CORE CONSULTANTS NETWORK

Preliminary Market Research Study

Jordan Country Report

December 2020

Yandex

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Section I: Executive Summary

Yandex

Yandex is a Russian multinational corporation that provides internet-related products and services powered by machine learning. Yandex has 30 offices in 9 countries, and has established itself as the leading search engine in Russia with a search traffic share of 59.3%. Yandex offers a number of services including:

- Search and Information Services
- On-Demand Transportation Services
- Navigation Products
- Variety of mobile applications

Based on desk review, Yandex appears to have 2 key business modalities:

B2C: Business to consumer model through which Yandex offers consumers with services like search services, email, travel and flights, intelligent personal assistance..etc

B2B: Business to business model through which Yandex offers consumers with services like advertising, online store services, ..etc

Yandex has a number of solutions and services that are focused on enterprises and businesses (B2B). Those include but are not limited to:

- Yandex.Direct: business advertising services
- Yandex.Market: online store shopping service with a monthly audience of 17 million users
- Yandex.Metrica: advertising effectiveness monitoring service
- Yandex.Delivery: logistics services and delivery of goods
- Yandex.Tracker: team collaboration and task monitoring platform
- Yandex.Toloka: crowdsourcing service for routine work
- **Yandex.Cloud: offering cloud services using Yandex data centers instead of servers**

- www.Yandex.com
- https://en.wikipedia.org/wiki/Yandex

For the purposes of this assignment, Yandex is looking to expand its operations in the MENA region, and is looking to contract the development of preliminary market research studies that inform its market entry approach for ***Yandex.Cloud*** into specific countries including Jordan, UAE, Saudi Arabia, and Egypt.

B2B

Assignment Objective

To prepare a preliminary market research study that informs ***Yandex.Cloud's*** *market entry approach into Jordan. The study is expected to provide an overview of the Jordanian context, and to shed light on 3 key aspects:*

1. **Quantitative assessment of Jordan's market**
   - Socio-demographic indicators
   - Economic measures and indicators

2. **Qualitative assessment of Jordan's Market**
   - Overall political economy and regulatory environment
   - Initiatives and relevant priorities
   - Key entry points
   - Market size? (gov. spending, ICT sectors/ GDP, ..etc)

3. **Stakeholders' analysis**
   - Key public and corporate stakeholders and decision markets
   - Potential competitors and collaborators

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Key Recommendations based on the market research include:

Market Maturity		Intermediate (cloud computing specific policy in place)
Speed of development		Regulatory frameworks will be ready in 6 months.
Government Position		Highly favorable for FDIs, offering very lucrative investments for FDIs specifically in the ICT sector
Competition		Global players (Cisco, Amazon, Microsoft, Oracle), and local ICT providers (Umniah, Orange, Zain Bunker)
Market Size (2020)		5.3 Million USD
Market Size Projection (2022)		6.2 Million USD
CAGR		8.2%

Summary:

Jordan has made good steps that shows commitment from the government to attract FDIs and specifically companies operating in ICT. Those include incentives programs that subsidize the cost of employers for investors in ICT (through MoDEE), formulating regulations to improve ability to attract investors (ease of doing business indicator), and the recent launch of the Cloud Computing policy and the soon expected Artificial Intelligence Policy MoDEE is currently drafting. Jordan also has the talent to support Yandex operations in Jordan.

However, one of the biggest drawback for Yandex would be the very small market size it has. Out of the 3 potential targeted segments, the public sector is already excluded because the government has its own cloud, which leave individuals and the private sector which is small and fragmented.

Conclusion

Yandex is advised to go forward with entering the Jordanian market only if they consider it as a base (regional HQ) that would provide them with numerous incentives and advantages to expand in other markets including the GCC, Europe, and North America. The current incentives offered by the government makes it a very feasible investment, but it should be clear that the local market will not be expected to generate a lot of revenue despite impressive growth rates (other countries simply have larger markets which translate to larger revenue for Yandex). ***Government officials at both MoDEE and JIC expressed great enthusiasm about the potential of having Yandex come into the country, and senior officials are happy to have preliminary meetings and make the case for Jordan and provide all necessary support***.

Why Should Yandex Consider Jordan as a Regional Hub?

1 Infrastructure

- Stable, competitive, and predictable business costs
- Located in the center of the MENA region, and close to European markets
- Politically and financially stable country with incentives for investors

2 Talent

- **<$15/hr** – Jordan's blended rate for IT human capital with 3-5 years of experience
- **70%** of population is <30 years old
- **29** private and public bilingual universities
- **22%** of university graduates hold degrees in IT, Computer Science, and Engineering
- **30%** of the contribution to the IT sector is by females

3 Enabling Environment

0%
- *Sales tax on IT services*
- *Custom duties*
- *Exports income tax*

5%
- *Income tax for profits generated in Jordan*
- *Ceiling interest rate for IT-related soft loans from commercial banks*

55 Bilateral Investment Treaties
27 Double-Taxation Agreements
7 Free Trade Agreements including 155 countries

- 24/141 Ease of findings skilled employees
- 31/141 Digital skills among active population
- 46/141 In entrepreneurial culture
- 35/ 141 Intellectual property protection
- 31/141 State of cluster development
- 32/141 Growth of innovative companies
- 40/141 Companies embracing disruptive ideas
- 45/141 Extent of staff training

Rankings from World Economic Forum – Global Competitiveness Report (2019).

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Key Initiatives Launched by the Government of Jordan to Attract ICT and Digitally Enabled Companies to Jordan, and which Yandex can benefit from:

GrowJo – Market Expansion

GrowJo (Market Expansion) aims to support the business development efforts of digital and digitally-enabled firms (focusing on ITO/BPO Businesses) seeking to expand and secure new contracts in new local, regional and international markets (GCC countries, Europe, China, India, and the USA, etc.) through providing **matching grants (up to USD 100,000** to cover **up to 50%** of the cost of business development plans. GrowJo (Market Expansion) is a performance-based program, where matching grants will be provided against achieved milestones included in firm's business plan.

GrowJO (Market Expansion) aims to build linkages between Jordanian digital firms and potential buyers in regional/global markets in order to provide access to new business opportunities that lead to increased revenues and subsequently job creation.

International digital firms that are willing to expand to Jordan and hire Jordanians are also eligible for this grant opportunity

GrowJo – Talent

GrowJO (Talent) aims at incentivizing digital firms to create new jobs in the digital economy by providing employment subsidies that will cover up to 50% of new employees' salaries for up to 6 months for new and existing (local or international) digital firms in Jordan.

GrowJO (Talent) objectives include supporting growth plans for digital firms, generating local job opportunities, and encouraging the generation of employment opportunities in certain areas.

To be eligible for the employment subsidy incentive, the applying firm must meet the following criteria:

✓ Be a digital or digitally-enabled firm that has at least one year or more experience in Jordan or other countries, including ITOs/BPOs
✓ Has contracted work and sales opportunities for the next 3-6 months
✓ Has an in-house or outsourced capacity building programs to train newly hired employees
✓ Has a clear expansion/ growth strategy and plan
✓ Has a minimum of five (5) immediate hires , and a clear hiring plan for the rest of the employees within 6 months of incentive agreement signing. Hiring plans should be based on documented merit-based procedures that result in the employment of the best qualifying candidates.

Section II: Country Overview

2.1 Jordan Stylized Factors

~10.8 Million
Population

23.9% Un-employment

92.40 %
Debt to GDP

Jordan

Jordan is an Arab country in the Levant region of Western Asia, on the East Bank of the Jordan River. Jordan is bordered by Saudi Arabia, Iraq, Syria, and Palestine (West Bank). It covers an area of 89,342 km² and is divided into 12 governorates: Amman (the capital), Irbid, Zarqa, Mafraq, Ajloun, Jerash, Madaba, Balqa, Karak, Tafileh, Maan and Aqaba.

The common spoken language is Arabic. Jordan is a country with a predominantly Muslim population, about 92% of Jordanians are follower of Sunni Islam, the dominant religion in the country. Jordan is a hereditary constitutional monarchy under the Hashemite family. The monarch is the head of state, the chief executive, and the commander-in-chief of the armed forces.

The King exercises his executive authority through the Council of Ministers. The cabinet, meanwhile, is responsible before the elected House of Deputies, which, along with the Senate, constitutes the legislative branch of the government. The judicial branch is an independent branch.

Once every four years, the elections for 93 municipalities in addition to Greater Amman Municipality take place at the same time, on a date determined by the minister of municipal affairs and usually fall during the month of July. The 130 seats in the House of Representatives consist of 115 members elected by open list proportional representation from 23 constituencies of between three and nine seats in size and 15 seats reserved for women. The 15 seats for women are awarded to the women who received the most votes (but fail to be elected on their list) in each of the twelve governorates and the three Badia districts.

Jordan enjoys a state of stability, especially when considering its location which is right in the midst of political instability and war zones. It has also remained stable during the Arab spring, and was able to be immune from terrorist attacks. This stability is mainly contributed to Jordan's neutral relationships with its neighbors, and the strength of its security apparatuses.

- https://www.cia.gov/library/publications/the-world-factbook/attachments/summaries/JO-summary.pdf
- http://dosweb.dos.gov.jo/23-9-unemployment-rate-during-the-third-quarter-of-2020-2/
- Ministry of Finance

Jordan has a population of 10.8 million people . With a distribution of 52.9% males and 47.1% females in 2019 , and a population growth rate of 1.4% . The age structure of the population (figure 1). It is also one of the countries most affected by the Syria crisis, and is host to 1.36 million Syrian refugees, 131,000 Iraqis, 15,000 Yemenis, 6,000 Sudanis and 2,500 refugees from a total of 57 other nationalities, and it's the 2nd country in the world in terms of number of refugees to citizens. The population is divided across age groups as follows:

- **0-14 years:** 33.05% (male 1,837,696/female 1,738,935)
- **15-24 years:** 19.77% (male 1,126,567/female 1,012,812)
- **25-54 years:** 38.39% (male 2,250,328/female 1,903,996)
- **55-64 years:** 5.11% (male 290,633/female 262,827)
- **65 years and over:** 3.67% (male 194,464/female 202,386)

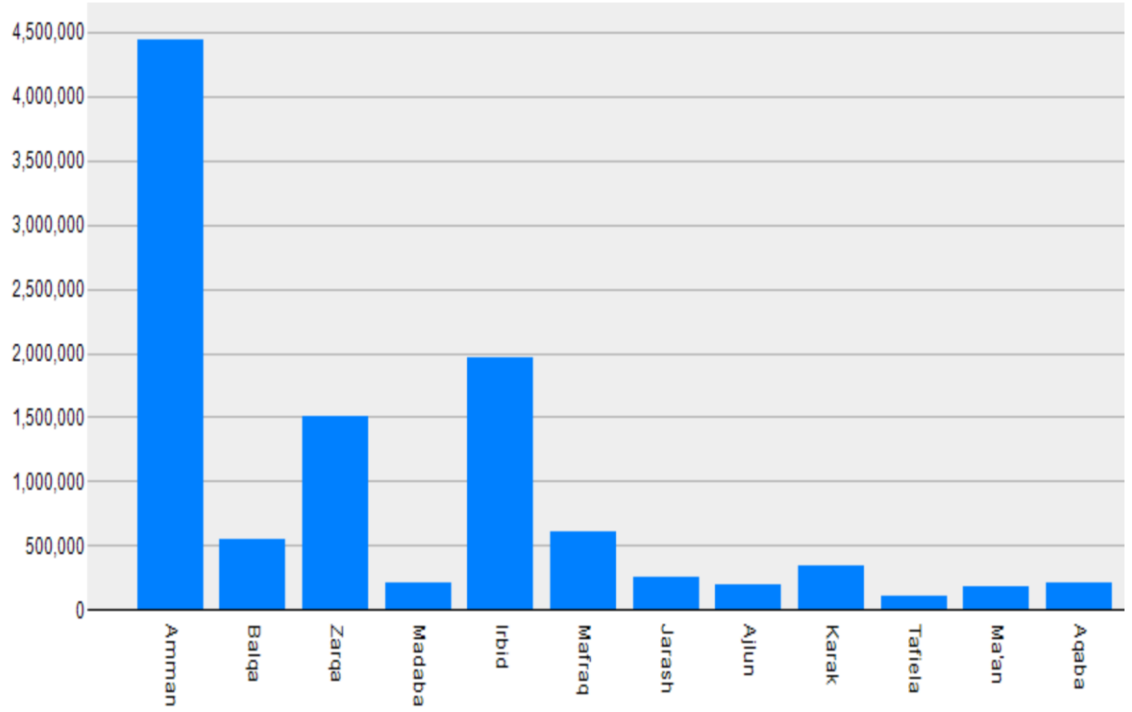


Figure 1: Population of the Kingdom by governorate for the year 2019. Source: Department of statistics

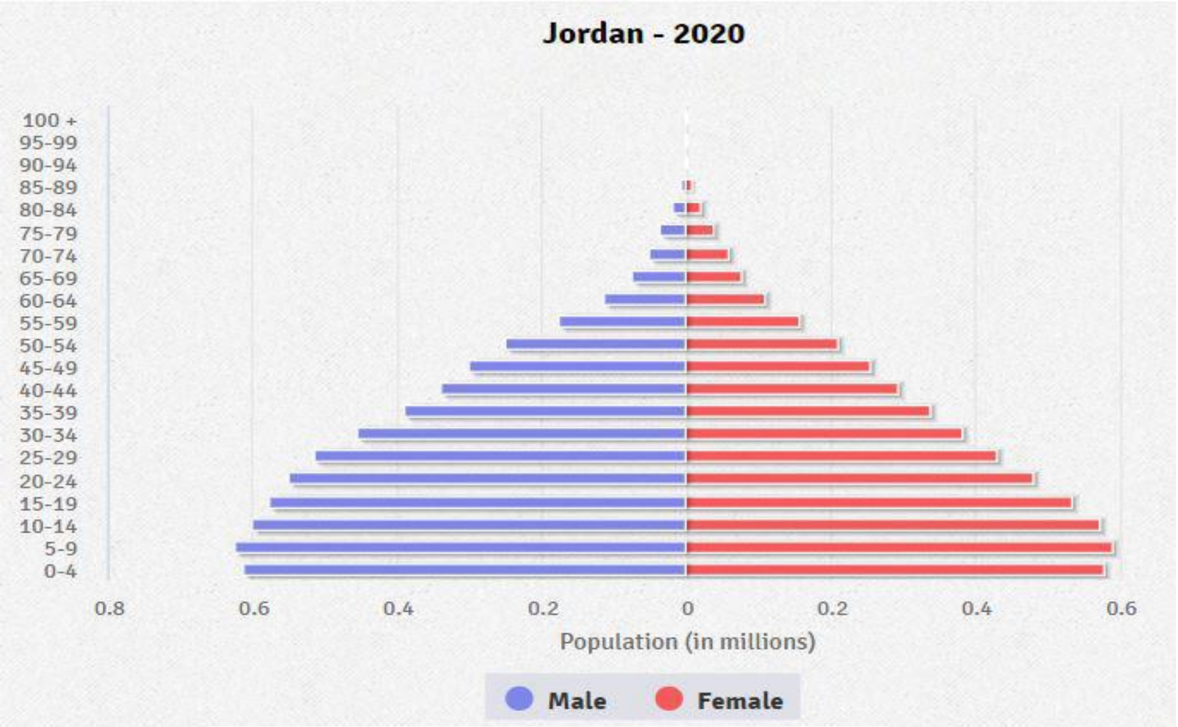


Figure 2: Jordan Population age/gender. Source: CIA, The World Fact Book

- : http://jorinfo.dos.gov.jo/Databank/pxweb/en/GenderStatistcs/GenderStatistcs__Gender-Indicators__Population/Pop_1.px/table/tableViewLayout2/
- : https://www.cia.gov/library/publications/the-world-factbook/attachments/summaries/JO-summary.pdf
- http://petra.gov.jo/Include/InnerPage.jsp?ID=14814&lang=en&name=en_news
- https://reliefweb.int/report/jordan/unhcr-jordan-factsheet-february-2018

- Ministry of Labor
- Higher Population Council

2.2 Socio-Demographics - Education

Jordan has always prioritized investment in education and skills development, given its lack of mineral resources and natural advantages. Despite increased pressure on its limited resources, the GOJ has committed 1.6 billion USD to the education sector, which is equivalent to 12.54% of the estimated total government expenditure. The education sector is also considered one of the primary employers in the country, with over 136,000 teachers employed for school year 2018/2019. The country has almost achieved universal enrollment in primary education 81.7% , and has a secondary school enrolment rate of 65.19% in year 2019.

Despite remarkable progress in education (as measured by international assessment like PISA and TIMSS), recently there has been a decline due to a variety of reasons including the financial crises, reduced economic resources, and successive waves of refugees.

The Human Capital Index (HCI) which developed by the World Bank and is an international measure that “benchmarks key components of human capital across countries … it highlights how current health and education outcomes shape the productivity of the next generation of workers”. The HCI shows that a child born in Jordan in 2020 will be 55% as productive when s/he grows up as s/he could be if s/he enjoyed complete education and full health. This is slightly lower than the average for Middle East & North Africa region and Upper middle income countries. Between 2010 and 2020, the HCI value for Jordan decreased from 0.56 to 0.55. Figure 4 shows how the HCI in Jordan compared to other countries in the region.

Primary & Secondary Education

The structure of the educational system in Jordan consists of a two-year cycle of preschool education, ten years of compulsory basic education, and two years of secondary academic or vocational education after which the students sit for a General Certificate of Secondary Education Exam—Tawjihi. There are private and public institutions. The constitution mandates the provision of primary and secondary education to all Jordanians free of charge.

School-age population by education level

Pre-primary	467,670
Primary	1,402,461
Secondary	1,277,394
Tertiary	932,422

- Compulsory education lasts 10 years from age 6 to age 15
- For primary to post-secondary education, the academic year begins in September and ends in June

Figure 3: School-age population by education level in Jordan for the year 2019. Source: UNESCO

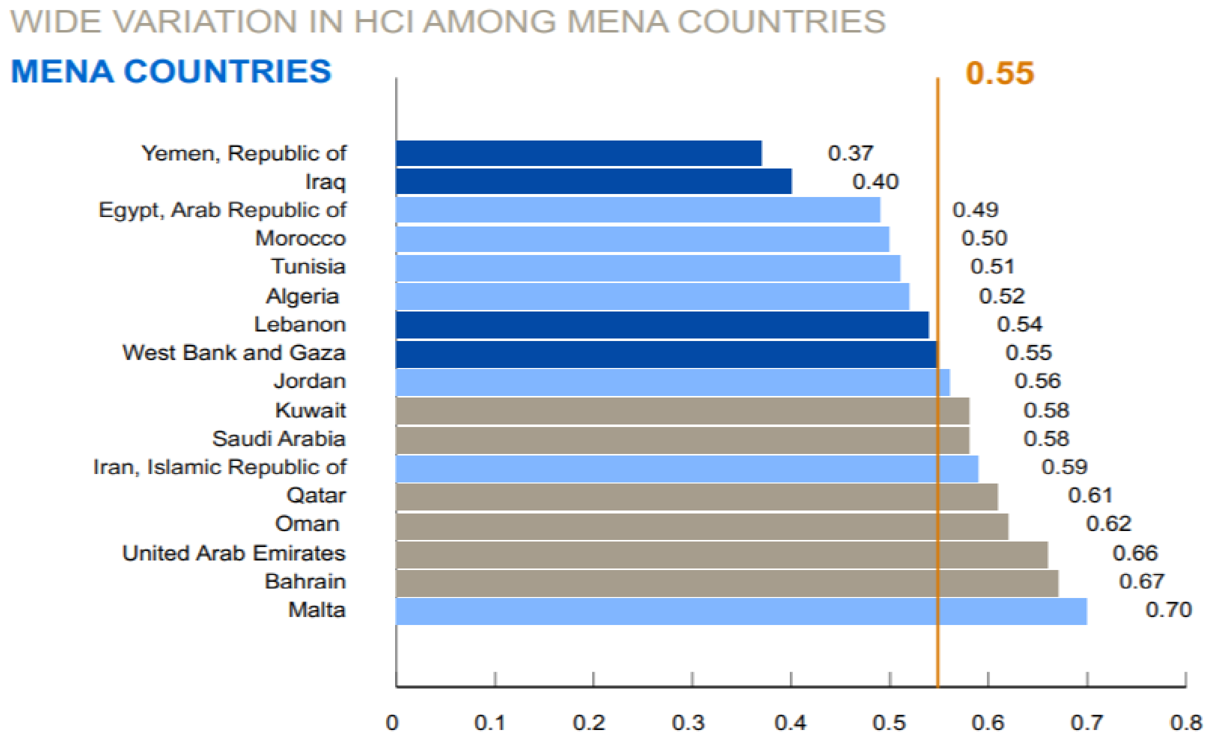


Figure 4: HCI variation in MENA countries 2019. Source: World Bank

In 1999, a reverse gender achievement gap in favor of girls was observed among Jordanian students on the international TIMSS science assessment, and subsequently became apparent across standardized national and international assessments of reading, math and science skills.

Notably, Jordan has had the biggest reverse gender achievement gap in the world, with girls consistently performing better in several assessments including TIMSS. In 2015, girls scored 72 points ahead of boys in reading, a gap considered equivalent to more than 2 years of learning. On the 2015 PISA, Jordan also had the largest reverse gender gap in science (equivalent to more than a year of learning), and the second largest reverse gender gap in math (14 points).

TIMSS 2015				
Country	Science		Mathematics	
	4th Grade	8Th grade	4th Grade	8Th grade
Jordan	-	426	388	386
UAE	451	477	452	465
Bahrain	459	466	451	454
Qatar	436	457	439	437
Oman	431	455	425	403
Saudi Arabi	390	396	383	368
Morocco	352	393	377	384
Kuwait	337	411	353	329
Lebanon	-	398	-	442
Egypt	-	371	-	392
Top (Singapore)	*590*	*597*	*618*	*621*
Bottom (Kuwait)	*337*	*411*	*353*	*392*

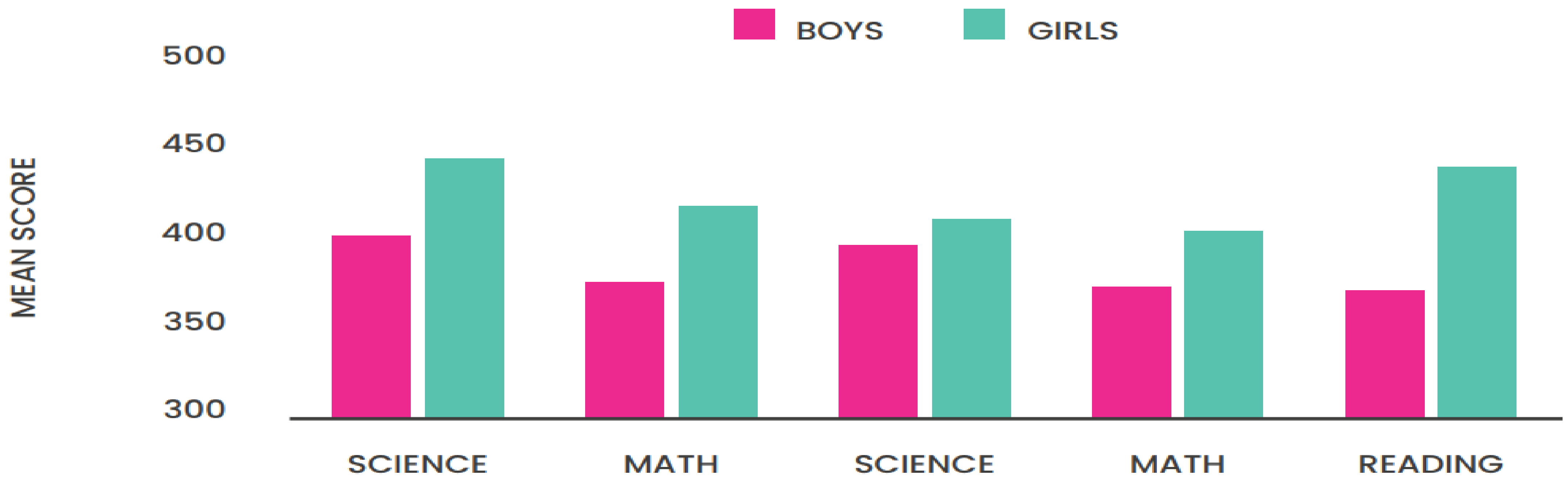


Figure 5 : Jordan's TIMSS and PISA mean scores by subject and gender. Source: TIMSS 2015 and PISA 2015 datasets

PISA 2018 Results			
Country	Reading	Mathematics	Science
Jordan	419	400	429
Morocco	359	368	377
UAE	432	435	434
Qatar	407	414	419
Saudi Arabia	399	373	386
OECD Average	*487*	*489*	*489*

- International Association for the Evaluation of Educational Achievement (IEA).(2015). TIMSS 2015 International Database. TIMSS & PIRLS International Study Center. https://timssandpirls.bc.edu/timss2015/international-database/

Higher Education

There has been an expansion in the number of both public and private universities in Jordan over the past 20 years, and this was paralleled by a significant increase in the number of students enrolled in higher education, and the number of fields and specialties.

The number of public universities has reached (10), besides (17) universities that are private, and (51) community colleges. This progress in numbers of universities accompanied by significant increase in number of students enrolled to study in these universities, where the number of enrolled students in both public and private universities is estimated at nearly 236,000 students of which 28,000 are from Arab and foreign nationalities in 2016.

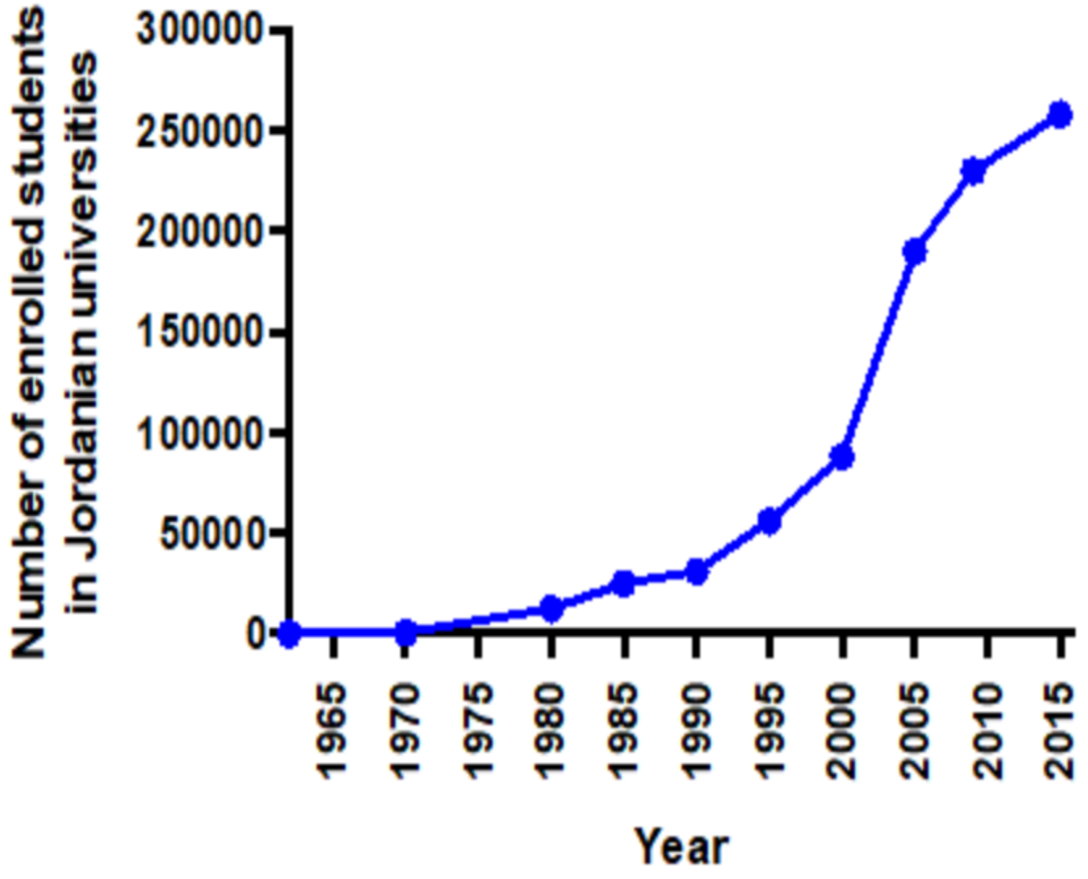
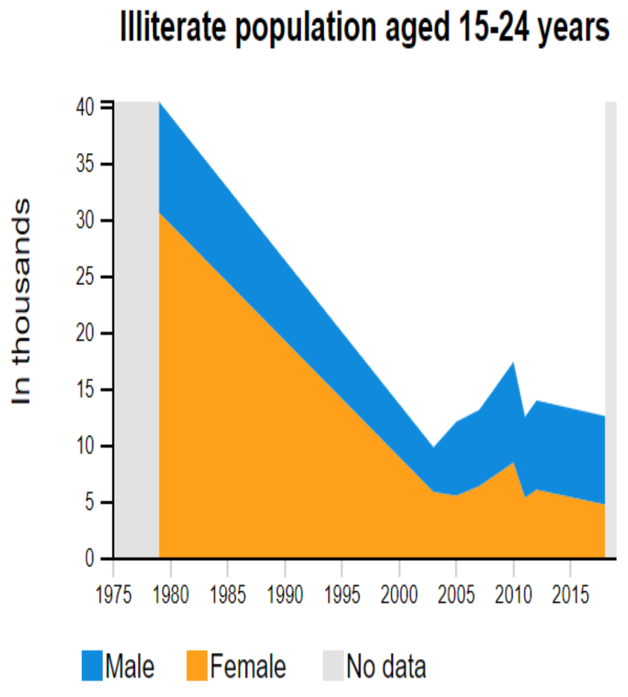
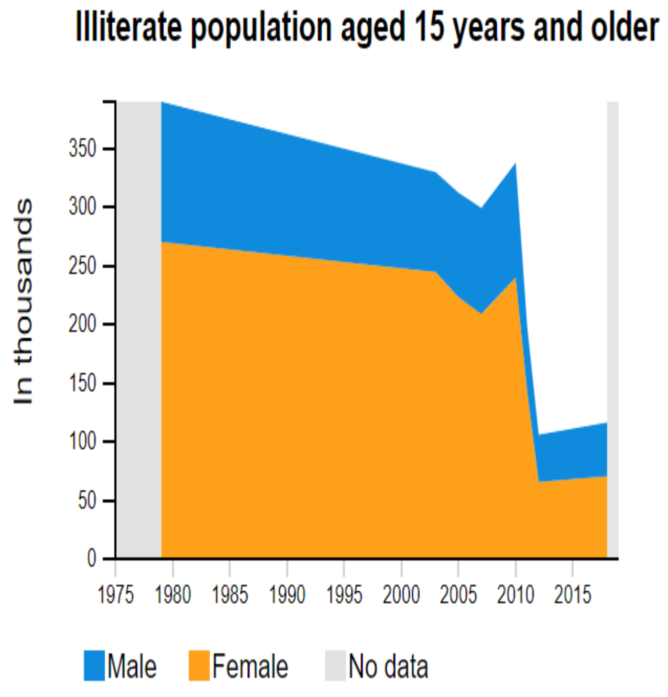


Figure 6: number of students attending universities in Jordan. Source: MHESR (2016)





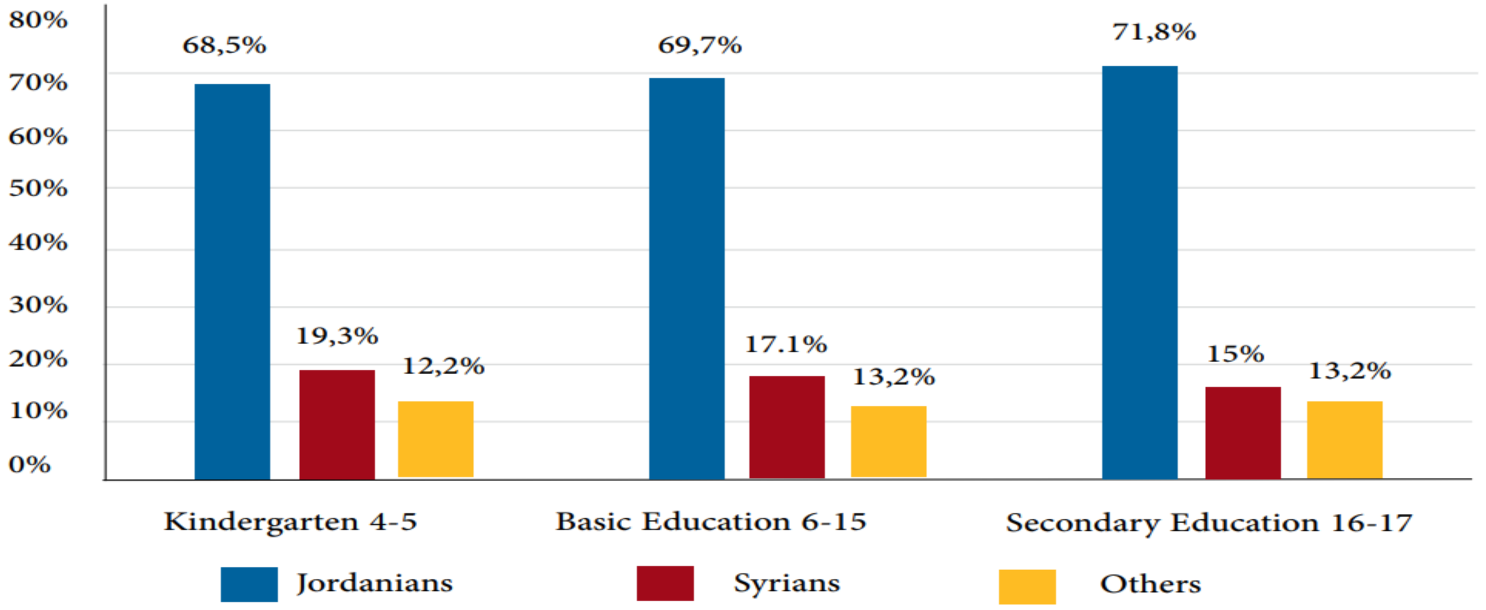


Figure 7: School age population in Jordan by nationality. Source: Jordanian Ministry of Education

- N.D. “Budget Brief 2019: Public Education Sector in Jordan”. UNICEF. https://www.unicef.org/jordan/media/2171/file/Education%20Budget%20Brief.pdf
- Ministry of Education. “Annual Statistical Report for School Year 2018/2019”. http://moe.gov.jo/sites/default/files/ltqryr_lhsyy_llm_ldrsy_2018-2019.pdf

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Overview

Jordan's economy has grown at about 2 percent a year over the past three years, constrained by regional challenges and structural impediments. The country is dealing with a particularly challenging set of conditions, most important of which is youth unemployment which has reached a high record of 23.9%in the third quarter of 2020. There is also the issue of low participation of women in the labor force 15% in 2018. Unemployment has been one of the most significant problems facing the Jordanian economy since the country's establishment in 1946. Reasons for this include:

- The country's limited amount of natural resources;
- A small undiversified private sector
- High population growth rate caused mainly by compulsory migration
- Economic and political instability in the region that negatively affects the country's ability to attract Foreign Direct Investments (FDIs) and exports

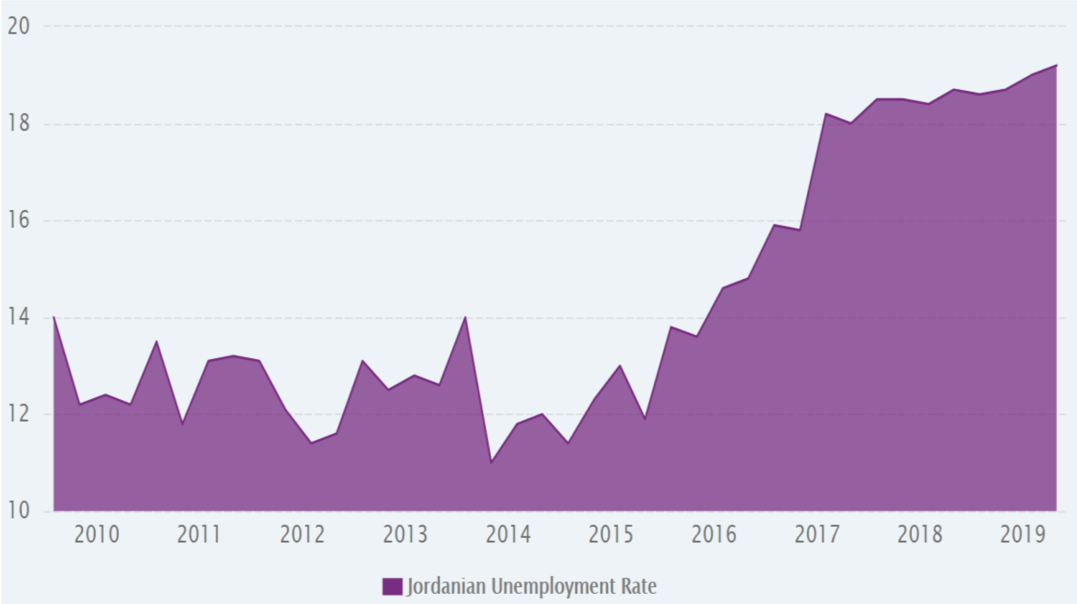

Figure 8: Jordanian unemployment rate 2010-2019. Source: CEIC Data

Youth Unemployment

Highest unemployment rate was recorded in two age groups which are: 15 to 19 years old and 20 to 24 years old, with 57.7% and 42.2% respectively. However, the highest unemployment rate across the country was recorded in Amman by 25.8%, while the lowest unemployment rate was recorded in Karak by 14.7%.

Female Participation in the Labor Market and Unemployment

Jordan has consistently had a low rate of female participation in the labor force, where it was the 4th lowest country in the world with a rate of 15% in 2019 after Yemen, Syria, and Iraq . From another perspective, unemployment rates for women during the third quarter of 2020 has reached 33.6% of all women. This makes Jordan the 5th highest country in the world in terms of female unemployment, based on comparing the national estimates with World Bank data for other countries. Extremely low female participation for women with low levels of education is found out to be caused by two main factors; 1. Cultural beliefs and values, and 2. Lack of a proper transportation system. On the other hand, high unemployment rates are found to be associated with women with high level of education. This is caused by an undiversified private sector that is not expanding at the same pace of increasing number of highly educated women who due to cultural beliefs are focused on finding jobs in specific sectors like education, health, and the public sector in general.

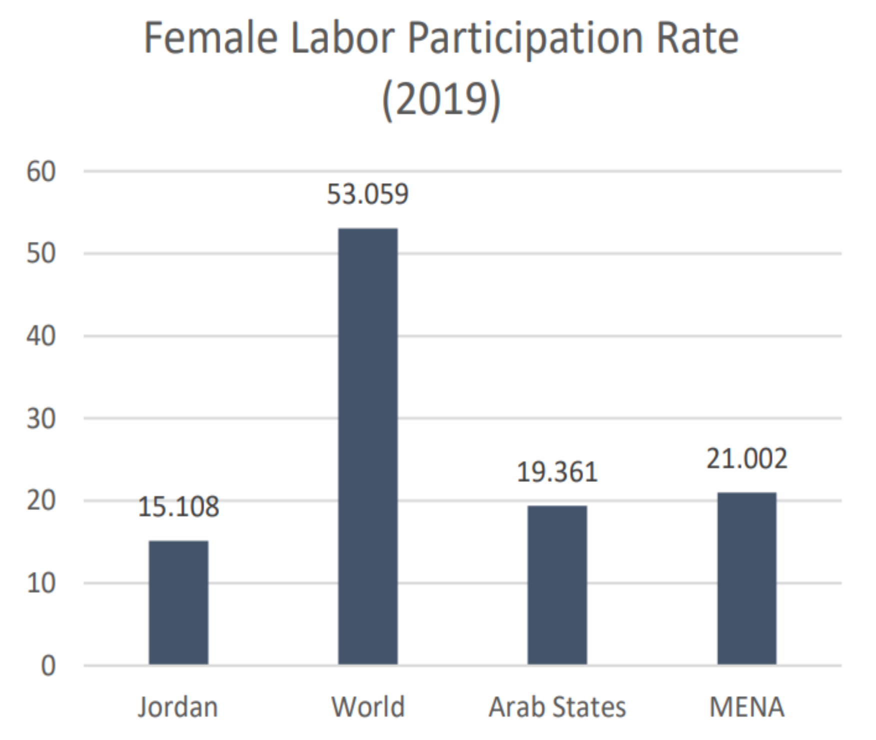

Figure 9: Female labor participation rate in 2019. Source: World Development indicators, 2019

- https://growthlab.cid.harvard.edu/files/growthlab/files/2019-10-cid-wp-365-female-labor-jordan.pdf

2.3 Digital Infrastructure

Overview

The key government entity in charge with ICT infrastructure in Jordan used to be the Ministry of Information and Communication Technology which in 2019 was transformed into the Ministry of Digital Economy and Entrepreneurship (MODEE), indicating . This change came to signify a clear commitment to developing a comprehensive view with regards to the ICT sector, and a belief that economic growth in Jordan can only flourish with having a proper digital infrastructure and digitally enabled economy. MoDEE was assigned a clear mandate on the following key areas; 1) Digital Infrastructure, 2) Digital Skills, 3) Digital Entrepreneurship, 4) Digital financial services, and 5) Digital platforms

Internet Connectivity

Compared to other countries in the region (excluding the gulf countries which have one of the best digital infrastructure in the world), Jordan is one of the most advanced in terms of developing, adopting, and utilizing digital infrastructure and services. This was confirmed by a report published in 2018 by the World Bank “Mashreq2.0: Digital Transformation for Inclusive Growth and Jobs”. The report indicates that in the Mashreq region, Jordan leads with a rank of (60) in the world on the World Economic Forum’s Networked Readiness Index (RNI).

While Jordan has done great progress in terms of political and regulatory framework and government usage, it has a key challenge with regards to infrastructure. Particularly, infrastructure related to fixed broadband and individual usage of fixed broadband services. Nonetheless, looking at connectivity rates, there is 88.8% and 85% penetration rates for internet and mobile phones respectively in 2018 (inta@j, 2018).

Key Relevant Statistics

98.4% of Jordan’s families have mobile phones, **90.3%** of them have smart phones

88.8% internet penetration rate, and **65%** general internet usage percentage (estimated)

8.8 million mobile internet subscribers

9.14 million internet subscribers (fixed and mobile)

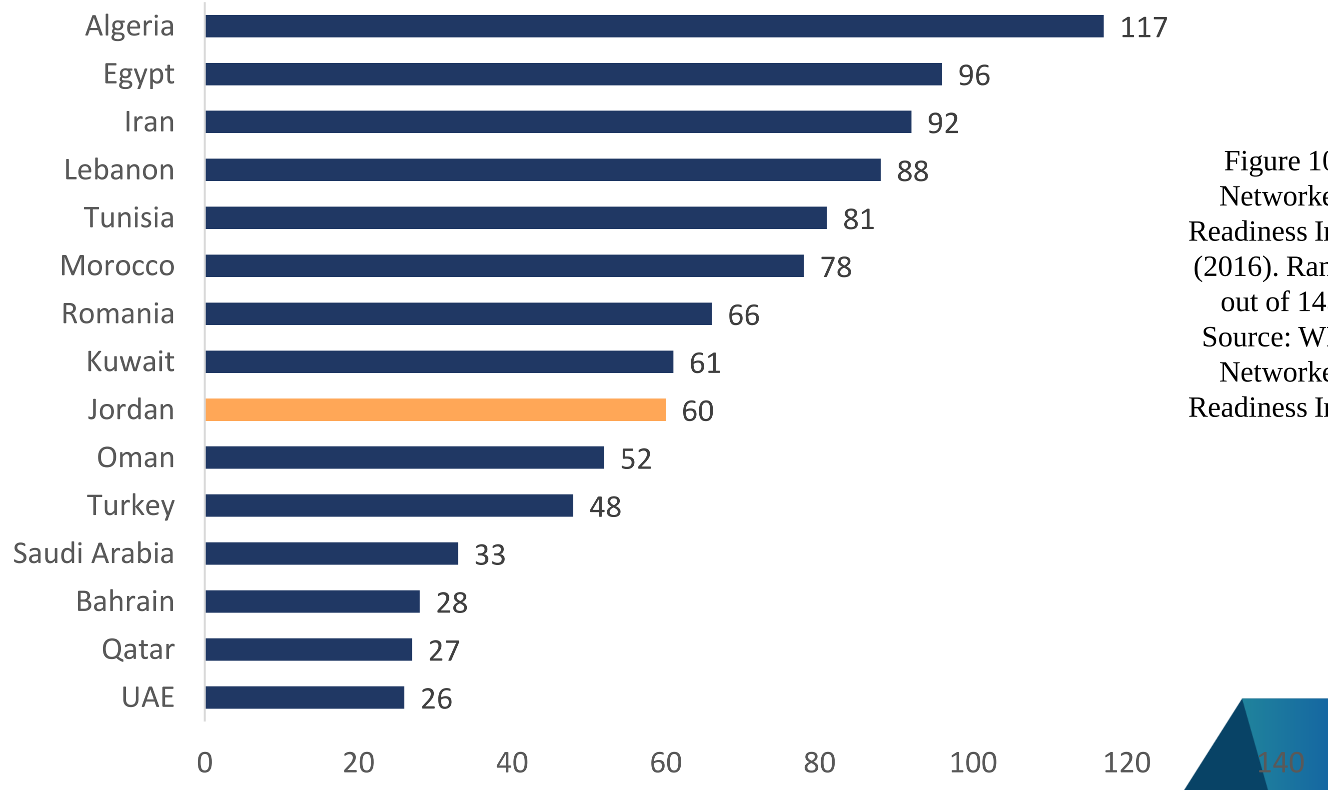

Figure 10: Networked Readiness Index (2016). Ranked out of 143. Source: WEF, Networked Readiness Index

- Ministry of Digital Economy and Entrepreneurship
- HEIS 2010
- Telecommunication Regulatory Commission, Jordan. https://trc.gov.jo/EchoBusV3.0/SystemAssets/ICT%20Facts%20&%20Opportunities%20in%20Jordan_SM.PDF

Global Connectivity Index

The Global Connectivity Index which is supported by Huawei is a comprehensive index based on 40 indicators that can track the impact of ICT on a country's economy, digital competitiveness, and future growth. The index was launched in 2014, and covers 79 countries. The 40 indicators are analyzed vertically across 4 key pillars: 1) Supply, 2) Demand, 3) Experience, and 4) Potential, and horizontally across what the index defines as "technology enables"; 1) broadband, 2) cloud, 3) internet of things, and 4) artificial intelligence.

Zooming in on Cloud, the index analyzes indicators on this topis from 4 key perspectives as demonstrated in the figure. Jordan's performance has been steadily deteriorating over the past few years, starting with a ranking of 57/79 and finishing in 2019 with a rank of 64. The report cites decreased telecom investment and deteriorating customer service experiences as key causes. ***However, it highlights that the only improvement is in cloud computing and an increased demand for cloud migration.***

	Supply Measures current levels of supply for ICT products and services used for digital transformation.	***Demand*** Gauges demand for connectivity in the context of users and activities relating to digital transformation initiatives.	***Experience*** Analyzing the experience of connectivity for end users and organizations	***Potential*** A forward-looking set of indicators on the future development of digital economy.
Broadband				
Cloud	***Cloud Investment***	***Cloud Migration***	***Cloud Experience***	***Cloud Potential***
Internet of Things				
Artificial Intelligence				

Figure 11: The Global Connectivity Index Indicators

Pillar	**Supply**	**Demand**	**Experience**	**Potential**
Cloud specific enabler (indicator)	Cloud Investment	Cloud Migration	Cloud Experience	Cloud Potential
Average	**3**	**5**	**5**	**4**
Jordan	**1**	**4**	**2**	**3**

Table 1: The demand for cloud migration in Jordan has increased from 3 to 4 between 2018 and 2019, indicating a growing market for cloud services. Moreover, the gap between the level of investments in cloud (Supply) and the cloud migration (Demand) shows a gap that can be filled by a potential investment in cloud services in the country.

- World Bank. (2018). "Mashreq2.0: Digital Transformation for Inclusive Growth and Jobs".
- Intaj. (2018). ICT and ITES Industry Statistics and Yearbook:. https://intaj.net/studies/

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Digital Literacy

There are still no formal measurements for digital literacy that have been developed globally. However, going back to Jordan's statistics regarding internet subscriptions shows that the country has an 88% internet penetration rate which can be used on a high level as a proxy measure for people's general digital skills.

Looking at this from another perspective, Jordan has a highly education workforce specifically in STEM (science, technology, engineering, and math) fields. Nonetheless, university graduates are found to be ill-equipped with specialized skills to work in the digital economy, implying the need for increased investments in digital skills development. A labor market study produced in 2016 by int@j (Information and Communications Technology Association – Jordan : an ICT and IT enabled services industry advocacy, support, and networking association) identifies the existence of a skill match due to:

- An outdated university curriculum
- Lack of soft skills
- Lack of awareness and experience with global technology trends
- Little to no practical hands-on experience
- Brain drain to neighboring countries.

In its preparatory reports, the World Bank identifies that Jordan has several success factors that would support its plans for becoming an ideal BPO/ITO destination including availability of affordable technical and nontechnical talents, neutral Arabic speaking dialect, geopolitical stability, good infrastructure, liberalized telecom sector, proximity to key target markets in GCC, and government support. However, the report highlights that there are also critical gaps top of which are a mismatch between the workforce and job market requirements, limited domestic market and access to export opportunities, and limited access to funding necessary for business development and expansion.

The reports proposes a two-pronged approach in addressing address the gaps in supply of digital skills, (i) a more immediate attention to the stock of youth that is currently in the job market with poor employable skills, complemented by (ii) a systematic (and potentially long-term) focus on addressing the more foundational issues in the education system to address the flow of unprepared students. Innovative rapid skills enhancement models to train a few hundred graduates every year on skills for future jobs have been piloted by the MoDEE and their preliminary results appear promising.

- World Bank. (2020). "Youth, Technology, and Job Project: Project Appraisal Document".
- int@j. (2016). "Labor Market Study: Fresh Graduates Employment in the ICT Sector of Jordan". http://82.212.86.133/wp-content/uploads/2017/12/Labor-Market-Study-2016-ICT-Fresh-Graduates.pdf
- Labor Force Survey, 2018 (DoS)

GDP and GDP Per Capita Dynamics

Jordan’s GDP pc is $4,405.488 and GDP growth (annual %) is 2.2. between 1999 – 2009, Jordan had excellent macroeconomic performance, with a total cumulative increase of 38% in income per capita. It’s situated among the Upper-Middle-Income economies with a GNI per capita of $10,520. However, this growth didn’t last due to a number of external factors that include the financial crisis in 2008, Arab spring in 2011, the Syrian Civil War (2011) and other external instabilities. Key causes of decreased economic growth include:

- Reduced demand from key export markets due to conflict in neighboring countries – cut off of important trade routes
- Decrease in FDIs from an average of 12.7% of GDP between 2003-2009 to 5.1% of GDP between 2010-2017
- Massive influx of migrants and refugees resulting in a net population increase of 50.4% between 2008-2017
- Sharp increase in cost of energy after the supply of oil from Iraq in favorable terms came to a stop in 2004, and the Egyptian natural gas pipeline was subjected to several attacks

The aforementioned, has resulted in an increase in external debt increasing from 55% in 2009 to 92.4% in 2019 according to the Ministry of Finance data, and GDP per capita decreasing from $11,663 (constant 2017 international USD) in 2008 to $9,906 in 2019, which is equivalent to a 15% decrease.

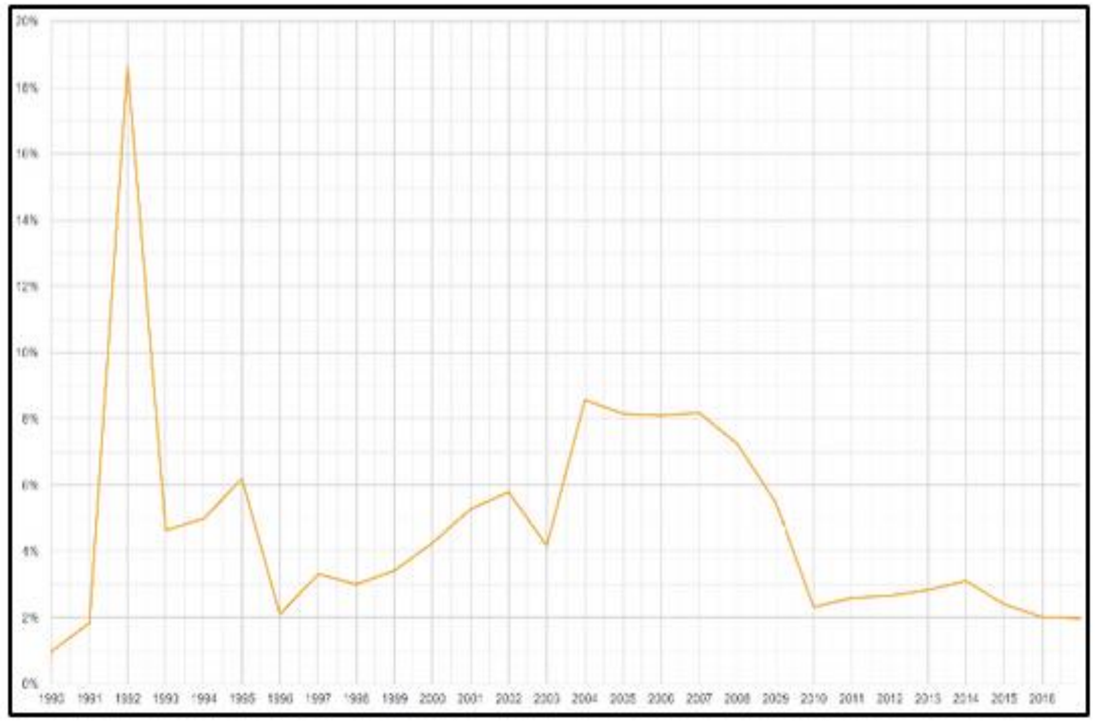

Figure 12: Jordan’s GDP growth rate

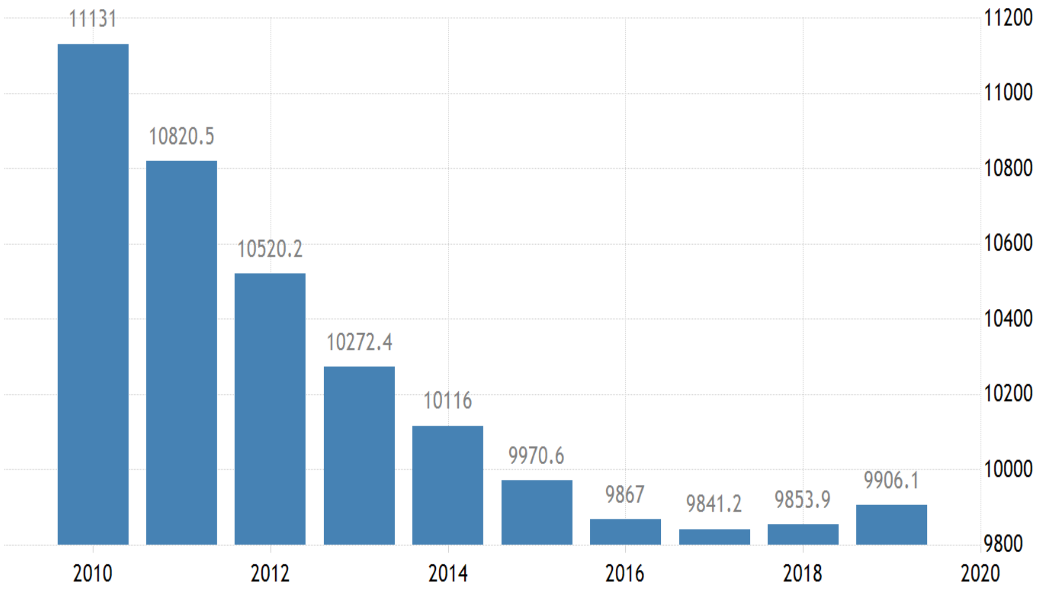

Figure 13: Jordan GDP per capita PPP.
Source: World Bank

- Hausmann, Ricardo, Tim O’brien, Miguel Angel Santos, Ana Grisanti, Semiray Kasoolu, Nikita Taniparti, Jorge Tapia, and Ricardo Villasmil. “Jordan: The Elements of a Growth Strategy”, Center for International Development at Harvard University, CID Faculty Working Paper No. 346, Apr 2019.
- World Bank
- Ministry of Finance. (2019). Public Debt Quarterly Report No. 12, Q4 – 2019.Link

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Income Levels and Spending

The latest data provided by Jordan's Department of Statistics estimates the distribution of households and individuals' annual income for 2017 as demonstrated in the table on the side. Those with an annual income of over 15,000 JOD (21,156 USD) constitute 24% of individuals, and 22.1% of families.

Looking at average annual household expenditure on groups of commodities and services, it appears that how much Jordanian households spend on communication and miscellaneous services varies depending on the group of income, and level of expenditure. Zooming in on groups of household expenditure above 10,000 JOD (14,104 USD):

Jordanians' Annual Expenditure on communication and miscellaneous services and goods

810.4 JOD (1,143 USD) — Household expenditure group (14,104 – 17,630 USD)

971.1 JOD (1,370 USD) — Household expenditure group (17,630 USD and above)

Distribution of Households and Household Individuals by Groups of Annual Current Income (%) (2017)

Groups of household income (JOD/YEAR)	Individuals	Households	Avg. Household Size
Less than 2500	3.7	4.4	4.1
2500 - 5000	13.7	15.8	4.2
5000-7500	19.9	20.5	4.7
7500 - 10000	16	16.1	4.8
10000 - 12500	12.6	11.8	5.1
12500 - 15000	9.9	9.2	5.2
15000 - 17500	7.2	6.5	5.4
17500 - 20000	5.3	4.7	5.4
20000 - 22500	3.3	3	5.3
22500 - 25000	2.1	1.9	5.3
25000+	6.3	6	5

Table 2: Distribution of Households and Households individuals by groups of annual current income

Group of Commodities and Services	Groups of Household Expenditure (2017)					
	Less than 2500	2500 - 5000	5000 - 7500	7500 - 10000	10000 - 12500	12500 and more
Food	848.3	1689	2585	3436	4198	4882
Non-Food: Communication	56	115.4	187.5	263.8	336.6	407
Non-Food: Miscellaneous	74.2	140.4	244.5	347.5	473.8	564.1
Non-Food: Remaining	1059.4	2111.3	3296.1	4634.9	6119.6	7812.3
Total non-food groups	1189.6	2367.1	3728.1	5246.2	6930	8783.4

Table 3: Groups of Household Expenditure for commodities and services

- Department of Statistics. http://www.dos.gov.jo/dos_home_a/main/linked-html/household/2017/G3/Table1G3_King.pdf
- Department of Statistics. http://www.dos.gov.jo/dos_home_a/main/linked-html/household/2017/G4/Table10G4_King.pdf

Exports

In terms of exports, Jordan main exports are services in three main sectors
1) Travel and Tourism (34.6%)
2) Transport (8.8%)
3) ICT (2.75%)
Exports are mostly destinated to the United States (22.33%) (Figure 15).

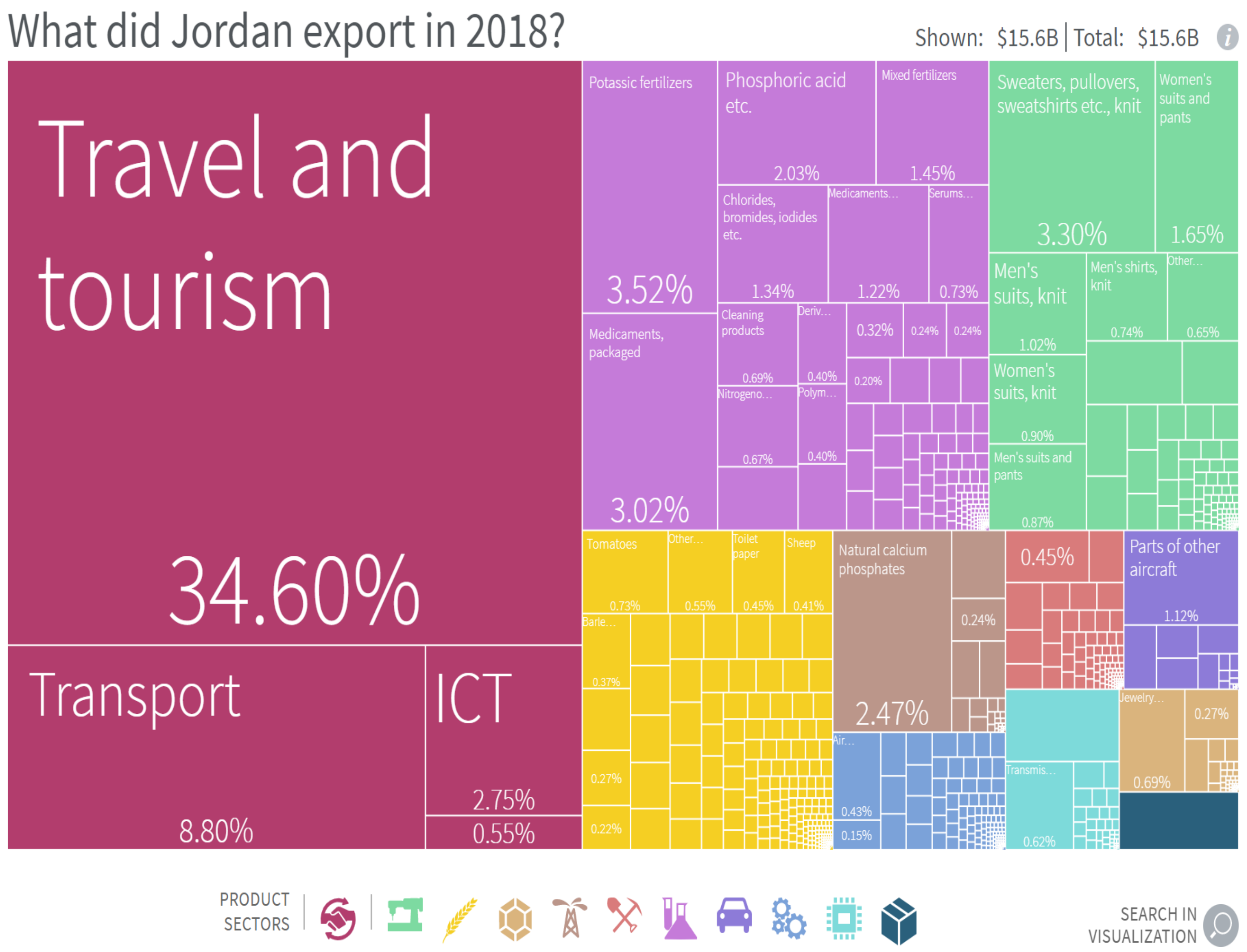

Figure 14: Jordan's Exports 2018. Source: Atlas of : Economic Complexity.

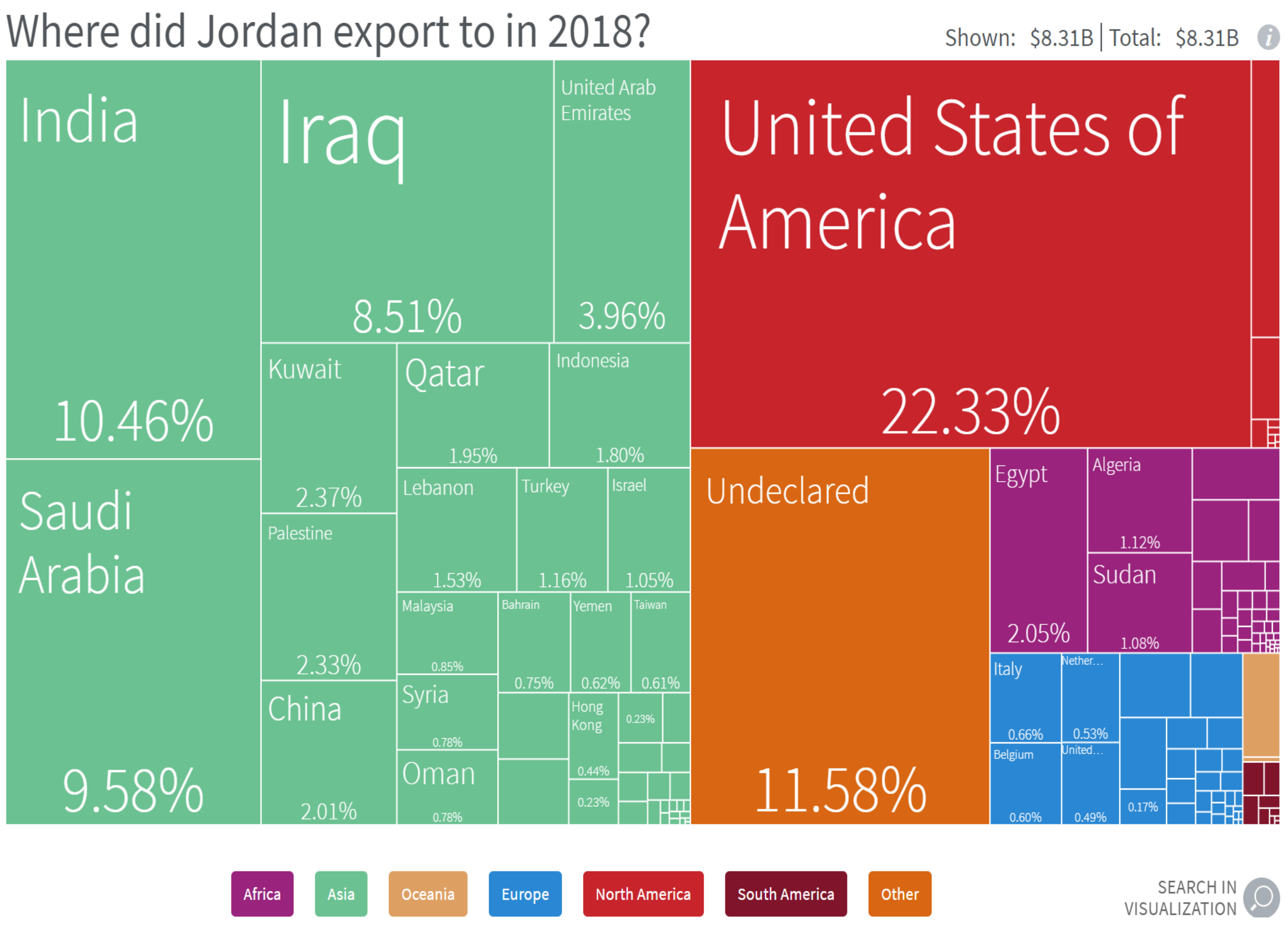

Figure 15: Jordan's Exports destinations 2018. Source: Atlas of Economic Complexity.

Foreign Direct Investments

The Jordanian economy has been attracting sizeable amounts of net FDI inflows. For example, since 2010, Jordan has managed to consistently attract around USD 1.69 billion in the form of FDI. the OECD has published "The FDI Regulatory Restrictiveness Index" on 16 May 2018. This index gauges the "restrictiveness of a country's foreign direct investment rules for a total of 68 countries by looking at four main types of restrictions: foreign equity restrictions; discriminatory screening or approval mechanisms; restrictions on key foreign personnel and operational restrictions" (OECD). The index ranges in value from 0 (no restrictions) to 1 (fully restrictive).

FDIs and Economic Impact of COVID-19

Economic growth in Jordan potentially will come to a halt this year. This comes as a result of the COVID-19 pandemic outbreak. Government imposed an economic lockdown which restricted non-essential economic activities and people's movement in order to contain the virus. A SAM multiplier model was used to estimate the economic impact of the lockdown and to explore potential recovery pathways for the Jordanian economy. Some of the key findings from this modeling exercise are :

- National GDP is estimated to have fallen by 23 percent during the lockdown period. The services sector was hardest hit, seeing an estimated drop in output of almost 30 percent
- Employment losses during the lockdown were estimated at over 20 percent, mainly driven by job losses in services, followed by agriculture
- Household income fell on average by around one-fifth due to the lockdown, mainly driven by contraction in service sector activities, by slowdown in manufacturing activity, and by lower remittances from abroad
- GDP growth rates for Jordan's economy will continue to be negative through 2020, ranging from -5.7 to -7.4 percent, depending on the speed of economic recovery, which is expected to be slow

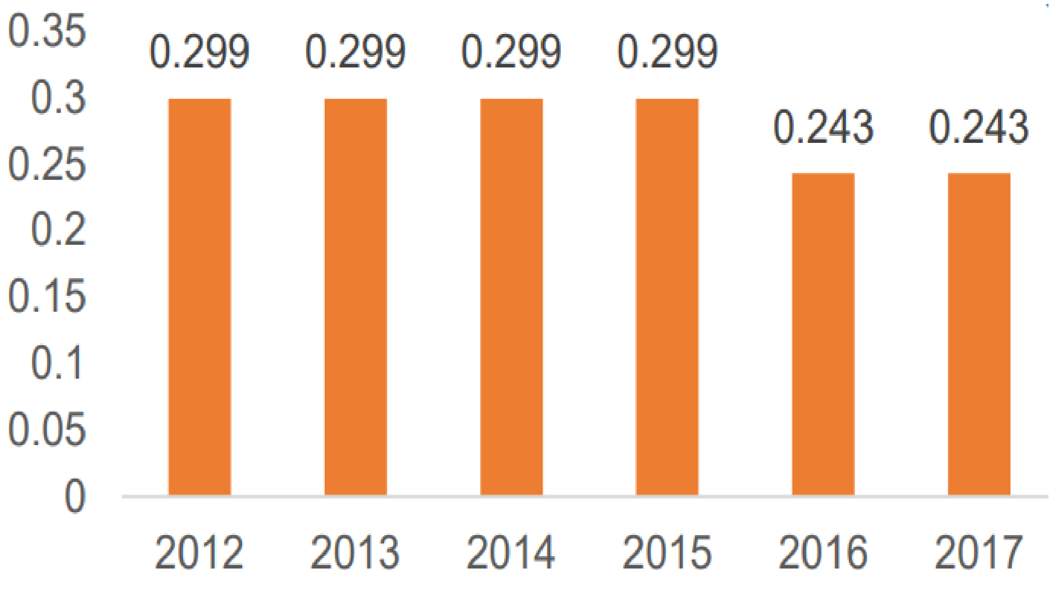

Figure 16 : Jordan's FDI Restrictiveness Index. Source: Jordan Strategy Forum

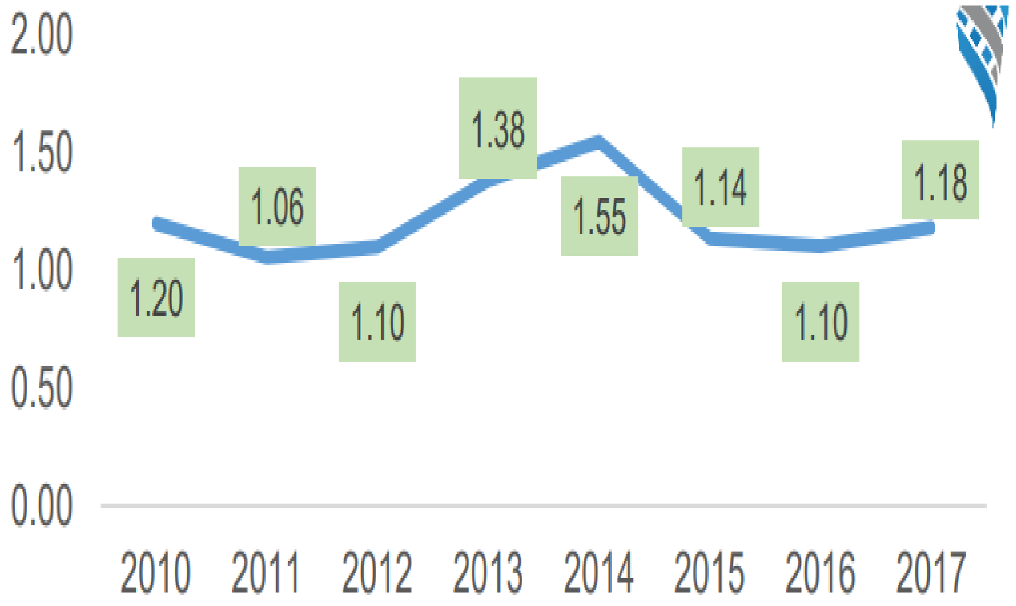

Figure 17: Inflows of FDI to Jordan. Source: Jordan Strategy Forum

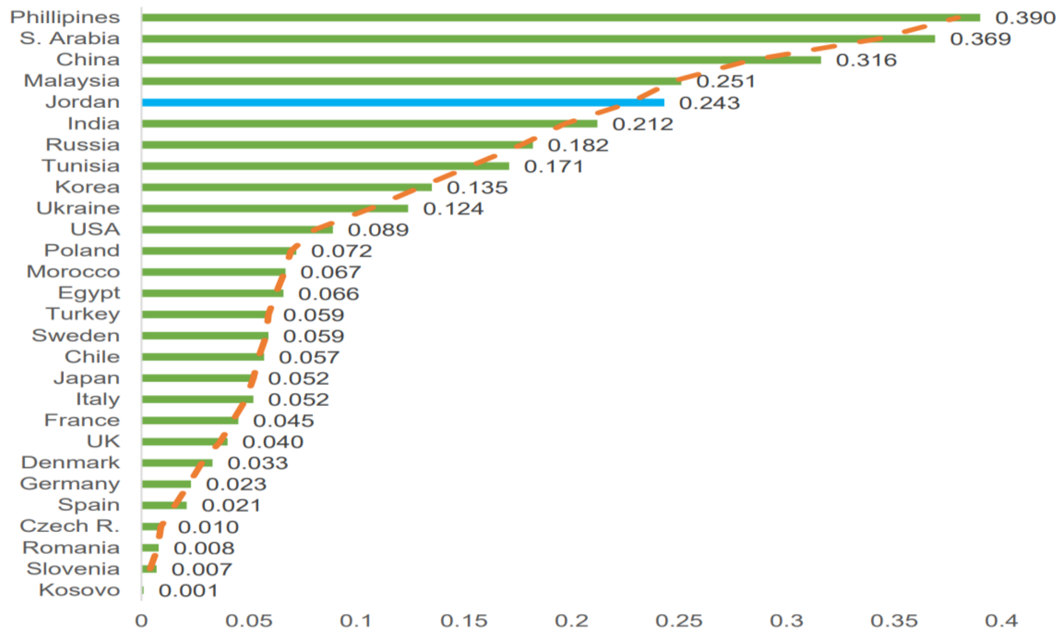

Figure 18: International FDI Restrictiveness Index in 2017. Source: Jordan Strategy Forum

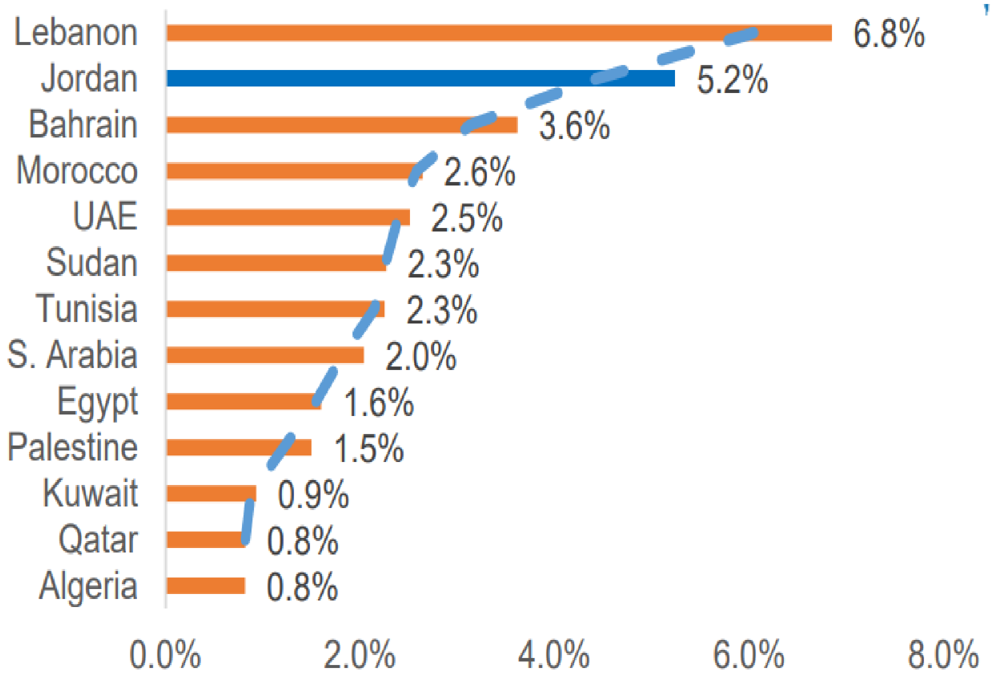

Figure 19: Net FDI inflows to GDP ratio 2010-2016. Source: Jordan Strategy Forum

- International Food Policy Research Institute: https://www.ifpri.org/publication/impact-covid-19-jordanian-economy-economic-sectors-food-systems-and-households

Ease of Doing Business Index

Jordan is ranked 75 among 190 economies in ease of doing business, according to the latest World Bank annual ratings. The rank of Jordan improved to 75 in 2019 from 104 in 2018, making it among one of the 10 most notable economies in terms of improvements. Jordan improved its ease of doing business score by 7.6 points (2nd out of top 10 performers) through implementing reforms in the areas of:

- Getting credit -
- Paying taxes – implementation of electronic filing and payment for labor taxes and other required contribution.
- Resolving insolvency – introduction of a reorganization procedure that facilities resolving insolvency by allowing debtors to initiation the reorganization procedure.

Additionally, Jordan reduced the paid-in minimum capital requirement from 1,000% of income per capita to 0% in minimum capital requirement.

- www.doingbusiness.org
- https://www.tamimi.com/wp-content/uploads/2017/10/Doing-Business-in-Jordan.pdf

Services and ICT Sector

The services sector, including the Information and Communications Technology (ICT) sector, shows good potential for growth, job creation, and women's employment in Jordan. The IFC/WB Country Private Sector Diagnostics (CPSD) for Jordan confirmed the importance and the potential of the ICT sector for growth. The CPSD highlighted information technology outsourcing (ITO) and digital entrepreneurship as key potential activities.On digital payments, the economy would benefit from the implementation of e-KYC and the acceleration of digitization efforts for government-linked payments to increase use. Reducing skills mismatches for ICT graduates by providing short-term demand driven training would increase their employability in the market. Jordan shows potential to grow its digital sector and absorb more digitally skilled labor, including through developing its business process outsourcing (BPO) and IT outsourcing (ITO) sector. Enterprises across the globe are outsourcing these business processes to concentrate on their core business effectively. Jordan enjoys a unique blend of qualities, making it an attractive destination for BPO/ITO services. Global giants such as Cisco, Expedia, Amazon, Microsoft, Webhelp, Teleperformance, and Oracle have already established operations in Jordan. Local BPO/ITO players such as Aspire, Crystel, and Extensya are experiencing organic growth, targeting global and regional markets.

The contribution of the services sector to GDP was **56.1%** in **2018**

The sector accounted for **44.5%** of total Jordanian exports in **2016**

employment in the sector increased from approximately **18,000** employees in **2016** to **21,811** in **2018**

The sector generated about **60%** of the net jobs in the economy in **2017** (total of **53,969** new jobs created in the economy

The direct contribution of the ICT sector to GDP was **12%** in **2017**

The sector grew at **2.3%** in the past year

ICT sector revenues increased from JD**677** million in **2017** to JD**750** million in **2018**, at a notable growth rate of **10.7%**

Female employment in the sector accounted for approximately **33%** in **2018** (**4,505** female employees)

ICT services accounted for **4.7%** of the total exports (US **$648** million) and **25.8%** of total added value in **2017**

- World Bank.
- Int@j sector profile, 2018

Section III: Key Stakeholders Analysis

3.1 Intoduction

This section addresses identification of stakeholders. The purpose of this section is to provide Yandex with information about key stakeholders that would be relevant to Ynadex entering the Jordanian market particularly in the cloud computing sector. Accordingly, this section is structured into 3 main components as follows:

Decision Makers

Corporate players

Potential partners

Stakeholders were identified based on the following:

Desk review

Informants insights

Personal Connections

3.2 Local Decision Makers Relevant to Cloud

#	Name	Position	Background	Why Relevant	Notable Facts
1	Ministry of Digital Economy and Entrepreneurship (MoDEE)	Key ministry in charge of creating policies to enable Jordan's transformation towards a digital economy and support the enabling pillars for this transformation including digital entrepreneurship, digital skills, digital financial services, and digital infrastructure and platform.	MoDEE is the government entity in charge of governing cloud computing in the Jordan. The recently approved "Cloud Computing Policy and Services" by the Ministers' Council was drafted by MoDEE.	MoDEE could be a key supporter to Yandex in the country, they have been increasingly collaborating directly with potential investors in ICT to advance the country's agenda in this regard	• Recently changed mandate (formerly Ministry of ICT) to emphasize focus on digital economy
2	Telecommunications Regulatory Committee (TRC)	Independent governmental commission in charge of regulating the performance of the ICT and postal sector, stimulating competition, and protecting the interests of beneficiaries.	Yandex would have to comply with regulations issued by TRC in order to enter the Jordanian ICT sector and compete in it.	The government's policy on cloud computing assigns to TRC the following key responsibilities: • Issuing regulations and regulatory requirements for providing cloud services by private sector providers of cloud services, including instructions, guidelines, standards, conditions, service level agreements, contracts, licenses, and any other relevant instructions • Monitor periodically the extent of the cloud service providers 'compliance with the regulatory requirements and conduct periodic reviews on cloud service providers • Determine the minimum basic conditions that must be met in the contracts and service level agreements signed between the provider of cloud services and the beneficiaries, whether they are the public sector, the private sector, or individuals, in line with the relevant international considerations and standards.	N/A
3	Jordan Investment Commission (JIC)	JIC is tasked with stimulating and activate investments in the country through developing infrastructure, and promoting investment opportunities	JIC facilitates investors' ability to set up in the Jordanian market, and could potentially support Yandex if they decide to enter Jordan through their dedicated investment window.	The JIC offers an investor window which allows investors to complete registration and licensing at one place including issuing relevant permits	N/A

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#	Name	Position	Background	Why Relevant	Notable Facts
4	Int@j	Independent sector association	The Information and Communications Technology Association of Jordan (int@j), founded in 2000, is a membership based ICT and IT Enabled Services (ITES) industry advocacy, support and networking association.	• int@j has close links with the government, and is considered a respectable stakeholder that is always consulted on the formulation of ICT related policies. • All key players in the IT and ITES sectors are registered in int@j • The association also produces regular reports on the industry	• N/A

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<table>
<tr><th>Company / Organization</th><th>Key clients / contracts</th><th>Local turnover</th><th>CEO</th><th>Notable Facts</th></tr>
<tr><td>Zain</td><td colspan="2" rowspan="7">The Telecommunications Regulatory Committee (TRC) who is assigned by the Government to regulate the cloud computing services sector and private providers is currently working on developing a framework for regulation after the issuing of the policy in Aug. 2020. Informants reported that this should be done in 6 months.

Accordingly, they noted that currently there is no data collected on cloud service providers since they are not regulated/ registered yet.</td><td>Fahad Aljasam</td><td></td></tr>
<tr><td>Umniah</td><td>Ziad Shatara</td><td></td></tr>
<tr><td>Orange</td><td>Thierry Marigny</td><td></td></tr>
<tr><td>Cisco</td><td>Bashar Al Emam</td><td></td></tr>
<tr><td>Microsoft</td><td>Maher Al-Khaiyat</td><td>Maher is the regional business group director for business applications in the MEA Mutlti-Country cluster</td></tr>
<tr><td>Amazon</td><td>Nidal Al-Basha</td><td>Digital Innovation Leader – Amazon Web Services MENA, Cloud Innovation Center</td></tr>
<tr><td>Oracle</td><td></td><td></td></tr>
</table>

3.4 Potential Partner Companies

Company	Relevance for YC	Key business	Relevant contact inside the company	Notable facts
KaiZen365 Technologies	KaiZen365 Technologies have trainer and certified network engineers who can help Yandex deploy.	IT solutions and Managed Services	• Khalid Shurbaji – Co-Founder	N/A
Sales Leads	Sales Leads offers digital marketing services among their other services, which can be vital for Yandex as they enter the Jordanian market.	Digital Marketing	• Yazan Al-Qasem – Marketing Manager	N/A
Aspire	Founded in 2002, and currently offers services to business in Jordan, US, and India. As a provider of IT services including Cloud and DevOps, Aspire can become a mediator between Yandex and enterprises	IT services to businesses	• Ramiz Kalis – CEO and Coufounder • Zeena Majali – Cofounder	• Employs more than 300 in Jordan
Crystel	Able to provide business support services to Yandex, including research and data management, intelligence and customer support	Business support services	• Ramiz Kalis – CEO and Coufounder • Zeena Majali – Cofounder	NA

3.4 Potential Partner Companies

Company	Relevance for YC	Key business	Relevant contact inside the company	Notable facts
Extensya	Well established business outsourcing firm in Jordan. Can provide Yandex with services in contact management, HR staffing, and digital media. The company has aggressive expansion plans into MENA which would allow them to better service Yandex and provide assistance in different countries	• Contact management solutions • Business process outsourcing services	• Sulayman Ellayan - COO	• Established in Jordan, and currently has 4 call centers between Jordan and KSA • Provides services in 11 countries • The company is planning to expand regionally through a multi-country delivery model, starting additional delivery centers in various countries in the Middle East

Section IV: Market Analysis

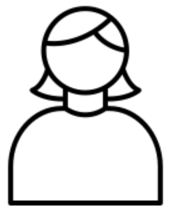
There are 3 delivery models for cloud computing:

Software as a Service (SaaS)	Platform as a Service (PaaS)	Infrastructure as a Service (IaaS)
where the user (consumer) uses a software application without controlling the hardware, operating system, or network infrastructure on which the software is running	where the consumer uses a platform as an application framework for hosting a set of applications, the consumer controls the applications that run in the platform, sometimes with the ability to control the hosting framework, but as in SaaS the consumer has no control over the hardware, operating system or network infrastructure on which they are running	where the consumer uses various computing resources including networking components, processing power, middleware or storage, unlike PaaS and SaaS, IaaS enables the consumer to have control over the aforementioned computing resources.

Key Beneficiaries (targeted segments) include the following:

Government Agencies

Private Sector



Individuals and Households

- Al-Soud, A. (2013). "Towards the Adoption of Cloud Computing for Boosting the Jordanian E-Government". European, Mediterranean & Middle Eastern Conference on Information Systems. [Link]

4.1 Possible Revenue Streams

There are typically 3 potential revenue streams for cloud computing in any economy and those include the following:

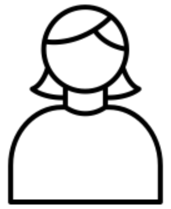
Government Agencies

According to the government's cloud computing policy, the adoption of cloud will enable government agencies to develop new digital solutions and services and present them in an innovative way to citizens, improve public services, promote digital transformation, enable the government to design and manage jobs that are supported by information technology with more flexibility and innovation, and save expenditures through optimal utilization of technology resources on the basis of "pay-as-you-use" which is one of the most cost effective options for the Government of Jordan.

However, government is excluded from the market sizing exercise at this point, since it was confirmed by informants that the government has its own cloud which is managed by the National Center for Information Technology. The informant confirmed that the government has put substantial investments into this to support its digital government transformation agenda, and is unlikely to procure cloud services from private providers

Private Sector

The private sector constitutes the 2nd component of the potential revenue streams. Jordan has a small private sector, with high informality. There are no big enterprises (except for international ones that already have support provided by their HQs), which leaves SMEs.



Individuals and Households

Individuals and households make up the 3rd component of the potential revenue stream for Yandex.

- Jordan Cloud Computing Policy. (2020). [Link]

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In their latest report in 2018 on “Jordan ICT and ITES Sector Statistics”, int@j confirms that the country’s cost competitiveness in providing IT services continues to improve and stabilize the economy with a total revenue of $749 million in 2018.

Furthermore, the report assesses IT and ITES sectors’ revenues according to the International Standards Industrial Classification (ISIC) which is a classification according to the kind of productive activity.

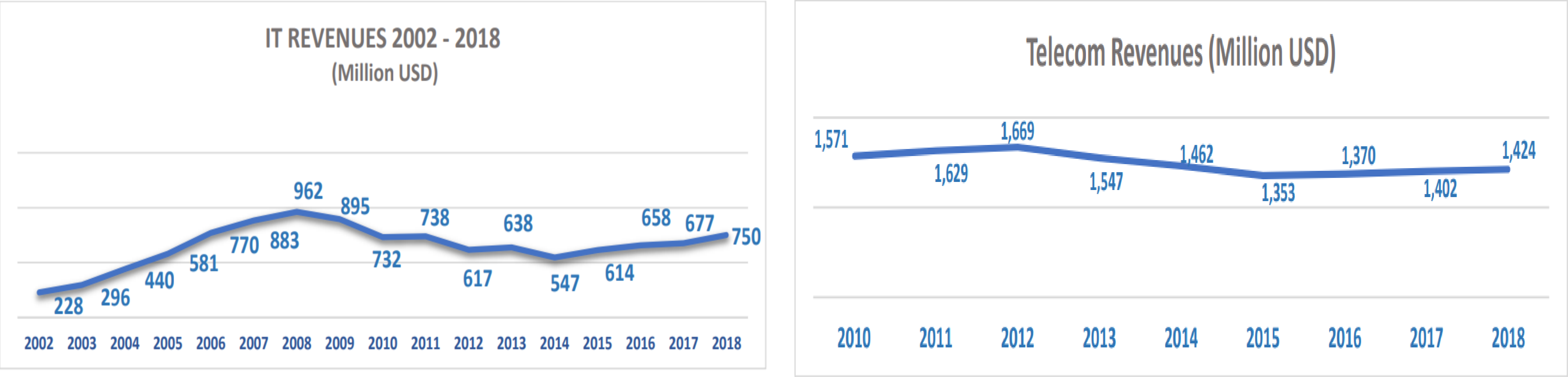

Figure (20): Growth rate of IT and Telecom Sectors in Jordan

Between 2014 and 2018, Jordan’s IT sector has grown by 37% with an CAGR of 8.2%. The telecom sector on the other hand has grown by 5.25% between 2015 – 2018, with a CAGR of 1.72%.

ICT Sector Revenues in Jordan 2018

IT Sector
749 Million USD

34.9% Exports Revenue

65.1% Domestic Revenue

+

Telecom Sector
1,423 Million USD

+

Others
4 Million USD

- int@j. (2018). “Jordan ICT and ITES Sector Statistics”. Link

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Zooming in on revenues generated by cloud computing services, it is found that cloud services are under the following economic activity as per the ISIC classification:

ISIC Class 6311 – Data processing, hosting, and related activities

Based on actual revenues incurred under ISIC Class 6311 (most relevant to Yandex.Cloud) for year 2018, and by applying the IT sector CAGR (8.2%) to the coming years we get the following projections for the cloud services market:

Year	2018	2019	2020	2021	2022
Revenue (USD)	4,493,209	4,861,652	5,260,308	5,691,653	6,158,368

It should be noted that this is an extremely conservative number due to the following reasons:

- **As noted, the Ministry of Digital Economy and Entrepreneurship has recently regulated the provision of cloud services in the country which is expected to increase the market size**
- **The MoDEE is also actively implementing the World Bank's project (Youth, Technology, and Jobs) through which several initiatives are being launched with the aim of making Jordan a BPO/ ITO hub, the government in parallel is negotiating trade agreements to expand access for investors into other markets including GCC, Levant, Europe, and North America.**
- **The 2019 Global Connectivity index report, clearly specifies that there is an increased demand for cloud migration noticed in Jordan.**

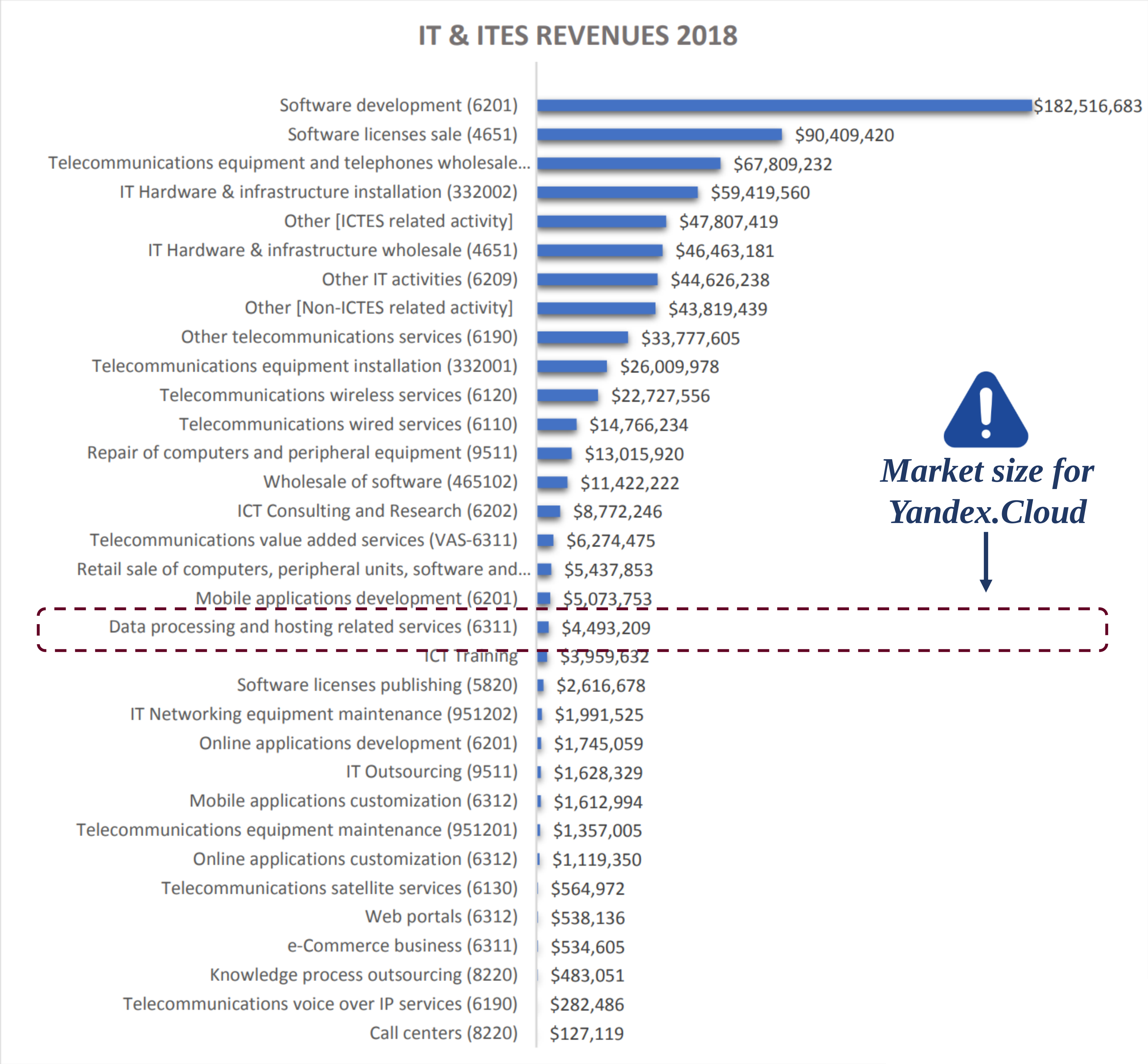

Figure (21): IT and ITES Revenues in 2018 by Economic Activity (ISIC)

- int@j. (2018). "Jordan ICT and ITES Sector Statistics". Link

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#	Informant	Role/ Description	Insights
1	Raed Mdanat	Digital Business Sector Manager – Ministry of Digital Economy and Entrepreneurship	• Jordan is positioning itself to become a regional BPO/ITO hub in the region, and is accordingly offering unparalleled incentives and tax cuts • Government is willing to provide investors with additional incentives who are willing to employ youth in the ICT sector
2	Zaid Arida	E-Government Program– Ministry of Digital Economy and Entrepreneurship	• MoDEE recently launched the program “Grow Jordan” which seeks to support digital enterprises and investments in the digital economy. • One of the key pillars of the program is covering 50% of the costs associated with the development of business plans, and connecting companies starting in Jordan linkages with potential markets in the GCC, Europe, China, India, and the USA.
3	Sahel Abanda	Telecommunications Regulatory Committee - Engineering	• The TRC is currently working on developing a regulation framework for cloud computing services private providers based on the cloud computing policy that was issued in August 2020.
4	Amal	Telecommunications Regulatory Committee – Economic Section	• As of now, the TRC doesn’t have data on cloud services providers since they are not regulated yet • The TRC is currently working on including cloud services in their regular surveys that they conduct to produce information on the market
4	Nidal Bitar Eyad Ashram	Int@J	• No data available on cloud services providers yet.

4.3 SWOT Analysis

Strengths	*Weaknesses*
• Young educated population (70% under 30), with 22% of university graduates having degrees in IT, Computer Science, and Engineering. • Clear commitment to developing a digital economy and empowering ICT companies • Tax exemptions – • World Bank Project: Specifically focused on transforming Jordan into the BPO/ ITO hub in the MENA region • Strong e-gov transformation agenda, which require cloud computing support • Issued a formal policy in Aug 2020 on cloud computing	• Small projected market size in Jordan especially as economy is mostly made up of SMEs (small and medium enterprises) • Very high unemployment rate (23.9% Q3 – 2020) • Reduced annual income per capital suggesting a weakening purchasing power and ability to market Yandex cloud products to individuals
Opportunities	*Threats*
• Located in the center of the MENA region, and a time zone closer to Europe and USA • Strategically located to serve the Levant, GCC, and East Africa with an Arabic speaking addressable market of around 400 million customers • Creating jobs is the government's number 1 priorities. If Yandex is able to provide employment for Jordanian's, the government will be facilitating and supporting Yandex investment in the country. • Unlike other MENA countries, Jordan has a liberalized telecom sector	• High informality in the economy indicated by the low overall rate of participation in the labor force (39.2% in December 2020, CEIC Data) • Political instability in the region • An established number of international competitors including Cisco, Expedia, Amazon, Microsoft, Webhelp, Teleperformance, and Oracle

Table 4: SWOT Analysis

- Department of Statistics. http://www.dos.gov.jo/dos_home_a/main/linked-html/household/2017/G3/Table1G3_King.pdf
- Department of Statistics. http://www.dos.gov.jo/dos_home_a/main/linked-html/household/2017/G4/Table10G4_King.pdf

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Jordan is open to foreign investment, and the government is committed to supporting foreign investment. Foreign and local investors are treated equally under the law. The Jordan Investment Commission is the body responsible for implementing the 2014 Investment Law and promoting new and existing investment in Jordan, through a range of measures to incentivize and facilitate investment procedures. The Investment Council, established by the law, which is comprised of the Prime Minister, ministers with economic portfolios, and representatives from the private sector, oversees the management and development of the national investment policy, and is responsible for legislative and economic reforms to facilitate investment.

Investment Law No. 30/2014 identifies the Commission as the key reference point for investors and grants additional authorities to the Investment Window to facilitate and accelerate investment registration. The President of the Commission and the administrative team supervise and centrally approve investment-related matters within the guidelines set by the Investment Council and approved by the government.

In 2018, the Commission launched a “Follow-Up and After Care” section with an aim to remove obstacles facing investors and find appropriate solutions as part of the investment process. Investment and property laws allow domestic and foreign entities to establish businesses that engage in remunerative activities. Foreign companies may open regional and branch offices, branch offices may carry out full business activities, and regional offices may serve as liaisons between head offices and Jordanian or regional clients. The Ministry of Industry, Trade and Supply’s Companies Control Department implements the government’s policy on the establishment of regional and branch offices.

The **Investment Law No. 30/2014** states that foreign nationals and firms are permitted to own or lease property in Jordan for investment purposes and are allowed one residence for personal use, provided that their home country permits reciprocal property ownership rights for Jordanians. Depending on the size and location of the property, ***the Land and Survey Department, the Ministry of Finance, and/or the Cabinet*** may need to approve foreign ownership of land and property, which must then be developed within five years after the date of approval. In April 2019, the government amended its regulations governing foreign ownership, expanding ownership percentage in some economic activities, while maintaining the following restrictions:

- Jordan’s investment commission: https://www.jic.gov.jo/wp-content/uploads/2018/10/Investment-Law-ENGLISH-2014.pdf
- U.S Department of state: https://www.state.gov/reports/2020-investment-climate-statements/jordan/

- Foreigners are prohibited from wholly or partially owning investigation and security services, stone quarrying operations for construction purposes, customs clearance services, and bakeries of all kinds; and are prohibited from trading in weapons and fireworks. The Cabinet, however, may approve foreign ownership of projects in these sectors upon the recommendation of the Investment Council. To qualify for the exemption, projects must be categorized as being highly valuable to the national economy.

- Investors are limited to 50 percent ownership in certain businesses and services, including retail and wholesale trading, engineering consultancy services, exchange houses apart from banks and financial services companies, maritime, air and land transportation services, and related services.

- Foreign firms may not import goods without appointing an agent registered in Jordan; the agent may be a branch office or a wholly owned subsidiary of the foreign firm. The agent's connection to the foreign company must be direct, without a sub-agent or intermediary. ***The Commercial Agents and Intermediaries Law No. 28/2001*** governs contractual agreements between foreign firms and commercial agents. Private foreign entities, whether licensed under sole foreign ownership or as a joint venture, compete on an equal basis with local companies.

Jordan's Commitment to Attracting FDIs

Attracting and retaining foreign and domestic investment plays a significant role in responding to the pressing economic and social challenges faced by Jordan and is the primary focus of the government's strategy. Regional instability, ongoing conflicts in Syria and Iraq, and unprecedented migration flows are piling new pressure on the country. Against this backdrop, the Jordanian Government has undertaken major regulatory reforms in recent years in order to strengthen its legal investment environment and revive investment. Establishing a sound and conducive business climate became pivotal to mitigating the economic and political risks for investors. In 2014, the government enacted a modernised Investment Law (Law No. 30 of October 2014). Jordan's Investment Law No. 30 of 2014 reorganized the previously investment-related entities (i.e. the Jordan Investment Board, Development and Free Zones Commission, and Export Promotion Department) into the JIC. The JIC is now the sole entity exclusively responsible for investment and trade promotion of the Kingdom. The Jordan Investment Commission (JIC) establishes a more effective institutional framework to attract and retain investment, support export growth and oversee development and free zones in the Kingdom.

To further facilitate business registration for investors, the JIC has established the Investment Window to register, issue permits and licenses directly for investors. This considerably simplifies the registration and licensing procedures required for investment projects across Jordan. This Window comprises of "Authorized Representatives" from relevant, specified licensing bodies, with authority to register and issue licenses within set time frames and a clear strategy for inter-governmental communication.

- Jordan's investment comission.

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Licensing

The process required to establish a business in Jordan is straightforward, efficient, and transparent, particularly due to the streamlined procedures and hands-on support provided by the JIC's Investment Window. The Investment Window is in direct contact with (staff from) the mandated authorities, optimizing and harmonizing procedures, thereby enabling investors to make use of the fast-track to get operational in Jordan. Business Licensing requires six steps:

Company Registration and Establishment → ***Zoning and Regulatory Approvals*** → ***Sectoral Approvals*** → ***Construction License*** → ***Occupancy Permit*** → ***Vocational License***

Company Registration and Establishment

The standard company registration and establishment procedures is as follows:

- Approximately 15 minutes to register a business via the Investment Window.
- Seven (7) working days if the sectoral prior approval is needed.
- 14 working days for the non-Jordanian investor who is required to obtain non-objection from the Ministry of Interior.
- A maximum of seven (7) days to receive the license to operate the business in Jordan.
- Registration is done at the Ministry of Industry and Trade.

Zoning and Regulatory Approvals

Zoning and regulatory approvals are issued by the concerned authority to classify the plot for suitability of the economic activity intended to be licensed.

Approvals can be obtained from:

- Greater Amman Municipality
- Ministry of Municipals Affairs
- Ministry of Environment
- Department of Land and Survey

Sectoral Approvals

Sectoral approvals are required for the manufacturing sector, ICT sector, health sector, tourism sector, and agriculture sector. These are issued by the relevant sector specific authorities to practice the economic activity in accordance with regulatory legislation and requirements of each.

Sectoral approvals can be obtained from:

- Ministry of Tourism and Antiquities
- Ministry of Agriculture
- Food and Drug Administration
- Ministry of Health

Construction License

A construction license is issued for construction of buildings after having the designs and drawings checked by the concerned authorities.

Construction license can be obtained from:

- Ministry of Public Works and Housing

Occupancy Permit

An occupancy permit is issued following building inspection to verify conformity with the building license and drawings.

Occupancy permit can be obtained from:

- the Greater Municipality of Amman

Vocational License

A vocational license is issued to practice the economic activity within or beyond municipal boundaries.

Vocational license can be obtained from:

- the Greater Municipality of Amman

- Jordan's investment comission.

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Several of the registration procedures required for practicing economic activities run parallel with the business licensing steps. These include:

1. Registration with the Income and Sales Tax Department

2. Registration with the Social Security Corporation

3. Registration of the Commercial Name.

4. Registration of the Property Title.

5. Obtaining Residence Permits.

6. Obtaining Residence Cards.

7. Obtaining Work Permits.

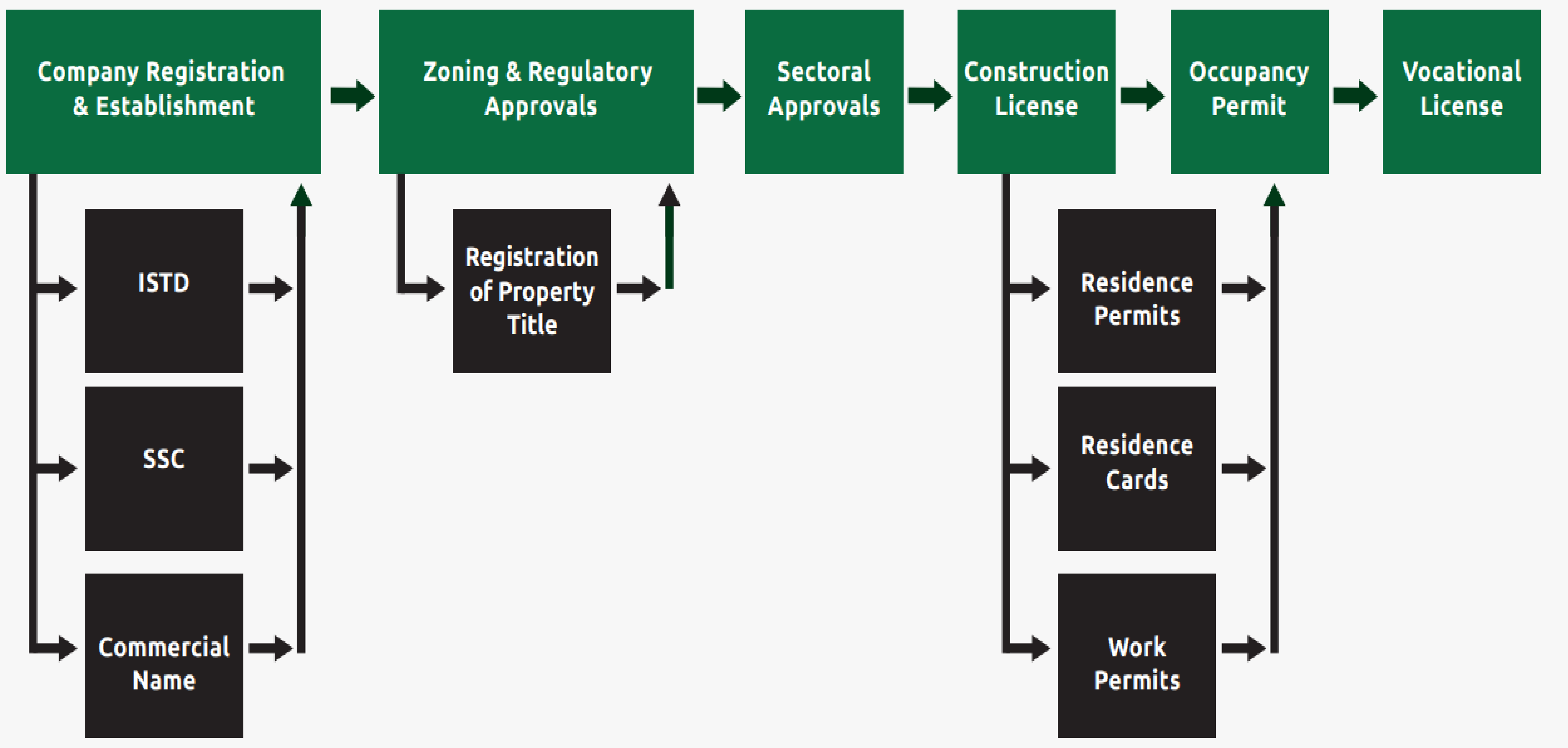

Figure 22: The process of obtaining security approvals for residence permits. Source: Jordan Investment Commission

- Jordan's investment comission.

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Tax incentives and exemptions

In an effort to advance these goals, the Ministry of Digital Economy and Entrepreneurship and the Jordanian government have moved to adopt a number of investment and tax incentives within the sector in recent years. In April 2016, for example, the government announced it had endorsed a series of incentives to boost the ICT sector, including:

- A sales tax and Customs duty exemption for all services related to software development, mobile applications, website portals, outsourcing, digital contents and electronic games, IT training and e-learning.
- Goods and services necessary for ICT-related services will also receive an exemption from sales tax.
- ICT income tax rates are being reduced from 20% to 14% for the next 10 years.
- The Ministry of Digital Economy and Entrepreneurship also removed all minimum capital requirements for foreign investments in the ICT sector.

0%

- ***Sales tax on IT services***
- ***Custom duties***
- ***Exports income tax***

5%

- ***Income tax for profits generated in Jordan***
- ***Ceiling interest rate for IT-related soft loans from commercial banks***

- ***55 Bilateral Investment Treaties***
- ***27 Double-Taxation Agreements***
- ***7 Free Trade Agreements including 155 countries***

Jordan Economic Chamber

The Economic Chamber (EC) was established in October 2017, based on ***law No.(30) of 2017*** that amends the law on the formation of courts. EC has jurisdiction over commercial cases and handles the rising number of economic and financial cases brought to the Court; it is a legal chamber to resolve disputes between business owners, and protects the legal centres' financial or corporate rights arising from businesses or commercial transactions, by virtue of its nature. The main objective for establishing the chamber in Amman Court of First instance is to have specialized judges who would look into commercial cases in more depth in order to shorten the time of dispute, enhance the quality of the judicial process and ensuring better-quality decisions.

Jordan took on the decision to establish the Economic Chamber in order to further promote and improve Jordan's investment environment, enhance capital stability, and the country' global ranking by different by international indicators and global economic rating entities.

- Jordan's investment comission.
- MoDEE.
- Oxford Business Group : https://oxfordbusinessgroup.com/overview/building-success-new-sector-roadmap-drive-growth-near-future

Policy on Cloud Computing and its Services

The Ministry of Digital Economy and Entrepreneurship launched the official policy on cloud computing and its services (Link), which was adopted by the Ministers' Council in August 2020. The policy clarifies that it is applicable to the following groups:

1. Government entities currently utilizing cloud computing services offered by the government or local and international private providers
2. Cloud computing providers

Through this policy, the government "seeks to build and develop an integrated system for the Jordanian cloud in a way that contributes to the growth of the digital economy in Jordan by achieving the following objectives":

- Directing government agencies towards the optimal use of cloud services
- Developing the private government cloud and keeping pace with the latest technological developments, in order to achieve the government's digital transformation plans and to ensure the availability of the necessary resources
- Protecting the beneficiaries of cloud services by preparing a clear regulatory framework and defining the roles, responsibilities and obligations to ensure the basic protection of the beneficiaries' rights and interests with the cloud service providers
- Achieving fair competition between cloud service providers
- Promoting the growth of local small and medium enterprises, facilitating their involvement and participation in the regional and global market, and supporting the growth of the cloud market in Jordan.

- Jordan's investment comission.
- MoDEE.

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Policy on Cloud Computing and its Services

The Jordanian government recognizes the need to define a clear direction for the future of cloud in Jordan, in order to achieve the goals set in national policies within the priorities of Government priorities for action 2020-2021 to develop the digital infrastructure, and reap the benefits of adopting cloud to support and develop the digital economy in Jordan.

In line with the General Policy for the Information & Communications Technology and Postal Sectors (ICTP) 2018, article No. (8) which stated "… to seize the opportunities of the Fourth Industrial Revolution with the primary goal being the development of a digital economy leading to renewed economic development and increased income and wealth of individual Jordanians..", and article No. (147) of that policy stated that "Government will use cloud services to expand Government-owned storage capacity and to benefit from the data management and application services available in the cloud", Therefore, the Jordanian government, through the Ministry of Digital Economy and Entrepreneurship (The Ministry), decided to issue Jordan Cloud Policy, in cooperation with partners and stakeholders, and in line with the national policies and goals mentioned above. in addition to consider a cloud as one of the basic digital technologies for digital transformation.

Since 2014, the Jordanian government, through the Ministry, has created and developed a Government Private Cloud (GPC) to provide a set of basic cloud services to government entities represented in the following main service Categories: Software as a service (SaaS), platform as a service (PaaS), and infrastructure as a service (IaaS). Currently, the Ministry is providing government entities with various cloud services such as: Databases as a Service, Email as a Service, Rapid Software Development as a Service and others. In addition to servers hosting service for enabling government entities to host their servers in the government data center which belongs to the Ministry for taking advantage of the secure infrastructure, , government entities are fully responsible for the server settings, operating programs, applications used, security and updates. Beside to that, The Ministry constantly develop that infrastructure to serve a larger number of government entities in addition to develop Disaster Recovery (DR) Site. In addition, some government entities take advantage of public cloud services for some applications that do not require data at a high level of classification.

As for local public cloud, in Jordan, there are private local cloud service providers that are able to provide all types of cloud service, which cover basic forms of cloud, such as Human Resources systems, email service, and data archiving that use their local cloud network, among others. Currently the cloud service providers are not regulated yet, and there is a need to have unified standards to regulate cloud service providers for ensuring quality of service and the right of the beneficiaries from either public sector, private sectors or even individuals.

- MODEE: https://www.modee.gov.jo/ebv4.0/root_storage/en/eb_list_page/cloudpolicy-2020-english.pdf

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Policy objectives

Through this policy, the government mainly seeks to build and develop an integrated ecosystem for the Jordanian cloud in a way that contributes to the growth of the digital economy through achieving the following goals:

1. Encourage government entities toward optimal use of cloud services.

2. Continue the development of government private cloud, keep pace with the latest technological developments, as achievement of the government's digital transformation plans, and ensure the availability of needed resources.

3. Ensure protection of cloud services users' by establishing a regulating framework and defining roles, responsibilities and obligations for ensuring basic protection of beneficiaries' rights and interests via cloud service providers.

4. Achieving fair competition among cloud service providers.

5. Promote the growth of local SMEs, facilitate their participation in the global market, and support the growth of cloud markets in Jordan.

Scope of policy

This policy shall apply to:

- All government entities that benefit from the cloud services provided, whether from the government private cloud or the public cloud locally or globally.

- All Cloud Service Providers (CSPs) who provide cloud services to the beneficiaries either from public sector or private sectors and individuals.

- MODEE: https://www.modee.gov.jo/ebv4.0/root_storage/en/eb_list_page/cloudpolicy-2020-english.pdf

Regulating Cloud Service Providers

For the purposes of ensuring the protection of beneficiaries and achieving fair competition between cloud service providers, the Telecommunications Regulatory Commission (TRC) and Cloud Service Providers (CSPs) undertakes a set of roles and responsibilities outlined below.

Roles and responsibilities of Telecommunication Regulatory Commission:
The Communications Law No. (13) of 1995 and its amendment entrusted a set of roles and responsibilities for TRC which related to regulating the provision of telecommunications and information technology services in the Kingdom in accordance with the established General Policy for the Information & Communications Technology and Postal Sectors to ensure the provision of that services to beneficiaries at a high level and reasonable prices in a manner that achieves Ideal performance for the telecom and information technology sectors, therefore, the TRC shall be responsible on the following:

1. Issue regulations and regulatory requirements for Cloud Service Providers including instructions, guidelines, standards, mandatory terms, service level agreements (SLAs) and contracts, managing the certification approval of Cloud Service Providers, And any other related instructions in coordination with the concerned authorities to ensure the growth of the Jordanian cloud market and fair competition between CSPs.

2. Conduct periodic audits of CSPs to ensure compliance with all cloud regulatory requirements in addition to periodic reviews of CSPs in accordance with the mechanism it considers appropriate by TRC which can be done in collaboration with third party.

3. Requesting information and periodic reports from cloud service providers on various matters related to the provided services.

4. Determine the minimum main terms and conditions, in accordance with the relevant international considerations and standards, that must be met by contracts and service level agreements signed between the CSPs and the beneficiaries, whether they are public sector, private sector, or individuals.

- MODEE: https://www.modee.gov.jo/ebv4.0/root_storage/en/eb_list_page/cloudpolicy-2020-english.pdf

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Roles and responsibilities Cloud Service Providers

1. Cloud Service Providers (CSPs) are responsible for providing services in accordance with legal and contractual obligations and agreed SLAs with beneficiaries at all times.

2. Comply with the regulatory requirements issued by the authority, including preparing contracts and service level agreements in line with the regulatory controls for cloud service providers mentioned in this policy then submitting them to the authority for approval before signing them with beneficiaries.

3. Notify TRC, the Ministry and the beneficiary of any data violations or any technical defect that occurs to the provided services in accordance with the contract and SLA that were complied with the TRC's controls for this purpose.

4. CSP must not enable any person or entity to access data without the prior clear approval from concerned beneficiary. In the event that the CSP desire to contract with a third party, the CSP must obtain the prior approval of that by concerned beneficiary and sign a non-disclosure agreement with the third party to ensure the security of the data and systems.

Regulatory controls for cloud services providers

<u>A) Contracts</u>

Contracts between the beneficiary and CSPs must include the following minimum requirements:

1. Full description of services to be provided; the contract's duration; payment terms and termination.

2. Details on the Service Level Agreements (SLAs).

3. CSP's customer care services depending on a service offering.

- MODEE: https://www.modee.gov.jo/ebv4.0/root_storage/en/eb_list_page/cloudpolicy-2020-english.pdf

4. Beneficiaries’ rights to retrieve their data stored in the CSP’s system, if the cloud contract is terminated, in line with related legislations.

5. Restrictions on cloud service providers if their responsibilities are unacceptably excluded or the terms of the contract are unfairly exploited, for example, damage to or loss of data, deterioration in service quality; lack of service or data breach.

6. Return / back out plan for using cloud services.

7. Cases that require changing cloud service providers and moving to a second provider for these services.

8. Penal conditions.

9. Cases where one of the parties is entitled to terminate the contract by the service provider or the beneficiary.

B) Service Level Agreements SLAs

SALs must include a set of key undertakings when signing contracts with CSPs, as follows:

1. Availability and timeliness of services.

2. Business continuity including disaster recovery, contingency and risk plans and Help Desk Support.

3. Security standards compliance, vulnerability and penetration management.

4. Confidentiality and integrity of data, and data protection compliance, including Backups, retention periods, rights of the data subject and Encryption Controls; Access, management and data controls Permissions.

5. Physical Data location.

- MODEE: https://www.modee.gov.jo/ebv4.0/root_storage/en/eb_list_page/cloudpolicy-2020-english.pdf

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6. Right to change the cloud service provider and moving to a second cloud service provider.

7. Mechanism for storing and processing beneficiaries' data.

<u>C) Network and Information Security</u>

CSPs must comply with regulatory requirements related to information and network security, maintain the utmost integrity of information systems and beneficiaries' data, and meet information security requirements, and data may not be stored, shared, processed, used, disclosed, disrupted, modified, or destroyed in any way that would. Violating data integrity. The cloud service provider is also obligated to protect the data from unauthorized access. Cloud service providers are not allowed to access or monitor the beneficiaries 'data, and they must fully adhere to the level of confidentiality required by the beneficiary.

CSPs shall respond to changes that may occur in the cloud network security instructions and take appropriate measures to implement them, and the implementation mechanism should be quick and urgent in the emergent and sensitive changes cases' according to the decisions of TRC and other authorities related to cyber security.

CSPs shall inform the beneficiary and TRC of any data breach or technical defects in the services provided in accordance with the contract and data, or any technical defect in the services provided in accordance with the contract concluded with it, and TRC shall coordinate and notify the concerned authorities with cyber security.

Within one year of the date of the adoption of this policy, TRC, in consultation with the concerned entities, should prepare a guidance document on information security in the cloud based on the National Cyber Security Policies, as this document should define the general principles of beneficiary information security that are stored, transferred, and processed in the cloud systems for clarifying all obligations of cloud computing service providers in information security and ensure that the data retained in cloud computing services is effectively protected.

- MODEE: https://www.modee.gov.jo/ebv4.0/root_storage/en/eb_list_page/cloudpolicy-2020-english.pdf

4.4 Legal Framework

TRC shall coordinate with Cybersecurity concerned authorities to issue and certify cloud information security certificates. Cloud information security certification accreditation programs must provide transparency and the ability to verify CSP's compliance with information security practices and approved networks through their review and evaluation processes specialized independent third parties. Beneficiaries of the cloud services can take advantage of these certificates to ensure that they meet the major and necessary security requirements such as the provision of means of monitoring and response all the time in addition to providing specialized systems to communicate data to authorized persons.

Among others, Cloud Information Security certificates can be based on a set of international standards in addition to the standards issued by TRC within the regulatory decision.

Government entities must conduct a risk assessment resulting from outsourcing the services to the cloud services provider, evaluate the agreements concluded for that, periodically update them, and add them to the entity's risk assessment record.

Information Privacy

Personal data held, transferred, or processed by a CSP on behalf of the beneficiaries must ensure the protection of this data against unauthorized access, use, disclosure, disruption, modification or destruction in accordance with all requirements of Jordanian personal data protection law and related legislations.

CSPs are responsible for providing services in accordance with the contractual obligations at all times. CSPs must not have access or the capability to monitor beneficiaries' data and content, maintaining a strict adherence to the level of confidentiality that beneficiaries require and they should implement required technical and security controls and measures such as encryption or anonymization to protect data whether data is stored or being transferred.

CSPs shall be compliant with any cloud personal data protection, and personal data protection certification standards can be based on a set of international standards in addition to the standards issued from the Ministry within personal data protection law (when issued).

- MODEE: https://www.modee.gov.jo/ebv4.0/root_storage/en/eb_list_page/cloudpolicy-2020-english.pdf

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Laws and regulations – Other Aspects

A move to cloud services would require consideration of a number of regulatory regimes

- **Data Classification, and State Secrets and Documents**

The State Secrets and Documents Law No. 150 of 1971 (State Secrets Law) regulates the exchange of classified information between government entities, sets the procedural requirements for the transfer of each type of classified information and sets the standard of care.

The State Secrets Law defines Secrets and Protected Documents to include 'any oral information or any document that is written, or typed or that is recorded or typed on wax paper, or a recorder or recording tapes or photocopies or films or plans or drawings or maps or what is similar thereto and which are classified under the terms of this law.

The State Secrets Law creates four distinct classes of information: Strictly Confidential; Confidential, Restricted and Ordinary. It specifies procedural steps that mandate the use of envelopes and wax seals for the exchange of Strictly Confidential, Confidential and Restricted Information. Strictly Confidential Information should be kept in an iron safe-deposit vault.

All information which is not Strictly Confidential, Confidential or Restricted is treated as Ordinary Information8 and may be handled through electronic means, and by consequence the use of cloud computing by any ministry, department, governmental or private institution.

Any exchange by electronic means of Ordinary information as per the State Secrets Law must ensure that the information:

- is safe guarded.
- is protected against tampering or loss.
- is not disclosed to anyone other than those with an interest.

The Jordanian Electronic Transaction Law No. 15 of 2015 provides that if the law requires that a document be kept for any reason, its retention in the form of an electronic record shall be considered as producing its legal effects provided that it satisfies the conditions stipulated in the law.

- Microsoft: https://www.microsoft.com/MEA/trustedcloud/jordan/public-sector.aspx#IndustryResourcesPublic

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Laws and regulations – Other Aspects

- **Access to information, transparency, and public participation**

In 2007 Jordan enacted the Law on Securing the Right to Information Access No. 47 of 2007. The law stipulates that an Information Council be established to oversee the provision of information. The Council comprises of officials from the Army, Ministry of Interior, Ministry of Justice, Commissioner General of Human Rights in Jordan, Director General of the National Information Technology Centre and others.

The person requesting information must provide his or her name, address and any other information required by the Council. A response is expected within 30 days, and in case of rejection of the request, the decision must be justified and reasoned, noting that not responding to the request shall be considered a rejection.

There are several exceptions to disclosure. These include but are not limited to: classified information about the country's foreign relations, state secrets, correspondence between governmental entities and foreign countries and organizations. The law does not identify what ‘classified’ information entails. Information about pending investigations and proposals to officials as well as information that could violate intellectual property rights or expose banking or medical records are also exempted.

Public sector bodies may be faced with requests for a significant number of records. Storage of information on the cloud can ensure that information held by the public body is accessible, searchable and easy to find with minimal effort to ensure that access to information requests can be addressed timeously.

Jordan is also a member of the global Open Government Partnership. As signatory to this partnership, and in accordance to commitment number (10) within Jordan’s Third National Plan 2016-2018, under the Open Government Partnership Initiative, the Jordanian government is committed to implementing an Open Government Data policy, through using technology to facilitate access to governmental information and increase transparency of government action. The Jordanian government seeks to facilitate access to data in the government’s possession unless it is considered confidential information or a violation of privacy. Such information shall be offered freely and at no cost to its users according to a set of clear and precise principles set out in the Open Government Data policy.

The Jordanian government aims to establish a set of stable policies in the area of access to information based on international best practices and standards. The government also aims to better manage how information is made available in the public sector, allowing citizens to access information of concern to them with little or no administrative or bureaucratic obstacles or legislative barriers.

- Microsoft: https://www.microsoft.com/MEA/trustedcloud/jordan/public-sector.aspx#IndustryResourcesPublic

Laws and regulations – Other Aspects

- **Cyber security**

Each governmental department should set appropriate instructions and procedures to implement the national policies for the security and protection of information. These policies are considered to be the minimum standards for the security and protection of information practices in the department.

National policies for the security and protection of information are guidelines that define the frameworks, define roles and responsibilities, and identify the best practices and minimum obligations to be observed and implemented by employees and clients of government departments to ensure the security, integrity and availability of information circulating between government departments, citizens and public and private institutions alike.

The National Information Assurance and Cyber Security Strategy (NIACSS) intends to secure the Internet cyberspace, and to provide a secure and trusted computing environment for all technology-related infrastructure throughout all identified national priorities. The NIACSS aims to augment the overall National Security Strategy (NSS) for Jordan. The main purpose of the NIACSS is to give structure, involve, and empower all concerned organizations to more effectively secure computer networks they own, operate, control, or with which they interact.

The NIACSS applies to all information domains to achieve comprehensive information security in Jordan. The Strategy states that although the government is the developer of the Strategy, a successful implementation requires collaboration among all involved parties including government, international partners, and the private sector, and the strategies and policies developed by the private sector should augment, comply, and be consistent with this strategy.

- **Data Protection**

There is no specific data protection law in Jordan18, but certain laws refer to the requirement to keep certain information confidential.

- Microsoft: https://www.microsoft.com/MEA/trustedcloud/jordan/public-sector.aspx#IndustryResourcesPublic

4.5 Relationship with Russia

Jordan has very good international relations in general. Russia and Jordan have established formal diplomatic relations on August 20, 1963. Russia has an embassy in Jordan, and Jordan has an embassy in Russia. King Abdullah is a frequent visitor of Russia, and has established to find point of mutual understanding with President Putin.

Jordan has been actively strengthening ties with Russia, and King Abdullah’s last visit to Moscow was in October 2019. The conflict in Syria and the Jordanian-Russian cooperation in this regard has supported developing stronger ties in other areas including trade, transport, communications, information technology and others. In 2019, Putin stated that trade between Jordan and Russia has grew 3.8 fold in 2018 alone.

In a meeting that took place last year between the Jordanian minister of planning and international cooperation, and the Russian minister of agriculture, the two countries signed the protocol of the fifth meeting of the joint ministerial committee for development, trade, economic, scientific and technical cooperation. They key outcomes of this meeting emphasize the growing avenues of collaboration between the countries, and include:

- To benefitting from Russia’s experience and possible contribution in implementing projects in the fields of air transportation, rail systems, renewable energy, water, health and infrastructure, among and implementing these projects through cooperation between the private and the public sectors.
- To hold a joint meeting for businesspeople in 2020 to strengthen economic, trade and investment cooperation and opportunities between the two countries.
- To establishing a Russian industrial zone in the Kingdom to benefit from the opportunities and privileges that the Jordanian industrial zones offer through free trade agreements signed by the Kingdom.

In recent years investment into Jordan has been largely market and asset-seeking in non-productive sectors dominated by financial services, retail and real estate. In terms of greenfield FDI investment, large fluctuations have been observed in recent years. The United Arab Emirates and Russia are the top sources in Jordan, accounting for 36% and 23% of its greenfield FDI respectively.

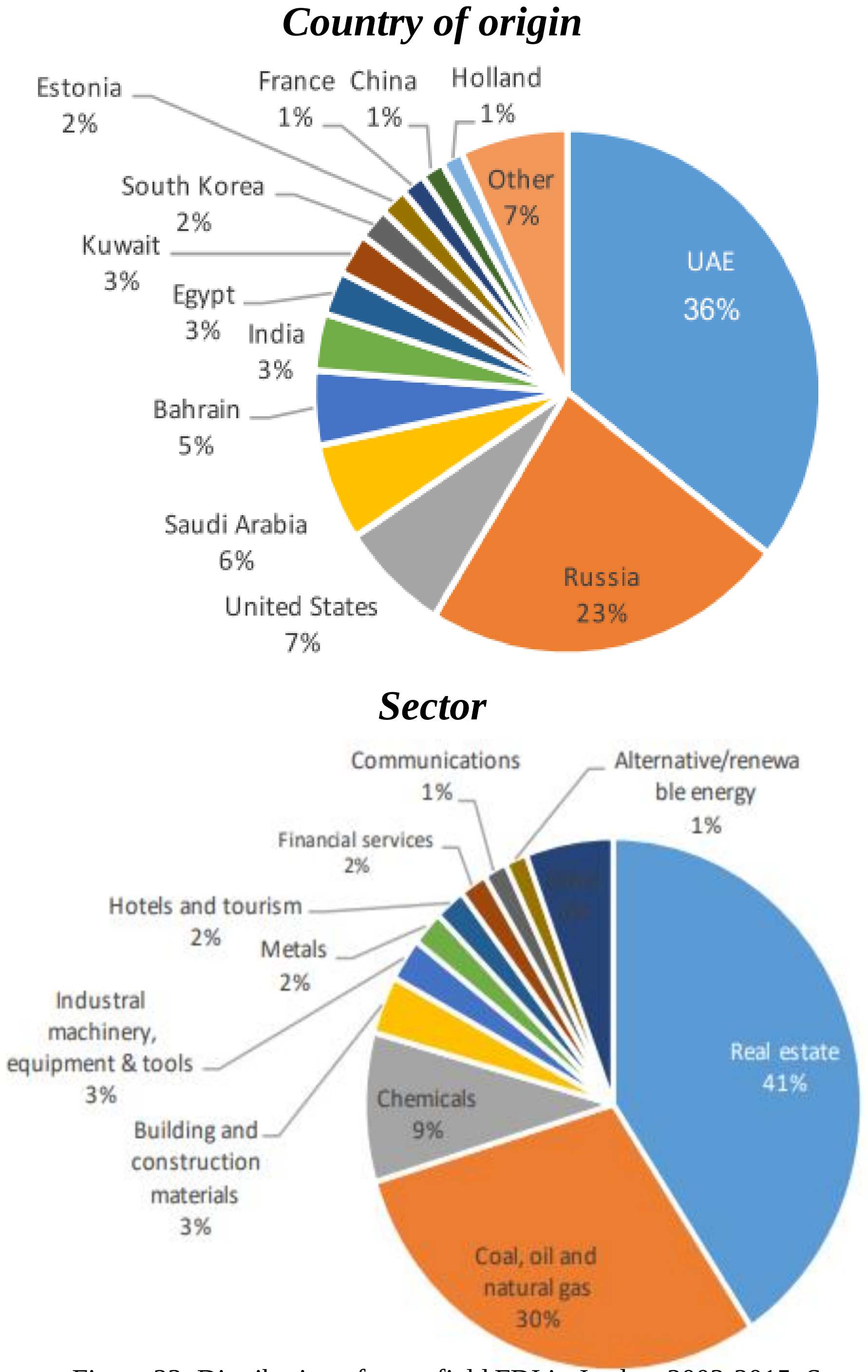

Figure 23: Distribution of greenfield FDI in Jordan, 2003-2015. Source: The Arab Investment and Export Credit Guarantee Corporation and FDI Markets

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- MENA – OECD economic resilience task force: http://www.oecd.org/mena/competitiveness/ERTF-Jeddah-2018-Background-note-FDI.pdf

4.6 Cost of Operations

The operational cost of an offshore company in Jordan will be low, thanks to:

- Very low labor cost – Monthly wages in Jordan are recorded at an average of US$ 560 and can be as low as US$ 367, as such is the minimum wage enacted by Jordanian Labor Law;
- Employers are furthermore exempted to pay Social contributions, payroll tax on behalf of their foreign employees, who can represent up to 50% of an offshore company's total workforce.
- Offshore companies are also exempted from all custom duties on the company's imported furniture and cars.

Rent costs
Assuming that the company's space is 247 square meters, the annual rent would be JOD 23,000 in Amman (the capital)

Hiring people and Salaries
Assuming that the team would be comprised of 20 people the total yearly salaries would be US$497,460. This also includes Social Security and Health Insurance.

Job decribtion	Number of employees	Monthly salary (in US$)/employee	Annual Salary (in US$)/ employee	Total (Monthly)	Total (Annual)
Human Resources Manager	1	1,692	20304	1,692	20304
Human Resources employee	1	987	11844	987	11844
Finance and Accounting Manager	1	1,692	20304	1,692	20304
Finance and Accounting employee	1	987	11844	987	11844
Public Relations employee	1	1,692	20304	1,692	20304
Proceurment employee	1	1,128	13536	1,128	13536
Business Development employee	3	1,692	20304	5,076	60912
Technical Employee	10	2,256	27072	22,560	270720
Manager	1	5,641	67692	5,641	67692
Total	20	/	/	41,455	497460

- World Bank Group: https://www.doingbusiness.org/content/dam/doingBusiness/country/j/jordan/JOR.pdf