



JORDAN
INVESTMENT BOARD
take advantage

Invest in Jordan Country Presentation

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Why Invest in Jordan

1. The gateway to the MENA region and beyond (access to markets in excess of 1 billion consumers)
2. Political and economic stability and security
3. Reformed and progressive legislation
4. Special economic and development zones
5. Reliable and well connected infrastructure
6. Skilled and bilingual human capital
7. Quality of life

Gateway to the MENA Region

- ★ The fastest growing region in the world after India and China with a much higher consumption level and GDP per capita (\$3,600)
- ★ The world average for nominal GDP growth between 2005 – 2009 was 7%, compared to 15% for the MENA region; world population growth rate was 1.2% compared to 1.9% in the MENA region*
- ★ Total MENA GDP is \$621 billion in 2008; growth in 2010 is expected to reach 4.4% region-wide, driven by domestic consumption **
- ★ 2008 estimates of Arab countries population is 334.5 million ***
- ★ 57.7% of the world's oil reserves and 30.3% of natural gas reserves just beyond our borders

* IMF & UN World Population Perspectives Database

** World Bank MENA Report 2010

*** Arab Monetary Fund Report

Gateway to the MENA Region – Iraq

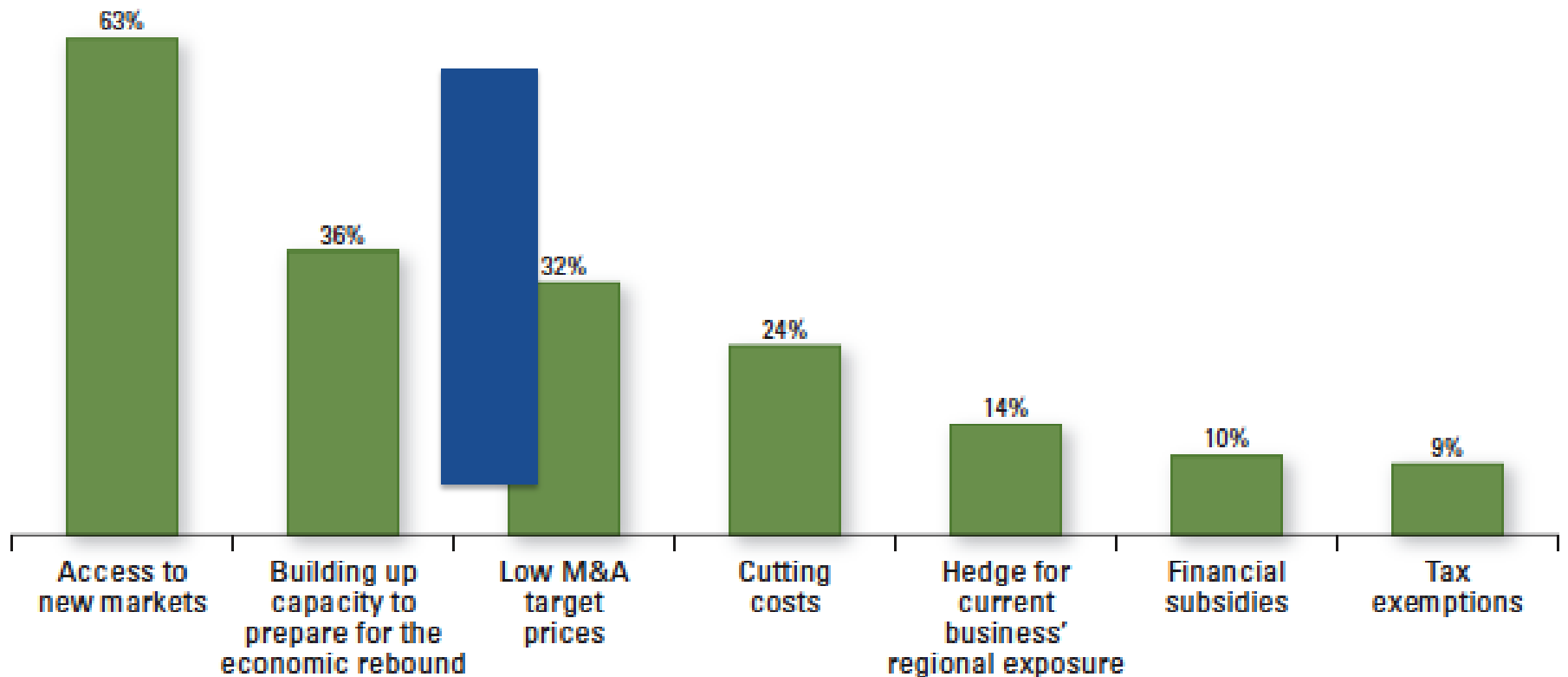
- ★ Jordan is considered an ideal location for Iraq based businesses due to geographic proximity, security, and infrastructure
- ★ Jordanian exports to the Iraqi market have doubled between 2003 to 2008 to reach \$1.3 billion*
- ★ Iraq possess a large market with imports of 32.2 billion USD in 2008
- ★ Iraq is projected to maintain a 7% growth rate into 2010, and increase in 2011 to 7.9%, driven primarily by oil revenues **

* Source: Central Bank

** Source: IMF

According to global CEOs, access to new markets is the main driver for investment decisions in the current economic climate.

Percentage of respondents



Source: A.T. Kearney Foreign Direct Investment Confidence Index, 2010

Gateway to the MENA Region – **And Beyond**

Free market access to over **one billion** consumers through trade and investment agreements

- ★ Member of the WTO
- ★ Jordan-US FTA
- ★ Qualified Industrial Zones Agreement (QIZ)
- ★ Greater Arab Free Trade Agreement (GAFTA)
- ★ EU Association Agreement
- ★ Aghadir Agreement
- ★ Canada FTA
- ★ Turkey FTA
- ★ Singapore FTA

Political Stability and Rule of Law

- ★ Regulatory environment committed to free markets principles
- ★ Efficient legal framework and strong intellectual property rights
- ★ Ranked 30/133 in IP protection globally *
- ★ Ranked among the top ten countries globally in corruption prevention*

* Competitiveness Report , WEF,2007

Economic Stability

- GDP reached almost \$23 billion in 2009, averaging 7.1% real growth over the past 5 years *
- Stable currency that promotes trade and investment; has maintained a steady exchange rate to the US dollar since 1995
- Outstanding external public debt reduced to 23% of GDP in 2009 (down from 66.2% in 2004) *
- Solid and healthy banking sector
 - Supervision by the Central Bank
 - Minimal exposure to derivatives

* Source: Central Bank of Jordan

Skilled and Talented Human Capital

- Young population with almost 70% under the age of 30
- The highest literacy rate in the region 91%
- Jordan ranked 1st in the Arab world in terms of education reform *
- 22 internationally recognized universities and training hospitals
- English language is taught in all schools and is widely spoken in Jordan
- Jordanian engineer and healthcare penetration rates are among the highest in the world

* Source: World Bank

Reliable and Well-Connected Infrastructure

- ★ Three international airports
- ★ Aqaba Sea port
- ★ Five road linked borders providing access to over 330 million consumers
- ★ A modern telecommunications infrastructure with a very competitive mobile and internet landscape
- ★ Jordan scored 3.47 in the Networked Readiness Index of 2006 – 2007 rankings making it the 5th highest among Arab countries*

Jordan – A country of quality of life

- ★ Jordan is:
 - ★ Cosmopolitan and ethnically diverse
 - ★ A model of coexistence of religions and cultures
 - ★ Home to modern international hotel chains and world-class medical facilities
 - ★ Host to international cultural festivals and business forums
 - ★ Excellent Schools and Health Care Services

A National Vision



"... a modern livable state with functioning institutions, and an economy that is based on sustainable growth and on private sector enterprise, guaranteed by an independent judiciary."

His Majesty King Abdullah II

Reform Initiatives

- ★ Jordan's Privatization Program
- ★ The National Agenda
- ★ Modern Legislation:
 - ★ Investment Promotion Law
 - ★ Development Zone Law
 - ★ Aqaba Special Economic Zone Law
- ★ Continuing economic liberalization and open market policies through FTAs and adoption of WTO directives
- ★ Concessions in Energy and Mining expanded to include Uranium & Oil Shale
- ★ Implementing E-Government to speed up processes
- ★ Liberalized customs and trade regulations

Privatization Program

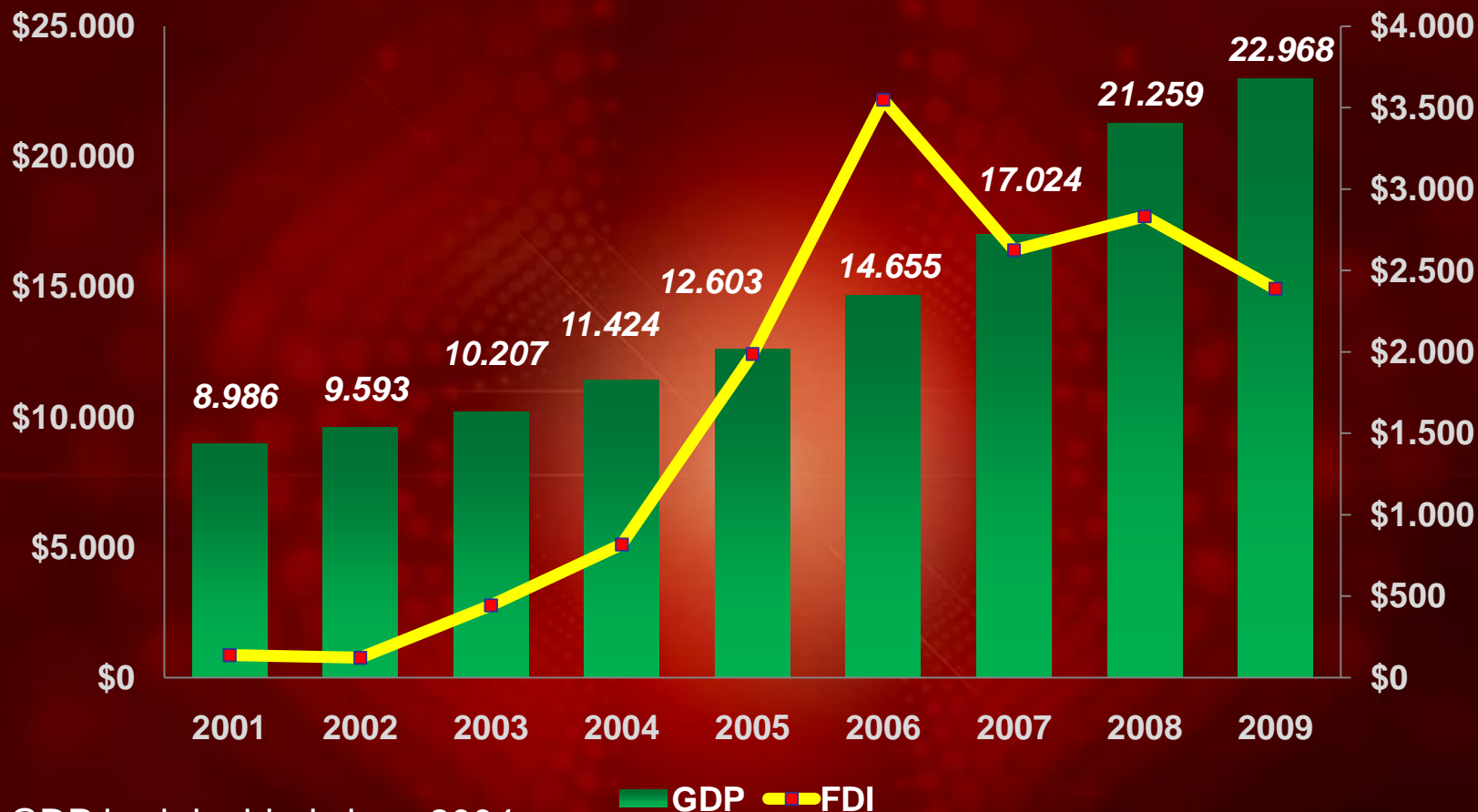
- Launched in 1996, Jordan has completed 71 privatization and 3 PPP transaction to date *
- The Executive Privatization Commission was officially designated in 2006 to assume the primary role in implementing Jordan's privatization program *
- Jordan has fully reformed and completely privatized key sectors such as aviation, energy and communications

* Executive Privatization Commission

*“Jordan’s privatization program ranks as one of, if not the most, successful program in the Middle East region.”
World Bank*

Stable and Growing Economy

Commitment to Success, FDI Performance and Potential



- * GDP had doubled since 2004
- * Total annual FDI reached 2.38 billion, almost doubling from 2004
- * Jordanian Dinar has been pegged to the US dollar since 1989 stabilizing the currency and maintaining the same fixed x-rate since 1995
- * Jordan ranked 6/141 in FDI attractiveness relative to the size of GDP – WIR, 2007

Why Jordan **for Your Regional Office**

- ★ Network of business parks and incubators offering further incentives to tenancy
- ★ Income tax on exports is waived until 2015
- ★ Rapid and free market access to the 330 million person MENA region serviced by world-class transport infrastructure and air routes
- ★ Lower average cost of living than the gulf
- ★ Access to highly skilled bilingual staff at highly competitive labor rates

Priority Sectors

- ★ Education
- ★ Energy and Renewable Energy
- ★ Mega Projects
- ★ Healthcare and Pharmaceuticals
- ★ Tourism
- ★ ICT
- ★ Agriculture
- ★ Oil and Utility Logistics
- ★ Value Added Industry
- ★ Mining & Extraction

* Investments in these priority sectors are supported by the GoJ through an enabling environment of legislation and infrastructure

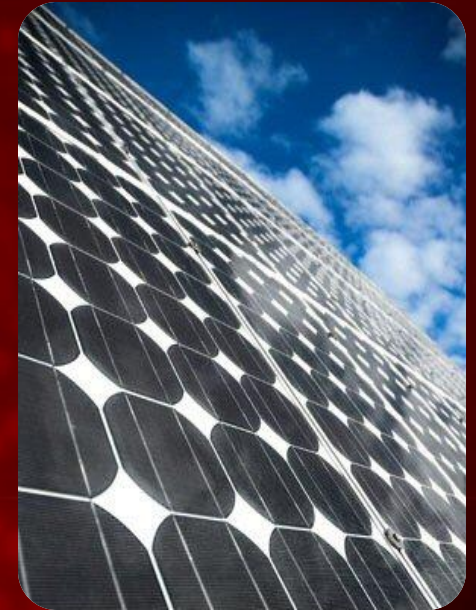
Priority Sectors

- ★ Energy and Renewable Energy
- ★ ICT, Business Outsourcing and Shared Services
- ★ Healthcare and Pharmaceuticals
- ★ Tourism
- ★ Mega Projects

Priority Sectors: **Energy**

Value Proposition

- ★ Liberalized sector open to foreign investments in:
 - ★ Extraction and mining of minerals
 - ★ Construction of IPP
 - ★ Power Generation, Transmission and Distribution
- ★ Large reserves of uranium (5% of global reserves)
- ★ Large Oil Shale deposits estimated between 40 to 70 billion tons
- ★ Estimated Solar irradiance of 2600 KWh/m²/y
- ★ The Renewable Energy Law of 2010 allows for energy from renewable sources to enter the national grid
- ★ Final guaranteed tariff rates for renewable sourced electricity are under review



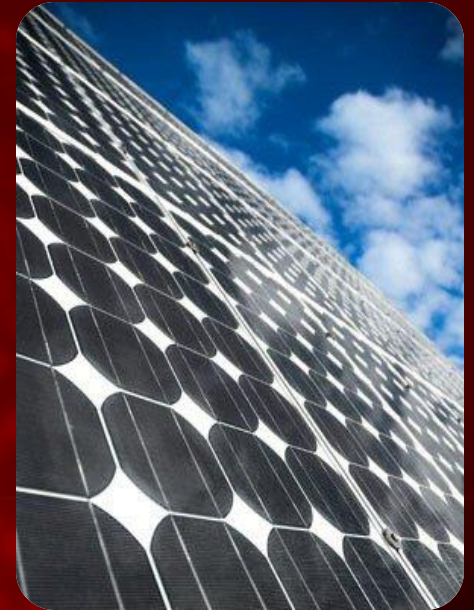
Priority Sectors: **Energy**

Market and Infrastructure:

- ★ First Arab country to fully privatize its electricity sector with two currently operating IPPs and a third to be completed shortly
- ★ Professional capacity to conduct energy audits, impact assessments and ESCO services

Regulatory Framework

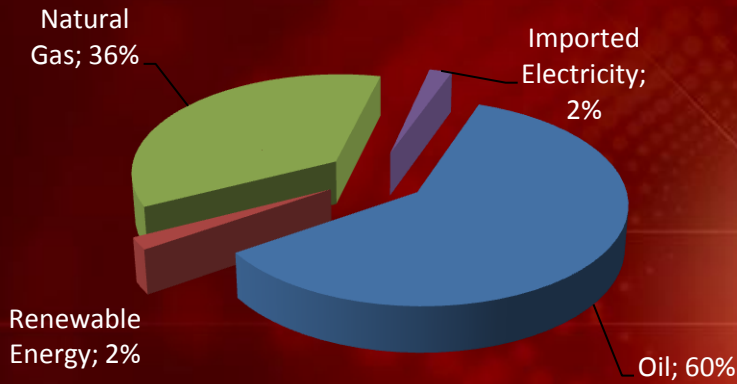
- ★ Nuclear cooperation agreements with 6 countries
- ★ TREC: Club of Rome, Hamburg Climate Protection Foundation, and Jordan's NERC founded the Trans-Mediterranean Renewable Energy Cooperation promoting renewable energy in the EU, Middle East and Africa



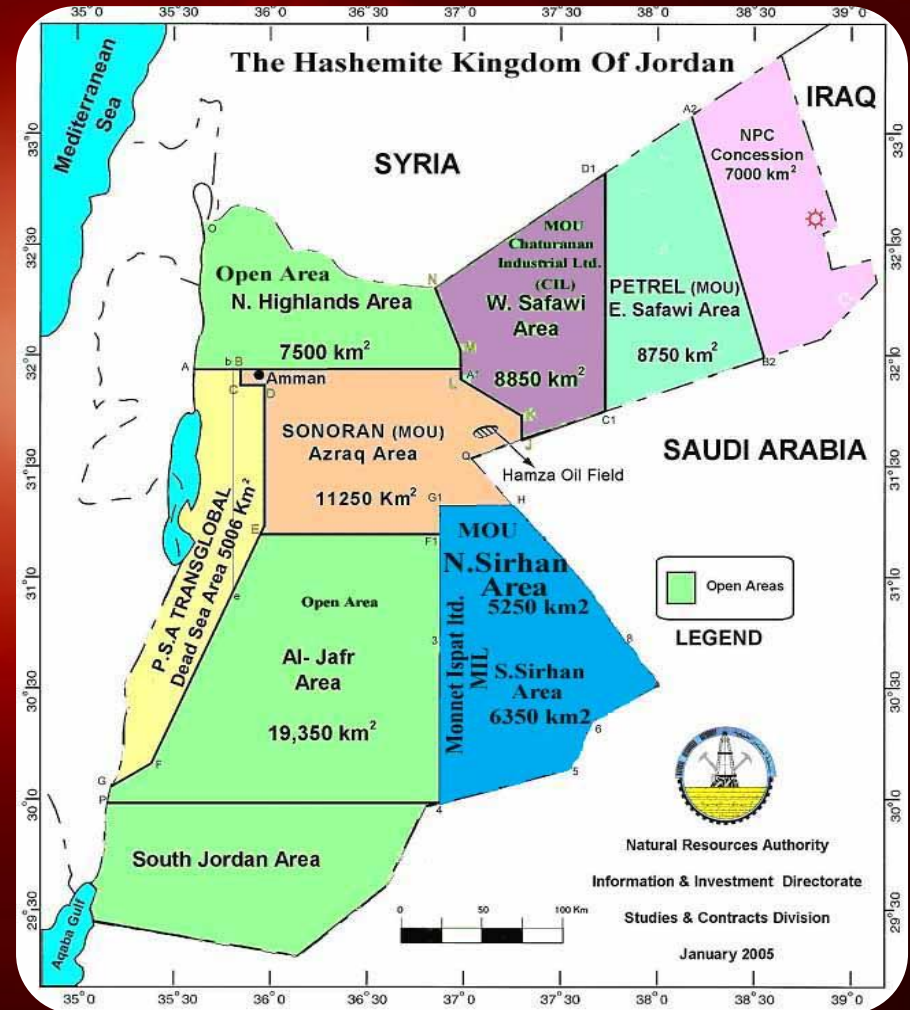
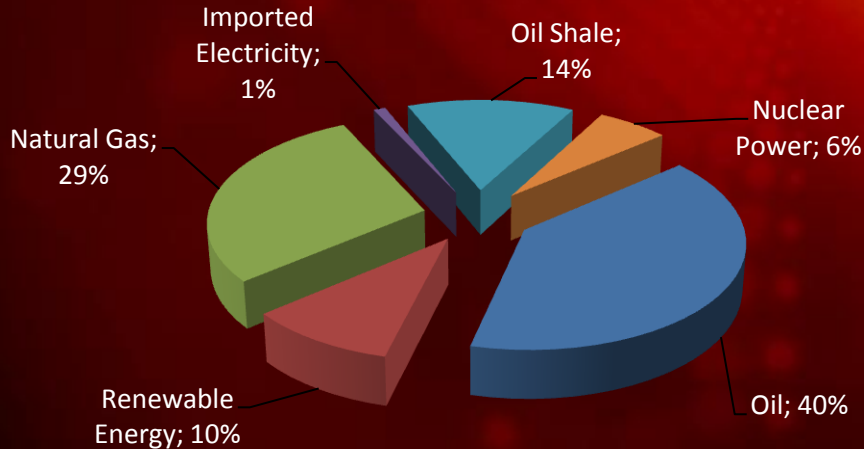
Priority Sectors: Energy Master Plan

Develop local power generating capabilities and become a net energy exporter

2008



2020



Priority Sectors: Energy Opportunities

Renewable Energy:

- ★ Concentrated solar power generation
- ★ Wind power generation
- ★ Landfill gas power plant
- ★ Smart Grid electricity distribution
- ★ Thermo-chemical energy storage

Energy:

- ★ Resources exploration, refinement and distribution (Oil Shale, Natural Gas, Uranium)
- ★ Power generation plants
- ★ Power transmission and distribution



Priority Sectors: **ICT**

Value Proposition

- ★ A hub for arabization/regionalization/localization of IT services
- ★ Redundant fiber-optic network backbone
- ★ Capacity to be the regional hub for back office operations
- ★ Strong ICT law with a developing e-commerce infrastructure
- ★ Large bilingual labor pool of 22,000 ICT professionals in 2008 *



Priority Sectors: **ICT**

Market and Infrastructure

- ★ Jordan among the top ten worldwide outsourcing services in 2009*
- ★ Fully liberalized telecoms market; four mobile service providers, with 7.5 million subscribers
- ★ Jordan is a regional market gateway, where ICT exports in 2008 reach \$257 million, 82% of which went to Arab countries **
- ★ Special development zones dedicated to ICT/BPO services; Irbid Development Area, King Hussein Business District
- ★ Investment in ICT increased from \$300 million in 1999 to \$2.5 billion in 2008



* A.T. Kearney's Global Service Location Index, 2009

** Int@j

Priority Sectors: ICT Opportunities

- ★ BPO Services:
 - ★ Back office operations
 - ★ Call centers/tech-support
 - ★ Software engineering
 - ★ Localization/arabization



Priority Sectors: **Healthcare & Pharmaceuticals**

Value Proposition

- * Track record of medical achievements in various fields
- * Cost competitiveness
- * Solid medical tourism infrastructure
- * JCI approved hospitals
- * Ideal location and climate for rehabilitation
- * Acceptable legislation protecting intellectual property, patents and governing human trials
- * Physician penetration of 24.5 / 10,000 against global benchmark of 15 /10,000 *



* World Health Organization

Priority Sectors: Healthcare & Pharmaceuticals

Cost Competitiveness :

- * Major operations (bypass, etc.) are 5-10% of the cost in the USA, and cosmetic procedures (rhinoplasty, etc) around 25-30% of the cost *
- * 7 CROs in Jordan, perform clinical trials compliant with international standards of Good Clinical Practices (GCP) and Good Lab Practices (GLP) at on average 30% of US and EU cost levels
- * Jordan is the regional health destination of choice: 210,000 patients from 48 countries received treatment in Jordan in 2008, revenues from medical tourism amount to \$1 billion**
- * Medical tourists expected to reach 300,000 by 2015 and 1.5 billion dollars revenue



* Medical Tourism Association

** Private Hospitals Association

Priority Sectors: Healthcare & Pharmaceuticals

Opportunities

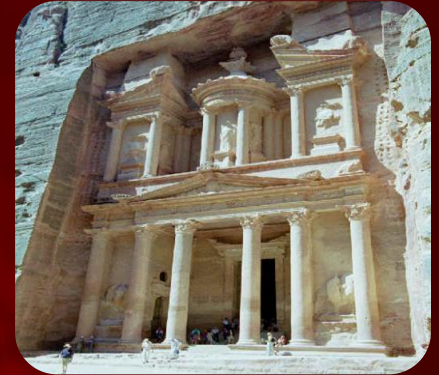
- ★ Clinical research organizations
- ★ Teaching hospitals
- ★ Hospital administration
- ★ Medical tourism
- ★ After-care and rehabilitation centers
- ★ Specialized diagnostics/surgery services



Priority Sectors: **Tourism**

Value Proposition

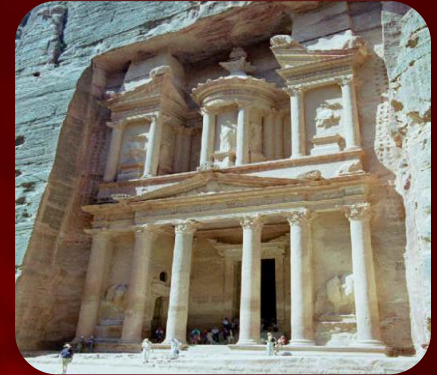
- ★ Unique cultural, historical, religious, and geographical wealth; over 100 sites
- ★ World-class hotels
- ★ Modern tourism infrastructure
- ★ Safe and secure environment
- ★ Legislation supporting development



Priority Sectors: **Tourism**

Unique Destination Advantages *

- ★ Jordan is home to Petra, in addition to 6 World Heritage Sites, Biblical and Holy Land sites, the Dead Sea, and much more...
- ★ 7.1 million tourists visited Jordan in 2009
- ★ Soaring sector revenues, recorded growth of 28% in 2008, with revenues of USD 2.9 billion. Only 1% decline in 2009
- ★ Tourism sector composes 13.8% of GDP.
- ★ The sector employs over 40,000 people, 5.6% increase over 2008
- ★ New capital investments reached \$583 million USD and \$1 billion in 2007 and 2008 respectively.



* Ministry of Tourism, 2009 report

Priority Sectors: **Tourism**

- ★ Tourism master plans for regional development of Ajloun, Dead Sea, Madaba and Aqaba are in place
- ★ Open skies agreement facilitates chartered tourism and increases air traffic
- ★ QAIA expansion will accommodate over 9 million visitors annually
- ★ Developing eco and adventure tourism segments
- ★ “Jordan Festival” is one of the largest and most successful regional summer events

Priority Sectors: Tourism Opportunities

- ★ Area/land development
- ★ Hospitality services
- ★ Leisure services
- ★ Environmental and historical tourism
- ★ Cultural exchange and galleries



Mega Projects

- ★ Portfolio of projects of national significance
- ★ Public Private Partnership in Jordan is the regional model built on the experience of 74 successful projects since 1996
- ★ Projects that will maintain growth through a world-class infrastructure

Mega Projects- Opportunities

- ★ The Red Sea – Dead Sea Canal
- ★ Railway Master Plan connecting Jordan to Syria, Iraq, and Saudi Arabia
- ★ Construction of utility and power plants
- ★ Aqaba main port relocation project
- ★ Expansion of the Jordan Petroleum Refinery

In addition to projects in:

- ★ Public transportation: Zarqa - Amman metro
- ★ Food security: Jordan Grain Silo expansion
- ★ Energy security: Shams Maan Solar farm
- ★ Master area development: Al Maabar project



Jordan Investment Board

- ★ Established in 1995
- ★ Governmental Investment Promotion Agency
- ★ Responsible for promoting investment opportunities
- ★ Offers a portfolio of investment incentives geographically distributed within the Kingdom
- ★ Offers streamlined registration, licensing and project approval process
- ★ Wide array of investor services
- ★ From project identification to registration and aftercare



Jordan welcomes you