Industrial Sector in Jordan and Export Potential To The EU Market

Dr. Maher Al-Mahrouq
Director General

May, 2017
Who We Are?
Jordan Chamber of Industry

Established in 2005 as the umbrella organization for all local chambers of Industry in Jordan (Amman, Zarka, Irbid), to represent their Interests inside and outside Jordan

**Vision**

Being a strong and influential representative of the industrial sector

**Mission**

Contributing to national policy making and fostering the interests of its members through active representation
Organizational objectives

• Participating in formulating relevant national policies

• Supporting the growth and development of the industrial sector

• Looking after the interests of industrial SMEs and supporting their growth and prosperity
Serving a strategic sector

Tour around the Industrial Sector

“Facts & Figures“
Umbrella organization for around 18,000 working firms

40% Significant contribution to GDP (direct & indirect)

250,000 Labor intensive (20% of Labor Force)

90% Main exporting sector

70% of total Investment
Sectorial distribution - FDI %

FDI Inflow to Jordan between the period from the beginning of 2011 to the year 2015.

- Industrial sector: 86.0%
- Real estate: 6.5%
- Financial services: 2.6%
- Communication: 1.6%
- Business services: 1.3%
- Hotels and Tourism: 1.1%
- Other: 0.9%
Industrial Exports by sector % as in 2016

- Textile and readymade Garments industries: 17.1%
- Therapeutic industries and medical supplies: 15.8%
- Chemical industries and cosmetic preparations: 13.5%
- Engineering, electrical and information technology industries: 9.5%
- Construction industry: 6.7%
- Food, agricultural and animal stock industries: 2.2%
- Plastic and rubber industries: 1.4%
- Packaging, paper, carton, and office equipment’s industries: 0.6%
- Wood and furniture industries: 0.6%
Exports’ Geographical Distribution as in 2016

Access to 120 Markets

- **Arab Countries**: 49.6%
- **North America**: 24.9%
- **Europe**: 2.6%
- **Asia**: 16.8%
- **African Countries**: 1%
Main Industrial Exports

Europe:
- Garments,
- chemical products

Arab Countries:
- Chemical products,
- machinery and equipment's, food products

North America:
- Garments

Africa Countries:
- Chemical products,
- medical products

Asia:
- Phosphate,
- chemical products
Syrian Crisis
Impact on
Jordanian Exports
Borders’ Closure

Reduced our exports in total by 9% during the year of 2016.
Jordan Compact

The Response of the International community

Relaxing rules of origin to export to the EU
Jordan Compact

- 30% local component
- 15% Syrian workers
- 50 H.S Chapters
- 18 Industrial Areas
18 Industrial Areas (facts and figures)

1561 firms operate in those areas

47,416 total employees in those areas

936 firms meet the criteria

Only 3 sub-sectors were exempted

In the following Sectors
Distribution of Firms by Sub-sector

- Textile and readymade Garments industries: 16%
- Packaging, paper, carton, and office equipment’s industries: 18%
- Engineering, electrical and information technology industries: 22%
- Construction industry: 16%
- Plastic and rubber industries: 8%
- Wood and furniture industries: 15%
- Chemical industries and cosmetic preparations: 16%
Relaxing rules of origin

1. Enhance our exports to the EU
2. Open up new investment opportunities
Our Response

1. **Survey design and Data collection**
   
   To collect data about the industrial firms in the 18 selected areas in Jordan, it aims to collect detailed data at the enterprise level in these areas.

2. **Study about “Revealed comparative advantage (RCA) For EU”**
   
   It aims to identify the Jordanian products that have export potential to the EU markets, and Where those product can be What and Where to export exactly.
Database

Contains Comprehensive information about factories operating within 18 industrial Areas

<table>
<thead>
<tr>
<th>Enterprise Name</th>
<th>Main Sector</th>
<th>Factory Location</th>
<th>Registered Capital (JDs)</th>
<th>Phone No.</th>
<th>Fax No.</th>
<th>Email</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Main Products</th>
<th>RM Source</th>
<th>Annual Production Qty (Ton/Piece)</th>
<th>Exporting to</th>
<th>Local Sales %</th>
<th>Local RM(s)</th>
<th>Proportion of Cumulation of Jordanian Origin</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Jordan (Total)</th>
<th>Jordan (M)</th>
<th>Jordan (F)</th>
<th>Foreign (M)</th>
<th>Foreign (F)</th>
<th>Syria (M)</th>
<th>Syria (F)</th>
<th>Total (M)</th>
<th>Total (F)</th>
<th>Grand Total</th>
<th>Working Shifts</th>
<th>Professional Associations</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Exporting to EU</th>
<th>Eligible Products</th>
<th>Targeted Market(s)</th>
<th>Syrian Labor Employment</th>
<th>Specialties Required</th>
<th>Training</th>
<th>Terms of International Buyers</th>
</tr>
</thead>
</table>
Potential of Industrial Sector In the EU Markets
# 1. Textile & Readymade Garments Industries

<table>
<thead>
<tr>
<th>Enterprise Name</th>
<th>Main Products</th>
<th>Factory Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAYDA CARPET IND. CO.</td>
<td>CARPETS, WALL TO WALL CARPETS, YARN OF SYNTHETIC FIBERS</td>
<td>Al jeeza</td>
</tr>
<tr>
<td>Milan co for yarns industry</td>
<td>POLYPROPYLENE THREADS (YARN), PLASTIC MATS, CARPETS, WALL TO WALL CARPETS, MEDIUM SIZE PLASTIC CONTAINERS, HANGARS</td>
<td>Al Qastal</td>
</tr>
<tr>
<td>ALOTUS FOR CARPET AND RUGS CO</td>
<td>CARPETS, YARN OF SYNTHETIC FIBERS, FURNITURE PLASTIC PARTS, WALL TO WALL CARPETS, PLASTIC MATS, MEDIUM SIZE PLASTIC CONTAINERS</td>
<td>Al Qastal</td>
</tr>
<tr>
<td>AL PASHA CARPET &amp; RUG IND CO.</td>
<td>CARPETS</td>
<td>Al Qastal</td>
</tr>
<tr>
<td>ALKARAM CARPETS IND.</td>
<td>WALL TO WALL CARPETS</td>
<td>Al Qastal</td>
</tr>
<tr>
<td>AYN TEXTILE COMPANY</td>
<td>WALL TO WALL CARPETS, CARPETS, POLYPROPYLENE THREADS (YARN), BLANKETS, BED LINEN, BLANKETS, PILLOWS &amp; SACKS FOR SLEEPING</td>
<td>Al Muqar</td>
</tr>
<tr>
<td>ARAB WEAVERS UNION CO.P.L.C.</td>
<td>WALL TO WALL CARPETS, NYLON THREADS (YARN), YARN OF SYNTHETIC FIBERS, CARPETS, POLYPROPYLENE THREADS (YARN), PACKING ROLLS, COTTON YARN, THREADS FOR SEWING (MIXED)</td>
<td>Sahab King Abdualla City</td>
</tr>
<tr>
<td>GLOBAL CARPET &amp; RUG IND. CO.</td>
<td>WALL TO WALL CARPETS, HAND WOVEN TAPESTRY AND OTHERS, ADHESIVES, CARPETS, BLANKETS</td>
<td>Sahab King Abdualla City</td>
</tr>
<tr>
<td>DELTA COMPANY FOR INDUSTRIAL CARPETS AND MOKAIT</td>
<td>CARPETS</td>
<td>Sahab King Abdualla City</td>
</tr>
<tr>
<td>ORCHIDA CO.FOR INDUSTRIES TEXTILE &amp; H.PAPER</td>
<td>Carpets, blankets, synthetic strands of sewing yarn, synthetic textile yarns, hygienic _ Toilet paper (_ baby diapers, packaging and binding services, fabrics, synthetic, Towels</td>
<td>Sahab King Abdualla City</td>
</tr>
</tbody>
</table>
2. Plastic & Rubber Industries

Where?
- Italy
- Denmark
- Cyprus
- Ireland
- UK
- Malta

What?
- House wares and Plastic cosmetics
- Rubber products, panels, plates, rods, tires and tubes or belts
- House wares and Plastic cosmetics
3. Chemicals & Cosmetic Preparations

Where?

- Czech
- Romania
- Malta
- Portugal
- Finland
- Bulgaria

What?

- Fertilizers
- Shampoos, hair sprays, cosmetics and shaving preparations
- Inorganic and organic chemicals Materials
- Dead Sea products (salts, mud, natural cosmetics materials)
4. Engineering, Electrical & Information Technology Industries

Where?
- Belgium
- Italy
- Cyprus
- Ireland
- Malta

What?
- Iron and steel basic industries
- Electrical home appliances and accessories
- Conditioning, cooling, extinguishing devices and accessories
- Aluminum Sections or Profiles
5. Construction industry

**Where?**
- Ireland
- Slovakia
- Croatia
- Czech
- Greece
- Romania

**What?**
- Construction stones, stone cutting and composition and the production of panels of marble, granite, basalt and other construction products.
- Cement, concrete and gypsum products: tiles, bricks and boards pipes
- Glass products used in construction and fiber glass
6. Packaging, paper, carton, & Office Equipment Industries

**Where?**
- Croatia
- Hungary
- Estonia
- France
- Greece
- Malta

**What?**
- Paper pulp, paper and cardboard industry
- Stationery
- Packaging products
7. Wood and furniture industries

Where?
- Finland
- Malta
- Cyprus
- UK
- Ireland

What?
- Wooden building products, carpentry, including doors, windows, wooden frames and decoration work
- Wood panels, veneer and plywood and plastics
- Furniture of all kinds (home, offices, restaurants, schools, hospitals and laboratories)
Main Investments

opportunities

Joint ventures
Highlighted Opportunities

Joint Ventures with all industrial Sub-sectors

Clothes Accessories

Raw hides and skins (other than furskins) and leather
Thank you

Dr. Maher Al-Mahrouq
Director General

m.mahrouq@jci.org.jo