

COUNTRY JORDAN



COUNTRY:	JORDAN
CAPITAL:	JORDAN
LANGUAGE:	ARABIC, ENGLISH WIDELY USED
LAND AREA:	92,300 KM ²
POPULATION:	6,5 MILLION
FORM OF STATE:	CONSTITUTIONAL MONARCHY
CURRENCY:	JORDANIAN DINAR (JOD)
GDP:	1.00 USD = 0.708 JOD; \$ 38.67 BILLION (2012 EST.)
GDP PER CAPITA:	\$ 6000 (2012 EST.)
REAL GDP GROWTH:	3% (2012 EST.)
ORIGIN OF GDP:	1 - AGRICULTURE - 4.5% 2 - INDUSTRY - 30.9% 3 - SERVICES - 64.6%
FOREIGN RESERVES:	\$ 10.7 BILLION (END OF 2012 EST.)
COUNTRY RATING:	S&P: BB-, MOODY'S: B1, OUTLOOK STABLE

POLITICAL & ECONOMIC OUTLOOK

- Brief summary of political situation:

Jordan was influenced by the outcomes of Arabic Spring, internally louder demands for more freedom, reforms and participation was supported by the King who is leading a new reforms campaign. The reforms were slowed down due to rejection of an important party (Muslim brotherhood) to enter parliamentary elections earlier this year, and due to extra burden on the economy resulting from Syrian problem, with hundreds of thousands of Syrian refugees flowing to Jordan.

Another factor was the shortages of the Egyptian gas supplies to Jordan which dramatically increased energy invoice.

The increased government debt caused major credit rating bodies to lower Jordan rating, but government started to take some correction measurements expected to cause more internal discomforts in the political and internal situation.

Election watch: the new parliament, despite the clean and transparent election, was not fully representative to Jordanians as major political party refused to enter into the elections before making further constitutional reforms, Jordanian Muslim brotherhood estimated to represent the voice of 20-30% of Jordanians. The country is now preparing for new municipal elections which is also debated and rejected by the same party.

- Brief summary of economic growth:

the annual growth was slowed down by the political and economic difficulties, unemployment and low family income, shortage of water, being surrounded by instable countries like Syria, Palestine, Iraq, and Egypt increasing economic problems, making it more difficult for important sectors like tourism and agriculture.

The real-estate sector is benefiting from the crisis, which is making it more difficult and more expensive for Jordanians to own or rent their homes.

- Inflation:

The inflation rate in Jordan was recorded at 7.10 percent in May of 2013. Inflation Rate in Jordan is reported by the Central Bank of Jordan. Jordan Inflation Rate averaged 5.76 Percent from 1977 until 2013.

OPPORTUNITIES FOR ITALIAN COMPANIES

- Main sectors and opportunities:

Jordan can offer Italian companies and Italian investors good opportunities to invest in transport, tourism, pharmaceutical industries, IT, industry and agriculture.

Italian contractors can also benefit from opportunities offered in road projects, water treatment project, sewage projects, BOO or BOT Power Plants, phosphate and potash related industries.

Renewable energy could also offer good opportunity for Italian companies as Jordanian Government is targeting more dependence on such energy in the coming few years. Defense and security systems and equipment are also needed in Jordan, including civil defense and firefighting systems. Jordan was always good market for Italian factory and machines industry.

- Italian companies, including Italian Financial Services companies can also benefit from Jordan as a front station serving Iraqi Market. Jordan hosts a significant Iraqi business community who are key players in Iraqi Market both in Government tender business and in Private business. A significant amount of L/Cs to export Italian goods is issued through Jordanian banks. More Italian companies are now considering to open regional offices in Amman, Jordan to serve their expansions in Iraq or to develop their business into Iraq.

- Taxes for establishment joint ventures:

Jordanian laws exempt regional offices for foreign companies from income tax as long as no direct sale of goods or services are done in Jordan. Practicing business in Jordan all foreign companies are subject to income tax as Jordanian companies, some exemptions are granted for industrial and tourism projects as well as other projects for limited period of time.

- Sales of goods and services in Jordan are also subject to Sales Tax.

Income corporate tax, the amount is as follows:

30% on banks and financial companies;

24% on communication companies, mediation and financial exchange;

14% on rest types of companies including industrial and commercial.

- To review Jordan Income Tax Law and Sales Tax Law as well as other duties you will find useful information on the following link:

<http://www.jordaninvestment.com/BusinessandInvestment/Taxation/tabid/85/language/en-US/Default.aspx>

PRINCIPAL BANKS WE WORK WITH/PARTNER BANK

1 - BANK EL ETIHAD

2 - CAPITAL BANK OF JORDAN

3 - JORDAN – KUWAIT BANK

4 - CAIRO AMMAN BANK

5 - JORDAN AHLI BANK

6 - THE HOUSING BANK FOR TRADE AND FINANCE

7 - BANK OF JORDAN

8 - JORDAN COMMERCIAL BANK

PUBLIC HOLIDAYS (2013)

1ST January, 2013	New Year
24TH January, 2013	Memory of Prophet's Birthday (Islamic Holiday) *
7TH August , 2013	Eid El-Fitr (Islamic Holiday , 4 days) *
14TH October , 2013	Eid El-Adha (Islamic Holiday , 5 days) *
4TH November, 2013	Islamic New Year *
25TH December , 2013	Christmas Day

* Islamic Holidays are approximate and may change according to the Lunar Calendar.

1ST May, 2013	Labor Day
25TH May, 2013	Independence Day

** National Holidays will fall on the previous day of the weekend or on the next following day.

Banks business days are Sunday through Thursday from 08:00 am to 03:30 pm local time.

USEFUL CONTACTS IN THE COUNTRY

UBAE BUSINESS CONSULTANT

Maher Hani Shasha'a
Tel + 96279 558 007

LOCAL LEGAL FIRMS

Details provided upon request

ITALIAN EMBASSY

Jabal Al Weibedh, Hafiz Ibrahim Str, 5
P.O.Box 9800 Amman – 11191 Jordan
General e-mail: info.amman@esteri.it

Telephones:

- Operator 00962.6.4638185 / 4636413
/ 4624342 / 4647275
- Fax 00962.6.4659730

Working hours:

- 08:00-18:00 on Monday, Tuesday, Wednesday and Thursday.
- 08:00-15:30 on Sunday only.
- Fridays and Saturdays: closed.