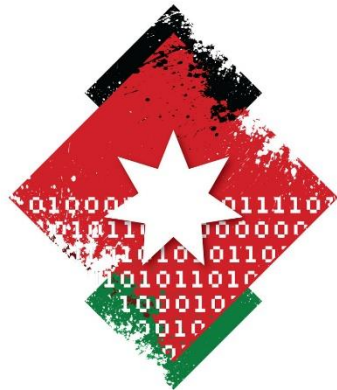


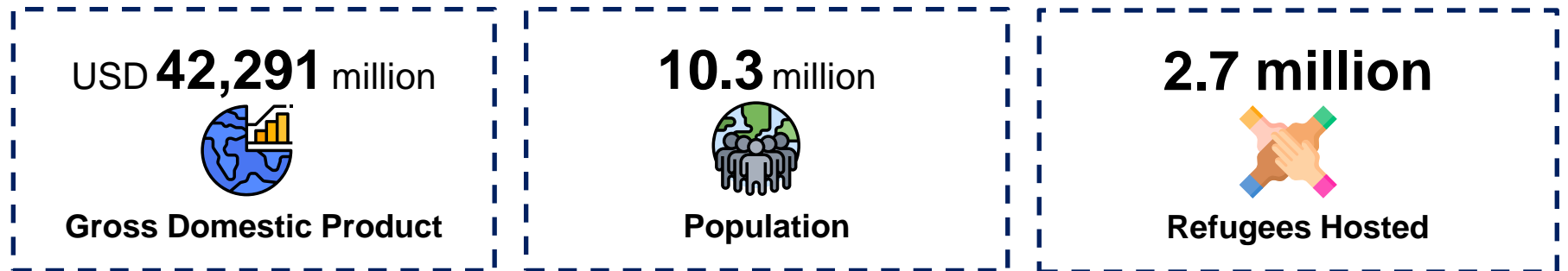
AN INVESTMENT CASE FOR JORDAN'S ICT SECTOR



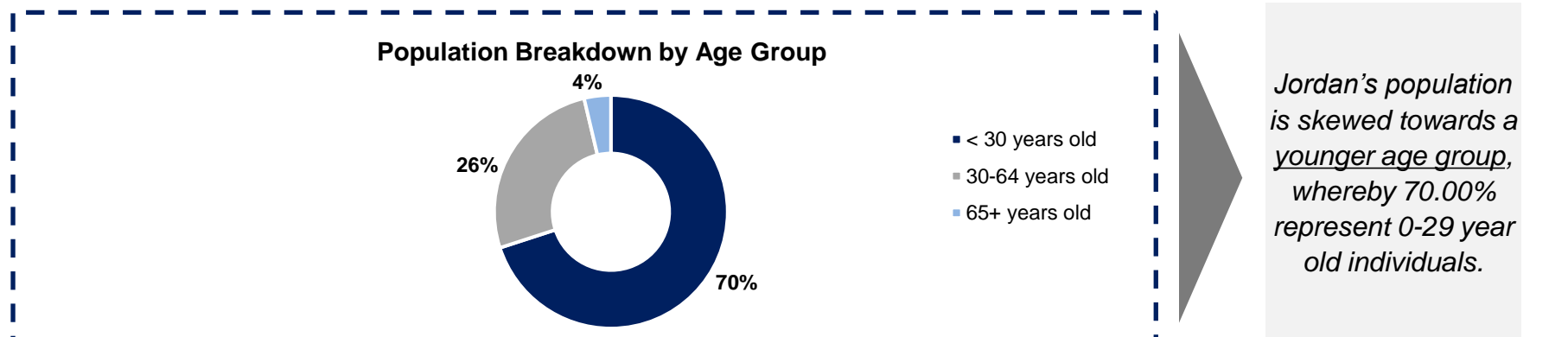
Ministry of Digital Economy
and Entrepreneurship

Jordan: An Oasis of Tranquility and A Gateway to the MENA and Beyond

- The Hashemite Kingdom of Jordan is **strategically positioned** at the convergence of Asia, Africa and Europe, and is bordered by Syria to the North, Iraq to the East, Saudi Arabia to the South and the West Bank to the West.
- Jordan has a long and recognized legacy of **political stability** and is dubbed as the safe haven of the region.
- Jordan is a **USD 42.3 billion economy** with a strong backbone of infrastructure pioneered by a robust services sector.
- Jordan enjoys **strong legal, financial and institutional assets** that are ready to capture any opportunities.
- The country is utilizing its **human capital resources** in sectors such as Information and Communication Technology (“ICT”), medicine and pharmaceuticals.
- The following presents key highlights of Jordan’s economy as of **December 2018**:



Source: Central Bank of Jordan.



Source: Human Development Report 2019, UNDP, Department of Statistics

Jordan: A Pioneer in the MENA ICT Sector

Jordan has succeeded in creating and developing a highly competitive ICT sector – a pioneering sector in the MENA region – and currently serves larger regional markets in the age of technology and innovation and contributes significantly to the country's increasing globalization.



Total IT Revenue (2018)
USD 2.3 billion

- The IT sector total revenue increased by around 5.0% in 2018 compared to 2017, recording a total revenue of USD 2.3 billion in 2018.
- Telecom accounted for 62.6% of the total ICT revenue in Jordan, Information Technology (“IT”) comprised 37.4% and ICT training made up 0.18% of the total ICT revenue.



ICT Jobs Offered (2018)
22,413

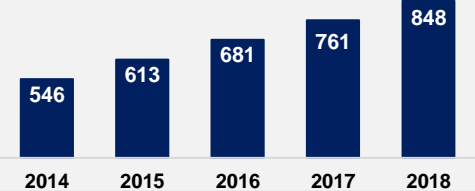
- The total number of ICT jobs offered reached approximately 22,413 jobs in 2018, with males accounting for 67% and females accounting for 33%.



IT sector growth (2018)
4-year CAGR 11.64%

- The IT sector has recorded 4-year CAGR of 11.64% between 2014-2018, whereby revenue increased by around USD 300 million. Moreover, mobile and internet penetration rates were 85% and 88.8% respectively in 2018.

Historical IT Revenue (USD'mn)



Tech Clustered Areas

- **King Hussein Business Park** is a high-quality mixed-use landmark complex in Amman housing over 75 international and local companies mostly within the ICT sector, with over 100 startups and employing over 4,000 people.
- **Irbid Development Area** is a 2 square kilometers development area ideally suited for IT/outsourcing, Health Care, Professional Services, Middle & Back Offices, and Research and Development.
- **Abdali** is the capital's new central business district and offers 330,000 SQM of multi-functional office space able to accommodate a variety of needs.

Examples of US Players in Jordan

As Jordan continues to foster an innovation-enabling ecosystem, it has managed to capture the attention of several global tech giants, including Microsoft, Bigo, Amazon and Webhelp.



In 2017, Microsoft opened a new Customer Service and Support (CSS) Hub, making it the company's second global setup in Jordan, in addition to the Enterprise Services Hub, from which local Microsoft Jordan engineers are dispatched to countries across Europe, the Middle East and Africa, growing the total number of employees from 20 to 260.



In 2017, Expedia capitalized on the talented local software developers by opening its own office in the capital city, Amman. The new base uses the Kingdom's young tech talent to help cater to the region's burgeoning interest in travel and tourism. The number of employees in Expedia's Jordan office grew from 8 to 110 in just under 3 years.



Another major recent development in the sector has been the sale of the regional company, Souq.com to Amazon. Jordan serves as Amazon's major technology center in the region, and the number of its employees increased from 300 in 2017 to 800 in 2020.



Since it launched an office in Jordan in 2004, Cisco's employees grew from 10 to 800, 42% of which are females. The office serves the Middle East, North Africa and Europe and has the highest customer satisfaction among the Cisco Centers.

Examples of Asian Players in Jordan



BIGO is a fast-growing technology company established in Singapore in 2014, that provides a portfolio of video broadcast and VoIP related products and services powered by advanced Artificial Intelligence (AI) technology. BIGO launched its first office in Jordan in 2019, which will serve as an additional regional hub to interact and engage with users and stakeholders, ensure a high-tech corporate presence in Jordan, and advance AI skills among Jordanian youth as well as increase employment opportunities for technology professionals within the country.



Fordeal is a Chinese cross-border global ecommerce platform. Founded in 2017, Fordeal currently has its Middle East team based in Jordan, with most of the employees working in customer care. Fordeal currently has 220 employees in Jordan



Huawei Technologies Co., Ltd. is a Chinese multinational technology company which provides telecommunications equipment and sells consumer electronics, smartphones. Huawei launched its first office in Jordan in 2005, which hosts 310+ employees, and outsources 220+ employees, 70% of which are locally recruited. Overall, Huawei has invested \$100+ million locally over the past 10 years, leading to 2000+ jobs created, both directly and indirectly.

The Big Four in Jordan



PwC's professional services, including audit, assurance, tax and consulting, cover such areas as cybersecurity and privacy, human resources, deals and forensics. Established in the region for 40 years, PwC has more than 5,600 people in 12 countries across the region, with 400 employees in Jordan.



EY is a multinational professional services firm that primarily provides assurance (which includes financial audit), tax, consulting and advisory services to its clients. It has been operating in Jordan since 1953 and is the largest audit firm in the country with 400 employees, 99% of which are Jordanian.



Deloitte & Touche Middle East is the first Arab professional services firm established in the Middle East region with uninterrupted presence since 1926. Deloitte is among the region's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with more than 3,000 partners, directors and staff.



KPMG offers accounting, auditing, internal audit, compliance, corporate recovery, forensic accounting, assurance, tax, risk management, and financial advisory services. KPMG Jordan is a member firm of the KPMG network with 200+ employees, 85% of which are Jordanian.

Jordanian IT Companies- A Proven Track Record



Since its inception in 1989, ProgressSoft has introduced the financial world to a range of innovative real-time payment solutions that provide operational excellence across different business environments. Today, ProgressSoft is introducing the world to a new payments era as pioneers of the Total National Payments System (TNaPS) which consolidates solutions in one system in the fields of Central Bank Digital Currency, Mobile Payment Switching & Clearing, Mobile Payments, Real-time Retail Payments, Electronic Bill Presentment & Payment, Real-Time Gross Settlement, Automated Clearing House in addition to other services. ProgressSoft serves 370 banks and central banks in 24 countries across the globe.



Specialized Technical Services (STS) is an information technology services provider. Since 1989, STS has been offering solutions and services that cover a wide spectrum of the IT market to clients willing to enhance operations through technology. Highlighted by STS's large client base and the implementation of technologically complex and intricate solutions, STS affirms its position in the IT sector as a leader and a reliable provider of exquisite services.



Jordan Business Systems (JBS) provides business-focused, integrated IT solutions for organizations of all sizes. JBS is part of Midis Group, which is made up of 5000 professionals, has a solid 50-year track record of performance and reliability. The Midis Group is an international organization comprised of over 150 affiliate companies across Europe, the Middle East and Africa.

Jordan: An Enabling Environment for Startups



ArabiWeather Inc. is a private weather company providing weather services to consumers and businesses in the Arab world. The company is headquartered in Amman, Jordan, and has offices in Dubai. The company was founded in 2006 and has a team of over 30 meteorologists, researchers, developers, and designers. The company serves consumers in the region through its web and mobile properties, and its website is one of the top 100 most-trafficked websites in Saudi Arabia and Jordan



OpenSooq is the number one Arabic classified platform in the Middle East with over 2 billion monthly pageviews. Since its inception in 2008 and registration in 2012, OpenSooq continues to innovate and serve its customers by allowing them to buy, sell or advertise goods, services or job openings. OpenSooq has become the Arab users' first online marketplace choice in the MENA region, and operates in 19 different countries with over 160 team members.



Mawdoo3 is a comprehensive online Arabic content publisher, based in Jordan. It was initially established in 2010 and officially launched in 2012. Mawdoo3 currently has 50 million users monthly, 150 thousand articles, and 6000 experts' contributors. Mawdoo3 has also started its journey in the field of Artificial Intelligence, with a particular focus on Arabic NLP products capable of covering the Arabic dialects. In 2018, Mawdoo3 announced reaching 45M unique users, achieving a growth rate of approximately 43% since 2016



Labiba is an artificial intelligence and robotic process automation company specialized in building virtual agents that can emulate human actions in executing business processes and interacting with customers. Labiba's chatbot platform, built with 18 years of experience in technology and digital communication, is an enterprise-level bot management platform including all the functions needed to harvest conversational interface opportunities such as visual builder, human agents, broadcasting, system integrations and more.

Expedia's Testimonial

“Jordan made it easy, we proved it can be done” - Aman Bhutani
(Former CEO and CFO at Expedia)

Jordan shares its limited resources with over 2.7 million refugees a third of its total population

Reinforce an oasis of stability and moderation

In spite of the regional and security turmoil, Jordan's biggest challenge is job creation

Establishing operations in Jordan is more than a good business decision



Your dollar here stretches further in social impact

Ministry of Digital Economy and Entrepreneurship

The Ministry of Digital Economy and Entrepreneurship has evolved from its previous role as the Ministry of ICT, with the aim of creating the policies to enable the economy's transformation towards a digital one, by supporting the following 5 key enabling pillars:

Digital Entrepreneurship

Digital Financial Services

Digital Infrastructure

Digital Platforms

Digital Skills

Digital Economy's 5-Year Growth Targets



Digital Skills for Graduates

Demand-Driven upskilling of digital skills by training **3000-5000** graduates per annum



Digital Skills for Students

Teach a total of 600,000 Students Digital Skills in Public Schools



Build 3-5 Technology Hubs

Provide plug and play facilities for entrepreneurs, ITO/BPO companies, freelancers, and trainers



Provide Incentive Packages to Support The Expansion of Digital Firms in Jordan



Regulate Social Enterprises to Attract Impact Led Investment



Maintain the Sector's Tax Incentives

Decade of Action: Addressing SDGs by Harnessing the Digital Age

Jordan is one of 11 pilot countries worldwide in which the SDG Impact initiative was launched

▶ Jordan SDG Impact aims to build a pipeline of investment opportunities in Jordan that are aligned with sustainability goals and to drive capital flows towards these opportunities. Catalysts of Sustainable Investing include:

Enhancing Returns

Strengthening Risk Management

Aligning Strategies With The Priorities Of Stakeholders And Beneficiaries

▶ SDG Opportunity for Jordan



1. No Poverty

33% of Population are in transient poverty



2. Zero Hunger

Jordan imports 81% of its food requirements



3. Good Health and Well-being

2,886 additional beds are needed



4. Quality Education

2,800 classrooms are needed to accommodate all children between the aged 5 and 6



5. Gender Equality

Women's economic participation is 13.2%



6. Clean Water and Sanitation

Water per capita is 88% below the international water poverty line



7. Affordable and Clean Energy

Jordan imports 94% of its energy needs



8. Decent Work and Economic Growth

Jordan's Youth unemployment rate is 37.2%



9. Industry, Innovation, and Infrastructure

R&D Expenditure is 0.4% of Jordan's GDP



11. Sustainable Cities & Communities

Number of busses per 1000 person is 0.88

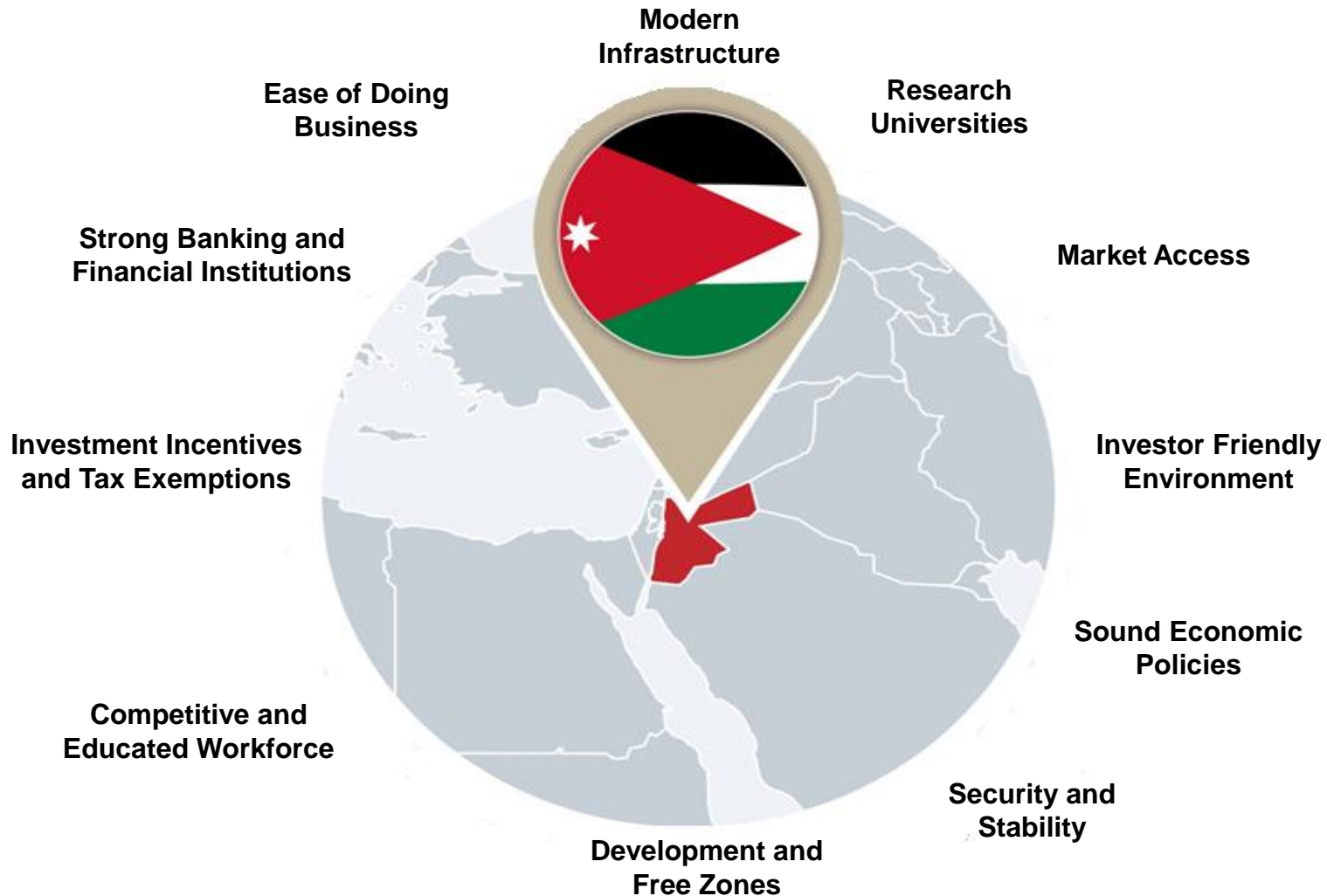


16. Peace, Justice, and Institutions

Jordan ranks 58/190 in the Corruption Perception Index

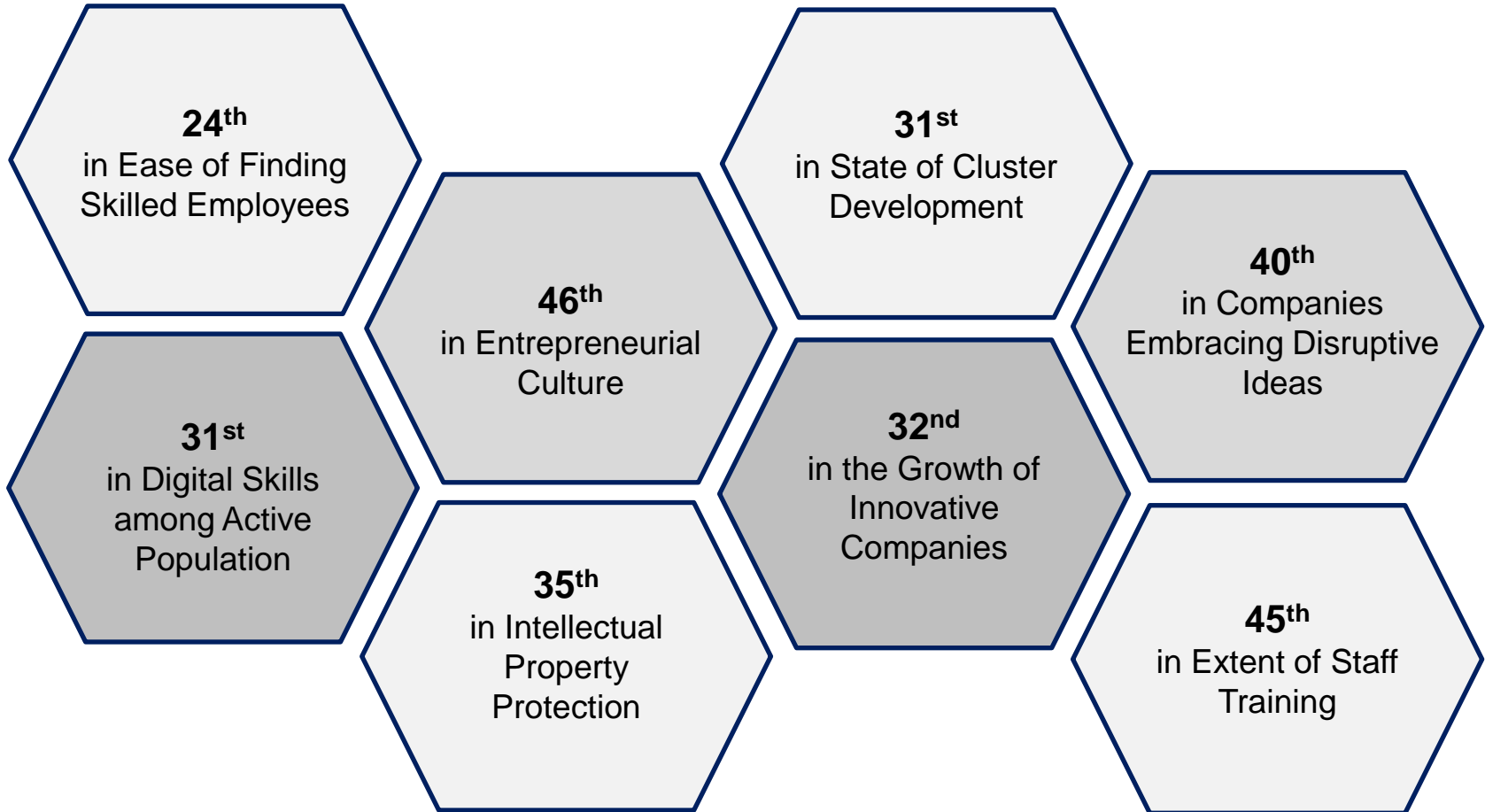
A Welcoming and Enabling Business Environment

Jordan has built an ecosystem that provides a strong value proposition for the investor, employee, and consumer.



Jordan's Global Competitiveness Ranking

According to **The Global Competitiveness Report 2019** published by the **World Economic Forum**, which includes **141 countries**, Jordan Ranks:



Source: Global Competitiveness Report 2019, World Economic Forum

Jordan: A Hub Economy

Jordan is strategically situated at the convergence of the three continents of Europe, Asia, and Africa, making it an ideal gateway for the MENA region and beyond.



Located in the center of the MENA region, and in a time zone closer to those of Europe and USA



14 development zones across Jordan



55 Bilateral Investment Treaties, 27 Double-Taxation Agreements, and 7 Free Trade Agreements including 155 countries, which feature privileged access to over 1.7 billion consumers in the largest markets around the world



Strategically located to serve the Levant, GCC and East Africa with an addressable market of around 600 million people, of which 400 million are Arabic speaking



Jordan's success in the health, education and financial services sectors puts the country in a favorable position to adopt ICT in these sectors



Politically and financially stable country with incentives for investors

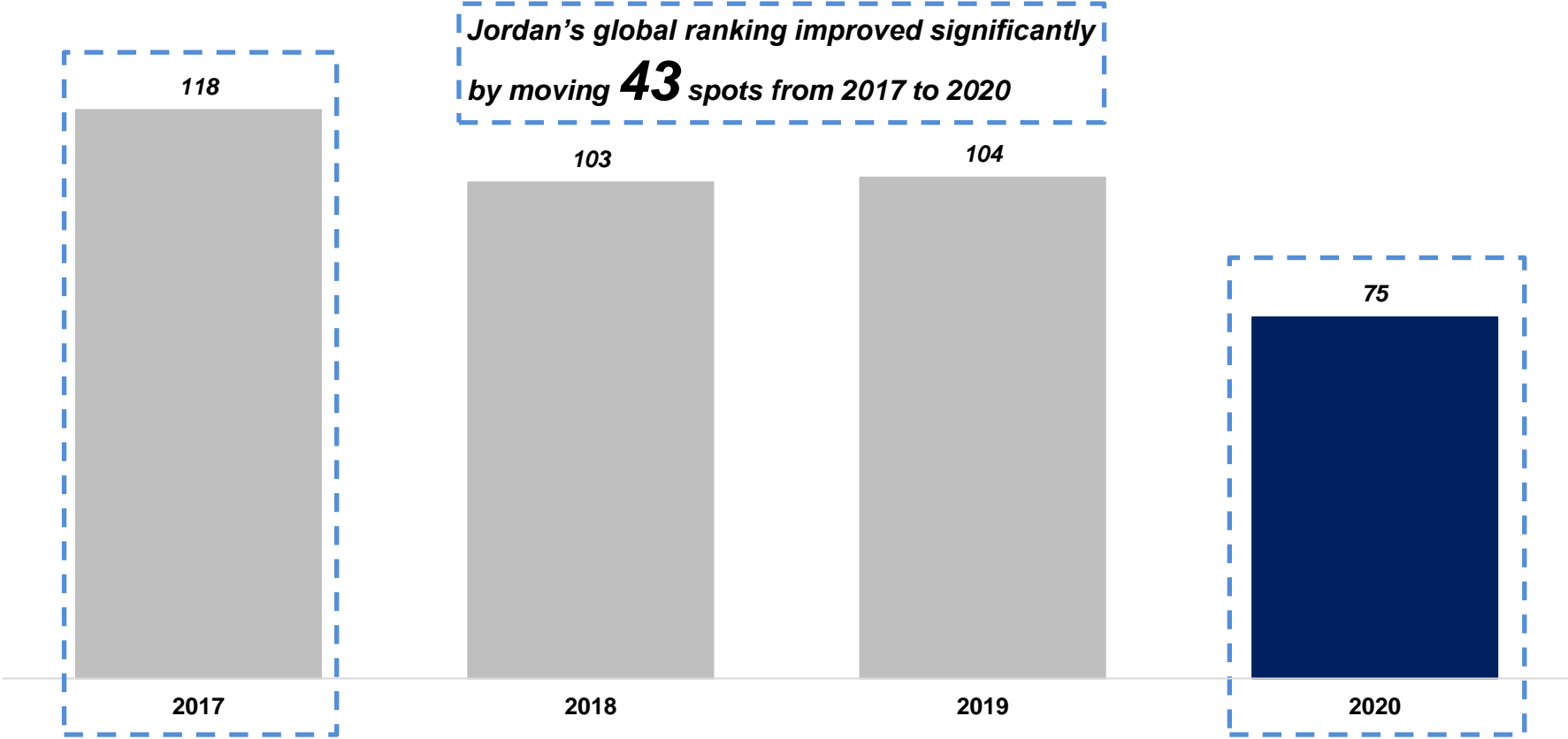


Stable, competitive, and predictable business costs

Jordan: Ease of Doing Business

According to The World Bank's "Doing Business 2020", Jordan was classified as one of the economies with the **most notable improvement**.

Jordan's Ease of Doing Business Rank (Rank of 1 = Best)



Source: The World Bank's Ease of Doing Business

Jordan: Competitive Work Force

► Competitive Advantage

- **Highly qualified Workforce** – Jordan's key strength lies in its highly qualified, flexible, and cost-competitive workforce - one of the most essential elements needed for any global firm to establish a presence for its regional operations.
- **Modern Educational System** – Jordan has set a regional example in modernizing and developing its educational system. Multiple public-private initiatives have been launched to ensure that the outputs of the educational system meet the evolving demands of the global economy and that students are equipped with the tools to compete and excel in the market place.
 - **IT in Education** – initiatives focus on accelerating Jordan's transition into a digital economy and integrating technology into public schools by equipping both students and teachers with IT and digital skills.

► Government Support

- The government subsidizes the salaries of the newly employed IT personnel, with a monthly subsidy of **USD 210** for the first year of their employment.
- The government is committed, over the next 5 years, to invest in training and enhance the 21st century skills of the work force.

► Key Facts and Figures



98.2%

Literacy Rate (2018)



51%

Female University Graduates



29

No. of Private and Public Universities (all of which are bilingual)



<\$15/hour

Jordan's blended rate for IT human capital with 3-5 years of experience, which is less than some the world's most competitive rates



61

Jordan's rank in the Global Talent Competitiveness Index (2019), in comparison to Egypt which ranks number 97.



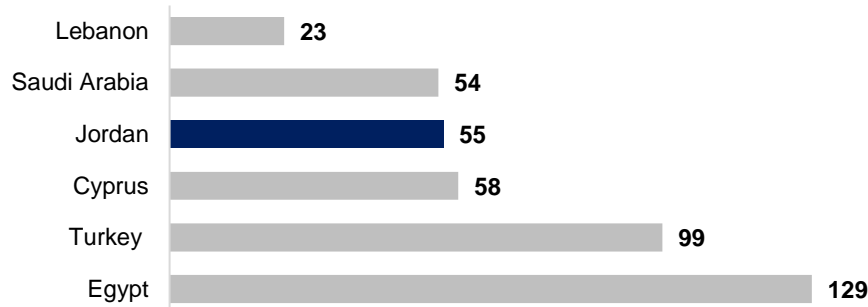
70%

of population is <30 years old (2018),

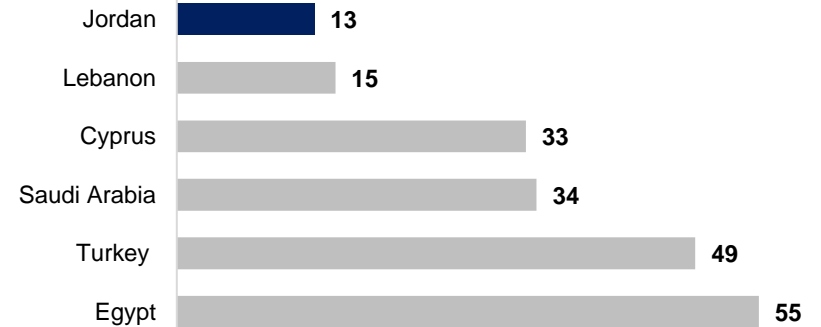
Human Capital Statistics

The combination of high public investment in Science, Technology, Engineering and Mathematics (STEM) education, and institutions that are strongly committed to vocational and on-the-job training, results in a multi-talented and bilingual labor force. This in turn helps to explain the country's high availability of scientists and engineers.

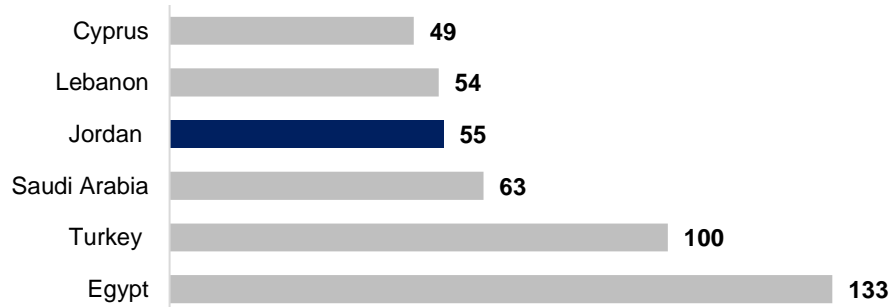
Quality of Higher Education
(Rank out of 137 countries, Rank of 1=Best)



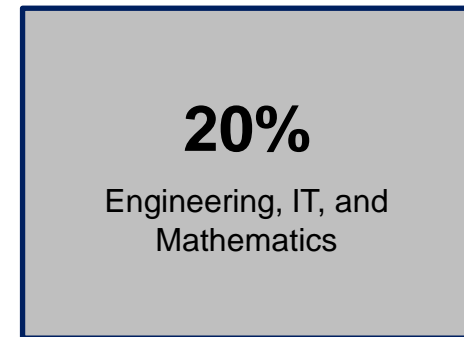
Availability of Scientists and Engineers
(Rank out of 137 countries, Rank of 1= Best)



On-the-Job Training
(Rank out of 137 countries, Rank of 1=Best)



2017/2018 Bachelor's Degree Graduates
(as a % of total graduates)



IT Incentives in Jordan

0%

Sales Tax on IT Services

0%

Customs Duties*

0%

Exports Income Tax

* On stipulated goods necessary for undertaking the IT activities (such as Servers, screens, printers and like electronic products)

IT Incentives in Jordan

5%

Income Tax for Profits
Generated in Jordan

**New Secured
Lending Law**

Moveable Assets such as
Intellectual Property can be
used as collateral

5%

Ceiling Interest Rate for IT-
Related Soft Loans From
Commercial Banks

Jordan: Effective Legal Framework

Jordan has established an effective institutional framework to attract and retain investment, support export growth and oversee development and free zones in the Kingdom.

▶ Jordan's Investment Law specifies several privileges, protections, and guarantees foreign investors enjoy, including:

1. Equal treatment and non-discrimination of domestic and foreign investors
2. No Minimum Foreign Capital Requirements in ICT sector
3. No restrictions on capital transfers and repatriation of profits.
4. Foreign residents may open accounts in local and foreign currency and may repatriate capital in convertible currency.
5. A framework for incentives and benefits available for investors and investment projects
6. A new grievances mechanism to resolve tax and investment related issues, that aims to effectively treat grievances while preserving investor rights and reducing the escalating of complaints to legal disputes. The new system sets a period of 15 days for resolving urgent cases and 30 days for regular cases.
7. Economic Activities in the IT sector can be wholly owned (100%) by a foreign person

▶ Possible Corporate Forms

Limited Liability Company (LLC)

Legal and financial independent juridical person

Private Shareholder Company (PSC)

Limited Liability with Multiple classes of shares allowed

Non-Operating Foreign Company

If services are to be provided outside Jordan

Regional or Representative Office

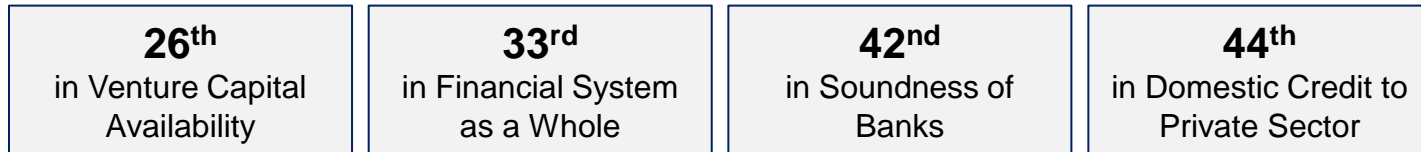
A company registered outside of Jordan that is not distinct from the Foreign Company and is not granted limited liability may be incorporated in Jordan

Stable Financial Ecosystem

Jordan has a very well-developed banking sector by regional standards with a wide array of business, investment, corporate and retail services. There are 25 banks in Jordan, of which 16 are local.

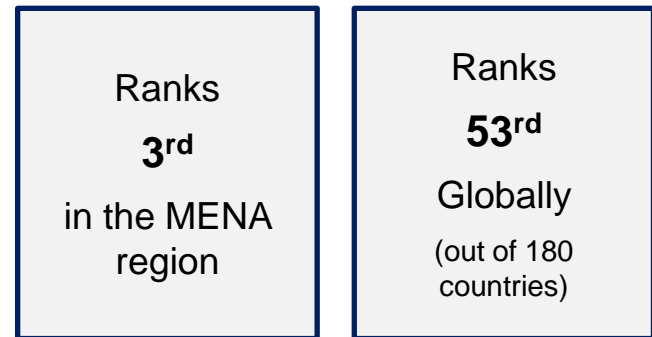
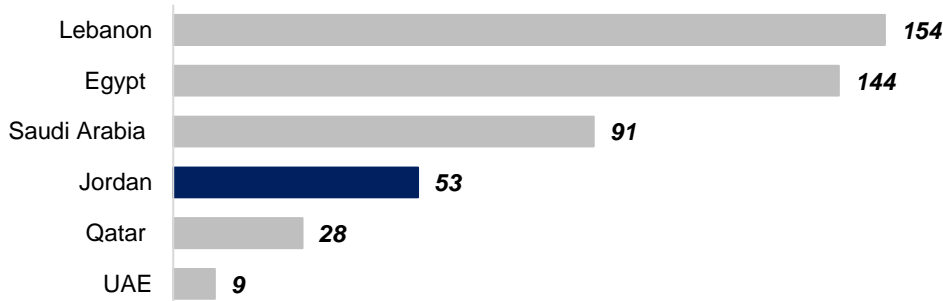
- ▶ Jordan enjoys a comprehensive Legal Framework including the Central Bank of Jordan Law, Banking Law and Anti-Money Laundering and Combating Financing of Terrorism Law, the Money Exchange Business Law, The Public Debt Law, Foreign Currency Control Law, Electronic Transactions Law, and Insolvency Law.

GCI 2019 Ranking in terms of Financial Indicators (out of 141 countries)



- ▶ *The maturity of the financial ecosystem and its integration in the world economy is reflected by Jordan's economic freedom, ranking as follows:*

2019 Index of Economic Freedom (180 Countries, Rank of 1 = Best)



Source: JIC, The Global Competitiveness Report 2019, 2019 Index of Economic Freedom

Thank you