JORDAN: GROWTH AND OPPORTUNITY
LONDON 2019
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GROWTH & OPPORTUNITY
THE LONDON INITIATIVE 2019

London, 28 February 2019



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BACKGROUND

The next five years offer an unprecedented opportunity for economic transformation in Jordan. With ongoing reform, the re-opening of the borders to Iraq and Syria, and a growing private sector – driven by a young, entrepreneurial population – this is a time for great optimism. But the challenges are significant. Jordan has been buffeted by the global financial crisis, struck by shocks to its energy supply and trade routes, and stretched, and stretched by an influx of refugees from Syria. This early promise will only be fulfilled if the international community step up and better target their support to enable Jordan's growth.

That is why the UK and Jordan are hosting the London Initiative, a dynamic conference taking place in central London on 28 February 2019. It will demonstrate the scale of ambition for Jordan's economic transformation, and bring together an audience of **political leaders from bilateral partners and donors, CEOs and private sector leaders interested in opportunities in Jordan**. This synergy will help make the vision of a more productive, diversified, competitive, equitable and export-led economy a reality.

In shared understanding and appreciation of Jordan's circumstances, UK Prime Minister, Theresa May, and His Majesty King Abdullah II of Jordan met at the UN General Assembly in 2018 to agree for their countries to jointly host the conference. The conference will focus on growth and opportunity, linked to reform. It will highlight four sectors where Jordan has a comparative advantage in the Middle East: tourism, technology, logistics and professional services.



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OBJECTIVES

Placing Jordan's economy on a sustainable growth trajectory will take time. Jordan and its people will not be able to achieve it alone. The Government of Jordan is committed to implementing significant reforms to improve its inclusive growth outlook and business and investment environment, and to work with donors, the World Bank and IMF on sound economic management. This alone is not enough, however. The conference will focus on four interlinked objectives, each of which will support growth whilst maintaining economic stability.

While Jordan has growing opportunities in many sectors, including in manufacturing and industry, the conference will focus on specific sectors of comparative advantage which have the potential to also drive job creation: **tourism, technology and entrepreneurism, logistics and infrastructure and high-skilled professional services**. Jordan's service exports have grown from US $1.6 billion in 2000 to US $7.1 billion in 2014 (driven by travel, tourism, transportation and logistics). The country has also increasingly emerged as a hub for activities related to information, communications and technology (ICT) which, along with business services, has become one of the main attractors of FDI since 2008.

The four interlinked objectives of the conference are:

1. Robust and realistic measures and reform to stimulate growth

The path to growth will require deep economic reform to boost exports and FDI, encourage business diversification and innovation, create jobs, and improve the business climate. Jordan is in the process of enacting and implementing new laws to address challenges faced by the private sector. Additionally, Jordan plans to make the necessary reforms to lower energy costs, ease access to high skilled labour, and unleash its female participation in the labour force. Jordan has developed and will launch a 5-year Reform and Growth Matrix to prioritise cross-cutting measures to jump start the economy and create jobs and opportunities for all. This will be aligned to IMF measures to preserve macroeconomic stability, and Jordan will demonstrate its commitments and progress.

The London Initiative will deliver:

- A robust and realistic growth narrative
- A multi-donor trust fund to implement the 5-year Reform and Growth matrix
- Demonstration of implemented reforms, with increased opportunities for women and young people

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2.Financing Growth: Debt sustainability and international support to achieve this

Jordan's ability to transition to a more productive, diversified and competitive export-led economy hinges on freeing up fiscal space through lower interest costs, less volatility and greater predictability of financing. Therefore the 5-year Reform and Growth Matrix must be supported by a robust 5-year Financing and Debt Management Strategy. This will involve re-targeting existing finance more productively, and unlocking new concessional financing from partners, to stabilise Jordan's debt service costs, with the ambition of maintaining them at manageable levels.

The London Initiative will deliver:

- A robust Financing and Debt Management Strategy
- Linking concessional financing to tangible implementation of comprehensive reform plans
- Strategies for mobilising concessional finance at scale via grants, guarantees and loans

3. Financing Growth: Ecosystem to develop and finance bankable growth projects

Substantial new public and private investment is also required to boost economic growth and employment, expand Jordan's strained infrastructure (transport, energy, water, schools, and hospitals), exacerbated by the surge in population, and provide support for new businesses that will help expand the private sector, diversify the economy and create jobs. Specifically, the conference will help create a pipeline of prioritised and bankable opportunities and launch a new structure to prioritise, develop, and finance those projects in a way that maximises growth potential. Specific project financing opportunities will also be showcased.

The London Initiative will deliver:

- Creating an empowered institution to develop, prioritise and finance strategic projects
- Pooling capital to provide financial returns and drive economic development
- Present a rich pipeline of infrastructure projects with numerous bankable opportunities (PPPs)

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4. Business-led growth and attracting investment in key commercial opportunities

The conference will unite key private and public-sector leaders from Jordan to promote business opportunities serving the country and the wider Middle East and North Africa (MENA) region. This includes strategic prospects for global companies to utilize Jordan to expand their businesses in the Levant and across MENA. Plenary and sector-specific sessions will provide first-hand insight into the unique competitive advantages that Jordan offers for business, enhanced by targeted reforms and advancements that Jordan has undertaken.

The London Initiative will deliver:

- Dialogue between businesses, investors and government on new investment opportunities
- Private sector expertise to realise potential in competitive sectors
- New investments and business to business linkages
- Showcase ready-to-go PPP opportunities

An interactive outline agenda for the Conference will be shared shortly, reflecting the above objectives.

Further information on practicalities is available via the attached note.

