



جمعية رجال الأعمال الأردنيين
Jordanian Businessmen Association



JORDAN
INVESTMENT COMMISSION

TÜRKIYE-JORDAN INTERCONNECTED BUSINESS

8 July 2020 | Zoom Video Conference System





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Panelists

- **FARUK AKBAL**
Chairperson of DEİK Turkey-Jordan Business Council
- **H.E. İSMAIL ARAMAZ**
Ambassador of the Republic of Turkey to the Hashemite Kingdom of Jordan
- **HAMDİ TABBAA**
Chairman of Jordan-Turkey Business Council & Jordanian Businessmen Association (JBA)
- **DR. KHALED ALWAZANI**
Chairman of Jordan Investment Commission
- **FAREEDON HARTOQA**
Secretary General of Jordan Investment Commission

Total Number of Registered Participants: 70

SUMMARY

DEİK Turkey-Jordan Business Council in cooperation with Jordanian Businessmen Association (JBA) and Jordan Investment Commission (JIC) organized Turkey-Jordan Interconnected Business meeting on 8 July 2020 with the participation of H.E. Mr. İsmail Aramaz, Ambassador of the Republic of Turkey to the Hashemite Kingdom of Jordan, Mr. Nail Olpak, President of DEİK and Mr. Hamdi Tabbaa, Chairman of JBA.

The event which was moderated by Mr. Faruk Akbal, Chairperson of DEİK Turkey-Jordan Business Council, started with opening speeches by Mr. Olpak, Mr. Tabbaa, and H.E. Mr. Aramaz.

During the meeting, Jordan Investment Commission representatives Dr. Khaled Alwazani and Mr. Fareedon Hartoqa delivered a presentation on investment opportunities in Jordan. Consequently, networking meetings in the sectors of food and real estate took place with the participation of Turkish and Jordanian business community. 70 participants from Turkey and Jordan attended the virtual event.



FARUK AKBAL

**DEİK Turkey-Jordan Business
Council Chairman**

I would have hoped that we organize this meeting in different conditions rather than in a virtual setting. Nevertheless, thanks to today's technology we can have these meetings over the internet and I hope that we will have a fruitful one.

First, I would like to thank Mr. Hamdi Tabbaa for his kind participation and collaboration on our efforts to promote Turkey-Jordan economic relations. I also thank our DEİK President Mr. Nail Olpak for his participation and for his vision and continuous support to our projects and activities.

In this meeting co-organized by DEİK, JBA, and JIC with the support of the Turkish and Jordanian Embassies, we tried to bring the representatives of the Turkish and Jordanian private sector representatives together, and we hope to have a fruitful meeting especially in the networking sessions at the end. For this time we chose two sectors: real estate and food & agriculture for the networking, but we hope to conduct these meetings more often with more diverse sectors, to contribute to the bilateral economic relations.

The current difficult global situation brings with it more challenges, but it also brings new opportunities and new spaces for cooperation between our countries. As Turkey, we think that we gave a successful exam in this process, but we need to ensure the continuation of our cooperation and trade, and we need to explore new areas of cooperation in order to avoid the negative outcomes of Covid-19 to our economies.

Food security, healthcare and pharma and e-commerce are only some of the fields that gained significance in this process. And as Turkey we have important experiences in these fields.

Jordan and Turkey have very good relations historically. However, the foreign trade numbers are not reflecting these good relations enough. As the business community we are here to contribute to the economic-trade aspect of the relations, and we think that there is much more potential and opportunities in our relations, and thus, there is much more that we can do as the representatives of the private sector. We are committed to this goal as an organization dedicated to improving and increasing economic ties with other countries through business councils operating in almost every country.

We believe that the free trade agreement between our countries needs to be brought back. We hope that our Jordanian counterparts voice this demand to Jordanian authorities more often for the benefit of our both countries. We also agree that the Turkish private sector should increase its investments in Jordan. We are happy for the presence of Jordan Investment Commission leadership in this meeting to present the opportunities for our business world.

As DEİK Turkey-Jordan Business Council, last year we visited Amman and had very fruitful meetings with Prime Minister Mr. Omar Razzaz, Turkish Embassy, JBA and JIC. Two months after our visit, we hosted a large delegation consisting of Jordanian private sector, NGO and media representatives in Şanlıurfa and Gaziantep. We think this is an important step in diversifying our trade not only in terms of sectors but also in terms of establishing new regional cooperation areas and creating new success stories.

We all work on a voluntary basis to contribute to better economic relations between our countries. Unluckily, the Covid-19 pandemic has shortened our hands in what we want to achieve, but it also gave us the chance to meet here today virtually. I hope this meeting will be a basis to a more collaborative period between our organizations.

If I touch upon some of the trade numbers between our countries; in 2018 our total exports to Jordan was 860 million USD, and imports from Jordan reached

99 million USD. In 2019, our exports decreased to 642 million USD due to the cancelation of the Free Trade Agreement (FTA) by Jordan, and imports to 32 million USD. These figures show us that the cancelation of the FTA affected Jordanian exports negatively more than it affected Turkish exports to Jordan. There is unfortunately a slight decrease in the foreign trade numbers this year due to Covid-19. We believe that these numbers are not enough and that we need to do our best to increase them as the business community.

From our perspective, Jordan is very well developed for business life and for foreigners who live in there. It is one of the safest and stable countries in the region, and that's why we need to give it more importance. Jordan has always been a special, friendly and sister country for us. In this respect, the role of both countries in the Middle East and the business diplomacy of the business councils of our region gain more importance.

As part of our Business Council activities we organize introductory meetings to promote Jordan to our business community. We are planning to extend these events to different regions in Turkey.

Jordan has Free trade agreements with United States, Canada, and Singapore. Moreover, the partnership agreement with the European Union, and its being a member of GAFTA increases the importance of Jordan in terms of trade in the region.

One of the projects we carry out as the Business Council aims to identify the sectors with investment potential in Jordan and to develop mutual investment opportunities in consultation with our exporters by making use of the quota-free free trade agreements with the USA, Canada and Arab countries.



H.E. İSMAIL ARAMAZ

**Ambassador of the Republic of Turkey
to the Hashemite Kingdom of Jordan**

As the Turkish Ambassador in Jordan, I can say that the overall political framework here is perfectly conducive for Turkish-Jordanian cooperation, because there is a very strong people-to-people link between the two countries.

We see that there is great interest in Turkey on the part of the Jordanian people and politically the Embassy always stresses the principles of sovereign equality and mutual respect between these two countries. And this was proven actually even this morning when I was received by His Excellency Mr. Tarawneh, the Speaker of Parliament.

We can see that the environment is helpful and conducive but unfortunately our practical cooperation is not ideal. The trade figures between our countries are quite modest and we can do a lot more.

Jordan has a relatively well-educated workforce, a well-educated population, and the two economies are largely complementary, not competitive. But as far as the practical side is concerned, a much greater cooperation is possible but that is not really happening at the moment. And when we look at the Turkish side, Turkey regards the Free Trade Agreement as important, but for the Jordanian side attracting large or medium scale investment from Turkey is of key importance. I mean, sometimes it is good to understand what is on the mind of the two countries. So there is a kind of disconnect between what the two countries really want.

Everywhere I go in Jordan, and I feel I should really share this with everyone, I hear that they would really like to attract a medium sized, a substantial investment from Turkey, and I must say that from here, the Jordanian colleagues and friends say that there are lots of companies in Turkey, which can come and usefully take advantage of the economic opportunities in Jordan. They point out that they have free trade agreements with the United States and with many Gulf countries. So Jordan would like to attract investment from Turkey, and as far as our Embassy is concerned, it would be good if we could somehow combine the two positions or at least bring the two positions closer together.

As it was mentioned earlier the Business Council organized a field visit to Şanlıurfa and Gaziantep last year, I think that it would be good to repeat that in different locations, perhaps in the months ahead when the virus situation is a little more improved.

I would recommend that the Business Council jointly identifies certain sectors in which attracting Turkish investments in Jordan might be reasonable and practicable. Maybe, for example, we can consider sectors such as ceramics or other raw materials as a possibility because there is lots of silica in Jordan. And another thing that could be considered is auto parts, an idea the Chairman of the Jordanian Chamber of Commerce mentioned to me, perhaps incentives such as co-producing auto parts here for export to other countries. Yet another field that could be considered for investments is food processing and the agricultural sector in general.

As for the Free Trade Agreement, I think that the virus situation has made it more difficult to revive it in the short term. The Covid-19 situation has led to the reduction of tax income in Jordan and to an increase in medical expenses. Politically, too, there are many regional challenges at the moment, such as the annexation plans concerning the West Bank in Palestine. Combined with the other challenges in the region, perhaps these issues render the political circumstances here not as conducive as we would like, but I think there is much value and merit in the two sides continuing to work together, and that is the advantage we have. This means that we can continue to work together. We can talk to each other and we actually understand each other a lot better than it may seem to be the case at first.

I am pleased that we all speak the same language. So if there is anything that our Embassy can do to bring the two sides together, especially in terms of Turkey's request for reviving the FTA, and Jordan's expectations concerning investments from Turkey, we can secure progress on our joint agenda, because I feel that there is a strong people-to-people contact.

I would like to thank everyone involved in preparing this useful meeting, and I hope to be with you more often in this platform.



HAMDİ TABBAA
Chairman of Jordan-Turkey
Business Council & Jordanian
Businessmen Association (JBA)

Today we are meeting for our joint Business Council meeting virtually, unfortunately due to the Covid-19 pandemic that is affecting the whole world. In spite of that, we do care that we should increase and enhance our economic and investment relationship between Jordan and Turkey.

Jordan was able to overcome the Covid-19 with little effect and we are very proud that Jordan was able to be one of the countries with fewer infections by the Corona virus. This makes the investment environment quite healthy. Moreover, Jordan has a very distinguished monetary stability. Yesterday His Majesty visited the Central Bank, and he was confirming the policy of stability of Jordan and that there is no restriction on any investor to transfer their profits or dividends.

In this scope, we believe that the Turkish business community should take the opportunity to increase their investments in Jordan. So far the value of Turkish investments in Jordan is almost \$48 million. Before the Covid-19 pandemic started we were planning to host a Turkish delegation to Aqaba, and I hope that the pandemic would be over soon and we can host a delegation in Jordan. The second thing that we have today in Jordan as a priority and as an opportunity to invest is the agriculture sector. We need a new technology for saving water in the agricultural field. I believe that Turkey has an advanced technology in saving water, and as you know Jordan is not rich in water resources but the land is available, and our government will give all incentives to any investor who would like to invest in agriculture.

One more item that Jordan was able to win in the race during the Corona crisis is medical care which was able to modify itself. We were able to manufacture different types of medicines as well as equipment and to manufacture up to date equipment that we are also able to export to some countries.

I would like to also emphasize Jordan's free trade agreements with the USA, Canada and Arab countries as incentives to invest in Jordan. For example, if one invests in Aqaba, then they would have access to the markets in East Africa and West Africa. I would say these are virgin markets and as you are advancing in industry, you could go to these countries with Jordanian investors. Let us hope that we could meet in Istanbul or Amman soon when things are clearer.

On behalf of my colleagues at Jordanian Businessmen Association, I send our respect and regards and we look forward for your investments in Jordan. Thank you.



DR. KHALED ALWAZANI

Chairman of Jordan Investment
Commission



FAREEDON HARTOQA

Secretary General of Jordan Investment
Commission

INVESTMENT OPPORTUNITIES IN JORDAN

Jordan is enjoying a monetary and political stability not only because of the availability of resources, but also because of the business environment and incentives. Also, Jordan's handling of the Covid-19 crisis shows that the government was really citing one of the global models in dealing with the crises whenever it comes to the door of everybody in the globe.

The strategic location of Jordan also reflects the dynamism of doing business in Jordan and it also reflects the robustness of the investment, laws and regulations in Jordan and it creates different, diversified investment opportunities through special economic zones or special development zones or special or free duties as well as in different geographic and sectoral opportunities available in the Jordanian economy. We are proud that the Doing Business 2020 report shows

that Jordan is number two globally and improving its economic environment and is improving the way of doing business globally. And that is why we jumped almost 29 ranks, which shows the seriousness of the government in welcoming investments, as well as in making life easy to investors to come and do business in in Jordan.

I know incentives are not number one when it comes to decision making on investments, but rather the return on investment is crucial. However, incentives offered in Jordan would support and enhance the way investors would achieve their targets of higher income. Moreover, the free movement of capital from Jordan to all over the world is crucial, and this has been the case in Jordan since the establishment of the Kingdom. In which we were one of the few countries around the world who allow full capital movement. 100% of capital movement and transfer of the profits as well as investments adds to the other incentives that we give in terms of income taxes, that goes all the way down to 5% in economic zones also easy to do business as well as the 100% ownership of almost many sectors in the in the Jordanian economy.

And our location has made Jordan one of the main partners to countries like the United States, Saudi Arabia, Iraq, United Arab Emirates, as well as the main suppliers in United States, Germany and many other Arab countries. As it was mentioned before, the different free trade agreements that Jordan has signed with different countries made it possible for investors to come and do business in Jordan to penetrate markets of almost 1.5 billion customers around the world using the FTAs.

Our vision at the end of the day is how we can be at each destination for investors and the way we do business is to make life easier. For investors to feel that they are at home and to make sure that we have a stable and safe investment environment, we offer all the services that we can for them to feel at home and to achieve their targets optimal return from their investments.

I believe we can look at different investment opportunities, even under the Covid-19 crisis. Our analysis showed that we have certain targeted sectors that

can do huge business for investors and today we were briefing His Excellency the Prime Minister on almost 91 new opportunities that emerged in Jordan over the last six months period. 53 of these new opportunities were created and were started actually as new investments in Jordan between March and June 2020, with investments in different areas such as the medical field as well as in ICT and agriculture sectors.

Jordan Investment Commission has launched 68 new investment opportunities in every place in Jordan from Aqaba to Irbid, from the south to north in the mentioned sectors. And we will be more than happy to show and to share those opportunities with potential investors and to always provide them with the new opportunities available in Jordan. These opportunities cover different areas and different sectors within the Jordanian economy with almost \$4.5 billion of expected investments in the industrial sector, service sector, tourism, agriculture and healthcare.

Today, as everybody knows, we have different investment opportunities in development and free zones all scattered in every place in the country, and they cover all types of investment opportunities from tourism to hospitals and healthcare industry. In many different sectors and in development zones you are only subject to 5% income tax, and maximum 10% in certain areas, which are exempted from every other tax or custom duties in those areas, and they are open for exportation to 1.5 billion customers around the globe.

Jordan today is studying the different PPP projects with the government and different areas and different sectors, some examples include chemical or water resources, water, energy, transportation, and infrastructure projects. We are looking forward to receive any inquiries related to those opportunities and we will be more than happy to cooperate with you.



TÜRKIYE-JORDAN INTERCONNECTED BUSINESS

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