-owned banks. This amount can be increased to 90% for underdeveloped areas if foreign equipment is used. The interest rate for long-term real loans in the tourism sector is 23%, and in case of good repayment behavior, part of the

interest may be reimbursed. The repayment period for long-term bank loans, depending on the nature of the project, can be up to a maximum of 8 years, with the possibility of a grace period of one to two years for installment payments.

Another important bank facility is short-term loans (6 to 12 months) for use as working capital required for service provision processes, with the banking network covering up to 70% of the amount. Obtaining short-term loans up to this limit is contingent on gaining the trust of the financing banks and having a good track record in repaying previous loans.