

DOING BUSINESS IN JORDAN



THE EEPC INDIA
'DOING BUSINESS' SERIES



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Introduction

Officially named 'The Hashemite Kingdom of Jordan', Jordan is a country in the Western Asian region situated at the crossroads of Asia, Africa, and Europe. The country is bordered by Saudi Arabia to the south and east, Iraq to the northeast, Syria to the north, and the Palestinian West Bank, Israel, and the Dead Sea to the west. It has a 26 km long coastline in its southwest on the Gulf of Aqaba's Red Sea.





SYRIA

DAMASCUS

IRAQ

Syrian Desert
(Badiyat ash Sham)

AMMAN

Euphrates
(Al Farat)

Ar Rutbah

Ar Ramad

Dar'a

Zarqa

LEM

N

Wadi al-Jabbel

Ar'at

Wadi al-Furat

Rakakah

Ar'at

Rakakah

Country profile

Geography	
Capital City	Amman
Location	Western Part of Asia, northwest of Saudi Arabia, between Israel (to the west) and Iraq
Total Area	89,342 sq km
Climate	Mostly arid desert; rainy season in west (November to April)
Natural Resource	Phosphates, potash, shale oil
Time Difference	India is 2 hours and 30 minutes ahead of Jordan
Demography	
Population	11,086,716 (2023 est.)
Languages	Arabic (official), English (widely understood among upper and middle classes)
Population Growth Rate	0.79% (2023 est.)
Literacy	98.4% as on 2021 (Literate means people age 15 and over can read and write)
Economy	
Currency	Jordanian Dinars (JOD)
Exchange Rate	0.71 per US dollar - (2021 est.)
GDP (Official Exchange Rate)	\$44.568 billion (2019 est.)
Real GDP Growth Rate	2.23% (2021 est.) -1.57% (2020 est.) 1.93% (2019 est.)
GDP - Per Capita (PPP) (Data in 2017 USD)	\$102.822 billion (2021 est.) \$100.581 billion (2020 est.) \$102.185 billion (2019 est.)

GDP - Composition by Sector	Agriculture: 4.5% (2017 est.) Industry: 28.8% (2017 est.) Services: 66.6% (2017 est.)
Inflation Rate (Consumer Price)	1.35% (2021 est.) 0.33% (2020 est.)
Industries	Tourism, Information Technology, Clothing, Fertilizer, Potash, Phosphate Mining, Pharmaceuticals, Petroleum Refining, Cement, Inorganic Chemicals, Light Manufacturing
Exports (Current US\$)	\$13.864 billion (2021 est.) \$10.444 billion (2020 est.)
Exports - Commodities	Fertilizers, Clothing and Apparel, Calcium Phosphates, Phosphoric Acid, Packaged Medicines
Exports - Partners	China 17%, Saudi Arabia 15%, United States 6%, United Arab Emirates 6%, Egypt 5%, India 5% (2019)
Imports (Current US\$)	\$23.392 billion (2021 est.) \$18.424 billion (2020 est.)
Imports - Commodities	Cars, refined petroleum, natural gas, crude petroleum, clothing and apparel
Import - Partners	China 34%, India 15%, United Arab Emirates 12% (2019)
Ports and Terminals	Major Seaport(s): Al 'Aqabah

Source: CIA World Fact Book

Economy of Jordan

Economy is characterized by low growth and high unemployment rate, especially among women and youth. After severe COVID-19 shock especially on tourism and service sectors. After 1.6% contraction in 2020, Jordan has begun its recovery as real GDP grew by 2.2% in 2021 and 2.5 percent in the first quarter of 2022, supported by the reopening of the economy and the recovery of contact-intensive services notably tourism. In 2022, Jordan launched a new Vision for Economic Modernization to target growth and opportunities over the next 10+ years for the country and also initiated a Public Sector Modernization Plan. The economy may see a new era of growth and development with fruitful implementation of the new strategy.



Commercial Guide

Jordan offers political stability for business interests in the Middle East and is one of only six Arab countries to have concluded a peace agreement with Israel. Emerging opportunities exist to engage in major infrastructure projects or pursue government tenders across a range of sectors. A pipeline of projects is coordinated through the Ministry of Investment's Public Private Partnership (PPP) Unit.



Market Opportunities

Jordan offers opportunities in sectors ranging from engineering/construction, defense and security, medical equipment, ICT, environmental technologies, and consumer goods. To supplement the government's limited resources for public infrastructure funding, some projects are being implemented as public-private partnerships. Among the sectors of engineering, Medical Equipment is a lucrative one. Jordan's healthcare spending is over 9 percent of GDP, and 80 percent of the country's medical equipment is imported. Furthermore, Jordan is a regional leader for the provision of medical services, and a popular destination for Gulf Cooperation Council (GCC) nationals seeking affordable and quality treatment, which creates demand for advanced medical technologies, supplies, and equipment.

Market Entry Strategy

Aspiring businesses may consider partnering with a local representative/agent/distributor for the purposes of monitoring business opportunities, navigating import and standards testing regulations, identifying public sector procurement opportunities, establishing industry contacts, offering after sales service, and maintaining continued presence in the Jordanian market. Due to Jordan's small geographic size, distributors and agents generally have exclusive representation rights all over the Kingdom.



Bilateral Relation between India and Jordan

India's relationship with Jordan has been characterized by warmth and goodwill based on mutual respect. First bilateral agreement for cooperation and friendly relations was signed in 1947 and got formalized in 1950 when the two countries established full-fledged diplomatic ties. In 2015, sixteen agreements/MoUs were signed in various fields of cooperation. Educational and Cultural exchanges further enhance people to people interactions. India and Jordan have co-operated on various domains including dealing with the Covid-19 pandemic.

Bilateral Commercial Relation

Trade

Bilateral trade ties have been expanding over the years with India emerging as the 4th largest trading partner of Jordan in 2021. India imports fertilizers, phosphates, phosphoric acid etc. from Jordan and exports electrical machinery, cereals, frozen meat, organic and inorganic chemicals, animal fodders, petroleum products, engineering and automotive parts etc.

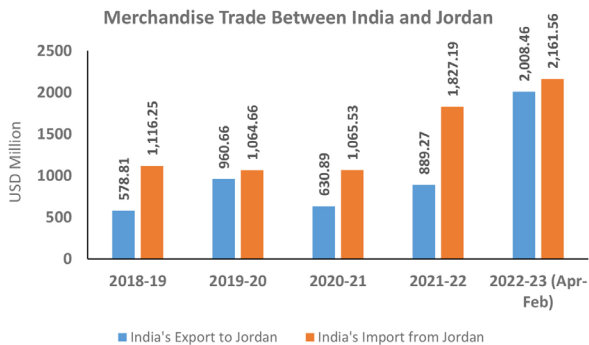
Merchandise Trade between India and Jordan (USD Million)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23 (Apr-Feb)	CAGR
India's Export to Jordan	578.81	960.66	630.89	889.27	2,008.46	36.48%
India's Import from Jordan	1,116.25	1,064.66	1,065.53	1,827.19	2,161.56	17.96%
Total Trade	1,695.06	2,025.32	1,696.42	2,716.46	4,170.02	25.24%
Trade Balance	-537.44	-104.00	-434.64	-937.92	-153.10	---

Source: Ministry of Commerce, Govt. of India

Merchandise trade between India and Jordan reached an all-time high of USD 4.17 billion in 2022-23 (Apr-Feb) with a CAGR of 25.24% in the last five years. However, data for Mar 2022-23 is yet to come. Both exports and imports reached their respective record highs in 2022-23 with exports more than doubled due to almost six times rise in exports of Mineral Fuel Group (Chap 27).

The following figure depicts the merchandise trade scenario between Indian and Jordan in the last five fiscals.



Source: Ministry of Commerce, Govt. of India

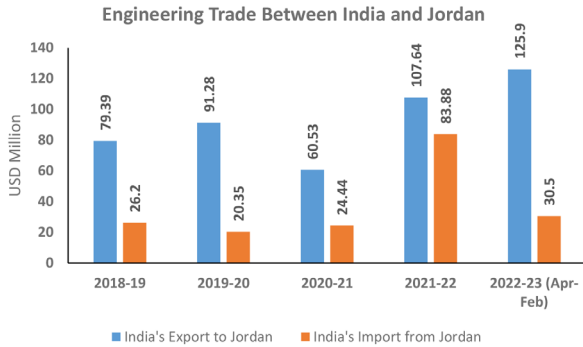
Engineering Trade between India and Jordan (USD Million)

India's engineering exports to Jordan reached an all-time high of USD 136.4 million in 2022-23 with a CAGR of 14.5% during the last five fiscals. However, as import data for full fiscal year 2022-23 is not still available with the Ministry of Commerce, Government of India, the following table shows both export and import data upto Feb 2023 for the fiscal 2022-23 in order to keep parity on data.

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23 (Apr-Feb)	CAGR
India's Exports to Jordan	79.39	91.28	60.53	107.64	125.9	12.22%
India's import from Jordan	26.2	20.35	24.44	83.88	30.5	3.87%
India's Total Trade with Jordan	105.59	111.63	84.97	191.52	156.4	10.32%
India's Trade Balance with Jordan	53.19	70.93	36.09	23.76	95.4	---

Source: Ministry of Commerce, Govt. of India

The table above shows that India's total engineering trade with Jordan declined in 2022-23 (upto Feb 2023) due to fall in imports from Jordan. Total trade however registered 10.32% CAGR during the last five fiscals and is expected to be higher with release of full fiscal data.



Source: Ministry of Commerce, Govt. of India and EEPC Research

India’s major engineering products exported to Jordan include Motor Vehicle/ cars, Iron and Steel, Products of Iron and Steel and Industrial Machinery for dairy, agriculture, etc. On the other hand, India’s engineering imports from Jordan include Aluminium and products made of Aluminium, Iron and Steel and Copper and products made of copper.

India’s share in Jordan’s Global Engineering Import

Particulars	2019	2020	2021
Share of India in Jordan’s Global Import	2.41%	1.45%	1.86%

Source: ITC Trade Map



Top five engineering product groups exported to Jordan (USD Million)

Product Group	2022-23	Share in total engineering exports to Jordan (%)
Motor Vehicle/cars	35.27	28.01
Iron and Steel	32.59	25.89
Products of Iron and Steel	10.75	8.54
Industrial Machinery for dairy, agriculture, food processing, textiles, paper, chemicals, etc	8.86	7.04
Accumulator and Battery	7.54	5.99

Source: Ministry of Commerce, Govt. of India

Ten five exported engineering product India as shown in the table above constitute over three-fourth in India's engineering commodity basket exported to Jordan.



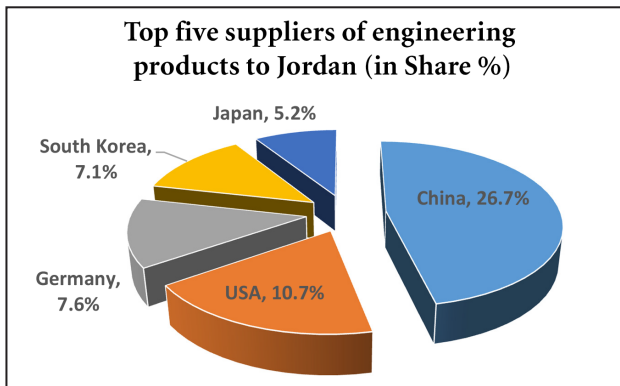
Focus Engineering products for Jordan

We have carried out a product-wise analysis of India's engineering exports to Jordan at 6 digit HS code level with an objective to find out which are the high potential products for exporting to Jordan.

HS Code (6 digit)	Item Description	Export in 2022-23 (USD Million)
870323	VHCL WTH CYLNDR CPCTY>=1500CC BUT < 3000CC PRINCIPALLY DESIGNED FOR THE TRANSPORT OF >7 PERSONS INCLUDING DRIVER;	17.67
720839	PLATES OF FLAT-ROLD PRDCTS IN COILS OF A THCKNS< 3 MM HOT-RLD, EXCL. PICKL	14.3
870322	VHCL WTH CYLNDR CPCTY>=1000CC BUT < 1500 CC PRINCIPALLY DESIGNED FOR THE TRANSPORT OF >7 PERSONS INCLUDING DRIVER ;	13.83
850720	OTHER LEAD-ACID ACCUMULATORS	7.45
720230	FERRO-SILICO-MANGANESE	5.43
720917	PLATES OF FLT RLD PRDCTS IN COILS NT FRTHRWRKD THN COLD RLD OF THCKNS>=0.5MM BUT<1MM	4.45
730300	RAIN WATER PIPE	4.27
720916	PLATES OF FLT RLD PRDCTS IN COILS NT FRTHRWRKD THN COLD RLD OF THCKNS >1MM BUT <3MM	3.03
870321	VHCL WTH CYLNDR CPCTY<=1000 PRINCIPALLY DESIGNED FOR THE TRANSPORT OF >7PERSONS INCLUDING DRIVER, WTH SPRK-IGNTN	2.06

Source: Ministry of Commerce, Govt. of India

In line with the table showing top exported engineering product groups to Jordan, most of the top exported products come from product groups namely Automobile, Iron and Steel and Products of Iron and Steel.



Source: ITC Trade Map

China is the largest supplier of engineering products to Jordan with 26.7 percent share in global engineering imports of Jordan. USA is the immediate follower of China with 10.7 percent share while Germany is the third largest holding 7.6 percent share in global engineering imports of Jordan as on 2021.



India's Investment in Jordan

India is one of the most important investors in the Jordanian market, as the volume of Indian investments has reached more than \$1.3 billion. Following are some of the major investments made by Indians in Jordan.

- A JV project worth USD 860 million named JIFCO between IFFCO, India and the Jordan Phosphates Mines Company [JPMC] for producing and exporting phosphoric acid to India has been commissioned.
- Over 15 garment companies, owned by NRIs, with cumulative investment of around USD 500 million are located in the Qualified Industrial Zones [QIZs].



Investment in Jordan

Rationale for Investing in Jordan

- **Strategic Location:** Jordan is located in the heart of the Middle East, providing easy access to the region's major markets and transportation hubs. Jordan has free trade agreements with the US, Canada, the EU, and other countries, giving investors access to over 1.5 billion consumers.
- **Skilled Workforce:** Jordan has a highly educated and skilled workforce, with over 40% of the population holding a bachelor's degree or higher.
- **Economic Stability:** Jordan has maintained a stable economic environment for decades, with a credit rating of B+ from Standard & Poor's.
- **Investment Incentives:** Jordan's Investment Law offers a range of incentives and benefits to foreign investors, including tax exemptions and a streamlined registration process.
- **Access to Finance:** Jordan has a well-developed financial system with access to various sources of financing, including venture capital and private equity coordinated by a sound banking system.
- **Infrastructure:** Jordan has a modern infrastructure, including a world-class transportation network, state-of-the-art telecommunications systems, and a reliable electricity supply. Jordan has invested over \$1 billion in renewable energy projects, making it a leader in the region's transition to clean energy.
- **Industry Clusters:** Jordan has developed industry clusters in key sectors such as ICT, pharmaceuticals, and tourism, providing investors with a supportive ecosystem.
- **Free Trade Zones:** Jordan has established several Free Trade Zones, providing investors with duty-free access to regional and global markets. Jordan currently has more than 30 Free Zones throughout the country, each offering a range of investment incentives and benefits to local and foreign investors.
- **Natural Resources:** Jordan has abundant natural resources, including minerals and water, providing investors with lucrative investment

opportunities. Jordan is the world's second-largest producer of potash, with over 20% of global reserves.

- **Quality of life:** Jordan offers a high quality of life, with a rich history, diverse culture, and stunning natural scenery. Jordan has a relatively low crime rate compared to other countries in the region, making it one of the safest countries in the Middle East.

Major Sectors for Investments

Following are the major sector falls under engineering where Jordan offers substantial opportunity for investments

- Renewable Energy
- Healthcare
- Information and Communications Technology (ICT) Economic Zone
- Education
- Tourism



Banking Sector in Jordan

Jordan has a well-developed banking system with over 26 banks operating in the country, including several international banks. In addition, the Central Bank of Jordan has established a credit guarantee scheme to support small and medium-sized enterprises (SMEs) in accessing financing. Among the Commercial Banks, Arab Bank and bank of Jordan are the two biggest banks in Jordan. Following is the list of all major banks present in Jordan.

Commercial Banks

- Arab Bank
- Arab Banking Corporation (Jordan)
- Bank of Jordan
- Cairo Amman Bank
- Jordan Commercial Bank
- Jordan Kuwait Bank
- Jordan Ahli Bank
- Housing Bank for Trade & Finance
- Arab Jordan Investment Bank
- INVESTBANK
- Société Générale de Banque Jordanie
- Bank al Etihad

Islamic Banks (Jordanian)

- Islamic International Arab Bank
- Jordan Islamic Bank
- Safwa Islamic Bank

Foreign Banks

- Standard Chartered
- Egyptian Arab Land Bank
- Citibank
- Rafidain Bank
- National Bank of Kuwait
- BLOM Bank
- Bank Audi
- Foreign Islamic Bank
- Al-Rajhi Bank

Working Hours in Jordan

As per the information obtained from the ILO website, legal working time is 48 hours during a six day week (excluding meal breaks and rest periods) with the exception being hotel, restaurant and cinema workers whom are limited to 54 hours per week. The seventh day is a paid weekly holiday. Most private businesses observe Friday as the weekend holiday, while banks and government offices close on Fridays and Saturdays.

Useful Info: Government Departments of Jordan

Ministry of Industry and Trade and Supply

Address: Amman Shumeisani Al-sharef Al-Radi Street - Building Number 11

City: Amman

Email: info@mit.gov.jo

PO Box: 2109

Telephone: (962) 6 5629030

ZIP Code: 11181

Website: <https://www.mit.gov.jo>

Ministry of Foreign Affairs and Expatriates,

Address: Amman, Queen Alia Airport Street

City: Amman

Email: mofa@fm.gov.jo

PO Box: 35217

Telephone: (+962-6)-5735160-5735150

ZIP Code: 11180

Website: <http://www.mfa.gov.jo>

Ministry of Investment

Address: Main Premises - Fifth Circle Musa Bin Nusir Street

City: Amman

Email: info@moin.gov.jo

PO Box: 893

Telephone: 009625608400

ZIP Code: 11821

Website: <https://www.moin.gov.jo/en/home-new/>

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Fax No.: 00-962-6-5926735, 5850835
E-mail addresses: amb.amman@mea.gov.in (HOM)
: amboffice.amman@mea.gov.in (Ambassador's office)

Major Business Chambers in Jordan

Jordan Chamber of Commerce

Address: BLDG #218, Princess bassma Street
Abdoun - Amman
Tel: 962-6-5902040
Fax: 962-6-5902051
P.O.Box: 7029
Amman 11118, Jordan
E-mail: info@jocc.org,jo

Jordan Chamber of Industry

Address: Zahran Street, Jabal,
Amman, Jordan
Email: jci@jci.org,jo info@jci.org,jo
PO Box: 811986 Amman 11181
Telephone: ++962 6 4642649
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Website: <http://www.jci.org,jo>

Upcoming Trade Exhibitions in Jordan on Engineering and Related Sectors

Exhibition Name	Cycle	City / Location	Next Date
JIMEX International Machines & Electro-Mechanical Exhibition.	Yearly	Mecal Mall (Jordan International Exhibition Center), Mecca Street Amman, Jordan	June 5 – 8, 2023
SONEX Exhibition & Forum for Solar Technology, Solar Thermal systems, Solar Water Heating systems, Smart-grid & Metering	Yearly	Mecal Mall (Jordan International Exhibition Center), Mecca Street Amman, Jordan	June 5 – 8, 2023
SPARK Jordanian International Electrical and Electronic Engineering Conference and Exhibition	Once in 2 years	Le Royal Amman Zahran St, Amman, Jordan	Sept 2024

Source: <http://www.eventseye.com>

Source:

Ministry of Commerce, Govt. of India

Ministry of External Affairs, Govt. of India

ITC Trade map

CIA Fact Book

Official website of the Govt. of Jordan

Jordanian embassy in New Delhi

World Bank

<https://www.middleeastbriefing.com/>

www.eventseye.com

Other websites, news and reports

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