

1st EUROPEAN UNION – JORDAN BUSINESS FORUM



European Union-Jordan Business Forum '24

DIGITAL & GREEN JORDAN

Pioneering the Future of Business

11th June 2024, Amman

INTRODUCTION

Strategically located at the crossroads of **Asia, Africa, and Europe**, Jordan offers a unique combination of socio-political stability, a business-friendly environment, pro-investment policies, and a highly skilled workforce.

Jordan has the potential for a regional hub.

Jordan has focused on developing its human capital and embracing innovation, resulting in an economy that is increasingly diverse and open to foreign investment.

16th  globally

in Agility Emerging Markets Logistics Index

45  destinations

Jordan has direct connections to more than 45 destinations



INTRODUCTION



Jordan has signed a number of international trade agreements with several countries including the **EU, US, UK, Canada, Singapore and the Greater Arab Free Trade Area (GAFTA)**.

1.5
billion
consumers

The free trade agreements provide access to over 1.5 bn consumers around the world.

52
bilateral
investment
treaties

Jordan has 52 bilateral investment treaties signed and in force



WHY INVESTING IN JORDAN?

Entrepreneurial Spirit & Exceptional Work Ethic

Jordan is home to a well-established startup culture; 27 of the region's top 100 start-ups are from Jordan. The nation's workforce is incredibly hard-working, which has been proven repeatedly on the international stage. For example, 75% of Arabic Internet content has been produced in Jordan's ICT sector.

Young, Highly Qualified Workforce

Jordan is home to a wellspring of young, digitally savvy talent, with 52.4% of the population under the age of 24, and fluent in English and Arabic. 65,000 university students graduate every year, 35% of whom specialize in the fields of business, accounting, economics, engineering, and computer science.



Government Incentives

The government offers financial assistance to private businesses making investments through economic incentives. Incentives include tax abatements, tax revenue sharing, grants, infrastructure assistance, no or low-interest financing, free land, tax credits, and other financial resources

Land of Innovation and Progress

Jordan ranked first in the Arab world in terms of renewable energy contribution, reflecting Jordan's leadership in the renewable energy field. ICT infrastructure is also one of the best in the region, securing an unprecedented 99% network coverage and an Internet penetration rate of over 80%.



JORDAN'S BUSINESS ENVIRONMENT

| 100% Business Ownership | Protection of Intellectual Property and Trademarks | Fair and Adaptive Legal System to Govern Commercial Matters | Favourable Incentive Packages | Political Stability | Development & Free Zones Additional Incentives | Strong Credit Rating And Stable Economic Outlook |
|---|--|--|---|---|--|--|
| Foreign investors granted full ownership of the majority of the businesses. | Jordan has multiple government agencies and specialized courts enforcing intellectual property rights (IPR) laws and regulations. (48th in strength of IP protection – as per the International Property Rights Index) | Jordan laws ensure that business can be done easily and fairly, protecting labour rights, consumer rights, and intellectual property rights. Dual licensing allows free zone companies to conduct their economic activities outside the free zone, allowing for an expanded business scope and a competitive business environment. | <ul style="list-style-type: none"> 0% Sales tax 0% Income tax 0% Custom duties 0% Exports income tax 5% Tax on profit generated in Jordan <p>* These schemes are subject to conditions detailed in the new Investment Environment Law of 2022.</p> | Jordan is a stable and secure country with a long history of cooperation with the United States, Europe, and Japan. | <p>Foreign investors granted residence permits, along with their families.</p> <p>100% foreign capital ownership.</p> <p>Buildings and constructions are exempt from certain taxes and fees.</p> | <p>Standard & Poor's credit rating for Jordan stands at B+ with stable outlook. Moody's credit rating for Jordan was last set at B1 with positive outlook, reflecting the credit worthiness of its government entities and their ability to plan for the country's sustainable growth.</p> |



JORDAN'S BUSINESS RANKING



Jordan ranks 78th out of 132 economies in the 2022 **Global Innovation Index (GII)**. This is an improvement from its ranking of 81st in the GII 2021. Jordan's best performance is in the pillar of market sophistication, where it ranks 44th. Its weakest performance is in the pillar of infrastructure, where it ranks 105th. Jordan also faces a number of challenges, such as limited access to finance, a lack of appropriately skilled workers, brain drain and a weak intellectual property regime.



In the **Global Competitiveness Index**, Jordan is currently ranked at 54th place. Its relatively stable and efficient institutional system and relatively good infrastructure, innovation, and business sophistication manifest in a position much higher than its GDP (PPP)/capita (111th globally - World Bank 2019) or Human Development Index (102 globally - UNDP 2020) would suggest. Taking a deeper look into the ranking, the macro-economic environment, the labour market efficiency, and the financial market development lag in comparison to other categories. Technological readiness and digital economy is an area that has grown significantly over the recent years, also during the COVID-19 pandemic. Inefficient customs institutions also hamper competitiveness. IMD World Competitiveness report, 2023



The **Global Entrepreneurship Index** 2019, which measures both the quality of entrepreneurship and the extent and depth of the supporting entrepreneurial ecosystem (score ranges from 0-100%), scored Jordan at the Arab region's average score of 29.4%. In recent years, regional competitors have boosted their entrepreneurship activity and have larger domestic markets, providing an alternative potential regional hub to build entrepreneurship ventures.

In terms of **Research & Development (R&D)**, according to the 2021 UNESCO Science Report, at 0.71%, Jordan's GDP ratio is the third highest for the Arab States reporting recent data. Jordan is home to the Synchrotron-light for Experimental Science and Applications in the Middle East (SESAME), a major interdisciplinary science project that has been boosting science diplomacy and scientific collaboration. Jordan's Higher Council for Science & Technology (HCST) co-chairs the meetings of the Union for the Mediterranean (UfM) Regional Platform for Research and Innovation together with the European Commission.



INVESTMENT AND TRADE OPPORTUNITIES

Green Economy and Sustainable Energy Projects

The Jordanian Economic Forum, the Jordanian Renewable Energy and Energy Efficiency Fund provide financial support for green projects.

The range of attractive investment opportunities include:

- Renewable power plants
- Energy storage systems
- Electrical freight stations
- Smart measurement systems
- Green hydrogen production and storage projects

Information & Communication Technology (ICT)

Special tax incentives for the ICT sector include:

- 0% customs duties
- 0% export income tax
- 5% income tax on profits generated in Jordan

Jordan offers numerous plug-and-play facilities equipped with top-notch infrastructure and furnishings, all accessible via excellent transportation options and benefitting from superb on-site security and support.

The country enjoys a mobile and internet coverage rate of 99%.

Retail, Trade and Commerce

Jordan has the potential to become a regional trade hub serving Iraq and Syria, and an East-West/North-South trans-shipment corridor.

Strong ICT platforms (mobile/internet) and soft skills serve as catalysts for e-commerce development.

Pharmaceuticals and Biotechnology

The country's pharmaceutical sector is among the most advanced in the region; over 20 reputable pharmaceutical manufacturers export high-quality, affordable medications to more than 60 countries worldwide. Similarly, Jordan's commitment to research and development, combined with a skilled workforce and supportive regulatory environment, has driven the biotechnology industry's progress.

Textile and Apparel

Many companies have adopted advanced technologies to improve efficiency and reduce their environmental impact. The sector's focus on sustainability has also attracted eco-conscious investors, who recognize the enormous potential for growth in sustainable and ethical fashion. As a result, Jordan is increasingly being recognized as a responsible manufacturing hub, further enhancing its appeal as an investment destination.



JORDAN'S ICT AND DIGITAL ECOSYSTEM

In the last three years...

3%

ICT sector
contributions to GDP

11.64%

ICT sector growth
(CAGR)

\$73M

Investments in Jordan's
ICT sector

31.3%

ICT sector employment
growth rate

82.6%

Foreign market ICT
revenue growth rate

115.2%

ICT sector employment
growth rate



A Hidden Gem for
the ICT Sector
Jordan Source



JORDAN'S ICT AND DIGITAL ECOSYSTEM



Employment & salary subsidies

For digital or digitally enabled firms in the ITO/BPO space, the ministry offers employment subsidies that will cover up to 50% of new employee salaries, for the first 6 months of their employment. Eligible companies must be in operation for at least one year, with a clear hiring plan.



Tax incentives included

- 5% income tax on profits generated in Jordan
- 0% customs duties
- 0% export income tax
- 0% sales tax on ICT services



Upskilling grants

The ministry will provide training grants of up to USD150,000 for your company to contract training service providers, in order to elevate the capacities of employees and youth in high-demand digital skill areas.



Market expansion grants

For digital or digitally enabled firms in the ITO/BPO space, the ministry offers grants to cover up to 50% of the cost of business development plans, up to USD100,000. This can include growth activities such as expanding and securing new contracts in local, regional, and international markets.

Eligible companies must be in operation for at least one year, with a clear hiring plan.



JORDAN'S GREEN ECONOMY

Economic Growth that is environmentally sustainable and socially inclusive

67.4

Arab Region SDG Index

4th

In Global order of Green Economic Opportunities

3rd

In Global Green Economy Index in the MENA Region

By 2022, the share of renewable energy installed capacity had risen to around 28% reflecting around 2,555 MW including 1,914 MW solar PV and 614 MW wind. Jordan plans to generate 50% of electricity from renewables by 2030.

A 35% requirement local content requirement. All equipment used in renewable energy projects is exempt from import and sales tax. Tax incentives and other financial support include customs duties, sales tax exemption for systems, equipment and devices related to renewable energy.

3 Green growth clusters

- Green Growth Corridor
- Smart Urban
- Rural resilience

6 Green growth Sectors

- Energy
- Water
- Waste
- Agriculture
- Tourism
- Transport

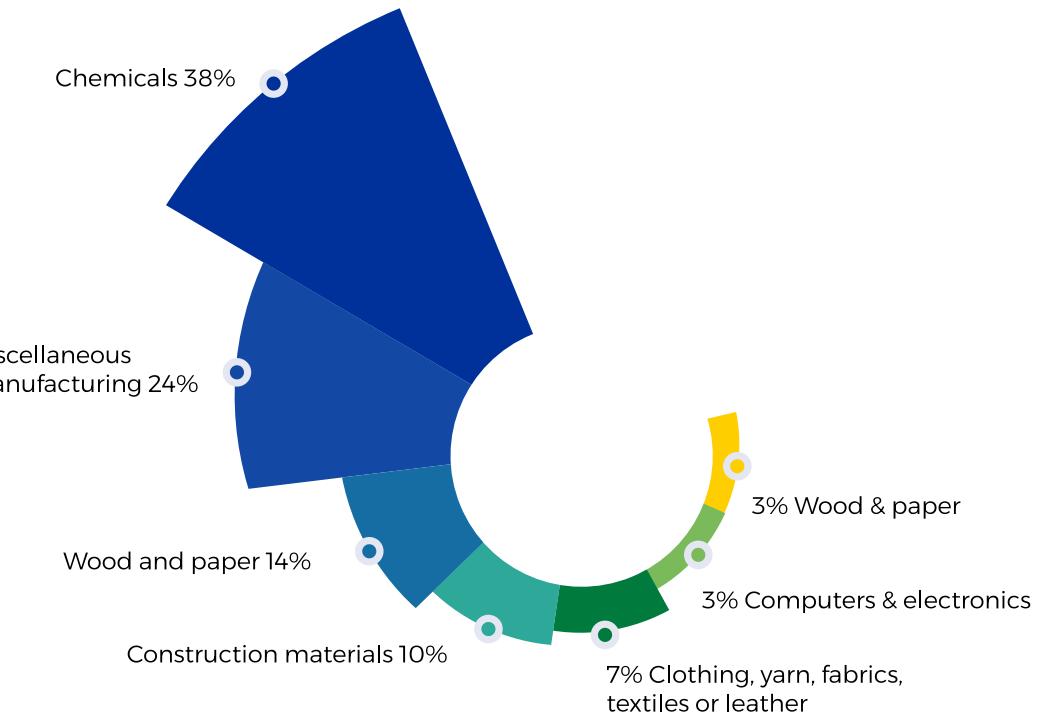
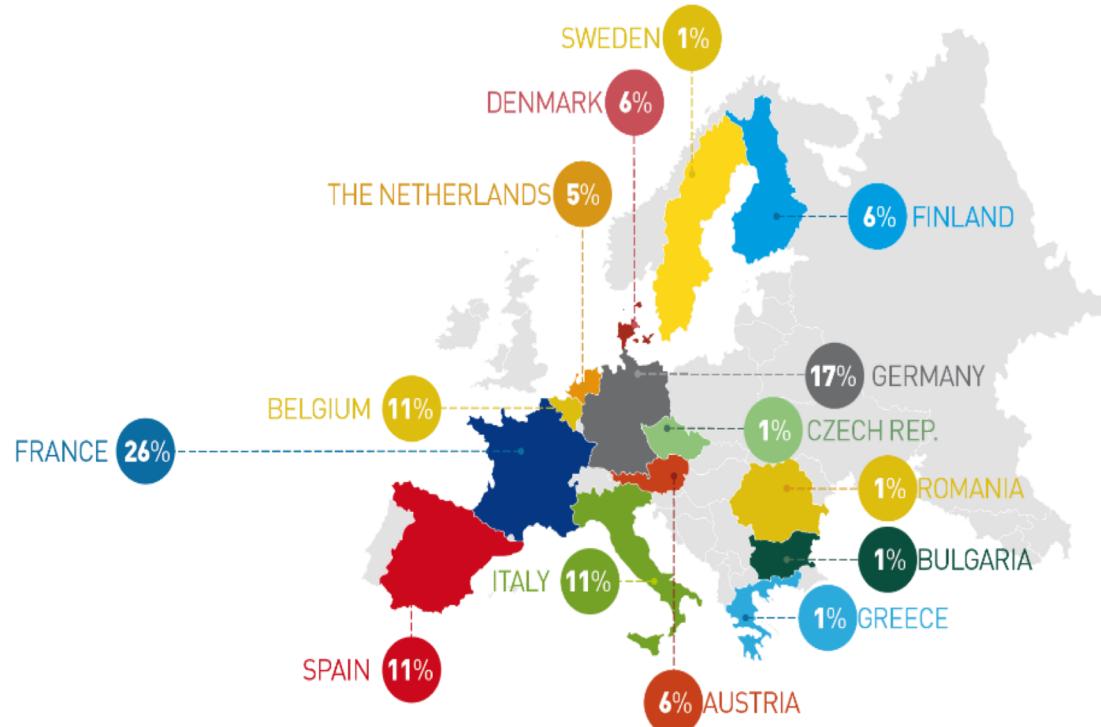
24 projects

assessed with cost-benefit analysis



EU INVESTMENT IN JORDAN

(Country of origin and industrial sectors)



Source: EU Investment Study 2021



WHAT CAN YOU EXPECT FROM THE EU-JORDAN BUSINESS FORUM 2024

OBJECTIVES

- ★ For new investors, highlight the potential of Jordan as a business destination
- ★ For current investors, examine potential expanding investment avenues for EU businesses;
- ★ To provide a platform for networking between Jordanian and EU companies and facilitate business-to-business (B2B) networking opportunities
- ★ Showcase success stories of European and Jordanian companies in country
- ★ Discuss the challenges and opportunities facing businesses in Jordan
- ★ Discuss sustainable initiatives and opportunities in green industries, digital economy and tourism

AUDIENCE AND PARTNERS

LEAD

- EU Delegation
- Jordan Europe Business Association (JEBA)
- Amman Chamber of Commerce (ACC)
- Ministry of Industry, Trade and Supply

OTHER PARTNERS AND AUDIENCE

- Ministry of Investment, Ministry of Digital Economy and
- Entrepreneurship, Ministry of Energy and Natural Resources,
- Ministry of Industry, Trade and Supply
- European Development Finance Institutions (such as European Investment Bank, Agence Française de Development, Kreditanstalt für Wiederaufbau-KfW)
- EU and Jordanian businesses
- Business associations, chambers of industry and commerce.
- EU Member States

TENTATIVE FORMAT FOR THE EU-JO GLOBAL GATEWAY BUSINESS FORUM 2024

- **1 full day** in-person event (possible online participation and live streaming to be confirmed)
- High-level opening ceremony by high-level JO representative and EU Commissioner for Neighbourhood and Enlargement
- Indicative focus sectors: Renewable Energy & Green Hydrogen & Clean Technology; Connectivity & Digital; and industrial exports
- **Plenary discussions** as well as parallel breakout sessions by themes/sectors
- Presentations on investment-relevant topics, including recent reforms, etc.
- **B2B and B2G** matchmaking
- **Exhibition space:** booths for companies and other agencies, to be confirmed.

CONTACT INFORMATION

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Registration Link

[EU-JO Business Forum'24](#)

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