“The Country is a regional hub for tech start-ups that serve the wider MENA region. The ICT-focused educational system, the presence of venture capital, a business-friendly environment, and low start-up costs are only a few aspects of Jordan’s ICT sector that contribute to the ease of doing business in Jordan.”
Overview of the ICT Sector in Jordan

Jordan has succeeded in creating and developing a highly-competitive information and communications technology (“ICT”) sector which is considered one of the pioneering sectors in the Middle East and North Africa (MENA) region. Jordan’s ICT sector attracts an average of $150 million in annual investment. The ICT sector in Jordan serves larger markets in the region in the age of technology and innovation and contributes significantly to the county’s increasing globalization.

Jordan provides the type of lucrative ICT environment required by international companies. The Country is a regional hub for tech start-ups that serve the wider MENA region. The ICT-focused educational system, the presence of venture capital, a business-friendly environment, and low start-up costs are only a few aspects of Jordan’s ICT sector that contribute to the ease of doing business in Jordan. In 2016 the Country launched the REACH2025 initiative to streamline the digital transformation of the Jordanian economy. The initiative encourages public-private collaboration, moving the country towards the digitalization of other major sectors. The sector experienced a 7.23% annual revenue growth rate in the 2016-2017 year, contributing to a significant portion of the country’s overall growth in GDP that year. With total-sector employment of 17,412, Jordan’s ICT sector encompasses endless opportunities for successful business and investors.

Source: KOF Swiss Economic Institute, 2018, “KOF Globalisation Index”

1 Jordan in the Cloud, leadingedgedeguides.com, 2018
2 INT@J, 2016
3 INT@J, 2016
Jordan’s ICT market has undergone a rapid shift towards data service usage over traditional voice and SMS services, supported by equally swift mobile broadband network expansion which has had a significant position impact. From the early 2000s, incubators, venture capital firms, startup accelerators and co-working spaces like Oaesis500, iPark and V Business Center have been steadily establishing presence in Jordan. More than 600 active ICT companies call Jordan home, directly employing about 16,000 employees, and an overall contribution to about 84,000 jobs in the wider economy. The ICT sector can be classified into eight sub-sectors, for which considerable investment opportunities exist.

01. Telecom

Investment opportunities in Jordan’s telecom sub-sector exist for international operators, internet service providers, and application services providers. The Telecommunications industry in Jordan included 4,225 jobs as of 2017. The Telecommunication Regulatory Commission became the first independent telecom regulatory body established in the region.

<table>
<thead>
<tr>
<th>Telecom Revenue Statistics</th>
<th>Public Switched Telephone Network</th>
<th>Mobile</th>
<th>Internet</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$274.39 million</td>
<td>$875.16 million</td>
<td>$101.16 million</td>
<td>$112.09 million</td>
<td>$1.36 billion</td>
</tr>
</tbody>
</table>

02. Digital Services

The Government of Jordan has been working on enhancing the number of e-government services available in efforts to transform the way stakeholders interact and participate with the government. Nearly 150 e-government services are now available in various government institutions. Furthermore, the government is working to fully replace citizens’ traditional ID cards with smart ID cards, enabling a quicker and simpler access to e-government services. The ICT sector in Jordan offers various investment opportunities as it offers data bundles with specific OTT and smart IOTs, internet protocol television services, business cloud hosting and e-commerce, as well as digital financing services.
03. IT Infrastructure

With regards to hardware and networking infrastructure, Jordan is calling for investors to implement civil work, fibre work and equipment connection to connect 990 public schools, 217 hospitals and healthcare centres and 126 government entities in Irbid, Mafraq, Jerash and Ajloun. Additionally, there is an opportunity to implement a national broadband network that connects 1,318 public schools, 231 public hospitals and healthcare centres and 169 government entities in Amman, Zarqa, Madaba and Balqa’.

04. IT Software

Investment opportunities exist in IT solutions for Jordan’s financial sector as well as in enterprise solutions and emerging applications. Jordan is experiencing an influx of investment to further develop IT Software-dependent sectors such as, Transportation, Tourism, Energy, and Water. With these development projects will come an increased need for reliable information technology softwares.

05. Online & Mobile

75% of Arabic internet content is generated by Jordan’s ICT sector. Jordan offers a competitive proposition for investment in content applications and e-learning with regionally competitive priced broadband internet tariffs at US$ 42.7 per month at purchasing power parity (PPP) prices.

<table>
<thead>
<tr>
<th>ICT Penetration Statistics</th>
<th>Subscribers</th>
<th>Penetration (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile</td>
<td>9,818,000</td>
<td>100</td>
</tr>
<tr>
<td>Internet</td>
<td>10,129,351</td>
<td>103</td>
</tr>
</tbody>
</table>

Source: INT@J, 2016

06. Outsourcing

IT outsourcing concerns investment opportunities such as Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO), and customer call centers. Jordan’s highly skilled workforce enables international firms to undertake back-office business and IT services and exports using Jordan’s BPO services park.

07. Gaming

Half of the world’s mobile games are produced in Jordan. With a 29% annual growth rate, the Middle Eastern mobile gaming sector is the fastest growing in the world. Jordan offers considerable investment opportunities in online and mobile console gaming as well as for design studios involved in gaming and animation and localization of content. The country utilizes IT-based design studios to target and expand nascent animation and design industries to market regionally and internationally.

08. IT-Enabled Business Process Outsourcing (BPO)

Jordan is a leading technological hub in the Middle East an ideal destination for business process outsourcing. Home to the leading content engines in the region for the development of conventional content applications, Jordan is an emerging BPO destination for financial services, IT, insurance, and health.

10 Jordan Relaunched, 2018, “Opportunities by Sector”
13 Video Games Statistics Database, Big Fish Games Inc. 2018
Why Jordan

The Kingdom of Jordan is a stable, business-friendly, modern, and prepared location for your next engineering, manufacturing, information technology, or life sciences activities in the Middle East and North Africa (MENA) region. This dynamic nation provides a sound environment from which companies can find key talent, business assistance, and a willing Government partner who will help enable their growth into the MENA region and beyond.

Jordan offers a vibrant, innovative, and globalized business environment with a high ease of doing business at stable, competitive, and predictable costs, positioning Jordan as the region’s prime hub for business operations requiring a highly skilled talent pool.

The combination of an abundance of venture capital, innovative pool of tech-talent, and a sound financial sector turn Jordan into an innovative ecosystem ready for investors and start-ups.

The Kingdom’s widely recognized welcoming and hospitable lifestyle in combination with its diverse scenery, appealing landscapes, and comfortable climates, turn Jordan into a popular destination for all kinds of tourism.

A strategic location together with safety and stability, an unparalleled connectivity, and competitive logistics platform make Jordan the right place for regional logistics and (re)construction.

**Quick Facts**

- **Free Trade Agreements**: 7
- **Direct Market Radius**: 1.5 billion consumers
- **Development Zones**: 14 across Jordan
- **Connectivity**: 12 seaports, airports, and land ports
- **Economic Freedom**: 4th across MENA region (2018)
- **Total GDP**: US$40.07 billion (2017)
- **GDP per Capita**: US$4,129.8 (2017)
- **Annual GDP Growth**: 2.0% (2017)
- **No. of Universities**: 36
- **No. of Engineers per 10,000**: 151.0 (2017)
- **No. of Doctors per 10,000**: 28.6 (2017)
01. ICT Thrives in Jordan

Jordan is a pioneer in the MENA region with regards to fully liberalizing its ICT market. Jordan’s Enabling Digitalization Index (“EDI”) ranking is an indication that the ICT sector in Jordan is strengthening at a rate that outpaces its neighboring countries. Between 2017 and 2018, Jordan is one of the few countries that improved its EDI ranking, specifically outperforming Kuwait.

![Graph showing EDI rankings for various countries.](image)


<table>
<thead>
<tr>
<th>Country</th>
<th>EDI 2018 Ranking</th>
<th>EDI 2017 Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>50</td>
<td>52</td>
</tr>
<tr>
<td>Jordan</td>
<td>64</td>
<td>65</td>
</tr>
<tr>
<td>Kuwait</td>
<td>65</td>
<td>61</td>
</tr>
<tr>
<td>Lebanon</td>
<td>78</td>
<td>77</td>
</tr>
<tr>
<td>Morocco</td>
<td>77</td>
<td>76</td>
</tr>
<tr>
<td>Egypt</td>
<td>80</td>
<td>83</td>
</tr>
<tr>
<td>Tunisia</td>
<td>83</td>
<td>82</td>
</tr>
</tbody>
</table>

Source: Euler Hermes, 2018, “Enabling Digitalization Index”

02. Competitive Costs and High Talent

The pool of the ICT-related workforce in Jordan is growing annually, with a steady inflow of 5,000 to 6,000 graduates from universities. It ranks first within the region for the availability of scientists and engineers per capita. Jordan’s training investments in high-tech, manufacturing, and service sectors add value to the economy, while labor cost remains the most competitive in the region.\(^\text{14}\) Jordan’s key strength lies in its highly qualified, flexible, and cost-competitive workforce - one of the most essential elements needed for any global firm to establish a presence for its regional operations. Jordan’s young and dynamic workforce is one of the most skilled,
competitive, and productive in the region. The Kingdom’s advantages are driven by relatively low redundancy costs, cooperative relations between employees and employers, flexibility in wage determination, and efficient hiring and firing practices, making it easy to attract and retain suitable staff. The combination of high public investment in industry-specific education, and institutions that are strongly committed to vocational and on-the-job training, results in a multi-talented and bilingual labor force.

03. Sound Regulatory System

Jordan possesses strong legislation for the protection of industrial property patents, trademarks, copyright, and industrial designs. It became a signatory of the World Trade Organization’s (WTO’s) Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement in 2000. The Government of Jordan (GoJ) recognizes the vital importance of the ICT sector to the country’s economy and has developed and implemented the Jordanian National ICT Strategy 2013-2017. In 2003, the Government Policy statement on the Information & Communications Technology sectors & Postal sector was issued, in pursuit of the implementation of Government obligations towards the WTO to liberalize the Telecommunications sector, which confirmed the government’s intention to liberalize the fixed telecommunications subsector by the end of 2004 and put an end to the duopoly of the two mobile providers by the beginning of 2004.

04. Competitive Incentives

The ICT/BPO-orientated Development Zones offer high quality infrastructure and a streamlined business operating environment boosted by attractive incentive packages.

05. Connectivity

Jordan boasts a world-class modern and well-connected infrastructure for hosting a wide variety of ICT and ICT-enabled businesses. It has reliable international connectivity with the outside world. Critical to ICT business operations, Jordan offers high-end electricity and telecommunications infrastructure. Reliable logistics structures, such as efficient transportation or strong cellular connectivity, contribute to the ease of doing business in Jordan for ICT businesses. Jordan’s Connectivity Rating is based on four indicators: internet user’s ratio, mobile phone and fixed phones lines subscriptions (per 100 people), and the number of secure servers (per 100 people).
Out of 115 countries assessed, Jordan’s Connectivity Rating is in the top 50%.17

<table>
<thead>
<tr>
<th>Country</th>
<th>Kuwait</th>
<th>Jordan</th>
<th>Egypt</th>
<th>Saudi Arabia</th>
<th>Lebanon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connectivity Rating (100= best)</td>
<td>54.5</td>
<td>53.4</td>
<td>45.5</td>
<td>44.4</td>
<td>42.7</td>
</tr>
</tbody>
</table>

Source: Euler Hermes, 2018, “Enabling Digitalization Index”

06. Start-Up Enthusiasm

With 300 out of the 600 technology companies qualifying as startups, Jordan’s ICT sector creates a technology ecosystem that is conducive to startup operations.18 Support and enthusiasm for start-up ecosystems creates a universally business-friendly atmosphere. The country’s high global ranking in business and innovation environment is indicative of the start-up ready environment in Jordan.19 It is host to various incubators and accelerators, including the Queen Rania Center for Entrepreneurship and Jordan’s Technology Incubator.

![Business & Innovation Environment graph](image)


Furthermore, Jordan is one of the region’s largest magnets of venture capital and equity funds, which both target growing IT start-ups and mature companies in the region (i.e. seed, growth, and beyond). As seen in the graph below, the value of venture capital that is available in Jordan is four (4) times as much as the country’s GDP.20

<table>
<thead>
<tr>
<th>Venture Capital</th>
<th>UAE</th>
<th>Jordan</th>
<th>Lebanon</th>
<th>Egypt</th>
<th>Bahrain</th>
<th>Saudi Arabia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of GDP (%)</td>
<td>530</td>
<td>400</td>
<td>100</td>
<td>45</td>
<td>3.7</td>
<td>0.7</td>
</tr>
</tbody>
</table>


17 Euler Hermes, 2018, “Enabling Digitalization Index”
18 Export.gov, 2017
19 World Economic Forum, 2016, “Networked Readiness Index 2016”
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