

JORDAN

Toward 2020

A beautiful, forward-thinking country on the cusp of Asia and Africa, Jordan is emerging as a business capital for the region, thanks to its liberal economy and political stability.

Having reported steady, year-on-year growth averaging 7% for nearly a decade, and twice the level of inward investment per capita than its neighbor, Egypt, the historic kingdom, led by King Abdullah II since 1999, is pushing ahead with projects that will attract knowledge-intensive industries to offset its minimal natural resources.

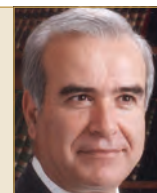
As well as boasting more free trade and bilateral agreements than any other Arab country—with ensuing access to more than 1.3 billion customers—the Jordanian government has introduced excellent investment incentives through special economic zones, like the hugely promising ASEZ on the banks of the Red Sea, while significantly improving tax laws.

“Jordan is a hub for investment, and all the people coming here are making money,” says Minister of Finance, Moh’d S. Abu-Hammour. “They are enjoying around 20-25% returns. Exports for the first quarter of the year grew by 4.5% and imports by 3%. The number of new companies registered on the stock market increased by 30%.”

Companies arriving, and those already established, benefit from a young, literate and highly skilled workforce in a country where around 70% of the population is under the age of 30. As Walid Maani, Minister of Higher Education and Scientific Research says, “We are trying to create study models [within local universities and in collaboration with international



Moh'd S. Abu-Hammour
Minister of Finance



Walid Maani
Minister of
Higher and Scientific
Research



Imad Najib Fakhoury
Minister of Public Sector
Development and Minister
of State for Mega Projects

institutions] that will allow the graduates to fit right into the working market so no retraining is needed by companies, which in our fast-moving society is essential. Graduates need to not only have knowledge, but the capacity to transmit that knowledge. Communication skills are vital.”

This—and other facets of change—falls within the reach of a comprehensive reform project launched in 2005, which aims to achieve a “Modern Jordan” by 2020. The target is to achieve growth of around 6% to ensure a sustainable economy and to become a middle-income country.

“We have managed it so far, except last year, when we did about 2.9%,” Imad Najib Fakhoury, Minister of Public Sector Development, who is also the head of the newly created Ministry of State for Mega Projects. “In 2009, we slowed down, but didn’t go into a recession, which is a very good sign. The IMF has said we should go up to 4% this year, and back to the 6% dynamic next year.”

To achieve this, the Minister says, aggressive investment is critical in infrastructure, fundamentally in energy, water and transport. “We developed strategies for these sectors, and

Educating the world



One of the most established and respected institutions in Jordan, we compete on a global scale by offering world-class education.

Philadelphia University www.philadelphai.edu.jo

Jordanian Free Zones Corporation The business facilitators



With a privileged location, special exemptions by law, and model facilities, our one-stop free zones are the first choice for exporting companies wishing to succeed in the region.



Jordanian Free Zones Corporation
Tel: +962 5 382 64 29 Fax: +962 382 64 30
frez@free-zones.gov.jo www.free-zones.gov.jo

identified the budgets that would be needed...the exciting part is on the supply side; we need mega projects to produce new sources of energy, water and new transport modalities... We are converting these challenges into investment opportunities in a public-private partnership with the government."

As Minister of Industry and Trade, Amer Al Hadidi, explains, almost 85% of all registered investments are in the industrial sector, which is the driver of growth in the country, along with tourism, medical tourism and ICT.

"We realized that a small country of just over 5 million inhabitants, such as Jordan, would never become a main investment destination by itself as the market is not big enough. What we have done, however, is establish ourselves as a hub for serving the rest of the region. So if you come to Jordan and invest, you don't just look at our inhabitants, but at the millions within the region we supply."

The main challenge, according to Minister Hadidi, is the country's susceptibility to fluctuations in energy prices. "We currently import about 96% of our energy, and are now embarking on a few projects through which we will start shifting our status of receiver to that of an energy exporter. Our strategy is based around renewable and nuclear energies."

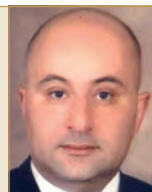
For Jordan's Central Bank governor, Umayya Toukan, the country's economic robustness is due to having the right regulatory framework. "There is lots of interest in Jordan today and also in our regulatory role as a sovereign bank, as well as our monetary policy, because we had to address the

sudden dramatic decline in global demand.

"We slashed interest rates to 2%, which is where it stands today."

As Jawad Hadid of the pioneering

and highly successful Jordan Commercial Bank—its average profitability grew from U.S.\$94.4 million in 2005, to U.S.\$128 million in 2009—points out: "In Jordan, you know you are coming to a sound, safe banking sector... We are better leveraging our country and what it has to offer. You only have to look at the expansion and upgrading of the hotel industry and the tourism progress being made at the Dead Sea to see this."



Amer Al Hadidi
Minister of Industry
and Trade



Walid I. Kurdi
Chairman and CEO
JPMC

Industrial giant

While Jordan may lack the oil of its neighbor Saudi Arabia, phosphate production is now a huge industry, thanks to the privatization in 2006 of the Jordan Phosphate Mines Company PLC. In the rags-to-riches tale, JPMC managed to claw itself back from the brink of almost perpetual loss to celebrate a profit of U.S.\$395 million in 2008 and U.S.\$130 million in 2009.

"There are many factors which led to this achievement., best highlighted by ensuring job security for all employees,

Expansion through growth

Spearheading innovation and growth across the global phosphate industry, Jordan Phosphate Mines Co. (JPMC) is the world's sixth largest producer of the precious mineral. As part of its strategic development, JPMC is expanding operations and production via several joint ventures as it builds on its outstanding success since privatization.

Jordan Phosphate Mines Co.

5 Al-Shareef Al.Radi, Al Shmeisani, Amman, Jordan
Phone: +962 6 569 77 95 | Fax: +962 6 560 6714
info@jpmc.com.jo | www.jordanphosphate.com



alongside a number of social and medical benefits," JPMC Walid I. Kurdi, chairman and CEO of JPMC explains. "JPMC also offers 45 annual scholarships."

The country's biggest employer, JPMC has made considerable efforts to maintain good relations with its traditional customers, while opening new markets on a regional and international level. Last year saw the ceremonious stone-laying, carried out by King Abdullah, which launched a joint project with JIFCO in Eshidiya, a project that aims to produce 475,000 tons of phosphoric acid every year from 2013.

The venture represents the largest investment in the company's history, not just in production terms but in regards to capital and supporting industries. JPMC is also building a phosphate jetty at the new port at Aqaba at a cost of U.S.\$240 million, which it will lease for 30 years.

There are a number of opportunities available regarding the new port," says Kurdi. "We issued an international tender which was won by an international consortium that will work in partnership with a local contractor. We have a joint-venture plan for a phosphoric acid plant together with Indian Farmers Fertiliser Cooperative Ltd. at a cost of U.S.\$650 million and this is seen as a major stepping stone in our progress."

Free zones

With a major seaport, an international airport, direct road and rail links to three neighboring countries and Special Economic Zone status, Aqaba is an attractive destination for investors. PBI Aqaba Industrial Estate, an independent, British limited-liability partnership, is a magnet for enterprises, with registered companies enjoying a flat 5% rate tax on net profits and duty-free imports, including capital, equipment and raw materials.

The one-stop shop, ranked first in the *Financial Times'* Top 50 Future Special Economic Zones in the Middle East and North Africa, uniquely offers clients assistance with market strategies and partnership ventures. Sheldon Fink, CEO of PBI Aqaba who has worked in the Middle East for the past 30 years, says: "Our high level of service, before and after, keeps us ahead, and we also try to maintain the real estate value for customers who buy, rather than rent."

Aqaba was the first of six public free zones, and 34 private zones in the country to be managed by the Jordanian Free Zones Corporation (JFZC). Specializing in industry, media, services and tourism, the zones are extremely popular with

investors looking to position themselves in the region at low cost and with easy access to export markets. "Our free-zone model is replicated across the Arab world," says Eyad Al Qudah, director general of JFZC, proudly. "Most of our clients have been encouraged to come to us through existing investors that have been dealing with us for a long time."

"Our free-zone model is replicated across the world and most of our clients have been encouraged to come to us through existing investors." Eyad Al Qudah, DG of JFZC

Meanwhile, firmly committed to ensuring the human resources of the future, Philadelphia University is an internationally minded university with an excellent reputation for innovation. "We have one of the highest percentages of graduate employability in the country, at 80% within the first six months," says Marwan R. Kamal, the university's esteemed president. "We have launched an ambitious scholarship program and currently have more than 35 students on overseas scholarships right now working toward their doctorates."

Meanwhile, established in 1999, Al Hussein Bin Talal University has grown exponentially to boast eight colleges and 8,000 students. Led by Professor Ali Kha. Al-Hroot, the pioneering university runs a very successful College of Nursing and continues to grow its percentage of female scholars.

A special zone with special connections



With a port, an international airport and major road links to three neighboring countries, Jordan's premier industrial and logistics estate offers investors one of the best-connected locations in the MENA region. And it doesn't stop there: our professional team will also provide on-the-ground support to help your business get going in a market brimming with possibilities.

PBI AQABA
INDUSTRIAL ESTATE

Aqaba International Industrial Estate
Phone: +962 3 205 8000 Fax: +962 3 205 8003
info@pbiaqaba-jo.com
www.pbiaqaba-jo.com



**AL HUSSEIN BIN TALAL
UNIVERSITY**
www.ahu.edu.jo
+962 3 217 9000



Outstanding banking performance

+962-6-5001351
www.jcbank.com.jo

بنك الجordan التجاري
Jordan Commercial Bank