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DEVELOPING A NATIONAL INVESTMENT STRATEGY

Final Report

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ABBREVIATIONS AND ACRONYMS

AMIR	Achievement of Market-Friendly Initiatives and Results Program
ADC	Aqaba Development Corporation
ASEZA	Aqaba Special Economic Zone Authority
CEO	Chief Executive Officer
DOS	Department of Statistics
FDI	Foreign Direct Investment
ICT	Information and Communication Technology
IDA IRELAND	Industrial Development Agency - Ireland
IPA	Investment Promotion Agency
JAED	Jordan Authority for Enterprise Development
JE	Jordan Enterprise Corporation
JIB	Jordan Investment Board
JIEC	Jordan Industrial Estates Corporation
JTB	Jordan Tourism Board
JV2020	Jordan Vision 2020 Program
M&E	Monitoring and Evaluation
MIT	Ministry of Industry, Trade and Supplies
National Agenda	A national economic development plan for Jordan produced during 2005
UNCTAD	United Nations Commission for Trade and Development
SABEQ	Sustainable Achievement of Business Expansion and Quality
SWOT	Strengths, Weaknesses, Opportunities and Threats (analysis))
USAID	United States Agency for International Development

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EXECUTIVE SUMMARY

Purpose and Goals: The purpose of developing a National Investment Strategy is to bring together the wide range of investment-related policies and practices that currently exist in Jordan, and integrate them into a concise, practical, overarching set of common national investment goals and best practices that will be supported by a wide consensus of investment-related stakeholders throughout Jordan.

The goals or results of implementing such a strategy will be to enable Jordan to grow its economy at an even faster rate. More direct and indirect employment needs to be created through international trade, especially export trade. Direct investment, both domestic and foreign, can play a major role in accelerating trade and employment in a country, as demonstrated by the example and experience of many small countries such as Costa Rica, Malaysia, Ireland, Singapore, and others.

Key principles: To be successful in attracting, facilitating, retaining and growing investment, Jordan needs a national strategy, one that is based on consensus and support among the public and private sector.

It needs one that is implemented, effectively and efficiently, by a competent, professional and well-resourced national investment promotion and facilitation agency.

There must be agreement at the national level of the need for such a strategy and full cooperation from a wide range of public and private sector interests in its development, and later, in its implementation.

The process of developing a national investment strategy should not be a long-drawn out process, but one that builds on recent analyses and integrates and further develops the best, most practical elements of each.

Recommended Methodology: This report proposes a detailed methodology for the development of such a National Investment Strategy, building upon the good recent work of the National Agenda, JV2020 and related initiatives. It outlines the process to be adopted in developing such a national strategy, setting out a best-practice methodology and commenting on current development in Jordan.

The strategy should be developed under the umbrella of a national-level Investment Strategy Task Force, which is ably led, and fully supported by public and private business leaders. Fortunately, the Council of Ministers has recently issued a directive to form such a group at the ministerial-level. The Strategy Task Force must be supported by a Working Group, including key staff of the Jordan Investment Board (JIB), the national agency responsible for investment attraction, facilitation and development. The Working Group should be supported by professional, consulting resources. This report proposes that the SABEQ Program, at the request of JIB, help support the development of the strategy. It must obtain the input and consensus in a whole hearted, co-operative and dedicated way, of all relevant interested parties and players, working to a reasonably tight time line.

Included, as an Appendix, are a number of individual tasks or building blocks that will assist in the construction of the National Investment Strategy. Given that JIB has recently commissioned a number of related consulting assignments, the Strategy will carefully examine the findings of the different projects and build on their recommendations, to avoid duplication or repetition, and to approach the agreed, final list of tasks in a synergetic way.)

The Investment Strategy document should answer the following questions, after addressing all the tasks indicated above:

- What is the current investment environment in the country, and what are the major constraints and challenges?
- What industry sectors will be targeted by JIB in the short-term (1 - 2 years) and in the medium term (3- 5 years)?
- What are the geographic and sectoral areas of focus?
- What promotional approaches will be used to reach these firms, and why were they selected?
- What changes in JIB's organizational structure, functional responsibilities, and staff responsibilities will have to be made?
- What are the implications of this strategy for JIB's current partnerships?
- How should investment-related stakeholders cooperate and coordinate their efforts to ensure an efficient implementation of the Strategy?
- How much will these promotional activities cost and what will be the source of any additional funding that is needed?
- What specific targets and timetables for achieving those targets need to be incorporated in the strategy? These targets should specify the types and number of activities that will be undertaken.

Proposed Work Plan and Timeframe: The strategy development process should be implemented over about three – four months. If agreement among stakeholders permits (National Task Force, JIB, SABEQ, institutional stakeholders) the process could be started in July, and completed by September/October. Steps will be to:

1. Launch the Strategy Development Process

- Organize a Workshop to launch the process with all key public- and private –sector stakeholders, introduce options for the methodology based on this document, and obtain consensus on the process
- Responsibilities: JIB, SABEQ
- Timing: end-July, 2007

2. Consult key stakeholders, with ongoing buy-in

- Hold individual workshops / meetings with key stakeholder organizations to obtain detailed input
- Responsibility: SABEQ, stakeholders
- Timing: August/September

3. Review legacy documents

- Conduct a comprehensive review of previous investment-related initiatives to build on, rather than duplicating, past efforts
- Responsibility: SABEQ, JIB
- Timing: August, 2007

4. Conduct original research

- Research key issues focusing on adding new value, fresh perspectives, and investment- related best practices
- Responsibility: SABEQ, JIB
- Timing: August/September 2007

5. Continue consulting with key stakeholders

- Ongoing buy- in from stakeholders and political system
- Responsibility: SABEQ, stakeholders
- Timing: September, 2007

6. Draft and review written submissions

- Draft sections of agreed outline, and review
- Responsibility: JIB, SABEQ, key stakeholders to ensure transparent, public participation
- Timing: September/early Oct. 2007

7. Submit draft strategy to key stakeholders at Final Workshop

- Organize final Workshop to review strategy, obtain final input
- Responsibility: JIB, SABEQ, stakeholders
- Timing: October, 2007

8. Finalize strategy and initiate implementation

- Incorporate final input, agree on implementation and monitoring plan
- Responsibility: JIB, SABEQ, National Task Force
- Timing: October, 2007

To help implement the strategy, starting immediately after its finalization, it is most important that the JIB be fully resourced and fully supported politically and by the business community, working in a cohesive and cooperative manner.

JIB itself must operate to a standard of excellence that meets or exceeds international best-practice, working professionally, energetically, and competently, with adequate resources of people and money, to achieved stretch targets - in the national interest. The work of the national investment agency must be constantly monitored, reviewed and evaluated, in the light of agreed targets that were set, delivery of those targets, impediments experienced, changing economic circumstances in Jordan and in the region. It is important to bear in mind that Jordan, like all other countries that want to achieve rapid economic growth and development, operates in a fiercely competitive international environment.

DEVELOPING A NATIONAL INVESTMENT STRATEGY

1.0 INTRODUCTION

The objective of this proposal is to outline a methodology to develop a national investment strategy in coordination with JIB staff and other appropriate public- and private-sector counterparts

1.1 Background. The Jordanian Government in 2005 developed a national overall development strategy in the form of the National Agenda, outlining recommendations for economic, social and political reform. The National Agenda includes a large number of recommendations to attract investment and enhance enterprise productivity. Implementation of the National Agenda is being coordinated through the Minister of Government Performance. In addition the Government has cooperated with the private sector to develop a set of policy recommendations and sector strategies, called the Jordan Vision 2020. Finally, a new CEO was appointed to direct the JIB in April 2005, Dr. Maen Nsour. Dr Nsour has sought to improve the capacity of JIB to attract investment into Jordan. JIB is currently funding three initiatives: development of a new JIB “brand”, pre-feasibility studies of investment opportunities, and a survey of 15 foreign investment markets.

The delay in the establishment of JAED, uncertainty over the status of national agenda implementation, and the recent publication of the first ten JV2020 sector strategies has left a void in the articulation of clear national strategies targeted to specific outcomes. In particular, Government and the private sector are not guided by clear principles and targets for trade, enterprise and investment policy. Dr. Nsour has requested that SABEQ support the development of a national investor strategy.

1.2 SABEQ Investment-related support

This proposed methodology for developing an investment strategy has been prepared by the SABEQ program, a USAID-funded 5-year private sector development project. SABEQ has been requested by the Jordan Investment Bureau to provide assistance to JIB in a number of areas, including;

First, SABEQ is helping develop an Investor Information System, which will be a detailed database of country-specific documents and fact sheets ranging from political background, economic conditions, population/demographics, education/HR, infrastructure, to labor conditions, wages/salaries, banking/finance, licensing, legal system, and investment and trade regime data. Investor briefing materials will provide detailed information briefs describing local conditions in various sectors and sub-sectors, e.g. employment costs in different industries, land availability, regulatory requirements, etc. These can provide high positive impact by satisfactorily and quickly providing answers to key questions and issues of concern to potential new investors. Also, sectoral briefing packages will describe detailed conditions of key interest to potential investors in specific industries and sub-sectors.

Second, SABEQ is helping JIB at its request to review the organizational and functional structure of JIB's Investment Promotion Directorate, and recommend a best practice organizational and operational structure for investment promotion. Activities include SABEQ support to: Review the mandate of the Investment

Promotion Department, and related activities of the Investor Services and Studies & Research Departments; recommend a best practice organizational structure; recommend how best to meet best practices in organizational structure for the investment promotion department; develop job descriptions for the investment promotion officers; carry out a GAP analysis according to the identified skills set; and recommend best practice workflow /systems and procedures.

Third, JIB has requested that SABEQ support the development of a national investment promotion strategy, which will be carried out with the input of all key investment-related stakeholders in Jordan, both public- and private-sector.

Additionally, at the request of JIB management, SABEQ will now consider support to provide a strategic investment promotion advisor to provide advice to JIB management on investment promotion best practices globally, to help set promotion strategies and to implement action plans to improve investment promotion.

1.3 The need to obtain input from all stakeholders to develop the Strategy

The Jordanian government; key Ministries; key government-owned organizations and JIB must understand what those needs are – and, if necessary - advocate for required changes within Jordan in order to satisfy those needs.

Key government Ministries and organizations need to be actively and fully involved in the process of developing a National Investment Strategy. The Royal Court must also be fully involved.

In addition to Ministries, it will be important to consult with many state-owned development corporations, and with the private sector, both key business associations and chambers of commerce and industry and their member companies.

1.4 THE NEED TO COORDINATE WITH RELATED JIB INITIATIVES

It will be particularly important to coordinate the Strategy with other key initiatives regarding investment promotion that JIB has commissioned and is currently undertaking, including. The following three studies:

1.4.1 Investor Targeting / Investment Intelligence

An Investment Targeting assignment is being carried out by Dajani Consulting, in partnership with OCO Consulting of Ireland. The objective is to assist JIB in targeting and attracting FDI from overseas markets. This is to be achieved through OCO Consulting and Dajani Consulting providing comprehensive investment intelligence on key overseas source markets for investment in Jordan and practical capacity building support to conduct investor prospecting and to meet potential investors.

The key outputs of the assignment are:

- Jordan Investment Report, identifying the main sectors for FDI in Jordan through a supply-side assessment utilizing existing information on Jordan's economy.
- Global Market Intelligence Report, providing concrete recommendations for which countries and sectors to target for FDI based on a demand-side assessment of target markets and sectors and alignment with the supply-side opportunities in Jordan and JIB FDI objectives.

- Country Market Intelligence Packs for 14 key target markets, explaining the investment potential for Jordan from each market, the perceptions of Jordan as a business location, and providing an initial company targeting database for each market.
- Training and capacity building of JIB in investor targeting and prospecting, with implementation of an investor targeting campaign and provision of a validated database of potential investors and qualified 'leads'.
- Final report outlining the results of the investor targeting campaign, an action plan for following-up prospects and strategic recommendations for JIB on market intelligence and investor targeting.

1.4.2 Branding Initiative

A JIB "Branding" initiative is being undertaken by ACE House and Leo Burnett who will design total image building and awareness campaigns for each of the specific target markets. That will include P.R; Advertising Campaigns, etc. The Branding project will be completed within about three months. Some draft proposals are already emerging.

1.4.3 Investment Map.

This assignment is being undertaken by PA Consulting and Business Insight, defining potential projects for investors who do not yet have specific ideas. These are pre-feasibility studies. Note that the PA assignment, is ultimately to identify around 75 possible projects, across all of Jordan. It is quite a big assignment, and will take the full year to complete.

In addition, it will be important for the Strategy to take into consideration the results of a recently completed report for the World Bank - Investment Climate in Jordan. This involved a survey conducted by Dajani of 500 firms in Jordan, across all sectors. The survey questions included questions about the Export Figures, company by company. In parallel, a survey of 5,000 employees was done – talking to them about wages / labor laws etc. Dajani has completed the surveys and identified the issues. The analysis will be done sector by sector. The analysis of the report will be done in Washington by the World Bank. The World Bank will benchmark Jordan against other countries in the Region.

JIB has sought and obtained the Prime Minister's support in building a spirit of full co-operation and involvement by all relevant government Ministries, in the form of a letter from the Council of Ministers approved in March 2007.

2.0 CONTEXT

2.1 THE NEED FOR A NATIONAL INVESTMENT STRATEGY

Success in attracting, retaining and expanding both domestic and foreign direct investment in any country today indicates that the country has a positive, productive, competitive and profitable business environment.

It also indicates that targeted potential investors around the world are being constantly and efficiently informed about that country's attractiveness. Finally, it indicates that those investors are receiving outstanding and comprehensive support from the national investment promotion and facilitation agency, through the process of investing and expanding in that country.

Such success confirms that the country's political and business leaders value the many local economic benefits that derive from FDI and that they energetically and proactively work to maximize those benefits. They constantly review and evaluate how attractive their country is, as a location – as seen by existing or potential investors (especially by investors in targeted sectors of industry or international trade) – and they assiduously use their talents and influence to bring about continuous and substantial improvements. The leaders recognize that economic development takes place in a highly competitive international environment, and that those countries that do not fully and powerfully take part in the game get left behind.

The performance of Jordan's political and business leaders must stand up to the above frank, harsh, but realistic scrutiny. That performance must be at top-of the class level if Jordan is really to achieve rapid growth.

The process of restructuring and re-invigorating Jordan's investment and export development and facilitation institutions has been going on now for more than five years. Regrettably, the speed of progress has been very slow, and one must question the real commitment by government to taking the necessary action.

FDI investors have no need to hang around and wait for Jordan to put in place a competitive environment. Those investors simply go elsewhere.

Many valuable and desirable (initial and subsequent) projects are thus lost to Jordan. Thus, one of Jordan's competitors becomes better endowed, and Jordan trails even further behind.

Government and state-owned development corporations in Jordan have received very substantial technical assistance and excellent advice, regarding FDI attraction and facilitation, over the past number of years. More than anything else, now is the time for action, along the lines of that advice.

2.1.1 Benefits of Expanding Domestic and Foreign Investment

Expanding domestic direct investment (DDI) and attracting foreign direct Investment (FDI) to a country is a means of accelerating the economic development of that country.

FDI brings with it – inward invested capital, new or expanded production or deliver of services, technology, direct and indirect jobs, upgrading of management and other skills within Jordan, exports, additional tax revenue to the Kingdom, and increase in per capita income.

It provides many linkage benefits, including local purchasing of packaging, raw materials, components and other inputs from local Jordanian companies, as well as benefits to Jordanian service providers such as electricity, transport, banking, insurance, etc.

It also helps, on a regional /community basis, throughout Jordan, to bring jobs to the people in the towns and village around Jordan.

FDI can come in many forms, such as new Greenfield projects in construction, tourism, industry and services.

It can come –significantly – from expansions by existing foreign investors, who already have made investments in Jordan, but who find that Jordan is a profitable business environment, and who expand their projects, and add new capacity or who invest in upstream or down stream activities.

It can come from partnerships or joint ventures with existing, progressive Jordanian companies.

It can come from privatization activities, and other sources.

2.1.2 Achieving Jordan's Objective of Increasing GDP per Capita

Jordan has a target of doubling GDP per capita by the year 2020, under the National Agenda. To achieve this goal it will be necessary to put a heavy national emphasis on attracting, facilitating and expanding FDI.

2.1.3 Competing for FDI in the Region

All of Jordan's economic competitor countries are actively seeking to attract FDI. All have National FDI Strategies and a National Investment Promotion Agency, in one form or another, backed up by strong government commitment and support. As indicated below, despite Jordan's improved performance relative to previous years, it ranked relatively low in the region in attracting FDI. For Jordan to achieve a deeper and more rapid economic impact of FDI, A National Investment Strategy is needed.

Number of FDI Projects in 2005 (approx.)		FDI Amounts 2005 (\$ mn.)
Algeria	90	3,600
Cyprus	7	n.a.
Egypt	102	9,000
Israel	92	5,800
Jordan	45	1,200
Lebanon	25	700
Malta	6	
Morocco	118	2,500
Palestinian A.	4	
Syria	40	3,000
Tunisia	76	1,100
Turkey	73	16,895

2.2 ATTRACTING AND EXPANDING DOMESTIC AND FOREIGN DIRECT INVESTMENT

The Investment Strategy must take the needs of potential investors as the starting point, by asking "what do foreign investors need?" and it must determine how Jordan can meet those needs. Success in attracting FDI into Jordan is heavily dependent on how well Jordan, as a country, meets the needs of foreign investors

Investors are not as much concerned about what Jordan (as a country) needs so much as what their own individual company needs are, in order to grow -profitably and in a sustainable way. Jordan must offer profitable business development opportunities and solutions to targeted investors.

Predictions (and plans) will have to be made about Jordan's future potential to attract FDI. Investment promotion is a dynamic process, because a location's attributes relative to other locations are constantly changing as a result of both domestic developments and changes in the external environment.

The Investment Strategy must not only focus on what industry and service sectors will be targeted in the near term, but it must also reflect what will be targeted in the medium term, and ideally in the long term, assuming certain improvements in the investment climate are made.

The Strategy must not be developed in isolation of consideration of how it will be implemented. Although consideration of Implementation will be looked at more fully at the final stage of the strategic planning, it would be naïve not to keep in mind the limited resources (people and money) that Jordan has, or can afford.

The achievement objectives and targets must be clearly and unambiguously set out. They must be transparent, readily measurable, and constantly reviewed and analyzed. The appropriate monitoring and evaluation systems must be deployed, right from the beginning of implementation of the National Investment Strategy.

Because of the dynamic nature of foreign direct investment, it is suggested that the Strategy should be sufficiently detailed and forward-looking to effectively map out Jordan's FDI promotion and facilitation activities for a three-year period. After three years, it is time to begin the process again and re-evaluate the strategy in light of changing national attributes, relative competitiveness, and new global industrial development.

What does Jordan need to successfully attract investment? To be successful in attracting FDI into Jordan is a national effort that requires attention to a number of key matters:

- A good 'product' - one that meets investors needs
- Carefully targeted and active promotion
- Very active and proactive selling of the investment opportunity that Jordan represents
- Close attention to customer service – before setting up, during the set-up phase, and afterwards to help the client settle in, grow and expand
- All of this should take place within the framework of an agreed, clear and specific National Economic Development Plan (ideally containing concrete, logical, realistic and attainable objectives, goals and targets)
- Implementation of the FDI component of the National Economic Development Plan should be the clear and unequivocal responsibility of a well-endowed and adequately resourced and competent National Investment Promotion Agency.

2.3 PREVIOUS ASSISTANCE TO JIB IN DEVELOPING STRATEGIES AND RESULTS

JIB has received significant technical assistance in recent years from various international organizations to improve investment promotion, strategies and institutional development.

There are many recommendations to be acted upon, and it is believed that the process of implementing previous recommendations is underway within JIB.

The current CEO of JIB is making a commendable personal effort to gather support, at all levels within the government of Jordan, for the work of JIB. Such support and co-operation is vital if Jordan is to achieve its full economic potential, in the shortest possible time.

In March 2006 an AMIR-sponsored Business Plan was developed for JIB. That Business Plan is a good starting point for the exercise that is in hand – development of a National FDI Strategic Plan. That Business Plan encapsulates the outputs of the National Agenda, JV2020 and the various Sector Strategies that were carried out, for JIB's benefit, over the past five years. It builds upon substantial previous (AMIR 1 and AMIR 2) technical assistance to JIB. The Plan also contains an immediate 'action matrix' spelling out sectors to be targeted for FDI, countries to be targeted, and specific results.

Indeed, JIB is now opening a number of overseas offices. That development is welcomed. However, it is believed that SABEQ experts could help JIB further, in practical ways, to ensure that the efforts of the staff in these new offices are well focused, efficient and results-oriented.

In the overall national context, it would be good if the interests of Jordan Enterprise Corporation (national enterprise and export Development Corporation) are taken into account, when such overseas offices are being planned and opened.

Recent results of efforts to attract investment are encouraging. FDI approvals recorded in the past couple of years have increased significantly at a national level. But to take advantage of increasing opportunities, and especially to attract productive investment most appropriate for achieving Jordan's national economic goals, a more integrated, focused investment strategy is needed.

APPENDIX ONE sets out details on projects that benefited from the Investment Law in Jordan during the period 2001 – 2006.

Much FDI into Jordan in recent years has been of a property-investment nature in one form or another (including housing projects, tourism projects, and hotels) or of a 'privatization' nature.

One has to dig down into the figures, in order to be able to determine the extent to which these approvals are directly attributable to target efforts by JIB.

It is necessary to examine the extent to which the sectoral targeting strategies proposed to JIB have been implemented and what tangible results are visible in these sectors. One acid test is a comparative analysis of the FDI results recorded by JIB in the past four to five years in the key sectors that JIB was encouraged to focus its international promotion and facilitation efforts on, namely:

- ICT (in its broadest sense, i.e. including tourism, medical tourism, educational services, software development projects, call centers, design centers and anything similar)
- Garments or textiles
- Electronics or electronic components
- Precision engineering
- Cosmetics
- Pharmaceuticals
- Food processing

- Stone and marble
- Chemicals
- Jewelry
- Mining (extractive) industries

A short review of JIB results over the past few years does indicate that significant planned investment in these sectors was approved. However, to carry out that analysis comprehensively will require access to JIB's internal records, something that was not possible at this time due to the limited interaction with JIB.

2.4 BUILD ON THE NATIONAL AGENDA AND JV2020

The process of developing the National Agenda and the process of finalizing JV2020 brought together many 'players' that have a role in Jordan's economic development. These were significant and positive initiatives and processes. The documented outputs and plans should now be acted upon and implemented, as far and as deeply as possible.

It would be even better if the momentum that was built up, as part of carrying out these initiatives, can be maintained. In developing the proposed Strategy, a starting point should be integrating and building on these previous initiatives, with input from all relevant public and private sector stakeholders.

2.5 DEVOTE SPECIAL ATTENTION TO INVESTMENT IN SERVICE INDUSTRIES

Internationally traded services of many types are playing an ever-increasing role in today's business world.

Export-oriented FDI manufacturing projects appear to draw to those countries that can offer either a large and increasingly affluent home market, those countries that have special natural resources, or those countries that have outstanding skills and a track record of excellence in manufacturing.

Internationally-traded service projects, on the other hand, are proving to be very mobile, and are rapidly growing in number. Such services can range from design activities, software development, technical support centers, call centers, financial services, back-office administrative services, etc.

Jordan can position itself, strategically, to become a major international hub for selected services.

Jordan has a good availability of very well educated and talented nationals (both at home and abroad). The basic infrastructure for many types of internationally traded services is already in place in Jordan. Operating costs are regarded as being reasonably competitive (although some improvements might be possible).

The main obstacle that is mentioned is the tax treatment of service firms, which is not competitive. This constraint needs to be urgently addressed and resolved, thus significantly improving Jordan's attractiveness.

APPENDIX THREE describes the increasing role that service industries are playing in modern economies, and some notes on the extensive range of service activities that IDA Ireland is successfully targeting.

2.6 JIB's NEED FOR IMPROVED MANAGEMENT INFORMATION SYSTEMS

All investment projects that seek to avail of the incentives under the Investment Law must do so by being approved by the Investment Committee.

JIB currently tracks those investment approvals and carries out some tabulations – mainly, it would appear, for promotional or marketing purposes.

The actual delivery of the approved capital investment and jobs, is however, not tracked in any adequate way. Knowledge about the start-up of many projects is obtained in an uncoordinated and ad-hoc manner.

It is vital that JIB and the government install a proper follow-up system, so that there will be full and clear information available to policy makers about the effectiveness of the national industrial development programs.

The most successful development agencies in Latin America, Europe and elsewhere have put in place detailed and comprehensive tracking systems. Before any investment proposal receives approval from these agencies, detailed Project Proposals have to be submitted. Such Project Proposals include information on the parent companies or sponsors of the project; a full description of the project – setting out the planned expenditure on fixed assets and working capital; how that is to be financed; listing the machinery and equipment required; the size of building or office space needed; the number of employees at the end of each year for the first five years; the skill-levels required across the company; the market to be served, etc. Delivery on these projections becomes a legally binding part of the project approval process, and is carefully monitored by the development agencies. In the case of FDI projects the parent companies become jointly liable for the delivery of the planned investment and employment, through a contingent liability clause. Finally, the promoters of the projects are specifically asked to co-operate with enterprise agencies in the publicity efforts of the development agencies. Among other surveys, the Irish development agencies carry an annual Employment Survey, of each client company, each year, in order to monitor the actual progress in implementation of the approved projects and the economic impact.

JIB must put in place adequate project follow-up measurement systems.

In addition, it is apparent that JIB needs to install, use, maintain and continuously upgrade Investor Targeting Systems.

3.0 PROPOSED METHODOLOGY

This Chapter provides a detailed description of the proposed Methodology for developing a National Investment Strategy.

The National Investment Strategy is the map that will guide JIB (and other government -funded organizations with an FDI promotion and facilitation mandate) to the goals that are established and agreed upon at national level.

These goals are best attained if the approach adopted by Jordan and its development agencies is a comprehensive one, using appropriate research, analysis, targeting, marketing, promotional, facilitation, and after-care tools and methods that are well designed, and professionally and energetically implemented.

Jordan sees FDI playing a major role in helping to double per capita income within the next few years. Jordan must fully understand what its strengths and weaknesses are in relation to its competitor countries, and how much share of mobile FDI it can capture. Jordan must be prove to existing and potential investors that it is a country that meets their needs.

In order to meet investor's needs, Jordan (and especially JIB) must understand what those needs are - and, if necessary - advocate for required changes within Jordan in order to satisfy those needs.

Investors are not as much concerned about what Jordan (as a country) needs so much as what there own individual company needs are, in order to grow - profitably and in a sustainable way.

Jordan must offer profitable business development opportunities and solutions to targeted investors.

FDI – many forms

FDI takes many forms – including greenfield projects; joint ventures; takeovers; privatization; expansion projects; deepening of integration to Jordan (downstream or upstream integration); add-on of completely new (strategic business unit) activities. One sub-strand (for JIB) is to identify and attract FDI investment into Jordan from high-tech foreign companies that have invested in Israel.

It will be important for the National Investment Strategy to encompass attention to the many 'strands', and to lead to a policy regarding how the various common forms of FDI will be promoted, encouraged, facilitated or regulated in Jordan.

In a time of buoyant international FDI flows, it is to be anticipated that some FDI will come into Jordan of its own 'accord' - without the need for scarce state promotional resources to be consumed in pursuing such investment. Of course, in a developing economy, it is necessary to ensure that any such desirable FDI should be accommodated and facilitated – in a balanced way.

Not every FDI project has the same value to Jordan. It will be very important, as part of the development of the National Strategy, to develop Measures of Attractiveness (to the Jordanian economy) of each targeted segment of manufacturing industry and internationally traded services. Much commendable effort has recently gone into reviewing many sectors of manufacturing and services in Jordan today, and into outlining aspired-for objectives over the medium and long term. The results of this effort give a useful framework to be used, by government and others, as roadmaps for trade, investment, enterprise and export development.

The Investment Strategy must, however, take the needs of potential investors as the starting point, and determine how Jordan can meet those needs.

"Nothing succeeds like success". The pressure will be on JIB to demonstrate clearly that it is a highly professional, highly focused results-oriented organization. JIB must earn credibility – and prove that it can be increasingly supported by government, with confidence that it will deliver the necessary economic improvements.

The achievement objectives and targets must be clearly and unambiguously set out. They must be transparent, readily measurable, and constantly reviewed and analyzed. The appropriate monitoring and evaluation systems must be deployed, right from the beginning of implementation of the National Investment Strategy.

A number of parallel Tasks are outlined in Chapter Four. Development of a National Strategy demands full, committed participation and inputs from the key national stakeholders and players, as well as from advisors. For this reason it is recommended that a National Investment Strategy Group be established, to address the many topics and issues, to carry out the detailed research, analysis, brainstorming and strategy formulation that will be needed. Strong, qualified, visionary and dedicated leadership is essential, allied to competent and informed sub-groups (working on the various key topics in a harmonious and synergistic manner), backed-up by adequate, professional 'back-stopping /administrative' support.

In addition, a reasonable, sensible time limit must be set for completion of the strategy. It is recommended that a time horizon of about three months be set, starting from the date of assignment of the individual tasks to the sub-groups in the Working Group.

3.1 STEP 1: REVIEWING JORDAN'S INSTITUTIONAL, LEGISLATIVE AND REGULATORY SETTING

3.1.1 Institutions and Stakeholders' Input to a National Strategy

Because development of any economy is such a widespread task, there are potentially many 'players' involved. These can range from His Majesty, his office, and the Royal Court, to the Prime Minister and his office, a number of ministries (Planning, Industry and Trade, Finance, Information and Communication Technology, Agriculture, Tourism & Antiquities, Education, etc.).

In addition, a number of state-owned and non state-owned organizations have a specific interest or involvement in the FDI agenda. These include JIB, JE, JIEC, FZC, ADC, JTB, private industrial estate developers, banks, telecommunications companies, transportation and many other service companies. To the extent that is reasonably possible, as many of these various interest groups / stakeholders should be consulted in the process of developing the National Investment Strategy.

From the point of view of who is currently promoting Jordan abroad as an investment location, it appears that there is less 'overlap' than there was a few years ago. At that time JIB, JIEC and a number of the private industrial estate developers and tourism and property developers were involved in overseas promotion (supported energetically by His Majesty and the Royal Court). Although it was good that many potential investors were being exposed to knowledge of Jordan's attractions, there was a danger of overlap and a sub-optimal promotional approach. From interviews held during this current assignment, it now appears that fewer organizations are directly involved in overseas promotion of FDI and that JIB is being accepted as the

one national organization to do the job. This excludes, of course, Aqaba-related activities, which are a separate strand in Jordan's economic development.

In the forthcoming process of elaborating a National Foreign Direct Investment Strategy, it will be necessary to consult with all of the above key stakeholders and with many of the experts who contributed so whole-heartedly in these recent National Agenda and JV2020 initiatives. Ideally, some of these experts should be directly included in a Task Force or Working Group (of some sort) that will work on the molding of the Investment Strategy.

3.1.2 Legislative and Regulatory Regime: Tax, Investment, Labor Laws, Competition policy and Incentive regime

It is likely that some industry clusters in Jordan might lack sufficient competition and face excessive barriers to entry. Other sectors may face barriers to more effective co-operation among companies, which could in some cases require mergers in order to achieve sufficient economies of scale to compete globally. A strong anti-trust policy ensuring vigorous domestic competition is essential to ensure productivity growth. Policies regarding domestic mergers and acquisitions need to strike a balance between preserving and increasing competition on the one hand and fostering technology transfer and greater efficiencies that may result from mergers. Critically, a uniform set of standards towards mergers and alliances should apply equally to domestic and foreign firms in order to prohibit acquisitions that significantly threaten domestic competition. Therefore, policies should favor new entrants into a cluster, whether they are domestic or foreign companies.

Jordan's trade and investment strategy has thus far relied on an industrial policy approach. It has used a package of fiscal, financial and other incentives to promote targeted investments and exports. While fiscal incentives worked to reduce the tax burden on investors, financial incentives provide funds directly to firms to finance new investments and certain operations, or to defray capital or operational costs. The GOJ has not yet assessed its existing incentive schemes including explicit and implicit subsidies to determine whether they generate a net economic benefit for the country. In other words, the GOJ has not carried out a systematic analysis of the full costs of its entire investment incentives schemes and compared these with the economic benefits derived from the investments they have attracted. If investment schemes are to be effective, and if policy makers are to have the information necessary to judge their effectiveness, it is critical to understand, for example, the total cost of incentives for each job created on behalf of a Jordanian, or the total cost of incentives for each additional JD 1000 in net export earnings for Jordan's balance of payments. The Strategy should include a concise review of both fiscal incentives that are offered in a transparent manner, and the need to increasingly offer non-fiscal incentives to investors, and the potential rate of return for the government of Jordan over the next three or five years

The strategy should summarize key issues concerning the current and proposed investment law, income tax law and other regulations providing investment related incentives. The strategy should scope a comprehensive study for the review of the different legislations to provide best practice recommendations

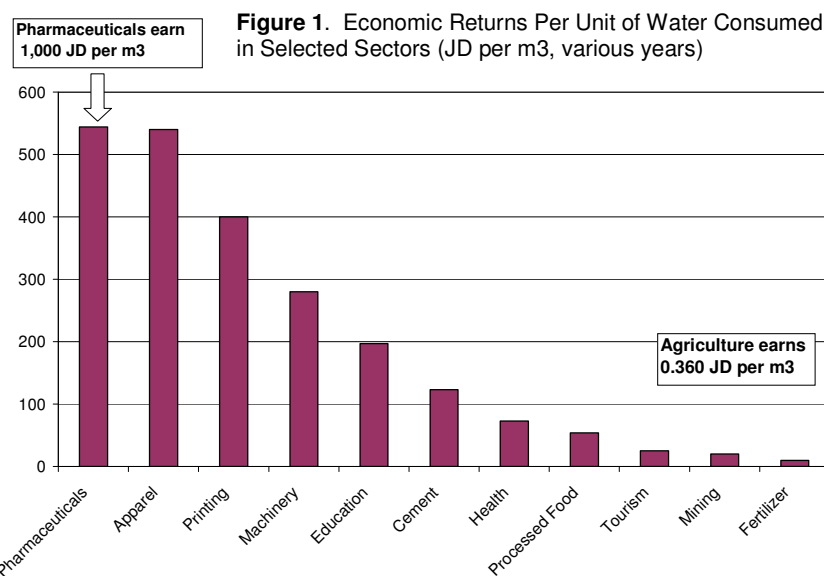
3.1.3 Investment-related policies: Water Resource & Environmental Management Issues

The Investment Strategy will need to review the role of investment-related policies on critical factors for investors, including water resource management and how environmental issues impact investment and development in Jordan. Currently, Jordanian industry pays more for water than it costs WAJ and local municipalities to deliver. Industrial water tariffs range from JD 0.250 per m³ pumped from private wells up to JD 1.800 per m³ within Qualifying Industrial Zones and for the Potash Industry. Agriculture consumed 603 MCM (65%) of the total water supply while contributing just 2.5% to GDP in 2005. Conversely, industry consumed approximately 45 MCM (3%) and contributed 20% to GDP.ⁱⁱ Therefore, agriculture requires 240 MCM to contribute 1% to GDP whereas industry only requires 2.5 MCM to contribute 1% to GDP. In other words, the economic return per unit of water from industrial use is one hundred times the economic return from agriculture.

Continuing the sectoral comparison, industry contributed 3,777 jobs and, at least, 7,000 indirect jobs per MCM of water consumed in 2004. Tourism contributed 1,693 jobs per MCM. Agriculture employed just 148 workers per MCM – half of whom are foreign workers – and contributed no income tax revenue to the treasury.ⁱⁱⁱ

Figure 3 below, shows the economic return per unit of water consumed across selected economic sectors. Agricultural crop economic returns vary per unit of water used; the same is true for industrial uses. Traditional industries in Jordan – mining, fertilizer production and food processing – yield the lowest economic returns per unit of water among Jordanian industries. Newer industries such as pharmaceuticals, apparel and printing earn between JD 400 and JD 1,000 per m³. The average economic return per unit of water consumed across all industry is JD 40 per m³. Although tourism earns a modest JD 25 per m³, it generates 12 times more jobs than agriculture per m³. Education and health care are growing service sectors in Jordan and also yield relatively high economic returns. Compare all these sectors with the average economic return per m³ of agriculture – just JD 0.370.

In the future, based on demographics, Jordan will need to create more than 50,000 jobs per year^{iv} to absorb new workers entering the labor force. From a water perspective, industry and tourism are the only sectors capable of absorbing these new workers and adding sufficiently high economic return to each cubic meter of water used. However, given current water allocations and the continuing depletion of existing groundwater resources, water availability for expanding these sectors will be constrained.



Although industry may not need as much water as agriculture, the current allocations and pricing structure inhibit movement of water between these sectors. As the price of water moves closer to its true economic value water will move toward higher return users, allowing for entrance of new firms and expansion of existing ones.

3.1.4 The Role of Industrial Estates and Free Zones

The investment strategy will need to include a review of free zone and industrial estate policy and performance in Jordan compared against international experience. Duty-free free zones have demonstrated their effectiveness as a useful vehicle for enterprises in Jordan engaged in international transit trade and storage. Jordan appears to fulfill a natural entrepot role trading with its neighboring countries. More importantly, providing income tax exemptions for manufacturing within free zones and easing the restrictions on selling into the domestic territory may artificially encourage manufacturing to relocate to zoned enclaves away from areas of natural comparative advantage in Jordan.

The Strategy should summarize the links between investment promotion, industrial estates, free zones and current trade policy and commitments under international trade agreements, such as GAFTA, which will increasingly influence whether investors locate in estates and zones or not. It should review the effectiveness of current policy of relying on zone enclaves as a primary instrument to streamline the investment environment, which could risk slowing improvements in public service delivery throughout the country. It should summarize the appropriateness of using zones to address local poverty and unemployment in Jordan, with implications for local economic development and investment at the regional level. It should review methods to encourage backward linkages between investors in industrial estates and zones, and Jordanian SME suppliers. Finally it should review the true economic impact of estates and QIZs, by comparing the overall cost of the QIZs, including fiscal and financial incentives given to QIZ investors with the domestic value added they generate. The challenge now is to continue Jordan's growth in FDI and exports while, at the same time, spreading the benefits more widely throughout the economy.

3.1.5 Investment and business environment indicators & studies

The strategy will need to address Jordan's responses to the current strong interest in international rankings of how countries perform in providing a supportive business environment. For example, the World Bank's Doing Business Indicators has engendered a dramatic interest in specific, targeted reforms aimed at improving these limited, but highly visible, indicators of the attractiveness of Jordan's investment climate.

Recognizing this, the strategy should review regulatory constraints on Jordan's private sector. For example, in the World Bank's DoingBusiness indicators, the strategy should summarize "trouble spots" on the regulatory map, based on three of the Doing Business indicators requiring improvement in Jordan, including:

- A. Starting a business.

B. Dealing with licensing.

C. Registering a property.

The strategy should indicate how successful Jordan is likely to be in improving its rankings in coming years, in additional international indices that are of growing importance to potential investors, including WEF Competitiveness Indicators, MCC Indicators, and other investment – related indicators

3.2 STEP 2: ASSESSING JORDAN'S NEEDS AND POTENTIAL

Developing the strategy, particularly for attracting FDI, helps to determine what types of investors should be the focus of Jordan's promotional and facilitation efforts, and what types of promotional activities should be undertaken.

This is a multidimensional process with multiple steps:

- What is Jordan trying to achieve through FDI?
- What types of FDI best serve those needs?
- What are current FDI trends internationally and regionally and how do they affect Jordan's ability to attract investment?
- What are the characteristics of Jordan as a host country for FDI – what are Jordan's strengths and weaknesses?
- What are the characteristics of Jordan's competitors and how well or badly does Jordan compare to these?

Each of the above questions must be addressed.

Tackle these as individual tasks. Some may be very closely related to one another and could therefore be addressed by one sub-group.

3.2.1 The Role of Domestic and Foreign Direct Investment in Achieving National Development Goals

Domestic and foreign investment can play a major role in achieving the overall national objective of doubling GDP per capita by the year 2020.

Domestic, and particularly foreign, investment - in the overall sense - brings with it benefits in terms of employment, value added into the local economy, increased tax revenue for the state, export earnings, upgrading of management and production technology in the host country, and a number of other benefits.

However, in order to 'win' more investment for Jordan, it is necessary to be sharply focused, on a sector by sector basis, and set priorities for the use of the limited national resources that are available to carry out the required promotional and facilitation tasks.

For FDI promotion it is recommended that a long list of potential FDI sectors is drawn up, and that each of these sectors then be subject to scrutiny against a matrix that would evaluate both the direct and indirect benefits:

- direct employment (both quantitatively and qualitatively)
- purchases of local raw materials and components

- purchases of local services (energy, telecommunications, banking, insurance, transport, telecommunications, legal and other services)
- tax benefits to the Exchequer
- technology transfer
- increased exports and foreign earnings
- potential for future expansion of the project (adding upstream or downstream activities, process or product development, research and development, further linkage opportunities with other firms in Jordan)

It is also recommended that this evaluation cover a period of say, five years, for each project – in other words, what is the projected cumulative economic benefit of each project over a five-year time span?

For example, attracting a JD 200 million FDI production unit (in a high- technology based sector) into Jordan will have significantly more long-term economic benefit than attracting a JD 200 million housing project. The production unit will contribute, significantly, to the economy - year after year, and will, hopefully, grow and integrate more deeply into the Jordanian economy, whereas the housing development will have a once-off impact only.

In the short run, it may be more important for Jordan to target labor intensive industries, rather than knowledge-intensive industries. Or, it may be more important to attract investments that will result in rapid expansion of exports from Jordan. These issues must be addressed and a consensus reached on balancing the FDI effort.

Overall, the more that the National Investment Strategy can be linked to the overall national economic development plan the better. FDI will reinforce the achievement of the national objectives and will provide concrete justification for JIB funding and scope of activities, making the task of monitoring and evaluation considerably simpler.

It will be necessary to devise a set of FDI – related goals that flow from the above consideration of the national goals. These will then become the general goals for JIB.

The result of this preliminary stage in the Investment Strategy process should be:

- a list of national development goals.
- a list of FDI-related goals that are based upon these national goals.
- a policy statement summarizing the relationship between the mandate of the JIB, the FDI-related goals and the national development goals.

3.2.2 Examining FDI Trends and External Influences

Carry out a comprehensive survey of global and regional FDI trends and external influences that affect Jordan's ability to attract FDI.

Understand the pressures and influences that concern foreign investors. Identify the important issues facing investors in order to properly convince them that Jordan is right for them.

When examining both global and regional FDI trends, keep in kind knowledge of Jordan's strengths and weaknesses as an investment location, in order to identify industries that are likely to be attracted to Jordan.

3.2.3 Selecting Sources of Information

At global level – the UNCTAD Annual World Investment Report (www.unctad.org)

At regional level – the ANIMA Report (www.animaweb.org)

At local, competitor country level – use local market intelligence (including through Jordanian embassies), scan newspaper and magazine articles, and study the strategies, resources, activities and results of the main national FDI promotion and facilitation agencies:

Algeria – Agence Nationale de Developpement de l'Investissement	www.andi.dz
Bahrain Economic Development Board	www.bahrainedb.com
Egypt – General Authority for Investment	www.gafinet.org
Egypt – Ministry of Investment	www.investment.gov.eg
Iran – Organization for Investment, Economic and Technical Assistance of Iran (OIETAI)	www.investiniran.ir
Iraq Investment Promotion Agency	www.iraqipa.com
Israel	www.investinisrael.gov.il
Jordan Investment Board	www.jib.com
Kuwait Investment Board	www.kia.gov.kw
Lebanon – Investment Development Authority (IDAL)	www.idal.com.lb
Great Socialist People's Libyan Arab Jamahiriya	www.mathaba.net
Morocco – Department of Foreign Investments	www.mincom.gov.ma
Omani Center for Investment Promotion & Export Development	http://ociped.com
Palestinian Investment Promotion Agency (PIPA)	www.pipa.gov.ps
Qatar – Ministry of Foreign Affairs	http://english.mofa.gov.qa
Saudi Arabia – Saudi Arabian General Investment Authority (SAGIA)	www.sagia.gov.sa
Saudi Arabian General Investment Authority	www.sagia.gov.sa
Syria – Ministry of Economy and Trade	www.syrecon.org
Tunisia – Foreign Investment Promotion Agency (FIPA)	www.investintunisia.tn

United Arab Emirates – The Ministry of Finance

www.government.ae

Yemen – General Investment Authority

www.gia.gov.ye

Note that it is important to collect data over several years to reduce the likelihood that a particularly large investment (such as a mining project, or a cement plant, etc.) will distort the analysis.

For each competitor country (and for Jordan itself) study and analyze the FDI information under some key headings:

- nationality of the investors
- source of the investment
- Structure of the investment (e.g. acquisition under a local Privatization Program, ‘free-market’ acquisition, Greenfield investment, partnership, technology transfer, etc.)
- value of the investment – financially and in terms of job potential
- type of investment (manufacturing, internationally-traded service, distribution, tourism project, healthcare service project, retail construction project, housing development project, infrastructure project, etc)

APPENDICES FIVE AND SIX contain informative tables comparing FDI achievements by regional competitor countries over the past few years, together with some country-specific comments.

3.2.4 Keep the Comparisons Consistent!

Wherever possible, use accepted nomenclature for classifying the industry information. Be consistent across all the countries that are examined.

3.2.5 Carry out a full comparative analysis, comparing Jordan’s achievements and those of key competitor countries

- Analyze industries and investor groups.
- Identify the key geographic sources of investment in these groups
- Compare each country’s share of inward investment.
- Has Jordan’s share been growing or declining (industry by industry)?
- Identify external factors that can disrupt these investment flows.

3.2.6 Conduct a SWOT Analysis

It is necessary to evaluate the investment characteristics of Jordan as a location for FDI. One has to understand Jordan as a *product* before one can market it.

Carry out a location audit, systematically examining Jordan’s strengths, weaknesses, opportunities and threats. This will highlight the positive and negative aspects of Jordan as an investment site. It provides a basis for comparing Jordan with

competitor locations, and helps in identifying what types of industries will find Jordan attractive.

Identifying the weaknesses in Jordan's investment environment also provides the basis to advocate for further policy and regulatory changes.

Impediments in the Business Environment

JIB should work with policymakers to overcome weaknesses in the investment environment.

A number of shortcomings have been identified, for example - in the availability of skilled workers; work ethic; transportation infrastructure and costs; operating costs generally; fiscal and non-fiscal incentives.

Much valuable, if controversial, work was done in the area of fiscal and non-fiscal incentives, by AMIR and its consultants. There will be a need to set out, accurately, the up-to-date status of these proposals or initiatives – some of which, for example, went to government, but have been held up for one reason or another.

Some brainstorming is recommended, on how to move forward- to secure government approval and implementation of these initiatives leading to rapid and effective removal of weaknesses in the business environment.

A key source of information on local characteristics is the local business community. Operating firms can provide a critical reality check of data obtained from institutional sources.

In evaluating the opportunities and threats it will be necessary to take into account key trends and developments that are emerging. They may be either positive (opportunities) or negative (threats) and may be internal or external in origin.

In addition to desk research, one way to gain information on opportunities and threats is to convene a roundtable meeting (or a few smaller roundtables) comprised of a number of leading private sector executives representing a variety of industries including domestic and (especially) foreign investors. Other participants could include: high-level public sector officials from key ministries and from the Royal Court, senior economists, bankers, private industrial estate developers, service providers (banks, telecommunications companies, transport firms,) donor agencies, key academics and business journalists.

The purpose of the roundtable(s) is to solicit the participants' opinions on the key opportunities and threats that could affect Jordan as an investment location, and potential ways to deal with them. They may also provide insights that would lead to the revision of the list of strengths and weaknesses. Each meeting agenda should be developed to encourage 'brainstorming' among the participants.

To ensure the most productive discussion, it is strongly recommended that a professional facilitator or consultant guide the brainstorming session.

Given that much analysis has been done in recent years, (the work of the Investment Committee, the former Economic Consultative Council, JV 2020, Reach Initiative, National Agenda, and others) it will be important not to go over ground that has been exhaustively covered before, but to build upon previous work and keep to the narrow focus of FDI.

Following the roundtable (or roundtables) it will be necessary to independently verify and detail, through further research, the information obtained particularly as it relates to external threats and opportunities.

Finally, the SWOT Analysis should be summarized in a short document that does the following:

- Spells out in detail the strengths and weaknesses, opportunities and threats of Jordan as a FDI location. This assessment should distinguish between internal and external opportunities and threats.
- Explains the specific industry or economic dynamics underlying external opportunities and threats and the implications of these factors.
- Identifies weaknesses that need to be addressed. These may be policy or regulatory impediments that need to be eliminated, labor or management skills to be improved, transport factors, linkage factors, etc.

3.2.7 Analyze Jordan's Competitors

Compare Jordan's characteristics (from the preceding SWOT analysis), with those of Jordan's key competitors.

This will help to measure the Jordan against the relative competitiveness or performance of competing countries and national investment promotion organizations.

If there is a thorough understanding of Jordan's attributes, it will be clear what strengths Jordan can capitalize on when targeting investors in overseas promotional campaigns. Jordan's weaknesses, that need improving, will also be known.

Such 'benchmarking' enables Jordan to evaluate its relative strengths and weaknesses; it is these that will determine whether or not an investor decides to select Jordan. Without this relative understanding, Jordan will be unable to understand why it was not included on an investor's short list, despite Jordan's best efforts to secure an investment. A comprehensive location audit is as much an assessment of competing locations as it is of Jordan as a location.

Structure the benchmarking analysis along the following lines:

Determine the factors to be compared.

This will vary according to the individual industry or service sector but will probably require attention to:

- labor demographics, availability and costs, add-on costs, productivity, days worked, labor laws
- local market size and growth prospects, market access to external markets
- inflation
- energy, transportation, telecommunication infrastructure and costs
- political stability
- security of assets and personnel
- currency stability, exchange regulations, profit repatriation regulations, Double Taxation Agreements, pro-business government and legal environment
- other factors that are more *industry-specific*

Determine competing locations and collect similar data.

In benchmarking Jordan against comparator countries, ensure that comparable and reliable data are used.

Compare Jordan to the short-listed competitor locations

Determine Jordan's unique selling proposition

What are those features of Jordan that are superior to its competitors and which are likely to be highly attractive to certain types of industries?

The unique selling proposition (USP) will be a key component of Jordan's awareness and image-building campaign.

3.3 STEP 3: TARGETING INDUSTRIES AND GEOGRAPHIC SOURCES OF INVESTMENT

3.3.1 The need to diversify investment sectorally and geographically

Having completed the analysis in Steps 1 and 2, a picture emerges of Jordan's strengths and weaknesses, as well as its competitive position in the region for attracting FDI.

The next step is to determine what types of industries might be attracted to Jordan's investment environment. By identifying or targeting these industries, JIB will be able to develop a marketing strategy that is tailored to the specific requirements of companies in these industries.

There are four steps involved in identifying which industries are most likely to be attracted by Jordan:

- Develop a long list of potential industries
- Analyze the characteristics of each industry sector
- Assess each sector's compatibility with Jordan and Jordan's development goals
- Develop a short list of industries.

3.3.2 Develop a Long List of Industries

This list should include the following:

- Industries that are currently investors in Jordan, and the industries that have downstream or upstream relationships with these industries
- Industries that have established operations in competing locations, and industries that might have downstream or upstream relationships with these industries
- Industries that are emerging in similar locations
- Industries that could emerge as a result of ongoing or proposed projects (e.g. establishment of new Free Zones, opportunities arising from recent 'privatisations')
- A 'wish list' of industries that would be desirable, and which is realistic given the findings of the previous SWOT analysis

- High-growth industries in which foreign investment has become an important factor in recent years.

It will be important to review the past efforts that JIB has put into following-up on the international advice that it received through detailed reports produced by a number of donor organizations, for its benefit.

Also, track, over the past five years or so, the historical pattern of investments into Jordan and into its competitor countries by companies in these sectors.

3.3.3 Within the Long List of Industries or Services - Analyze Industry Structures

Research each industry's structure, key players, and trends.

Note – if resources permit it would be good to get some high-level briefings (from internationally-recognized sector experts) on the global dynamics in each sector

In addition, much desk research much is carried out, as part of this task.

Industry Structure

International scope and scale. What is the industry's global production by value and volume? What is total employment? Where is this production located?

Key markets.

What are the aggregate trades flows within the industry? Are there any specialized or unusual trade flows? Who buys what products and what are they used for? If the industry makes intermediate goods, what are the markets for the final products?

Production Characteristics.

Is production highly concentrated among a small number of producers, or is it spread out across a wide number of small firms? Is it geographically concentrated?

Requirements and production constraints affecting the selection of an investment location.

What competitive pressures do firms face? Where do they obtain their inputs? What kind of labor do they use? Do they have to locate next to their buyers so they supply goods on a just-in-time delivery basis? How important are the cost and quality of factors such as utilities, inputs, labor, market access, etc. when choosing an investment location?

Key Players.

In addition to identifying key structural characteristics, JIB should identify the major countries and companies within the industry.

Industry Trends.

Understand the trends that affect investment decisions.

When analyzing current trends, one should focus on market factors that are likely to fundamentally alter the industry's foreign investment patterns, rather than short-term trends such as minor fluctuations in factor costs or product prices.

One should also try and identify trends at the international, national, and where possible, the regional/provincial / municipal levels. These different levels of analysis will enable JIB to understand the global market and industry forces that are driving investment decisions, while also understanding how these decisions are played out at the national and local levels. These trends could include, among others:

- changing market orientation
- emergence of new markets
- preferred form of investment
- regional strategies
- sourcing strategies
- industry growth
- global capacity
- industry concentration
- technology changes
- demographic changes
- consumer behavior
- factor prices
- regulatory pressure

3.3.4 Assess Industry Compatibility with Jordan

It is necessary to assess the compatibility of each industry sector with Jordan's development or policy goals, in order to identify those industries that will have the maximum impact on the national economy.

This will allow the long list of potential sectors to be narrowed down to those that best fit Jordan's needs.

While it is important to eliminate those industries that do not support or may even contradict Jordan's development objectives, this is only part of the process. Jordan needs to know how the industry lines up with the characteristics of Jordan's environment. In the end, it is this compatibility that will determine whether or not a company is likely to select Jordan.

Briefings by International Sectoral Experts

It would be good to have a sectoral expert in each of these sectors brief JIB staff on the dynamics of the sector.

The expert should be able to describe the key issues that are likely to be of concern to top managers in target companies abroad and to identify how Jordan might specifically help these executives to overcome some of the problems.

Project Modeling

As part of its preparation for any Target Investor Contact Program, JIB should produce a number of tailored Project Models. These are well-researched, well-focused and well-presented descriptions of a typical new project in that particular sector.

Each description is of a hypothetical project - setting out the required fixed asset and working capital investment needed; the employment which would be created (analyzed by skill and function level); the annual sales to be achieved; the markets / customers to be serviced; and other hypothetical (but realistic) parameters.

The Model would also set out a financial comparison of how Jordan would be a better and more profitable location for that project, compared to neighboring competitor countries.

Potential Economic Attractiveness of Various Sectors

In the process of determining the potential suitability of each target sector, consideration must be given to the potential of that sector to add significant value to the Jordanian economy. In this regard, it might be helpful to refer to some statistics produced by the Jordanian Department of Statistics (DOS):

Industry Sector	Gross Value Added as Percentage of Gross Output
Higher Education Services	80.2%
Medical Services	54.4%
Cement	51.6%
Ceramics	49.3%
Pharmaceuticals	45.3%
Furniture	42.8%
Stone and Marble	40.7%
Architectural and Engineering Services	40.0%
Automotive	37.7%
Iron & Steel	35.4%
Toiletries	34.6%
Footwear	32.8%
Textiles	29.4%
Electronics and electrical	27.8%
Processed food & beverages	22.9%
Packaging & Printing	17.8%
Garments	17.7%
Business Development Services	17.1%
ICT	7.7%
Jewelry	4.4%

Note: Sectors for which data are not available - olive oil, cut flowers, financial services,
Dead Sea products, tourism, minerals, agriculture, fruits & vegetables

Looking at things from the point of view of investors in each of the desired sectors, JIB now needs to compare each industry's specific requirements with Jordan's attributes as a location. This information will have to be supplemented with additional research data compiled from industry and government sources on the specific site, infrastructure, and utility requirements of individual companies.

Those industries that do not have a good or moderately good 'match' with Jordan's attributes should be eliminated from the target list, no matter how desirable they may be from a political or developmental perspective.

3.3.5 Develop a Short List of Industries

Having (above) assessed the compatibility of each industry with Jordan as a location, it is now necessary to grade or 'score' it in terms of three factors:

- industry compatibility with Jordan's attributes
- Jordan's competitiveness in providing the industry's requirements
- the industry's compatibility with Jordan's development goals.

It should be conducted as systematically as possible so that industries JIB chooses to target are those that are likely to be most compatible to Jordan.

This analysis will enable JIB to compare different industries side-by-side. A short list can then be made of those industries having the highest scores.

Note – a significant number of Sector Strategy Reports have been produced for JIB, within the past four years, regarding suitable FDI sectors for Jordan:

- automotive spare parts
- cosmetics
- food processing
- ICT (electronics)
- jewelry
- pharmaceuticals
- mining (extractive) industries
- textiles and garments
- tourism

In addition to the above individual Sector Strategy Reports, an overall Methodology Report was prepared, for JIB, to allow JIB staff themselves to develop such sector strategies.

In a Business Plan for JIB, sponsored by AMIR 2 in March 2006, it was stated:

“for each of these sectors an investment promotion strategy is required to identify niche products and markets, as well as the activities, resources and budget required to execute an investment promotion program for that sector.

The targeting technique for investment attraction relies on the identification of target markets based on the identification of products that are potentially competitive to locate in Jordan.”

That AMIR Report set out an indicative Grid of the Target Markets for the Identified Sectors

	Gulf States	EU	E. Asia	USA	Other
ICT	m.	M	m.	M	India
Cosmetics		M		m.	
Food Proc.	M	M			
Auto.Parts		M		M	
Garments	M	M	M		India /Pak
Pharma		M		m.	
Jewelry	m.	M			Israel/ India
Mining	M	M			India
Tourism	m.	M	M	M	

M = major target market

m. = minor target market

The above mentioned sector strategies were prepared a few years ago. In general, it is felt that they are still 'valid' but they need to be reviewed and updated.

3.3.6 Target Geographical Sources of Investment

At this point, JIB will have identified the industry sectors that it is going to target.

It will know the specific attributes that these industries are looking for in an investment location.

The final element is to identify the nationalities of the industries that JIB is going to target.

In the process of conducting the industry analysis, JIB will have informally identified the key geographic sources of investment in these sectors.

JIB now needs to formally determine which specific countries will be the focus if it's marketing strategy.

In order to maximize the promotional impact of JIB's resources, it will need to focus its efforts on a small number of countries; otherwise the promotional activities will be too diffuse to have a significant impact.

Finally, the decision will also be influenced by the size of JIB's travel budget or its overseas representational budget.

3.3.7 Keeping the Strategy Dynamic

The FDI situation is seldom static. The business and economic world is constantly changing. Some changes may improve Jordan's position. The most common source of improvement is changes in the policy and regulatory climate, but a variety of other factors can also increase Jordan's competitiveness as an investment location. These can include new trade agreements improving market access; improved infrastructure or services resulting from privatization or increased competition; or increased labor

force quality due to the establishment of new technical training programs, and other factors.

JIB should work with policymakers to overcome weaknesses in the investment environment.

JIB must continually adjust its promotional efforts to respond to changes in FDI flows and to capitalize on emerging opportunities.

3.4 STEP 4: DEVELOP A NEW MARKETING STRATEGY

Having done all the above review and analysis, and determined the most effective direction in which to proceed, for the future, it is now necessary to consider how will JIB actually go about doing it.

To implement the targeted focus JIB may need to change or modify its existing work program.

These changes have to be systematic throughout the entire JIB organization.

In particular, JIB will have to:

- examine its promotional approach
- evaluate organizational functions and responsibilities
- evaluate JIB's partnerships
- assess the budget implications of the new focus.

The final output will be a strategy document summarizing these various changes or modifications and setting forth JIB's plan of focus, to deliver outstanding results, in line with the National Investment Strategy, over the next several years.

3.4.1 Examine JIB's Promotional Approach

JIB has a wide variety of promotional techniques at its disposal. These include image-building techniques such as brochures, newsletters, video, advertising, and public relations.

They also include investment generation techniques such as direct marketing and focused advertising.

In view of the preceding review and analysis, and new focus, JIB may have to adjust what it is doing and how it is doing it:

- Does JIB's image-building campaign reflect the unique selling proposition that was identified above?
- Does JIB need to shift its advertising to publications that are read by its (newly defined) target audience?
- Does JIB's investment generation activities clearly explain to the targeted investors how Jordan can meet their specific requirements?
- Does JIB need to change the types of investment-generation techniques it is using?

Some techniques are better suited to specific types of companies in specific countries. In order to discover what types of techniques work best with the industry

sectors in the geographic areas that JIB targets, further research is required. The way to determine the most effective approach to these industries is:

- look at what Jordan's competitors are doing
- talk to experts in the industry
- read specialized publications that focus on that sector
- talk directly to some senior managers within the targeted sectors

JIB then needs to devise a series of image building and investment-generating promotional activities that incorporate this information. Depending on the sectors targeted, JIB may need to reinforce or de-emphasize certain activities.

The characteristics of the industry sectors and nationality of the investment JIB is targeting will determine the promotional activities that JIB employs. For example, a different promotional approach is required to reach garment firms than to reach the electronics sector, or the internationally traded services sector.

Similarly, a different approach will be needed when approaching target firms in the Far East than that used for European or American firms.

The changes that JIB will need to make will also depend on what specific promotional activity JIB already has underway.

Note: JIB has recently commissioned international consultants to develop a new "Brand" to be used in JIB's marketing and promotional campaigns.

3.4.2 Evaluate Organizational Functions and Responsibilities

Once JIB has figured out how its promotional and facilitation activities will need to change as a result of its new targeting focus, it will have to determine how this will affect the operation of the corporation. Any investment promotion and facilitation corporation should ideally be organized into functional departments with different responsibilities.

The current JIB structure may need to be altered to accommodate and support the new promotional activities.

These changes may also affect the staff that needs to be recruited.

The actual organizational changes that may be needed will reflect the industry sectors that JIB will chose to target and the functions and responsibilities that are assigned to individual departments or units within JIB. No matter what they are, however, JIB will need to develop a brief action plan for each such department or unit, describing its new or modified function under the new strategic marketing plan.

3.4.3 Research Jordan's competitor countries

Use web searches to research comparator countries' promotional organizations. Also research benchmark models to gain useful insights into competitors' organizational structures.

3.4.4 Evaluate JIB's Partnerships

Based on the 'who', 'where', and 'how' that are identified during the strategic planning process, JIB will also need to consider the partnerships / relationships between itself and various other intermediaries, in light of the sectors that are selected.

Such partners can be very helpful in shaping JIB's promotional product, marketing Jordan, and providing investor servicing and client aftercare services.

If they are to be effective, partnerships need to be actively maintained. This takes time, and since time and resources are limited, JIB will need to focus its efforts on those partnerships that are most likely to be helpful in attracting and facilitating the industries that JIB has targeted.

Does JIB need to develop new partnerships that reflect the sectors and nationalities of investment that JIB will be focusing on?

Similarly, if JIB is to refocus on industry sectors that require high-quality telecommunications services, JIB may need to develop amore cooperative relationship with information and communication technology service providers.

JIB will need to ask: Are some partnerships now peripheral to JIB's new promotional focus and therefore, perhaps should less time be devoted to maintaining them?

Or, depending on the sector targeted, JIB might need to develop partnerships with property developers who can provide tailored buildings or offices, rather than the industrial estate developer who provides standard pre-built industrial space?

Consider:

- Prime Minister's Office
- Ministry of Industry and Trade and supplies
- Ministry of Finance
- Ministry of Planning and International Cooperation
- Ministry of Labor
- Minister of Higher Education and Research
- Ministry of Information and Communication Technology
- Ministry of Transport
- Ministry of Science and Technology
- Ministry of Foreign Affairs
- Ministry of Agriculture
- Ministry of Energy and Mineral Resources
- Ministry of the Environment
- Ministry of Health
- Ministry of Municipal Affairs
- Ministry of Public Sector Development
- Ministry of Public Works and Housing
- Ministry of Tourism and Antiquities
- Ministry of Water and Irrigation

Some additional Ministries might also have to be consulted.

Also:

- JTB
- JIEC

- FZC
- ADC
- Private Industrial Estate Developers
- Banks
- Law and Management Consulting firms
- Industry Associations
- Relationships with Embassies
- Relationship with Jordan Enterprise (regarding overseas offices and other matters)
- Others?

APPENDIX SEVEN contains a General Guide to Partnerships

Set this review of partners as a Task for the Working Group, and either involve key partners directly in the Working Group, or consult them during the process.

3.4.5 Assess the Budget Implications of the New Promotional Focus

Since the 'mix' of promotional activities undertaken by JIB will be changing, it will also need to determine how much this will cost and how it will be paid for. Accordingly the next step is to develop a three-year budget for these activities.

A wide variety of factors will have to be considered in this budget. JIB will have to allocate resources for:

- competitor analysis
- sector research
- project modeling
- research to identify target companies
- contacting target companies - from home
- target investor tracking systems
- direct marketing missions
- follow-up direct marketing missions
- research carried out at Trade Fairs and Exhibitions
- cost of expert consulting services
- advertising public relations
- hospitality promotions
- journalists visits
- data bases and directories
- web site maintenance and development
- promotional material
- staff development
- facilitation of incoming site-visits

- travel costs within Jordan
- hospitality costs in Jordan
- systems to track existing investors /clients
- costs of measurement and evaluation systems
- other costs

This excludes salary costs and organizational overhead costs.

It also excludes any direct or indirect subsidies that JIB might pay to firms.

Once JIB has estimated how much these new activities will cost, it will also need to determine how they can be financed.

Will the government provide additional funding to target these sectors that will clearly contribute to the government's development goals?

Will donor agencies provide supplementary funding for specific items?

Can JIB find partners such as Chamber of Industry and Trade, banks, transportation companies, property developers, or other government agencies that will share the costs in some way?

3.4.6 Develop a Strategy Document

The final element is to draft a National Investment Strategy document.

It should have addressed all the tasks summarized above, and provided answers to the following questions:

- What industry sectors will be targeted by JIB in the short-term (1 - 2 years) and in the medium term (3- 5 years)?
- What are the geographic and sectoral areas of focus?
- What promotional approaches will be used to reach these firms, and why were they selected?
- What changes in JIB's organizational structure, functional responsibilities, and staff responsibilities will have to be made?
- What are the implications of this strategy for JIB's current partnerships?
- How much will these promotional activities cost and what will be the source of any additional funding that is needed?

Specific targets and timetables for achieving those targets need to be incorporated throughout the document. These targets should specify the types and number of activities that will be undertaken.

This information will have been developed in the context of designing and budgeting JIB's promotional activities. It should be included in the strategy document so that JIB can monitor and evaluate its performance.

The strategy document should clearly present JIB's promotional objectives and how JIB intends to achieve them. The text should outline the planned activities for the three-year period, at which time the strategy will be re-evaluated in light of changes in Jordan and in the international market.

Achievements / outputs required of a strategy:

The Strategy should be designed to achieve overall national economic development goals through specific delivery of measurable results in terms of new:

- Direct jobs
 - Indirect jobs
 - Exports
- The Strategy should also take into account, and set targets for:
- Gender balance
 - Regional dispersal and impact of investment on local economic development
 - Sustainability – possibilities for expansions, possibilities for add-on products, possibilities for add-on services
 - Targeting (and buying) certain firms because they help to establish Jordan's credibility as a world player in certain priority sectors /niches i.e. really closely focussed efforts on certain strategic target firms abroad
 - Suitability to existing Jordanian resources, infrastructure, available people, etc.
 - Linkage potential (either in Jordan or maybe regionally)
 - Overlap / synergy with ADC (ASEZA)
 - The role of the private sector industrial estate developers - meet them and their client companies to discuss / brainstorm
 - The role of the JIEC - meet them and their client companies to discuss and brainstorm

There must be fairly heavy emphasis on meeting with existing investors, and when possible with potential investors who looked at Jordan (those that were targeted by JIB but did not finally set up here).

Above all, JIB must present itself as a Solution Provider to the well- researched real needs of carefully selected target investors.

CHAPTER FOUR

RECOMMENDATIONS AND NEXT STEPS

4.0 Moving Forward on Developing the Strategy

A key consideration in moving forward is to place the development of the National Investment Strategy within the framework of an agreed, clear and specific National Economic Development Plan (ideally containing concrete, logical, realistic and attainable objectives, goals and targets). For the moment that framework has to be the National Agenda, and to an extent related initiatives such as JV 2020. The process of developing the National Agenda, and the process of finalizing JV2020 brought together many 'players' that have a role in Jordan's economic development. In the forthcoming process of elaborating a National Investment Strategy, it will be necessary to consult with many of the public and private-sector counterparts who contributed so whole-heartedly in these recent national initiatives.

Another key factor is to adopt an organizational structure to help guide the strategy development process, and solicit and incorporate input from stakeholders. In recent months, JIB has already started the process. It can now be further developed through implementing the following next steps:

4.1 Develop the strategy under the umbrella of a national-level Investment Strategy Task Force

JIB has requested and recently received from the office of the Prime Minister, authorization to conduct a national investment strategy with the cooperation of key Government of Jordan authorities. As a result, a task force or committee of key investment-related public- sector Ministries and agencies, and private sector representatives has been formed, which will provide overall guidance and help ensure the input and full cooperation of key institutions in developing the strategy. This methodology for developing the strategy should be submitted for review by the Task Force before initiating the strategy.

4.2 Coordinate at the working level with the JIB Investment Strategy Working Group

A Working Group has been established by JIB to help coordinate efforts, and is composed of key management and technical staff. The Group will review methodology and implementation of the strategy, and coordinate at the working level with technical assistance provided to help develop the strategy. In addition, as there are many individual research tasks to be undertaken, indicated in Chapter Three, many of them can, and should, be carried out directly by JIB staff. JIB already has much of the information and data within its own in-house records. However, some of that data needs to be fully analyzed in more structured way. The process of collecting and analyzing the data –in itself – will be a valuable Capacity Building endeavor for JIB staff.

4.3 Access technical assistance to contribute to strategy development

The strategy working group should access outside technical assistance resources, including expert consultants to contribute to technical elements of the strategy development. Technical resources can include those supported by EU,

USAID/SABEQ (description of SABEQ investment-related support in section 1.2), and related donors. In the case of SABEQ, a number of initiatives in support of JIB are currently being conducted, which provide a sound basis for contributing to strategy development, and should be coordinated with it and other JIB consultancies.

4.4 Adopt a work plan and time frame to develop the strategy

The strategy development process should be implemented over a period of about three – four months. If agreement among key stakeholders permits (National Task Force, JIB, SABEQ) the process could be started in July 2007 and completed by September/October, 2007.

Summary of proposed Work Plan and Time Frame for Strategy Development:

1. Launch the Strategy Development Process

- Organize a Workshop to launch the process with all key public- and private –sector stakeholders, introduce options for the methodology based on this document, and obtain consensus on the process
- Responsibilities: JIB, SABEQ
- Timing: end-July, 2007

2. Consult key stakeholders, with ongoing buy-in

- Hold individual workshops / meetings with key stakeholder organizations to obtain detailed input
- Responsibility: SABEQ, stakeholders
- Timing: August/September

3. Review legacy documents

- Conduct a comprehensive review of previous investment-related initiatives to build on, rather than duplicating, past efforts
- Responsibility: SABEQ, JIB
- Timing: August, 2007

4. Conduct original research

- Research key issues focusing on adding new value, fresh perspectives, and investment- related best practices
- Responsibility: SABEQ, JIB
- Timing: August/September 2007

5. Continue consulting with key stakeholders

- Ongoing buy- in from stakeholders and political system
- Responsibility: SABEQ, stakeholders
- Timing: September, 2007

6. Draft and review written submissions

- Draft sections of agreed outline, and review
- Responsibility: JIB, SABEQ, key stakeholders to ensure transparent, public participation
- Timing: September/early Oct. 2007

7. Submit draft strategy to key stakeholders at Final Workshop

- Organize final Workshop to review strategy, obtain final input
- Responsibility: JIB, SABEQ, stakeholders
- Timing: October, 2007

8. Finalize strategy and initiate implementation

- Incorporate final input, agree on implementation and monitoring plan
- Responsibility: JIB, SABEQ, National Task Force
- Timing: October, 2007

In summary, a sound investment promotion strategy will allow JIB to effectively promote Jordan as a profitable and attractive investment location and compete for FDI against other investment promotion agencies in the MENA region.

For practical reasons, the strategy must build on current trends of FDI in the region, adopting a pragmatic approach to how and which sectors to promote based on existing patterns of FDI flows to the region. The currently available, limited, resources would be used to implement this short-term plan. Under this kind of approach, JIB would focus its investment promotion efforts on the dominant sources. In particular, JIB must re-focus on providing more comprehensive aftercare services to foreign investors already operating in Jordan.

The strategy should set out mechanisms by which JIB can develop a more aggressive and complete investment promotion strategy with clear benchmarks against which progress can be assessed. A set of activity-specific goals under a system that allows monitoring, reporting and dissemination of results will be key in supporting a greater organizational effectiveness.

These goals apply to each of several important investment promotion activities: the development and delivery of image-building campaigns, the implementation of targeted promotion campaigns, the development and maintenance of a market intelligence capacity, and the execution of aftercare and policy advocacy activities.

The emphasis should be placed on implementation of more proactive and coordinated investment promotion, giving a priority to investor servicing, investment generation, image building activities and the facilitation of investment functions.

APPENDIX 1

DETAILS ON INVESTMENT LAW APPROVALS IN JORDAN 2002 – 2006

New projects (including expansions) benefiting from the Investment Promotion Law 2006

Sector	Investment JD million							
	Number	Domestic	Arab	USA / Canada	Europe	Other	Foreign	Total
Industry	520	685.5	733.7	21.2	8.1	41.4	804.4	1,490.0
Hotels	20	207.2	35.8	0	0	0	35.8	243.0
Agricultur e	31	52.2	4.3	0.4	0.8	0	5.4	57.6
Hospitals	5	23.1	0	0	0	0	0	23.1
Transport	0	0	0	0	0	0	0	0
Conf. Cntrs	2	20.0	0	0	0	0	0	20.0
Leisure Cntrs	0	0	0	0	0	0	0	0
TDWGO	0	0	0	0	0	0	0	0
TOTAL	578	988.0	773.7	21.6	8.9	41.4	845.6	1,833.6

New projects (including expansions) benefiting from the Investment Promotion Law 2005

Sector	Investment JD million							
	Number	Domestic	Arab	USA / Cana da	Europe	Other	Foreign	Total
Industry	480	284.1	94.0	10.6	12.5	11.8	128.9	413.1
Hotels	12	56.0	3.1	0.7	0	0	3.9	60.0
Agricultur e	52	20.9	1.2	0.4	1.7	1.8	4.8	25.7
Hospitals	5	8.9	0	0.05	0	0	0	8.9
Transport	0	0	0	0	0	0	0	0
Conf. Cntrs	4	20.6	0	0	0	0	0	20.6
Leisure Cntrs	3	11.7	0	0	0	0	0	11.7
TDWGO	1	71.4	113.6	0	25.0	0	138.6	210.0
TOTAL	557	988.0	773.7	11.4	39.2	13.7	276.3	750.0

New projects (including expansions) benefiting from the Investment Promotion Law 2004

Sector	Investment JD million							
	Number	Domestic	Arab	USA / Canada	Europe	Other	Foreign	Total
Industry	261	157.7	10.6	10.06	47.5	13.6	81.2	239.7
Hotels	6	11.1	1.2	0	0	0	1.2	12.3
Agricultur e	16	5.1	0.6	0	0	0.15	0.8	5.9
Hospitals	4	3.9	0	0	0	0	0	3.9
Transport	0	0	0	0	0	0	0	0
Conf. Cntrs	4	0	0	0	0	0	0	0
Leisure Cntrs	1	0.09	0	0	0	0	0	0
TDWGO	0	0	0	0	0	0	0	0.09
TOTAL	288	178.0	12.4	10.06	47.5	13.8	83.7	261.7

New projects (including expansions) benefiting from the Investment Promotion Law 2003

Sector	Investment JD million							
	Number	Domestic	Arab	USA / Canada	Europe	Other	Foreign	Total
Industry	261	157.7	10.6	10.06	47.5	13.6	81.8	239.5
Hotels	6	11.1	1.2	0	0	0	1.2	12.3
Agricultur e	16	5.1	0.6	0	0	0.2	0.8	5.9
Hospitals	4	3.9	0	0	0	0	0	3.9
Transport	0	0	0	0	0	0	0	0
Conf. Cntrs	0	0	0	0	0	0	0	0
Leisure Cntrs	1	0.09	0	0	0	0	0	0.09
TDWGO	0	0	0	0	0	0	0	0
TOTAL	288	178.0	2.4	10.06	47.5	13.8	83.7	261.7

New projects (including expansions) benefiting from the Investment Promotion Law 2002

Sector	Investment JD million							
	Number	Domestic	Arab	USA / Canada	Europe	Other	Foreign	Total
Industry	289	152.4	18.6	61.2	31.7	13.6	125.1	277.5
Hotels	4	3.0	0	0	0	0	0	3.0
Agricultur e	13	2.9	0.17	1.8	0.05	0.3	2.3	5.1
Hospitals	2	2.1	4.0	0	0	0	4.0	6.1
Transport	0	0	0	0	0	0	0	0
Conf. Cntrs	1	6.3	0	0	0	0	0	6.3
Leisure Cntrs	1	3.0	0	0	0	0	0	3.0
TDWGO	0	0	0	0	0	0	0	0
TOTAL	310	169.6	22.8	62.9	31.8	13.9	131.4	301.0

APPENDIX 2

MEASURING THE ECONOMIC IMPACT OF INVESTMENT

As stated in the body of the Report, there is a need for JIB and Jordan's' economic planners to be able to accurately measure the economic impact of FDI in Jordan.

The extract, below, from a recent Report by Forfas (the "JAED" of Ireland) will set the scene:

Material from Forfas Annual Business Survey of Economic Impact 2005

Irish-Owned Manufacturing and Internationally Traded Services

Sales

Total sales of the above companies amounted to Euro 25bn in 2005 (6.6% up on 2004).

Manufacturing sectors account for Euro 19.3bn of this total with the remaining coming from internationally traded services.

Total sales in the internationally traded services sector grew by around 12.3 % between 2004 and 2005, whereas the manufacturing sector grew by 5%.

Exports

Total exports of the above companies amounted to Euro 9.6bn in 2005 (6% up on 2004).

Manufacturing sectors account for Euro 7.9bn of this with the remaining coming from software development and other internationally traded services.

Value Added

Value Added (sales less the cost of materials and services) of Irish-owned manufacturing and international services amounted to Euro 8.9bn in 2005 (6.2% up on 2004).

Value added per person (a standard measure of labor productivity) is higher in internationally traded services activities (Euro 116,100) than in manufacturing activities (Euro 60,200).

Expenditure

Total expenditure by Irish-owned manufacturing and internationally traded services in the Irish economy amounted to Euro 16.8bn in 2005, which consists of Euro 4.7bn on payroll costs, Euro 8.9bn on Irish produced raw materials and Euro 3.2bn on Irish services.

The total spend of the indigenous enterprise base in the domestic economy equates to just over 67% of sales.

Foreign-owned Manufacturing and Internationally Traded Services

Sales

Total sales of the above companies amounted to Euro 84bn in 2005 (4.8% up on 2004).

Manufacturing sectors account for Euro 58bn of this total with the remaining Euro 25bn coming from internationally traded services.

The internationally traded services sector grew faster than the manufacturing industry between 2004 and 2005 and this sector now accounts for over 30% of all sales and 27% of employment, as opposed to 9% of sales and employment in 1990.

Exports

Total exports of the above companies amounted to Euro 79bn in 2005 (6% up on 2004).

Manufacturing sectors account for Euro 55bn (70%) of this total and the internationally trading services sector contributing Euro 24bn (30%) the balance.

Overall, exports in foreign-owned manufacturing grew by 5.8% between 2004 and 2005. In line with the trends observed in the total sales figures, the contribution of the internationally traded services sector to this overall export growth has been higher than the rate observed in the manufacturing sectors.

In 2005, nearly 94% of the goods and services produced by foreign-owned firms were exported.

Value Added

Value Added (sales less the cost of materials and services) of foreign-owned firms amounted to Euro 39bn in 2005 (4.2% up on 2004).

Value added per person employed equated to Euro 283,400 in 2005 (up 7.5% on 2004).

Expenditure

Total expenditure by Irish-owned manufacturing and internationally traded services in the Irish economy amounted to Euro 17.3bn in 2005, which consists of Euro 6.6bn on payroll costs, Euro 4.3bn on Irish produced raw materials and Euro 6.4bn on Irish services.

Total direct expenditure in the Irish economy by foreign-owned firms as a percentage of sales was 20.6% in 2005.

APPENDIX 3

ATTRACTING SERVICE INDUSTRIES

As a developing country, with a strong history of international trading, but with a relatively small manufacturing sector, it is appropriate for Jordan's economic planners to give careful consideration to facilitating and attracting ever more international service firms.

There is a strong trend internationally for services industries to grow, and set up in many developing countries.

Jordan should study these trends closely and seek to position itself strategically as a major Regional Service Industry Hub.

Ireland has benefited substantially from FDI in service industries. The internationally-traded services sector is now rapidly overtaking the manufacturing sector as an engine of growth in exports and employment.

From –" The Changing Nature of Manufacturing and Services - (Irish Trends and International Context)" Forfas July 2006

International trade has been central to the success story of the Irish economy. As Ireland has a relatively small domestic economy, it needs to import to a greater extent compared to countries with larger domestic economies. Such imports must, in the long run, be financed by export sales. As a trading economy, Ireland faces two main challenges. Firstly, to develop specialization in sectors that yield the greatest possible value added, and secondly, to produce those goods and services with the greatest efficiency possible. As a result, the contribution of services to Irish exports increased from 21% to 34% in 2005.

The Economic Landscape is Changing

In recent years, many OECD economies have experienced a decrease in the number of jobs in the manufacturing sector, with a rise in the number of jobs in services.

This rise in service activities is in part a reflection of rising incomes in developed economies, where consumers tend to spend an increasing proportion of income on services. It also reflects higher productivity in manufacturing compared to services, which results in falling relative prices for manufactured products.

Manufacturing continues to play an important role in the global economy as a driver of productivity growth, innovation and R&D, and technological change. Furthermore, the manufacturing sector provides key inputs to the wider economy and satisfies a broad range of final and intermediate demands.

The distinction between manufacturing and services is blurring, as manufacturing sectors increasingly assume services functions as part of their operations.

The following are Key Trends in the Global Manufacturing and Services Sectors:

Manufacturing – International Trends

Manufacturing production and value added continue to experience strong growth. At the same time manufacturing is declining in terms of its share of total value added in the global economy, and the contribution of the services sector is increasing.

Manufacturing employment has decreased steadily in most OECD countries:

Most of this fall in employment over the past two decades has occurred in two sectors: textiles and metal products, although, increasingly, high-technology manufacturing is also affected.

Productivity growth is an important factor explaining the global combination of growth in manufacturing output and fall in manufacturing employment. Other factors such as offshoring and trade also play a role.

Services – International Trends

Services account for an increasing proportion of total value added in developed economies, accounting for 68% of gross value added in the OECD.

This increase is driven by a limited number of sectors – finance, insurance, and other business services (including computer services). These sectors now account for about 20 to 30 percent of value added in developed economies, while their respective shares were between 10 and 20 percent in 1990.

Issues for Consideration (by Ireland “Inc”)

Employment in manufacturing has fallen by 13% since 2000. It is difficult to conclusively ascertain the relative role of different factors. While productivity growth is an important driver of the fall in employment, displacement of employment and relocation of operations abroad for cost or market access reasons also plays a role. Some enterprise activities may not be sustainable in a higher cost economy going forward and the enterprise landscape of the future will be different to that of today.

To date, Ireland has been one of the foremost beneficiaries of global FDI and offshoring by foreign-owned firms of enterprise activities (both manufacturing and services) into Ireland. Outsourcing of activities to foreign locations now affects both low and high skilled manufacturing and services jobs, and not all displacement is driven by cost.

Factors such as ICT infrastructure, skills base, and the host country regulatory and business environment are also key location determinants for enterprise.

ADDITIONAL APPROACHES TO ATTRACTING SERVICES INDUSTRIES

During 2004 the Irish Minister of Industry commissioned the development of a There are some useful lessons to be learned from that the new 2004 Irish National Enterprise Strategy, some of which is summarized below, including material from the Enterprise Strategy Group – Staying Ahead of the Curve Report:

Opportunities in internationally-traded services across a range of sectors and activities will play a more significant role in Ireland's economy over the next decade,

driven by international trade and enabled by advances in technology and Ireland's low tax regime.

High value-added manufacturing will remain a fundamental component of Ireland's enterprise environment. Through the promotion of competition and innovation, locally-traded services will contribute effectively to the future growth of enterprise.

Enterprise in Ireland will succeed by focusing on and reinforcing niche areas of activity. These can evolve from a number of sources, including natural resources, research and clusters or groupings of companies with specific expertise. These networks will increasingly facilitate knowledge transfer, disseminate market knowledge, foster innovation, inform the research agenda and identify infrastructure needs specific to sectoral development. Increasing focus must be placed on supporting the emergence of such networks to inform the effective orientation and delivery of state supports.

One of the recommendations, for IDA Ireland, is that it should target sales and marketing and European headquarters projects from both established multinationals and smaller companies at an earlier stage of internationalization.

Cabinet Enterprise Review Process:

To create a shared vision at senior political level of the nature and importance of the enterprise agenda, institute a twice-yearly Cabinet meeting dedicated to enterprise, to debate and prioritize the cross-departmental responses required for enterprise development.

These Cabinet meetings should be supported by an Expert Group on Enterprise, meeting at least quarterly and consisting of the Secretaries General from the most relevant Ministries, in addition to approximately four senior figures from the enterprise sector.

Opportunities:

There are new areas of opportunity that are opening up, and that will play a significant role in Ireland's economy over the next decade. They fall into three broad categories:

- Internationally-traded services; as international trade in services expands, there are emerging opportunities in a range of sectors and activities where Ireland has existing expertise. Ireland's corporation tax regime (12.5% which applies to all traded activities) is particularly favorable for the expansion of services activities.
- High value-added manufacturing; as our proven expertise in production and operations is integrated with knowledge-based activities such as R&D, marketing, customer relations management and sales, high value-added manufacturing will continue as a fundamental component of Ireland's enterprise base.
- Local-trading businesses; locally trading businesses will thrive over the next decade in a more competitive environment, as they apply innovation and best

practice to their businesses. Efficiency in this sector will help to reduce the cost base of the internationally-trading sector.

Some further opportunity areas:

- Realizing the relatively underdeveloped international opportunities of service sectors such as education, healthcare, creative services and maritime services, and maximizing the potential of services delivered electronically
- Capitalizing on the emergence of new global business models, such as supply chain management, exploitation of intellectual property, out-sourced business processes, regional headquarters and centralized corporate support services
- Developing our existing strengths and expertise in biopharmaceuticals, ICT, medical technologies, engineering and consumer products, and building on the success of natural resource-based sectors, such as food and tourism

Specific Growth Opportunities – Services:

Sector Services:

- Education services
- Financial services
- Healthcare services
- Tourism
- Creative services
- Maritime services
- Aviation services
- Construction, engineering and environmental services
- Professional and consulting services
- Agricultural and food-stock services

Service Activities:

- European Headquarters
- Franchising
- Intellectual Property
- Sales and Marketing
- Shared and Outsourced Business Processes
- Services Delivered Electronically:
- E-Retailing of Consumer Goods
- eServices
- Data Management
- Supply Chain Management

Specific Growth Opportunities – Manufacturing	
High-Value Manufacturing Sector:	Sub-sectors / Activities that offer opportunity
Pharmaceutical / Biotechnology	Process development / Ethical pharmaceuticals / Bio-pharmaceuticals
Food	Prepared consumer foods / Functional foods / Food ingredients / Specialty foods
Information and Communications Technology	Supply chain management –hardware & systems/ Software development / Infocomms – e-Learning, wireless, digital media / Integrated circuit design / Customer technical support
Medical Technologies	Cardiovascular – cardio-rhythm management / Diagnostics
Engineering	Proprietary products in niche areas, such as automotive and telematics
Consumer Goods	High-margin goods, enhanced by strategic use of design

A note regarding call centers:

Notwithstanding the considerable level of call centre activity in Ireland, which involves some customer contact, foreign-owned companies in Ireland generally lack the business functions that engage with customers on a more active basis and build deep relationships with them.

By encouraging these companies to carry out activities that involve closer interaction with the customer such as market research, Internet sales, lead generation, target marketing, and production /order and sales management, Ireland's market expertise will be developed over time to match our production expertise.

To facilitate this transition, IDA Ireland should attract the sales and marketing functions and European headquarters of both established multinationals and smaller companies at an early stage of internationalization.

This would involve targeting companies from countries where Ireland has already been successful, in particular the US, and also seeking to capitalize on potential arising from emerging non-European markets, for example China and India.

Newly internationalising foreign-owned companies seeking to penetrate European markets can either develop markets on a country-by-country basis or seek a single location that can act as a key access point – a gateway. The UK and France are well-established gateways for many larger non-European companies. Although it will be a challenge to compete with such traditionally successful European locations, Ireland's recently introduced 12.5% corporation tax rate for all trading activities gives us a particular advantage when a company is choosing its first European base.

The primary concern of companies addressing the European markets for the first time is to grow sales. To do this, they must ensure that their products and services are suited to European markets and that they reach their customers in an efficient and effective manner. They need to identify optimum channels to market and manage logistics and distribution (whether directly, or through outsourcing partners). They also need to understand the taxation and regulatory regime in each country and deal with accreditation, invoicing and customer support activities.

If we are to be successful in targeting these early-stage growth companies, IDA Ireland's offering will need to be adapted to meet the specific needs of these investing companies.

Resources within the development agencies (including their overseas networks) and expertise within Ireland's company base could be effectively leveraged to develop a compelling support product for these target companies. A small number of indigenous companies already offer comprehensive 'gateway' services to non-European corporations.

While such initiatives are unlikely to deliver high employment in the initial stages, they would provide a base from which to build a wide range of high-value activities over time.

Recommendation: Target sales and marketing and European headquarters projects from both established multinationals and smaller companies at the early stage of internationalization.

APPENDIX 4

JIB PUBLICITY MATERIAL

In developing its new promotional and publicity material, JIB should benchmark itself against other leading industrial development agencies across the world. One such benchmark organization should be IDA Ireland, some of whose material is presented below...

IDA Ireland Mission Statement

"We will win for Ireland, its people and its regions, the best in international innovation and investment so as to contribute to the continuing transformation of Ireland to a world-leading society which is rich in creativity, learning and personal and social well-being.

We will work in partnerships with other organizations to enhance the best of Irish capabilities and talents and match them to the best of global investment.

We will carry out our mission with integrity, professional excellence and responsiveness to all with whom we work or are in contact".

How do we do it?

We attract overseas investment by:

- Focusing on business sectors that are closely matched with the emerging needs of the economy and that can operate competitively in global markets from an Irish base. We compile up to date facts for research into the economy in Ireland.
- Building links between international businesses and third level education and research centers to ensure the necessary skills and research and capabilities are in place.
- Building world-leading clusters of knowledge –based activities.
- Strongly influencing the competitive needs of the economy, and therefore we are very active in the development of infrastructure and business support services, telecommunications, education, and regulatory issues especially in relation to EU policy.

Organizational Structure

The organization is structured to gather expert knowledge and skills in the key areas of our work.

We have a network of overseas offices to be close to our markets and gather the best information and form the strongest possible networks into the companies we target.

Our headquarters offices are structured on the basis of having the sectoral expertise and the business management skills to support companies as they locate here.

We have a network of regional offices around the country so that we are close to communities and know their needs and strengths very well.

IDA Ireland Services

IDA's focus is to attract foreign investment that is of high value, requiring high skill levels and a sophisticated business environment.

What IDA can do for you

- Provide information on key business sectors and locations within Ireland
- Assist in setting up a business in Ireland
- Introduce potential investors to local industry, government, service providers and research institutions.
- Offer advice on property solutions

Financial Incentives

IDA may provide financial assistance to companies wishing to locate in Ireland or expand their existing operations in Ireland. The unique characteristics of any proposed project will determine the incentive package available, in particular it's location. IDA evaluates potential projects through a process of negotiation.

The main criteria applied to determine the availability of the incentives include:

- The quality of the employment created
- Location chosen within Ireland.

The types of grants that are available include:

- Employment grants
- Research and Development (R&D) Grants
- Training Grants
- Capital Grants

Ireland also offers one of the most beneficial tax environments in the world.

A corporation tax rate of 12.5% applies to all corporate trading profits.

Industry Profile – ICT

Ireland is one of the most attractive locations for investment in information and communications technology. Over 300 overseas ICT companies develop, market and manufacture a wide range of leading edge products in Ireland.

7 of the world's Top 10 ICT companies have a substantial base in Ireland.

Overseas companies, including IBM, Intel, Hewlett Packard, Dell and Microsoft employ 45,000 in Ireland. In 2003 exports in this sector exceeded Euro 21 billion, representing 26% of all exports.

Many of the world's leading ICT companies have Irish operations that have expanded to take advantage of Ireland's unique set of competitive advantages. Functions such as shared services, supply chain management, technical support, software development and R&D are increasingly included in the range of operations carried out by ICT companies in Ireland.

Software

Over 800 software companies, both Irish and foreign owned, employ approximately 32,000 people, generating 10% of Ireland's exports and have a total annual revenue of Euro 12 billion.

In the 1980s, young, fast-growing companies such as Lotus, Microsoft, Symantic and Oracle established manufacturing and localization centers in Ireland to supply the European, Middle East and African markets. Companies also began to outsource some of their fulfillment, manufacturing, translation and support activities to Irish based vendors. This proved to be a catalyst for the emergence of a world-class sub-supply and vendor industry in Ireland.

A new wave of investment followed in the late 1980s and throughout the 1990s. In addition to first time investments from Intel, SAP, Sun, Novell, and Dell. Ireland's existing base FDI base – such as Microsoft, IBM, Accenture, Ericsson, Motorola, Apple and EDS – began to expand their operations.

Today Ireland is the largest exporter of software in the world. Eight of the top ten software suppliers in the world have operations in Ireland and it continues to be a leading European location for technology companies as demonstrated by recent investments such as Siebel, SAP, Net IQ and Adobe. These newer investments tend to be more strategic in nature and in some cases have European or global mandates for product development, high level pan-European technical support, revenue accounting and financial shared services. Companies generally in the sector now have multifunctional operations in Ireland that contribute to Ireland's growing reputation as a location for high value, high skilled knowledge-based activities.

IDA is also working to ensure that Ireland secures a strong position in the new emerging sectors, such as the creation, management, hosting and delivery of online content and services, as these offer enormous potential for the future direction of growth in the sector worldwide.

Hardware

Ireland has evolved into one of the world's most important centers for high technology. The ICT sector is a key sector of the economy accounting for about a quarter of Ireland's total exports. The sector incorporates the full range of high tech activities, from computers to chips, telecommunications to software, components to copiers.

IDA supports over 300 foreign ICT companies including many of the leading names in the industry worldwide that have brought the most advanced technologies, management practice, world-class service and the most demanding standards to the Irish economy. Leading names include Intel, IBM, Microsoft, Xerox, Hewlett Packard (HP), Oracle, Dell, Analogue Devices, Apple, EMC, Ericsson and others.

As well as manufacturing leading edge products in Ireland many ICT companies are involved in other business activities such as marketing and sales, technical support, software development, R&D, supply chain management, e-procurement, shared services, e-business and IP management.

The ICT sector continues to be an excellent match with the key competitive features of the Irish economy – high productivity, commitment to quality, workforce flexibility, innovation, responsiveness of the education system and strong customer relationship skills.

Industry Profile – International Services

Strong International Services Propensity in Ireland

Ireland is home to leading International Services companies offering business services on a pan-European / EMEA / Global basis. The sector includes a broad range of service sectors from professional consulting services, internet based business, telecommunications, travel and leisure, retail and distribution, media and entertainment, and business process outsourcing.

Companies operating in the internationally traded services sector have located and expanded here because of Ireland's knowledgeable / innovative workforce, low risk environment, excellent infrastructure and favorable corporate tax rate.

Ireland provides a low-risk, quick start-up, high-performance, knowledge economy for service companies.

Services companies in Ireland have delivered better customer service, provided innovative business solutions and reduced costs enabling increased shareholder value.

Leading companies such as Accenture, AOL, Bertelsmann, Bowne, eBay, ECC, EDS, Google, Hertz, Lufthansa, Marriott, Radisson Hotels and Overture.

Services Provided From Ireland

International Services companies are engaged in the provision of a highly diversified range of services:

- Shared Services Centers
- Call Centers
- Consulting
- Data Processing
- On-line Services
- Engineering Services
- Supply Chain Management
- Fulfillment Management
- Data Center Housing
- Reservation Services
- Sales & Marketing
- Software Development
- Software Localization
- Technical Support Services
- Conferencing Services
- HR Services
- IP Management

- eProcurement
- eLearning
- Content Management

Strong Shared Services / Contact Centers Capability in Ireland

Ireland is a great location for pan-European / EMEA / Global Shared Service Centers and Contact Centers. Ireland provides a dynamic environment because of its knowledgeable and innovative workforce, advanced telecommunications infrastructure, low risk pro-business environment and favorable corporate tax rate.

Ireland provides a low-risk, quick start-up, high-performance, knowledge economy for shared services.

Shared Service Centers / Contact Centers have delivered significant cost reductions, increased service levels, facilitated better business decisions resulting overall in more competitive financial operations and enhanced shareholder value.

Global leaders such as Accenture, Allergan, Black & Decker, Citigroup, Colgate, Oracle, Pfizer, Microsoft, Whirlpool, Xerox, Hertz, IBM, Dell, RCI, AOL, eBay, SAP, Siemens, Bertelsmann have located pan-European / EMEA / Global centers in Ireland.

Activities

Shared Service / Contact Centers in Ireland cover an extensive range of activities spanning back-office and front office:

- General Ledger Accounting
- Inter Company Accounting
- Statutory Accounting Consolidation
- Accounts Payable
- Travel & Expenses
- Accounts Receivable
- Invoicing and Billing
- Fixed Assets
- Inventory
- Cash Management
- Treasury
- Payroll
- Tax Accounting
- Management Reporting
- Records Retention
- Pensions

- Funds Administration
- Localization
- Fulfillment
- Insurance
- Legal
- HR
- Property Management
- e-Business
- CRM
- Environmental Reporting
- Shareholder Relationship Management
- Supply Chain Management
- Procurement
- Intellectual Property
- Customer Service
- Research & Development
- Sales & Marketing
- Order Management
- IT
- Customer Support across all business sectors
- Technical Support across all business sectors

Why Ireland?

- Developed Contact Center Environment
- Knowledge Economy
- Pro Business Culture
- Availability of Skilled People –IT Literate, Multi-lingual, Service Oriented Workforce
- Global Strategic Fit –facilitates a follow the sun (24 hour) model
- Ireland is the only English speaking member of the Eurozone
- Advanced Telecommunications Infrastructure – Bandwidth and Hosting
- Vendor Network (Business Advisors)
- Availability of 12.5% Corporate Tax
- IDA Support – Financial and Practical

Ireland is the preferred location for companies focused on achieving competitive advantage through better services enabled by a competent workforce and state of the art technology.

Supply Chain Management

In order to win in today's marketplace companies must improve productivity while lowering costs and bringing quality products to market quicker than ever before.

Innovative and effective Supply Chain Management (SCM) is the key to gaining competitive advantage, reducing costs and making your company more profitable.

Prime Location

Over the past ten years Ireland has become the location of choice for multinational's Supply Chain Management projects as they seek to maximize best practice across their organizations.

Management skills readily available include:

- Procurement, Sales Forecasting
- Inbound and Outbound Transportation
- Production Planning
- Inventory Management
- Warehousing
- Customer Service and,
- Sales Order Processing

Innovation

Effective Supply Chain Management projects in Ireland enable companies to realign their international operations to achieve the optimal business and tax structure.

Companies with successful SCM operations in Ireland include Dell, Apple and Ingersoll Rand.

Sales and Marketing

IDA's activity is not just about bringing more and more international companies to Ireland. The strong base of international companies already established in the economy is encouraged and supported in adding further value and business activities to their operations.

Because the purpose of business is to create and customers it has, in the main, two central functions:

- Marketing
- Innovation

The basic function of marketing is to attract and retain customers at a profit and many of the overseas companies in Ireland already undertake this activity.

Some of the companies involved in Sales & Marketing functions in Ireland include Medtronic, Nortel Networks, Analog Devices, and Dell. Whilst all of them operate in different marketing segments the characteristics of the environment in which they operate successfully have common features –

- pro-business environment with a stable and transparent fiscal and regulatory regime
- excellent telecommunications
- availability of people with strong sales and marketing skills

Intellectual Property (IP) Licensing

Industry Profile

Intellectual Property is often a company's most valuable asset. For companies that out-license their intellectual property to third parties Ireland is an ideal location to centralize a licensing center to optimize their international structure from both a business and tax perspective.

Intellectual Property is a high value component of businesses and the skills related to licensing and management of intellectual property are readily available in Ireland. Ireland offers opportunities to companies to implement business practices and systems that can manage, protect and extract full value from their intellectual assets to strengthen their competitiveness and enhance shareholder value.

Ireland's robust legal system and sophisticated infrastructure makes it an ideal location for the exploitation and protection of intellectual property.

Ireland as a Location for Intellectual Property Licensing

A company licensing its IP out of Ireland qualifies for the 12.5% rate of corporate tax, providing there is relevant substance, management and control in the Irish operation and the royalty income relates to Irish activity.

The type of skills and activity associated with any given IP project will vary but in order to qualify as a trading company with the Irish Revenue Authorities the Irish company will need to carry out a number of the following activities:

- Development of Intellectual Property
- Legal Protection and Contracts
- Financial Management and Taxation
- Administration and Billing
- Trademark / Branding Enhancement
- Marketing and Promotion
- Licensing
- Business Development

IDA Ireland can help you assess whether your operation would be considered a trading company.

Companies

Software companies such as Finmatica and media companies such as Alliance Atlantis successfully manage their Intellectual Property out of Ireland. Similar structures would also be suitable for the licensing of Patents or Trademarks.

Finmatica's Irish operation manage all licensing intellectual property (IP) agreements for the group's supply chain management software and also act as a centralized support center providing multilingual technical support to serve the European, Middle East and African (EMEA) markets.

Alliance Atlantis, the Canadian Media company licenses the right to broadcast their TV shows from Ireland on a worldwide basis and also organizes the physical distribution of the programming on a worldwide basis.

Industry Profile –International Financial Services

Dublin's International Financial Services Center (IFSC)

Dublin is home to most of the world's leading Financial Institutions.

In 1987 the Irish Government established the International Financial Services Center (IFSC) as a response to the rapid growth of the sector worldwide, and the outflow of Irish professionals who had to go abroad to find employment.

The IFSC is a prestigious integrated development located in central Dublin, which incorporates world-class office accommodation, educational institutions, executive housing, restaurants and shopping facilities. It has expanded beyond its original site and has become a vital part of the wider Irish economy. In total, there are almost 450 international financial institutions operating from Dublin with a further 700 managed entities carrying on business under the IFSC program.

The IFSC now houses many of the world's premier financial institutions, together with the leading law firms and accountancy and taxation advisors who support them. At its heart is the National College of Ireland, which provides continuing education to the financial professionals who work there.

Dublin has now developed into a world-class center for a wide range of internationally traded financial services. These include Banking, Asset Financing, Leasing, Corporate Treasury Management, Asset Management, Fund Administration and Custody, Futures and Options Trading and International Insurance Operations.

APPENDIX 5

REGIONAL GDP COMPARISONS

Current Prices US\$ billions		
Country	2000	2005
Algeria	54.4	85.3
Bahrain	7.9	11.0
Egypt	99.1	78.1
Iran	96.4	181.2
Israel	114.8	114.3
Jordan	8.5	11.5
Kuwait	37.0	52.7
Lebanon	16.4	20.7
Libya	34.5	31.5
Morocco	33.3	51.9
Oman	19.9	24.9
Qatar	17.8	28.1
Saudi Arabia	188.8	264.0
Sudan	12.2	22.7
Syria	18.9	25.8
Tunisia	19.5	30.9
Turkey	204.9	332.5
UAE	70.2	98.1
Yemen	9.6	14.3

APPENDIX 6

FDI FLOWS TO THE MEDA REGION

Types of investment according to host country 2003 – 2005

Host Country	Type of Investment						
	Greenfield	Relocation	Extension	Branch	Joint venture	Portfolio invest.	Privatization & license
Algeria	32%	0%	11%	15%	24%	16%	2%
Cyprus	20%	0%	13%	33%	7%	27%	0%
Egypt	40%	0%	11%	6%	17%	19%	8%
Israel	18%	2%	5%	8%	8%	59%	1%
Jordan	60%	0%	8%	4%	11%	15%	3%
Lebanon	52%	2%	5%	10%	14%	14%	3%
Malta	58%	8%	8%	8%	17%	0%	0%
Palestine A.	56%	0%	0%	11%	11%	22%	0%
Syria	57%	0%	2%	9%	23%	2%	8%
Tunisia	38%	9%	17%	8%	11%	13%	4%
Turkey	48%	3%	15%	11%	9%	11%	3%
MEDA-12	42%	2%	11%	10%	13%	18%	4%

<u>Approximate</u>		
Number of FDI Projects in 2005		FDI Amounts \$ m.
Algeria	90	3,600
Cyprus	7	
Egypt	102	9,000
Israel	92	5,800
Jordan	45	1,200
Lebanon	25	700
Malta	6	
Morocco	118	2,500
Palestinian A.	4	
Syria	40	3,000
Tunisia	76	1,100
Turkey	73	16,895

Turkey easily took the lead in 2005. Egypt, Israel and Algeria follow. However, in each case, individual large projects explain this boom (in 2005, three telecomm projects amounted to \$14 billion in Turkey; a giant mall and an Intel plant, both of \$4 billion, have been announced in Cairo and in Israel respectively). Syria and Tunisia have made a good deal of progress in 2005. Algeria and Morocco, which were in the lead in 2004, remain at high levels of announcements compared with their performances in the medium term.

There has been significant growth in projects in energy, banking, real estate, tourism, ICT, and a drop in textiles / garments and a chronic weakness in sectors such as furniture and medicines.

More detailed tables – by sector are available from animaweb.com (CHECK)

Approximate Number of Projects in 2005	
Energy	83
Tourism, catering	66
Banking	86
Construction, utilities, logistics	62
Automotive	38
Agribusiness	39
Software	48
Telecommunications	33
Textiles	15
Electro hardware	35
Chemicals	29
Consulting & services	22
Glass, minerals and wood	25
Distribution	20
Drugs	18
Electronic components	21
Transport equipment	13
Furnishings and housewares	7
Mechanics and machinery	9
Metallurgy	6
Others n.e.s	6
Biotechnologies	4
Electronic ware	2

Region of Origin of FDI Projects into MEDA in 2005		
	Percentage of Projects	Percentage of FDI
European Union 15 + EFTA	55%	55%
USA, Canada	16%	17%
Gulf & other MENA	11%	15%
MEDA 10	4%	5%
Asia	7%	7%
Others	8%	4%

More detailed tables are available, by country of origin

Brief Analysis by Country

Algeria: a country with tremendous potential.

59 FDI projects in 2004 and 93 in 2005.

Country potential:

- Energy
- Raw materials
- Household consumption
- Resources represented by its youth
- Encouraging prospects.
- Launch of five year \$ 60 billion investment plan.
- Association Agreement with EU
- Good IPA agency – ANDI

Spanish investment in biggest ammonia plant in world

Significant investment by foreign banks

Distribution sector growing rapidly

Egypt: investments make a big return

Better economic climate

Positive impact of creation of a Ministry of Investment

- 101 projects in 2005 compared to 33 in 2004
- 24 in the energy sector
- 16 in the banking sector
- 11 in the glass and wood sector
- 9 in chemicals
- 7 in construction and logistics
- some large real estate or port projects, and development of services (tourism, banking)

Jordan: or the importance of the Gulf investments

Increased number of projects in 2005 (46 projects, against 20 in 2004), but diminished in announced value.

The high price of crude oil, the available liquidities, the geographic and cultural closeness, the economic opening up, the stability and security of the Kingdom explain this attraction.

Thanks to the very active promotion undertaken by its development agency, the Jordan Investment Board (JIB), Jordan has profited from a large number of Arab Investments.

25 projects coming from the Persian Gulf (i.e. 52%) out of the 48 detected

- 9 projects from the Emirates
- 5 projects from Kuwait
- 4 projects from Bahrain
- 15 projects from USA.
- The Europeans are only discreetly present – 10 projects in total including Switzerland, followed closely by the MEDA countries themselves (7 projects – 3 Lebanese, 2 Egyptian, one Israeli and one Turkish).

The main projects are often real estate or tourist projects:

- Construction of five tower blocks in Amman (\$565 million) by a group from the Emirates
- Jordan Gate and Royal Village tourist project (\$ 500 million) associating Gulf Investment House and Kuwait Finance and Investment
- Two blocks and a tourist complex on the Dead Sea Euro 442 million) by a firm from Bahrain
- \$ 200 million cement works by the Kuwaiti JKHC
- Tourism complex near Aqaba (Euro 291 million) by a firm from Dubai
- Start of activities by third GSM operator Umniah Mobile Company, Emirates (Euro 281 million).
- Launch of a real estate agency by the Lebanese group Hariri in Jordan (Euro 108 million).

Israel: privileged destination for high tech FDI

GDP growth of 5,2% in 2005.

- 94 projects detected in 2005 compared to only 17 in 2004.
- Favourable trend for the externalisation of research and innovation
- Image of excellence of Israeli technology
- The effective action of the Investment Promotion Centre (IPC, Ministry of Industry – backed by the economic advisors from the Embassies abroad) enables an intelligent exploitation of these Israeli assets.

FDI \$ 7.3 billion +

Characterised by very high proportion of take-overs of start-ups by foreign groups.

WTO Report places Israel in sixth place among the favourite destinations of high tech locations, after Ireland, India, The United Kingdom and Germany.

Main investors were USA, with 54 projects (57% of FDI detected), followed by United Kingdom (09 projects), Germany (5 projects), France and Switzerland (4 projects each).

Intel \$ 4 billion plan at Kiryat Gat, 2000 jobs.

Numerous other high tech foreign companies have settled in Israel, such as the European groups SAP, Siemens, and American groups IBM, Motorola, Cisco, Google and Microsoft. Many of these groups proceed by acquisition or setting up centres of R&D.

Lebanon: a disappointing year in 2005, despite the potential

Political instability

26 FDI projects in 2005 (worth \$ 731 m.), against 18 FDI projects in 2004 (worth \$ 724 m.)

Main investors were Kuwait and France (4 projects each), Saudi Arabia, the USA, and the Emirates (3 projects each).

- Saudi Arabia – Euro 261 m.
- Kuwait Euro 125 m.
- Emirates Euro 96.5 m.

Lebanon attracts numerous Arab investors.

Tourism investment projects - a key sector in 2005 (10 projects 40% of all projects).

Few industrial projects.

Lebanon is also a significant outward investor in other MEDA countries, in banking, construction, etc.

Morocco: preferred destination of the Europeans

Attracted the most (in number) FDI projects in 2005 – 118, against 97 in 2004.

The value dropped significantly – down from Euro 4,261 m. in 2004 to Euro 2,430 in 2005.

2004 figures were high because of privatisations – telecommunications.

- France 48 FDI projects
- Spain 15
- USA 9
- Canada 6

Good work by their IPA Moroccan Direction des Investissements (DI) in improving the country's competitiveness.

Syria: a good surprise

44 projects in 2005 (only 10 in 2004).

FDI value only Euro 100 m. in 2003; Euro 434 m. in 2004; Euro 2,982 in 2005!

FDI to the energy sector (11 projects) accounted for 28% of the projects.

The banks and other commercial activities came next (8 projects) followed by tourism (6 projects).

Out of the 44 FDI projects, 16 were from the Gulf States (36%).

The main investors in 2005 were

- Emirates (6 projects)
- Russia (5 projects)
- Lebanon (4 projects)
- France (3 projects).

Syria is trying to undertake an active policy to attract investors. For example, seven tax free ones, where firms are hardly subjected to tax, have been created.

Tunisia: a country which attracts wide-ranging investors

Sharp increase in FDI projects in 2005, with 78 projects against 28 in 2004.

- Energy sector projects
- Telecommunications
- Banking and commercial activities

Number of Projects:

- France 32 projects
- UK 9
- Italy 7

Value of Projects:

- Sweden Euro 213 m.
- UK Euro 160 m.
- Italy Euro 143 m.
- France Euro 130 m.

Active IPA (FIPA)

- Improvements in political stability and business climate
- Existence of off-shore resources
- Maturity of the tourism sector
- Medical tourism
- Upgrading of garment sector into creation, design, technical textiles
- Determination to move from sub-contracting to co-contracting with greater value-added in Tunisia

- 6 new science parks

Turkey: a heavyweight within the MEDA region

Number of projects up from 47 in 2004 to 73 in 2005.

Value up from Euro 582 m. in 2003, to Euro 2,712 m. in 2004, to Euro 16,895 m. in 2005!

Main investors in 2005:

- Germany and France 14 projects each
- USA and Italy 4 projects each
- UK and Sweden 3 projects each.

However, completely different picture regarding FDI values:

- Saudi Arabia Euro 5,265 m.
- UK Euro 3,657 m.
- Sweden Euro 2,524 m.
- USA Euro 1,251 m.
- France Euro 715 m.
- Germany Euro 691 m.
- Italy Euro 673 m.

Sectors:

- Much investment in telecommunications (takeovers, licenses).
- 13 projects in banking and commercial sector
- largest recipient in the region of automotive FDI projects 12
- Turkey has Renault, Daimler Chrysler, Toyota, Fiat, PSA, Mercedes.
- Four projects in tourism.
- Numerous privatisations (many in the distribution sector).
- Anticipated membership of EU is an attraction
- Market prospects
- Modernisation of the economy
- Good growth rate of economy
- lowering inflation

APPENDIX 7

GENERAL GUIDE TO PARTNERSHIPS

Mention that this is taken from the MIGA Report;

General Guide to Potential Partnerships

1. Product Development	
Areas to be established or improved:	Potential Partners
Industrial Sites	National property agency Property developers Utilities companies QIZs/Industrial Parks/Free Zones
Transportation Infrastructure & Services	Transportation Ministry Public Transit Authority Port Authority Private transport operators Private infrastructure developers (roads, rail, and ports) Aqaba Development Corporation
Sector Skills in Labor Force	Labor Ministry National Training Institute Sector Associations Employer Associations Universities (local and foreign) Vocational training institutions
Customs & Immigration Services and Infrastructure	Labor Ministry Customs & Immigration agencies Property developers Industry and export associations

Education System	Education Ministry Universities Vocational training institutions Employer associations
Supplier Networks and Backward Linkages	Existing foreign investors Industry and sector associations Local private sector Small & medium enterprise development agencies Export promotion agency Export associations
Investment Laws and Regulations	Central Government Relevant Ministries Local & international law firms
Investment Incentives and Funding	Finance/Treasury Ministry National Training Institute Utilities Companies' Education Ministry Banks Venture Capital firms Local private sector (potential partnerships)
Local Area Physical Development	Local government authorities
Investment Approvals Process	Central Government Ministries Law Firms

2. Marketing	
Areas to be established or improved:	Potential Partners
Key Promotional Messages	Tourism Ministry or Agency Labor Ministry Chambers of Commerce Sector associations Marketing companies
Promotion materials on Specific Sectors	Sector associations Chambers of commerce Utilities companies Professional services firms Banks
Promotional Material on Industrial Sites and Premises	National property agency Property developers Utilities companies Export processing zone operators
Promotional Material on the Investment Climate	Professional services firms Banks Law firms Local private sector Sector associations Central Bank & statistical agencies
Generating Potential Leads	Expatriate associations (in target locations) Existing foreign investors Banks Professional services firms Property developers Free zone operators Embassies

	Chamber of commerce
Participation in Trade Shows (including funding)	Chambers of commerce Sector associations Utilities companies Banks Professional services firms
Roadshows and Presentations to Investors	Professional services firms Banks Sector associations Property developers Utilities companies
Sector Specific Foreign Missions	Chambers of Commerce Sector associations Banks Professional service firms
Editorials and Articles	National Press Leading figures in local industry Ministries & President or Prime Minister Foreign press
Press tours	Sector/Industry associations Foreign press Public relations companies
Investor conferences	Utilities companies Banks Professional services firms Sector/industry associations Chambers of commerce
Development of a Marketing Database	Professional service firms Embassies Banks Information providers
Direct Mail Campaigns, Follow Up, & Cold Calls	Property developers Banks

	Professional services firms Telecommunications company
Hospitality Events for Investors	Sector/Industry associations Professional services firms & Banks Property developers QIZs/Free Zones

3. Client Services	
Areas to be established or improved:	Potential Partners
Labor Statistics (availability & costs)	Labor Ministry Sector associations Labor unions Employer associations Existing foreign investors
Data on Utilities Services and Costs	Utilities companies
Data on Industrial Sites & Facilities	National Property Agency Property Developers Export Processing Zones Operators Local Government
Market Intelligence	Trade and export promotion agencies Sector associations Chambers of commerce Local media
Feasibility Studies	Professional services firms Local Government
Designing and Hosting Investor Site Visits	Existing foreign investors Industry and sector associations Professional services firms Central Government Local Government Property developers Utilities companies
Investor Matchmaking Services	Local private sector Sector associations

APPENDIX 8

Special notes on Performance Measurement

1.0 Performance Measurement

JIB does not appear to have an adequate mechanism to track the delivery of project approvals into concrete investment and job-creation in Jordan. Neither does JIB appear to have adequate internal Management Information Systems, Investor Targeting Systems, and Investor Monitoring Systems. The following notes might be helpful.

2.0 Monitoring and evaluation, to improve the management of an investment promotion organization

Although increased economic benefits are the long-term outputs of an IPA's actions; there is a need to measure the short-term of an IPA's activities to determine whether they are leading to cost-effective results. M&E also includes the qualitative assessment of an IPA's activities, in addition to the more traditional quantitative ones.

Monitoring and evaluation activities are collectively called performance measurement.

What are the Benefits of Performance Measurement?

- measures progress against internal goals
- measures progress against national goals
- collect useful data
- collect information that can be used in promotional campaigns
- learn from experience
- satisfy policy makers that the agency is doing its job
- improve the quality of independent audits
- compare JIB performance against competitor organizations

Interim monitoring and evaluation is important for a number of reasons but one key reason is to be able to concretely measure, in the short term, JIB's progress against its long-term goals. FDI is a long-term process and it may be a number of years before the benefits of FDI investment decisions reflect themselves into benefits into the Jordanian economy.

The JIB's business plan, annual marketing strategies, and the plans for each individual project should incorporate specific interim objectives and a timetable for achieving those objectives.

3.0 What measures should be used?

Results or 'outcomes' are usually quantified as economic benefit, for example - the value of the capital invested, the number of jobs created, the overall local value-added (purchases of local inputs) and the increase in tax revenue to the government. Other results, such as policy or regulatory changes in the investment climate, can also demonstrate performance if they result from JIB's policy advocacy.

The best tracking or measuring systems are those that are routinely carried out as part of the duties of the JIB staff - for example, tracking what prompts an enquiry (media report, advert, promotional campaign, referral, etc). Disciplined weekly, monthly and quarterly reporting is recommended.

4.0 What information sources should be used?

Each investment promotion has to decide on the type of information it needs to track, and the frequency of these tracking reports.

Track items such as number of direct mailings issued, response rate, number of first time calls made to target companies, number of meetings held, number of repeat meetings, number of first-time site visits, number of repeat site visits, number of outline project / investment proposals received, number of fully-developed project proposals received, number of applications approved, number of start-ups in any one year, number of expansion projects approved, their delivery /conversion rate, etc,

4.1 Monitor and Evaluate Jordan's Investment Climate, against Competitor Countries.

4.2 Carry out an annual SWOT analysis of Jordan as an investment location.

4.3 And an annual SWOT analysis of JIB itself.

4.4 Track international media coverage. Track sectoral magazine or similar coverage

4.5 Solicit the opinions of existing investors

4.6 Track the regular international studies and surveys that assess locations in terms of their attractiveness to investors, or that rank particular aspects of different countries' investment promotion activities.

Use such information to evaluate the effectiveness, or adequacy, of the investment climate for existing investors, as well as for future investors in the sectors targeted for investment.

5.0 Monitor and Evaluate Key JIB Activities.

Such as the impact and effectiveness of:

- promotional material
- web sites

- public relations and advertising
- seminars and presentations
- investor targeting and investment generation
- investor servicing
- investment retention and expansion
- other major expenditure

JIB should also periodically assess the likelihood and potential cost of alternative delivery mechanisms, processes, or sources of support. Doing things differently might save valuable resources for the organization.

6.0 Track and Measure Investment

Because some investment takes place without any direct intervention by JIB, it is recommended that JIB only track and record that investment made by direct clients of JIB.

This includes now or greenfield investment and expansions facilitated by JIB.

JIB managers need to carefully decide what information will be collected on each investment and how this will be done. Part or all the information sought may be provided by the investor when seeking investment approval, when obtaining a license or other permit, or in the course of negotiating for government incentives. If these sources are not sufficient, JIB should seek to obtain the information directly from the investor. IDA Ireland does!

Also, track the local (Jordanian) economic value-added. Professional systems need to be installed to do this accurately. It might eventually be a more appropriate role for JAED.

In the short term, these outputs or measurements can be used by JIB managers to reassess interim initiatives, and to report the results to the board or other government body.

A second measure of JIB's success is the overall level of foreign or total investment occurring in Jordan, regardless of whether or not the investors were JIB clients. This information might be obtained from sources such as the Central Bank, DOS, privatization authority, regulatory authorities, and other government offices and media reports. Banks, research institutions and donor organizations are also potential sources of data on total investment.

7.0 Conduct Comparative Benchmarking of Investment Performance

Benchmarking can be used to compare the quality or effectiveness of individual activities, or it can be used to compare overall performance, as measured by the total level of investment attracted.

SELECTED KEY PERFORMANCE MEASUREMENT INDICATORS

Say, again that these are taken from the MIGA Report

Performance measurement indicators as part of an M&E system

Section	Measure type	Measures	Frequency of review
Investment Servicing	Input	<ul style="list-style-type: none"> - number of meetings with existing operational investors - inward visits from potential investors arranged and implemented 	Monthly Monthly
	Output	<ul style="list-style-type: none"> - number and type of inward visits - number of new investment decisions 	Monthly Monthly
Investment generation	Input	<ul style="list-style-type: none"> - number of multiplier meetings arranged - number of direct marketing / targeting initiatives arranged - number of investment missions organized - number of other promotional initiatives arranged 	Quarterly Quarterly Quarterly Quarterly
	Output	<ul style="list-style-type: none"> - number of enquiries generated - assessment of effectiveness of promotional activities 	Monthly Monthly
Image building	Input	<ul style="list-style-type: none"> - promotional materials produced - number of personalized presentations produced - media releases produced and briefings given 	Six months Monthly Quarterly
	Output	- independent assessment of Jordan's image among the international investment communities being targeted	Occasional
Research	Input	<ul style="list-style-type: none"> - research studies produced - market intelligence information produced - number of comparative studies produced 	Six months
	Output	- number of generation initiatives undertaken	Six months

APPENDIX 9: TASKS IN STRATEGY DEVELOPMENT

The following list of suggested tasks is important to consider in developing an investment strategy. Some may have already been initiated (task forces, other consultancies on investment mapping, etc.) and should be cross-referenced against ones already underway.

TASK

- As part of a Baseline Study, additional data collection and analysis needs to be carried out.
- List all of the FDI companies that are currently in Jordan
- Profile each company, by capital invested, employment, location, ownership, exports-value and destination. Is company stable, growing, declining?
- What possible initiatives could JIB take with each company – to help them to integrate further, expand, get referrals?
- This is part of the necessary Baseline Study before the value of any future Investment Strategy can be adequately measured and evaluated.
- Use the past statistics as a tool to study the past, learn some lessons and prepare for a Fresh Start

TASK

Set out in detail:

- JIB's actual activities and achievements over each of the past five years.
- General promotion activities
- Advertising (at home and internationally)
- PR efforts and results
- Promotional Trips undertaken,
- set out details on each one,
- the purpose,
- Who participated?
- Who was met?
- Results.

TASK: Lessons to be learned

- Details on First Time and Repeat Site Visits handled by JIB in each year for past five years.

- Other visitors handled:
- VIPs
- Journalists
- Others

TASK

- How to do the research on internationally growing sectors – both of industry and services - i.e. how to identify the sectors sub-sectors with really high potential for FDI investment over the next few years?
- How to screen them for possible suitability for Jordan?
- Which companies within those sectors are the most likely targets?
- Not just the biggest but those that might be more prepared to consider Jordan – maybe because Jordan can make it sweet for them in terms of financing, tailored support etc.
- Who are they?
- How to approach them?
- What are their needs?

TASK

- What should be the activities of a Project Facilitation Group / Task Force within JIB?

TASK

- Discuss Clustering
- Support industries here in Jordan / Linkage potential as a carrot to get potential investors interested

TASK

- How to use leading Jordan industrialists and bankers as Ambassadors?
- How to give them good briefings / key Selling Messages / Promotional Material.

TASK

- Research the Jordanian Diaspora – as resources in many ways: contacts; networkers; influencers; facilitators; potential investors themselves – new projects or buy-ins into existing Jordanian companies; sources of influence within their (overseas) companies to influence the thinking of that company towards investment in Jordan; as skilled employees who might be willing to return to Jordan if a suitable MNC set up in Jordan

TASK

- Sub task force on getting more from the ICT Sector.

TASK

- Foreign companies that have established sales office in Jordan might be potential targets.

TASK

- Targeting countries that have a historical or cultural link with Jordan

TASK

- calculate how much resource effort is needed by JIB to facilitate:
- DDI,
- Non-targeted FDI (e.g. apartment building projects, privatisation achievements, ASEZA projects, etc.
- Draw conclusions and recommendations leading to better utilisation of JIBs limited resources – for the future.

TASK (a big one)

- Competitor Analysis
- Including SWOTS on each Competitor – strategies, resources, results,
- What lessons are to be learned – from this detailed study of the competition?
- What ideas /initiatives does the analysis trigger?

TASK

- Review what Information, Tracking, M&E systems are most appropriate for JIB-based on what they have or have not be doing properly, what the competitors do, and what is best-practice.

TASK

- Review the individual FDI Recommendations made in JV2020 and Nat Agenda.
- Meet the people within each team or sub-committee who made these FDI recommendations and get them to 'drill down' more deeply and specifically.
- Get them to spell out / clarify in what specific way FDI is needed – and any ideas they might have about how to achieve it.

TASK

- Urgent action to facilitate rapid growth of the ICT sector, incentives, marketing programs, etc.

TASK

- Action on Incentives generally

TASK

Inform Ministers and senior ministry personnel, more deeply and more comprehensively, on Investment and Enterprise Development and Export Development.

Similarly with journalists – to create a wave of opinion to reinforce the messages to government bodies ministers to 'get moving'....

TASK

- Ensure that JE is heavily involved in the development of the National Investment Strategy - don't just let it be a JIB thing.

TASK

- Start work now on developing appropriate Jordanian Economic Expenditures measurement systems (i.e. the total economic impact of each project)

TASK

- Regional issues – regional needs – how to satisfy them? Meet with key local authorities, local development organisation.
- Meet with national Planning Authorities –concerning zoning, infrastructure, environmental issues, etc.

TASK

- Study Gender Issues and take these into account in the final Investment Strategy.

TASK

- Comprehensive discussions with the national Vocational Training Authority and with any other national or private vocational raining centres
- Also involve key academics / technical colleges / universities – incubator operators, etc.

TASK

- Some attention to Wide Area Information Network information sharing systems across government departments and enterprise development organisations

TASK

- Some brainstorming on Special Initiatives – to attract Flagship Projects.

TASK

- A short comment on the National Linkages Program

TASK

- Pay some attention to Funding /Finance Issues.

TASK

- Also to identifying potential Jordanian Joint Venture or Business Co-operation Partner firms.

TASK

- Also to identifying and researching potential Investment Opportunities here in Jordan, and how to sell them? And to whom? How?

TASK

- Study the cost / effectiveness of doing a number of initial direct marketing missions (and follow-up missions) directly from Jordan – before finally deciding on setting up (expensive) permanent offices abroad.

TASK

- Agree a Definition of the specific FDI that JIB should be working on (and other types of FDI that it need not devote scarce resources to)
- Does JIB get involved in Privatisation-type marketing? – discuss, clarify and agree

TASK

- Distinguish between FDI that comes into Aqaba and that which comes into the rest of the country.
- Eliminate double counting.

TASK

- What about new banks, insurance companies and other financial services companies that set up in Jordan?

TASK

Internationally-traded services:

- Discuss. Define the boundary with the Min. of ICT.
- And with other Ministries?

TASK

- Consult all relevant Donor Programs -consult with MOPIC on this

TASK

- Introduce Tracking Systems to accurately track the stock of FDI in Jordan (and the annual changes).

TASK

- Consider **Regional Dispersal within Jordan.**
- What are the attributes of each major region throughout Jordan?

What sort, scale of industries would be suitable / not suitable?

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