

JORDAN

An emerging nation leads by example

Reinforcing trade links

With its young and highly skilled population, modern ICT infrastructure and well-connected air, sea, road and rail links, Jordan is a thriving hub for Japanese companies to operate from.

A constitutional monarchy, strategically positioned at the gateway to Africa and the Middle East, Jordan has long been viewed as one of the most liberal and stable countries in the region.

New Prime Minister Marouf al-Bakhit, appointed by King Abdullah II in February, will lead political reforms and head a government focused on growing export-oriented sectors like mining and manufacturing, as it continues to woo investors with competitive incentives and a booming services sector.

Since diplomatic ties were established in 1954, Jordan and Japan have maintained friendly

relations, ready to provide Jordan with all forms of support to help it bring a string of mega-projects to fruition and stressed the importance of boosting bilateral relations.

Japan has also signed a nuclear cooperation agreement with Jordan, which Kiyoshi Asako, Japan's deputy ambassador to Jordan, has said will contribute to "a framework for cooperation in the field of nuclear energy between Japan and Jordan for a long period of time and in stability, enabling Japan to transfer nuclear materials, nuclear-related materials and technology to Jordan after its conclusion."

Numerous other opportunities

With an impressive clutch of worldwide trade agreements, Jordan has been able to widen its industrial base and is rapidly moving toward more advanced world markets.

The country's industrial sector now enjoys access to 1 billion consumers and exports have quadrupled since 1999 thanks to a healthy free trade approach. Jordan's main industries continue to be phosphate and potash, garments, electronics and foodstuffs, although the services sector accounts for 69 percent of gross domestic product.

Areas such as tourism, ICT (information and communications technology), engineering and contracting are now high on the agenda as Jordan focuses on the sectors in which it can excel and be competitive.

Energy vital for growth

Though Jordan's electricity sector is growing at a rate of 7.4 percent a year, the country is still dependent on imports for more than 96 percent of its energy needs, so the growth of its domestic energy sector is vital.

The government is actively seeking to develop energy sources, including use of the country's uranium, oil shale deposits and solar and wind



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power resources and keen to link the Japanese energy sector to these projects in order to acquire the technology it needs.

One such opening is oil shale — a fine-grained, organic, rich sedimentary rock containing significant amounts of kerogen from which liquid hydrocarbons can be processed, and Jordan just happens to be one of the highest producers of oil shale in the world.

With stricter environmental policies and the jump in oil prices, the potential for extracting oil from oil shale is becoming an interesting alternative.

Jordan Petroleum Refinery Co. (JPRC) is the only refinery in Jordan. An inland refinery, it boasts a prime location at the center of consumption, almost 350 km from the busy seaport of

Aqaba. End-of-year sales were expected to increase to \$3.5 billion.

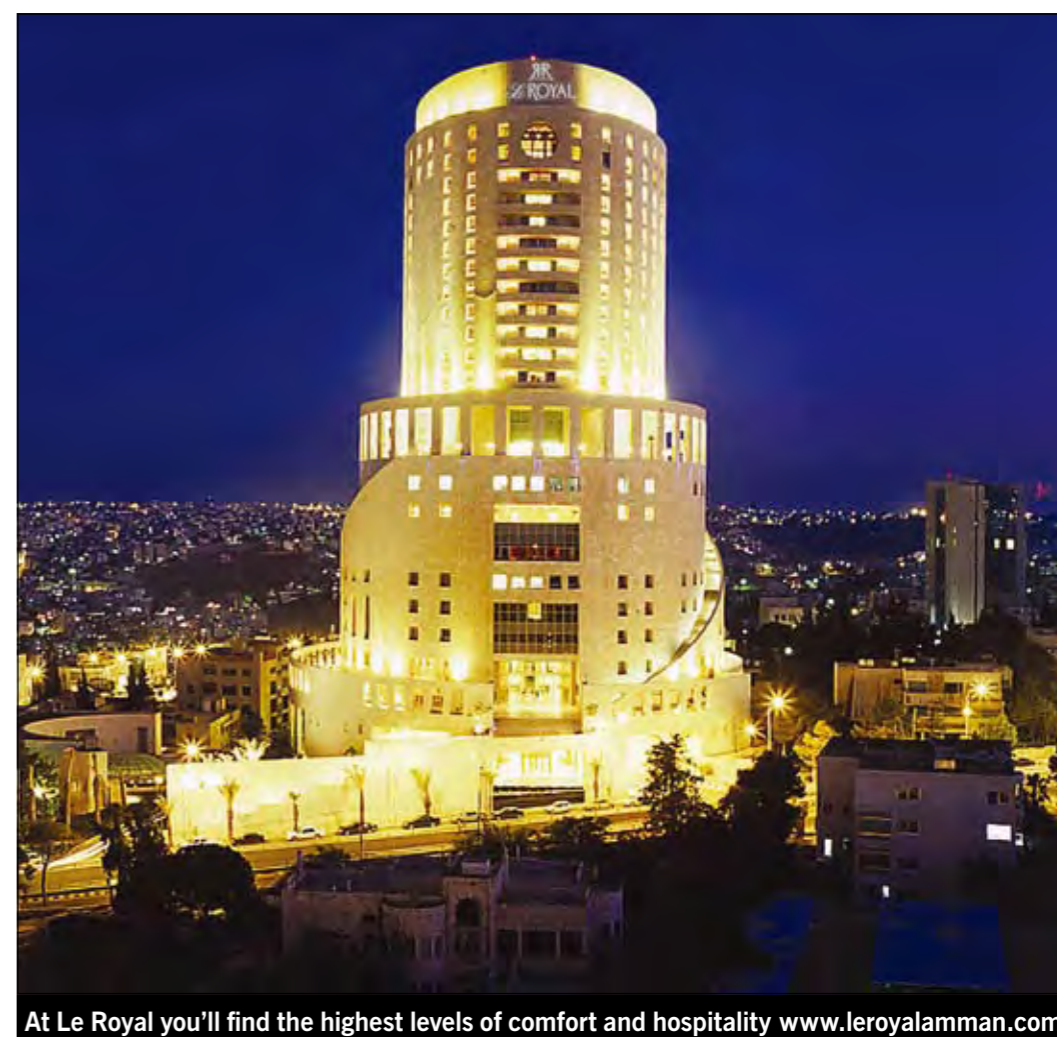
JPRC's CEO Abdel Karim Alwain describes how the company was largely unaffected by the recession. "It was not as bad as in other sectors," he says. "With motor gasoline, for example, 2009 exceeded 2008 by 20 percent. Moreover, Jordanian banks have high confidence in JPRC and offered to extend our credit facilities."

Company expansion is long overdue and JPRC is looking in particular to be able to provide lighter products for domestic use, which will push production costs down and in turn represent a huge margin increase.

"We need additional financing through an entity for the mega-expansion. Internationally, we have been approached by private institutions and locally, JPRC has an interest in finance provision from the various parts of refinery ownership," Alwain says.

The government has created considerable opportunities through the establishment of special economic zones.

Ranked first among Industrial



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Estates in Jordan in the FT Business rating of the Top 50 Future Special Economic Zones in the Middle East and North Africa is Aqaba International Industrial Estate.

With a major seaport, an international airport, direct surface transportation links to three neighboring countries, and designation as a Special Economic Zone (SEZ), Aqaba is an attractive investment destination for many businesses. ASEZ-registered enterprises are subject only to a flat 5 percent income tax on net profits, and will be entitled to duty-free imports including capital equipment and raw material.

"We aim to help foreign investors with anything we can to

facilitate their operations here," says Sheldon Fink, CEO of PBI Aqaba. "We can help with marketing Aqaba and getting the customer started."

Business services

An advisory business development firm specializing in the Middle East and North Africa (MENA), PanBuck was formed in 2008 as an independent company attracting senior business and consulting professionals.

Robert Starbuck, PanBuck's chairman, says: "We are always looking for the best solution for our customers. Migrate, for example, is a business-enabling

platform dedicated to support companies in their international expansion in the MENA market. It offers many services, from offices to employment services and accounting, to facilitate the corporate services needed."

Meanwhile, the landmark Le Royal Amman Hotel, owned by London-based General Mediterranean Holding S.A., offers its superb brand of hospitality to guests. With seven restaurants, a first-class entertainment menu and extensive conference and banqueting facilities, the 31-story hotel provides the perfect stay for both leisure and business visitors to Jordan.

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Abdel Karim Alwain, CEO, Jordan Petroleum Refinery Co.

bilateral relations. King Abdullah II has visited Japan numerous times since he took power in 1999, while talks between Jordan's then Prime Minister Samir Al Rifai and Prime Minister Naoto Kan in October 2010 reinforced the countries' strong bonds.

During discussions, Kan declared how his government is

exist for Jordanian/Japanese collaborations. Joint ventures in the economic zones and Jordanian products on the Japanese market would increase economic growth substantially, and there are also plans to develop Japanese products within the region, particularly in IT (information technology).

Fueling the nation for over half a century



Despite being the only refinery in Jordan, JPRC was, and still is, the sole provider of all petroleum products for the local market. In its 52 years, the pioneering company has instigated the development of many related fields, reduced imports of costly petroleum products, and provided skilled labor for neighboring refineries. As we continue to diversify and achieve better yields through higher conversion, it is clear we're in excellent shape.



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