



JORDAN - U.S. BUSINESS FORUM HIGHLIGHTS COMMERCIAL OPPORTUNITIES IN JORDAN, A REGIONAL HUB FOR U.S.-ARAB COMMERCE

***King Abdullah Stresses Jordan's Geostrategic Position as a
"Proven Gateway" to Over 350 Million Arab Consumers***

President Obama's Visit This Week Underscores U.S. Commitment to Jordan

The National U.S.-Arab Chamber of Commerce (NUSACC) recently supported the second Jordan - U.S. Business Forum, held at the King Hussein Business Park in Jordan's capital city of Amman. The conference was held under the patronage of His Majesty King Abdullah Bin Hussein, who opened the two-day event with a keynote speech designed to inspire the Jordanian and American business communities. David Hamod, NUSACC's President & CEO, delivered remarks in a plenary session entitled, "Turning Challenges into Opportunities: A Regional Growth Strategy."

The Forum helped to lay the groundwork for U.S. President Barack Obama's visit to Jordan this week, a visit that highlighted the longstanding, important political and commercial relationship between the United States and Jordan. First held in 2011, the Forum showcased business opportunities in Jordan and highlighted the Kingdom's role as a stable, attractive investment destination in an increasingly turbulent region. "Jordan has always lived in a tough neighborhood, but since the advent of the Arab Spring, the neighborhood has become a whole lot tougher," said Hamod. "But turbulence also creates new opportunities, and Jordan is doing an excellent job of positioning itself as a regional safe haven for U.S. commercial interests."



During the Jordan - U.S. Business Forum, H.M. King Abdullah II touts Jordan as a "proven gateway" to the MENA region.

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In his opening remarks, King Abdullah touted Jordan's "geostrategic position and positive country-to-country relationships," which help to make the Hashemite Kingdom a "proven gateway to access the MENA region's business opportunities," he said. U.S. companies with operations in Jordan "have exceptional access to new and expanding markets," he noted, "with 350 million consumers and vital strategic resources."



President Barack Obama and His Majesty Abdullah II discuss present and future collaboration between the United States and the Hashemite Kingdom of Jordan.

King Abdullah accentuated the special relationship between Jordan and the United States, which have "stood together over decades -- for peace, for development, and for global stability." The two nations' economies are vastly different in size and scope, King Abdullah suggested, "but the essentials are similar. In both, people are calling out for jobs and economic security; in both, inclusive economic growth is urgent after the global downturn." The

Jordanian monarch suggested that enhancing the commercial relationship between the two longtime partner nations would help to stimulate economic growth in each.

Remarks by Hon. Stuart Jones, the U.S. Ambassador to Jordan, reinforced King Abdullah's message about the importance of job creation. "The U.S. Embassy has no higher priority than to bring Jordanian and American firms together to help create productive employment and to help grow Jordan's private enterprise through partnerships with U.S. companies," said Ambassador Jones. He encouraged American firms to tap into Jordan's regional expertise, placing a special emphasis on using the Hashemite Kingdom as a "springboard into Iraqi markets." The U.S. Ambassador touted the inspirational spirit of Jordan's young entrepreneurs, who are an increasingly important part of the Kingdom's workforce and who want nothing more than to "get to work."

In the same vein, Maura O'Neill, Chief Innovation Officer and Senior Counselor at the U.S. Agency for International Development (USAID), noted that 27 percent of USAID's funding for Jordan is being applied toward private sector development. Much of this assistance is focused on public / private partnerships (PPPs), she said, and USAID has been helping Jordan to draft laws that encourage PPPs.

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Two Jordanian ministers spoke at the Forum. H.E. Hatem Al-Halawani, Minister of Industry & Trade, noted that the two nations recently adopted a Joint Statement on Principles for International Investment and a Joint Statement on Trade Principles for Information and Communications Technology (ICT) Services. Jordan graduates over 6,000 IT students annually, he said, and the Kingdom has the highest ratio of bilingual (Arabic-English) speakers in the world. With literacy rates of 94 percent and a young talent pool, he said, Jordan offers a "highly talented and skilled population to international firms operating in Jordan." The government has recently launched a fund to encourage growth by small and medium-sized enterprises (SMEs), he noted, and the Overseas Private Investment Corporation (OPIC) has provided Jordan with \$250 million to guarantee loans for SME start-ups in that country.



David Hamod, NUSACC President & CEO, participated on the panel titled "Turning Challenges into Opportunities: A Regional Growth Strategy." From left to right: Karim Kawar, Chairman of Kawar Group and former Jordanian Ambassador to the U.S.; Randa Ayoubi, CEO of Rubicon Group Holding; David Hamod, NUSACC President & CEO; and Ismail Tahboub, Partner at ZADD Holding Company. Not pictured: Antoine Tayyar, Director of Public Affairs & Communications for Coca-Cola Middle East.

Minister Al-Halawani said that Jordan now encourages companies with 100 percent foreign ownership and also features Special Economic Zones with income tax rates of only five percent. In part because of these incentives, he suggested, Jordan achieved an annual real growth rate of five percent in Gross Domestic Product (GDP) over the past decade, and the national income per capita grew from \$1,740 in the year 2000 to \$4,910 in 2012. He concluded, "Jordan has proved to be an oasis of stability, forward-looking and open for business."

H.E. Jafar Hassan, Minister of Planning and International Cooperation, noted that Jordan is "shaping its own path" on the strength and stability of its institutions, which are in short supply in the region. He highlighted the recent creation of a National Council for Competitiveness and Innovation, which will create policies that promote entrepreneurship growth among Jordan's youth. The country plans to grow its key sectors by 50 percent over the next five years, he said, in large part by engaging Jordan's dynamic private sector.



Hon. Stuart Jones, U.S. Ambassador to Jordan, highlights commercial opportunities during the Jordan - U.S. Business Forum.

Energy has been a particular challenge for Jordan, Minister Hassan noted, with costs to GDP surging 72 percent in the past two years. With this in mind, Jordan is laying groundwork to establish an LNG terminal in Aqaba, as well as oil and gas pipelines from Iraq. Jordan imports 96 percent of its energy, and Minister Hassan outlined plans to generate 1,000 megawatts of power through renewables, especially solar, by the year 2016.

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A number of deals were signed during the Forum, including plans to build a 475-room, \$1 billion luxury hotel that will create 5,600 jobs in Jordan. Another signing created a partnership between SunEdison and the King Abdullah Design and Development Bureau to develop solar energy that will create more than 500 jobs and over \$250 million in sales within five years. A third signing paved the way for the U.S. Department of State to create a 500,000 Jordanian Dinar fund in partnership with Oasis 500 -- a Jordan-based seed investment and development company that plans to launch 500 start-up companies within five years. A fourth signing, part of the "Let Jordan Shine" campaign, will fund an initiative by Petra Solar and the Jordan Enterprise Development Corporation to install 5,000 solar systems on rooftops throughout Jordan.

During the closing ceremony, Royal Jordanian Airlines announced that later this summer, it will initiate a new nonstop service between Amman and Washington, DC. The new route will complement existing non-stop flights to Chicago, Detroit, and New York City.

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Jordan faces significant challenges in energy and water utilization and, as a result, Jordan's dearth of natural resources and wealth of human resources play an important role in the country's economic development strategies. The Jordan - U.S. Business Forum concentrated on such key industry sectors as: energy, water, and the environment; information and communications technologies (ICT) and business process outsourcing (BPO); healthcare, including pharmaceuticals; education; infrastructure development; and manufacturing, basic industries, and related services. Jordan, according to data released at the Forum, boasts "one of the most highly qualified and competitive workforces in the region and is supported by its world class telecom and IT infrastructures & logistics capabilities."



Water security is one of Jordan's biggest challenges, and the Kingdom is tackling the problem in innovative ways that will curtail water usage and increase water supply. Two of Jordan's "megaprojects" revolve around water utilization: the Disi Conveyance Project, which will pump 100,000,000 cubic meters of water per year to Amman from the Disi0 Aquifer in southern Jordan, and the Red Sea - Dead Sea Canal, which is intended to provide fresh water to Jordan and its neighbors, stabilize the Dead Sea (which is shrinking at a rate of one meter per year from overutilization), and generate hydroelectric energy.



H.E. Hatem Al-Halawani, Minister of Industry & Trade and Minister of Information and Communication Technology, provides keynote remarks during the Jordan - U.S. Business Forum.

Jordan is placing a heavy emphasis on industrial growth and manufacturing -- especially downstream (derivative) operations -- and this was borne out in recent data supplied by the Economist Intelligence Unit (2013). According to the EIU, Jordan is on track to quadruple industry projects, as a percentage of GDP growth, from 2010 (1.2 percent) to 2017 (4.8 percent). Manufacturing runs a close second, growing from 2 percent of GDP in 2010 to 5.1 percent of GDP in 2017.

Both sectors depend on Foreign Direct Investment, which is on the rise. According to the United Nations Conference on Trade and Development (UNCTAD), FDI grew in Jordan by 15 percent between 2010 and 2011, from \$20.4 billion to \$23.4 billion. American FDI was consistent with overall trends, growing 23 percent from 2009 to 2010, the most recent year studied by the U.S. Bureau of Economic Analysis.

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U.S. investment in Jordan is important, but so is U.S. trade, which is encouraging investment. Jordan was the first Arab nation to sign a Free Trade Agreement (FTA) with the United States, and Jordan is reaping the benefits. In the three years preceding full implementation of the FTA, bilateral trade in goods grew an average of 1 percent per year. In the past three years, that trade grew 11 percent on average, according to the U.S. Bureau of the Census.

According to research conducted by the National U.S.-Arab Chamber of Commerce, U.S. exports of merchandise to Jordan will reach \$2.45 billion by the year 2015, representing 12.9 percent of market



VIP guests joining H.M. King Abdullah II include H.R.H. Princess Sumaya bint El-Hassan, Chair of the Princess Sumaya University for Technology; H.E. Jafar Hassan, Minister of Planning and International Cooperation; H.E. Hatem Al-Halawani, Minister of Industry & Trade and Minister of Information and Communication Technology; and Hon. Stuart Jones, U.S. Ambassador to Jordan

share in Jordan. By that same year, U.S. service exports to Jordan are on track to rise to \$730 million, representing 12 percent of Jordan's market share. Total U.S. exports to Jordan -- goods and services -- are expected to reach \$3.18 billion by the end of 2015.

U.S. exports to Jordan have historically exceeded Jordanian exports to the United States. However, according to research conducted by the National U.S.-Arab Chamber of Commerce, Jordan's merchandise exports will surpass those of the United States by the year 2019, when Jordan's exports will rise to \$3.596 billion and U.S. exports to

Jordan will grow to \$3.538 billion. This is the first year of a "crossover" from the USA to Jordan, which is expected to expand the exports gap by more than \$700 million by the year 2020.

The Free Trade Agreement is benefiting U.S. - Jordan commerce, and NUSACC will release an in-depth study of these "FTA effects" later this year. For a snapshot of America's top exporting states to Jordan in 2012, please click here.

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The U.S. - Jordan relationship has been a cornerstone of U.S. policy in the region for many years, and this will continue to be the case, suggested U.S. President Barack Obama, who visited Jordan this week. In President Obama's words, "I very much welcome [King Abdullah's] commitment to active citizenship, where citizens play a larger role in the future of this nation. At a time of so much change and tumult in the region, His Majesty recognizes Jordan has a great opportunity to show the benefits of genuine and peaceful reform, including stronger political parties, good governance, and transparency."



David Hamod, President and CEO of NUSACC, pays his respects to His Majesty, King Abdullah Bin Hussein.