



The Hashemite Kingdom of Jordan

Capital: Amman

Location: Jordan is in the heart of the Middle East, bordered by Syria, Iraq, Saudi Arabia, Israel and the West Bank

Population: 5.6 million

Land Area: 89,544 sq km (34,573 sq. miles)

Per Capita Income: \$2,500 (2006)



In the past six years, Jordan has been a success story in implementing economic reform, especially in the areas of privatization and in improving the investment climate. It stands out in its region as a model of sound economic policy.

Jordan has taken steps to encourage foreign investment and realize the vision of transforming Jordan into a knowledge-based economy, competitive in the global marketplace. Key reforms have been undertaken in the information technology, pharmaceuticals, telecoms, tourism, and services sectors. Jordan has one of the most liberal telecoms markets in the region – with 3 GSM and one IDEN push-to-talk mobile service providers - and has a full range of telecommunications infrastructure available. Foreign and domestic investment laws allow 100% foreign direct investment in nearly all sectors. The Jordanian government has worked closely with the IMF, practiced careful monetary policy, and made significant progress with privatization. Key projects offer important business opportunities for US firms in Jordan such as upgrade and expansion of the refinery in Zarqa and the Independent Power Plants (IPPs), to name only two.

The government also has liberalized the trade regime in order to accede to the World Trade Organization (WTO) in April 2000, a process that entailed extensive legislative and regulatory reform. The U.S.-Jordan Free Trade Agreement (FTA) entered into force on December 17, 2001. The FTA agreement will eliminate virtually all tariffs between the two countries over a period of 10 years – in fact most products are already at zero tariff - and creates new opportunities for commercial business ventures for U.S. firms seeking to enter the Jordanian market and/or the Middle East region. Jordan and US have also concluded a treaty to protect bilateral investment. Total bilateral trade exceeded \$2 billion in 2006.

In 2001, the government converted the Aqaba port and surrounding area into a special economic zone (SEZ) with streamlined bureaucracy, customs exemptions, low corporate tax rate, and other incentives in a single package designed to attract investment. It has been highly successful, attracting nearly \$6 billion in investment commitments, in a variety of sectors including real estate development, tourism infrastructure, specialty chemicals, ceramics, food processing etc..

With the massive liquidity in the Gulf due to high oil prices, numerous Gulf investment firms are developing large real estate and industrial projects in Jordan, which is expected to reach \$50 billion in the coming 5 years. Many of these projects offer a wide range of business opportunities for US firms, particularly in areas related to construction and tourism infrastructure development, as local and regional developers are already at full capacity. The influx of Iraqi business people into Jordan since 2003 also continues to bring with new investments into the country. At the same time, the rising cost of oil is generating an increasing demand for energy efficient technology, and ways to further expand the use of natural gas now available from Egypt via pipeline.

With two years of strong GDP growth exceeding 6.7% in 2006, the Jordanian market will continue to see ongoing expansion in 2007-2008 in spite of rising inflation. Important market opportunities exist for U.S. firms in a variety of sectors, including medical technology and services, building and construction materials and equipment, hotel and restaurant equipment, franchising, power generation, water and wastewater and more. The Free Trade Agreement continues to create advantages for U.S. exporters to provide high-quality products at more attractive prices, and the Jordanian dinar is pegged to the US dollar, providing foreign exchange stability as well. There is considerable room for US firms to enter the growing Jordanian market, and CS Jordan is here to help you. US business people who visit Amman are invariably pleased and impressed by the comfortable environment, widespread use of English, hospitality of Jordanians, and the best kept secret – Amman's excellent weather.

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