



Assessing Jordan's Potential as a Middle East Business and ICT Base

July 2022

Introduction

As digital processes take hold globally and more countries invest in their capacity to produce and host technology companies, Jordan stands out in the MENA (Middle East and North Africa) region for its internal stability and the infrastructure human capital that is conducive to technology growth. This report assesses Jordan's economy and its potential to develop as an international ITC (Information and Communications Technology) center.

Jordan's Economy

Jordan is considered a middle-income country, with a per capita GDP of \$11,330 in October 2021.¹ Finance, Insurance and Business Services lead the economy with 18.8% of GDP, followed by manufacturing at 17.4%. Most enterprises are small. Companies with 100 or more employees account for 0.4% of all establishments but 36% of total employment.²

Its economy has been resilient but challenged by a difficult environment. In the ten years leading up to the global financial crisis (1999-2009), Jordan experienced annual growth of 2.2% and a 38% increase in income per capita. Its economy experienced a series of setbacks in the mid-2000s due largely to external factors, including reduced demand for Jordanian exports due to the war in Syria, rising energy costs, and an influx of refugees that led to a population increase of more than 50% between 2008 and 2017.³ As a result, per capita GDP dropped 15%, from \$11,663 in 2008 to \$9,906 in 2019.⁴

Jordan's real GDP growth declined 1.6% in 2020 with the covid pandemic, though this was substantially less than its regional neighbors (-4%). Its economy rebounded in 2021 to a growth rate of 2% and is expected to grow 2.2% in 2022.⁵ Over the next five years the IMF projects that both Jordan and the region will see growth of approximately 3%.⁶

Human Capital

Jordan's population of 10.8 million is young, with 70% being under the age of 35. With few natural resources

to fall back on, the government invests significant resources towards education and skills development: nearly ten percent (9.7%) of the government's budget (\$1.6 billion) is devoted to education.⁷ According to Ministry of Education figures for 2020, enrollment in primary education is almost universal (97.8%) and enrollment in secondary education is high (78%). Literacy at 98% is among the highest in the Middle East.⁸

Enrollment in Jordan's 31 public and private universities has grown significantly in the past 20 years. In 2020-21, 332,413 students were enrolled, 85% at the undergraduate level.⁹ According to the latest data available from the Ministry of Higher Education and Scientific Research (2016), 22% graduate with degrees in IT, computer science, or engineering. Eighty one percent of universities in Jordan offer IT related programs.

Expanding workforce opportunities is a priority, as unemployment stands at 23.2% (3Q 2021), up from an already high rate of 19.1% pre-covid (3Q 2019). Youth unemployment is a particular challenge: 82.1% of women aged 15-24 with a B.A. degree or higher, and 63.5% of women overall are unemployed. The rate is 27.7% for men aged 15-24 with a B.A. degree or higher, and 21% for men overall. Unemployment among men and women aged 25-29 is similarly high. What is significant in these numbers is that educated Jordanians constitute almost 40% of the total number of unemployed.¹⁰ The government and university graduates face a similar challenge in that the economy is not generating the employment opportunities needed to absorb them. While Jordan produces an abundance of trained workers in STEM fields, its economy can absorb only half of each year's graduates (about 30,000). Contributing factors include high population growth, and labor force growth pushed by large numbers of refugees.

Employment in Jordan is heavily concentrated in Public Administration and Defense (27%), followed by Wholesale and Retail Trade (14.4%), Education (12.6%), Manufacturing (10.4%), Transportation and Storage (6.2%), Human Health and Social Work (5.5%), Construction (4.8%), and Accommodation and Food (3%).¹¹ As this distribution suggests, the private

sector is undiversified and comparatively small. To diversify its economy and absorb its educated but

surplus workforce, technology (ITC) offers Jordan an important outlet.



“The key thing Jordan has to offer is human capital. It has 300,000 university students and 65,000 university graduates at any one time, of which 35% are in business, accounting, economics, engineering, and computer science.”

Michael Orfaly, Senior Partner, PWC Jordan

Workforce and Business Environment

Overall, Jordan scores in the middle tier of global rankings that measure business environment but is highly ranked for its access to a skilled and digitally enabled workforce.

Jordan ranked 75th out of 190 economies in the World Bank's 2020 Ease of Doing Business rating, having risen 29 places from 104 in 2018. That places it near the top for the MENA region and in the top ten economies worldwide in terms of improvement.¹²

The World Economic Forum's 2019 Global Competitiveness Report ranks Jordan 70 of 141 countries overall, but 35th for intellectual property protection, 37th for its legal framework's adaptability to digital business models, 24th for ease in finding skilled employees, 31st in digital skills among the active population, 37th for critical thinking in teaching, 31st for competition in services, 35th for hiring and firing practices, 40th for cooperation in labor-employer relations, and 45th in the extent of staff training.¹³

INSEAD's 2021 Global Talent Competitiveness Index also scores Jordan competitively. At the low end it ranks in the middle (70 out of 134) for ease of doing business, for ICT infrastructure (80 of 123), for professional management (72 of 134), and FDI and technology transfer (60 of 133). At the higher end it ranks 37 out of 134 for labor-employer cooperation, 29 of 134 for business cluster development, 41 of 134 for the relationship of pay to productivity, 45 of 133 for technology utilization, 45 of 132 for investment in emerging technologies, 17 of 133 for the availability of scientists and engineers, and 21 of 134 for ease of finding skilled employees.¹⁴

The US-Jordan Free Trade Agreement

Jordan and the United States have a small but strong trade relationship. Approximately 22.3% of Jordan's exports (\$1.75 billion in 2020) go to the United States, making the U.S. Jordan's largest trading partner. Two-way trade and investment are facilitated by the US-Jordan Free Trade Agreement, the first by the United States with an Arab country. Since entering



into force in December 2001 the FTA has facilitated growth in bilateral trade in goods from \$568.2 million in 2001 to \$5.1 billion in 2019, with provisions that eliminate all tariff and non-tariff barriers to trade in goods and services, assure regulatory transparency, and support intellectual property protection. The US-Jordan's FTA was also the first agreement of its kind to include substantive provisions to address electronic commerce and incorporate a transparent dispute settlement process.¹⁵

According to the Office of the United States Trade Representative, in 2019 the United States exported \$2.2 billion in goods and services to Jordan, while importing \$2.8 billion. Goods exports amounted to \$1.5 billion, while goods imports totaled \$2.2 billion. Service exports amounted to \$757 million, while service imports totaled \$654 million. The top export categories for U.S. goods were vehicles (\$458 million), mineral fuels (\$213 million), aircraft (\$116 million), and edible fruit and nuts (\$75 million). The most common service exports were travel, transport, and maintenance and repairs. The top import categories for Jordanian goods were knit apparel (\$1.3 billion), woven apparel (\$469 million), jewelry (\$78 million), and mineral fuels (\$60 million), while the most common services imports were travel, transport, and technical sector based.¹⁶ The U.S. and Jordan also share a bilateral investment treaty, a science and technology cooperation agreement, and an "open skies" civil aviation agreement.

Besides the U.S., Jordan has free trade agreements with the 17 members of the Greater Arab Free Trade Area (GAFTA), bilateral trade agreements with several Arab neighbors, an economic association agreement with the EU, a free trade agreement with EFTA (Iceland, Liechtenstein, Norway and Switzerland), and free trade agreements with Canada and Turkey.

Foreign Investment

In recent years Jordan's government has undertaken major regulatory reforms to strengthen the country's investment environment. Investment Law 30 of 2014 established the Jordan Investment Commission, with exclusive responsibility for investment development

and support. Its "Investment Window" registers foreign investors and directly issues permits and licenses. Composed of representatives of the relevant government agencies, the Window serves as an intra-governmental framework to simplify and accelerate the registration and licensing process. In 2018 the Commission launched a related "Follow-Up and After Care" initiative to facilitate solutions to investor issues. To increase its capacity and authority the commission was later upgraded to become the Ministry of Investment.

A Growing Sector: Renewable Energy

Jordan imports 94% of its energy, an amount that represents approximately 10% of GDP. With demand growing 3% per year, the government is increasing its focus on sustainability. The Ministry of Energy and Mineral Resources' Master Strategy for the Energy Sector 2020-2030 targets a 31% share for renewables in total power generation capacity and 14% of the total energy mix by 2030.¹⁷ To support that goal, Jordan's government offers significant financial incentives and tax and customs exemptions. Its efforts are supplemented by financial assistance from foreign aid agencies and international financial agencies. While the country continues to rely on natural gas, major investments are being made in renewable generation such as wind and solar, with companies like Umniah and Orange building their own solarfarms or buying into existing ones.

Jordan's Potential as an ITC Center

Perhaps the biggest opportunity for Jordan and its overseas partners is in the ITC sector. While ICT currently accounts for only 2.75% of Jordan's total exports, employment in the sector has expanded 19% in the last three years, suggesting its growth potential.

The U.S. International Trade Administration's Country Commercial Guide for Jordan (2021) reports that "The Information Communications and Technology (ICT)

sector in Jordan is one of the fastest growing sectors in Jordan's economy, accounting for 3.8% of gross GDP with total annual revenue exceeding USD 3.3 billion. Despite a challenging economic environment, the ICT sector continues to stand as one of Jordan's greatest strengths, witnessing growth of 6% during the pandemic."¹⁸

The International Finance Corporation also identifies ICT, including Information Technology Outsourcing / Business Process Outsourcing (ITO/BPO) and digital entrepreneurship, as offering strong growth potential. With that, the government has embarked on a series of measures to advance the digital economy and develop Jordan as a regional ITC offshore hub.

The **Ministry of Digital Economy and Entrepreneurship (MODEE)**, established in 2019 to catalyze digitally based growth and entrepreneurial activity, oversees policies governing the digital economy. Formerly the Ministry of ICT, MODEE takes a comprehensive approach to the IT sector, working from the view that growth in Jordan can only advance with a digitally enabled economy and the necessary digital infrastructure. Its mandate includes 1) digital infrastructure, 2) digital skills, 3) digital entrepreneurship, 4) digital financial services, and 5) digital platforms.

Several initiatives are underway. In 2020 the Ministry, in collaboration with the World Bank, launched a five-year, \$200 million **National Youth, Technology and Jobs (YTJ) Project** to improve digitally enabled income opportunities and expand digitized government services. Its three components are:

Youth: digital upskilling for 30,000 young people through a program managed by the private sector under the National Sector Skills Council for ICT, and a Digital Skills Curriculum for grades 7-12 in public schools led by the Ministry of Education. The Youth, Technology and Jobs program also includes the establishment of five technology hubs for underserved communities, targeting 10,000 new income opportunities for youth over five years, including freelance opportunities for women (30%) and Syrian refugees (15%).

Technology: accelerating the digitalization of payments systems and the government's transition to digital systems and services.

Jobs: doubling the growth rate for jobs created in the digital economy, supporting Jordanian companies' expansion through a range of incentives, incentivizing international companies to expand in Jordan, and supporting growth of the gig economy.¹⁹

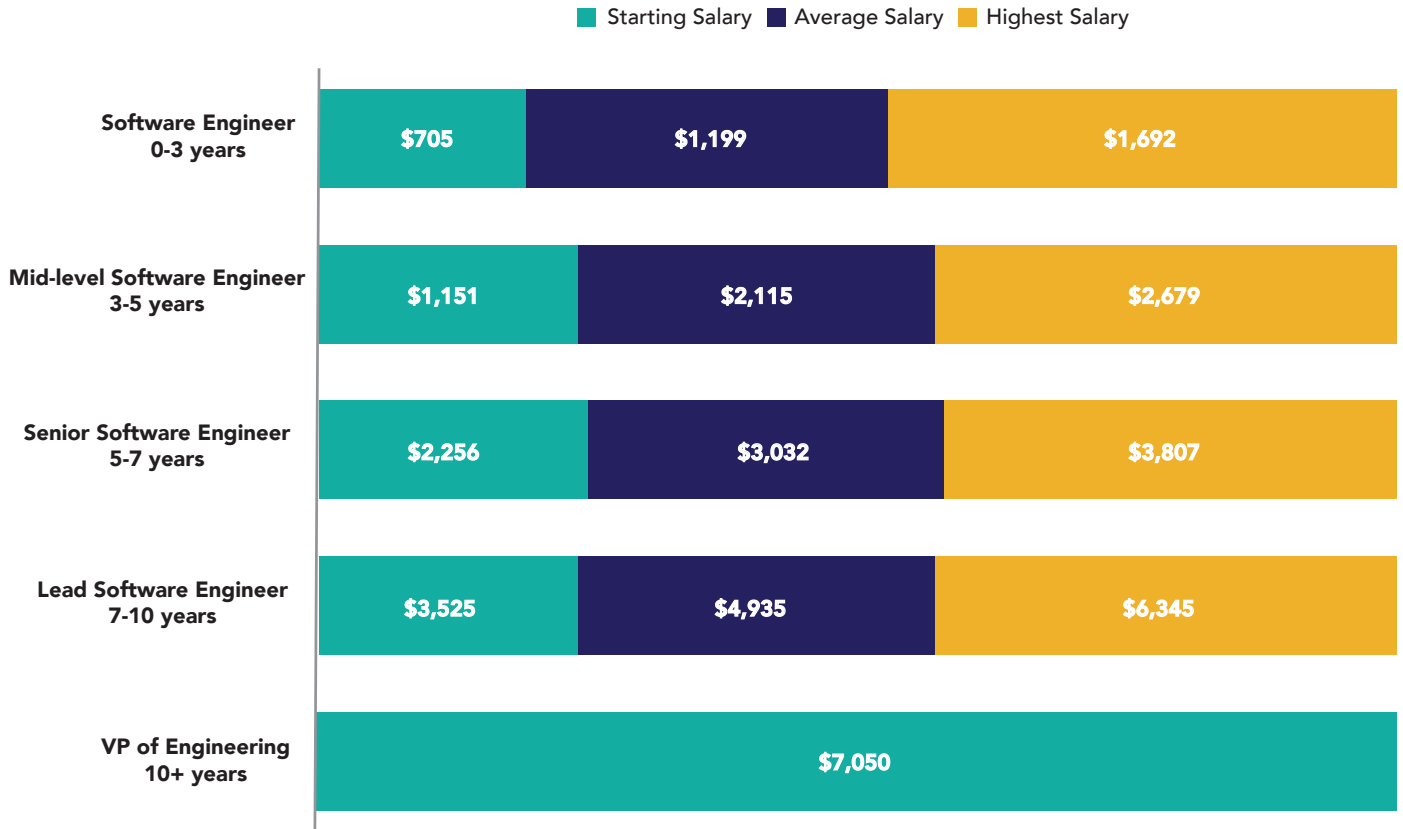
The YTJ project is designed in part to generate a digital services and employment platforms from which ICT investors can benefit. Under its program several initiatives specifically target ICT:

Jordan Source, launched in 2021 under the umbrella of MODEE and the YTJ project, aims to position Jordan as a regional destination for ITO/BPO activity, targeting international ICT companies with an interest in establishing facilities in Jordan or in outsourcing activity to Jordanian ITO//BPO companies. Domestically, Jordan Source works to streamline the ITO/BPO engagement and investment process.²⁰

"Jordan's strong, fast-growing technology sector and deep talent pool make the country a hub for global companies looking to expand in the region. Amazon has recently opened a new corporate office in Amman, which plays a key role in powering innovation and customer-centered thinking across the Middle East and North Africa. Our continued investment is a testament to the talent and infrastructure that the country has to offer."

Ronaldo Mouchawar, Vice President for Middle East and North Africa, Amazon

Tech Team Salary Scale in Jordan



Source: PWC

GrowJO (Market Expansion) aims to support business development by digital and digitally-enabled firms, with a particular focus on ITO and BPO. Eligible companies are provided matching grants of up to \$100,000 to cover up to 50% of the cost of business development plans, with payments against achieved milestones. The program particularly looks to build linkages between digital firms in Jordan and potential customers in regional and global markets. International firms choosing to locate or expand in Jordan are eligible for the same benefits.

Grow-Jo (Talent) incentivizes digital firms to create new jobs by providing subsidies that cover up to 50% of new employees' salaries for up to six months at new or existing digital firms (both local and international), if hired from outside West Amman.

To qualify, a company must be digital or digitally enabled, have at least one year of experience in or outside Jordan, future contracts extending 3-6 months, an in-house or outsourced capacity to train new digital employees, at least 5 immediate hires, and a growth or expansion plan.

Connect.JO (Network) serves as a network to enable professional Jordanians to interact.

The **REACH 2025** initiative, launched in 2016 to develop international opportunities in the technology sector, broadly targets digitally enabled growth and productivity, including the integration of digital technologies, support for digital entrepreneurs, and e-government initiatives.²¹

Other government measures that support ICT include Jordan Digital Transformation, which advances the transition to digital government services, and a 2019 Cybersecurity Law that lays out a blueprint for cyber-defense capabilities, including the establishment of a National Cybersecurity Council and a National Center for Cybersecurity. The E-Transaction Law (2015) provides a legal framework for e-commerce, including electronic records. Data protection is not covered by specific legislation but a Data Protection Law – modeled on the European Union's General Data Protection Regulation (GDPR) but with modifications stemming from dialogue with the private sector - has been proposed to regulate data exchanged through online services and platforms.

Reflecting its large labor pool, wages in the IT sector are competitive,²² Women constitute 30% of the IT workforce.

Jordan benefits from good ICT infrastructure, with costs and a regulatory framework that are competitive within the region.²³ Ninety-eight percent of Jordan is currently covered by 4G, with 5G arriving soon (according to the International Telecommunications Union, across Arab states as a whole only 70% of the population is covered by a 4G network.)²⁴

With that, the country is moving toward both e-government and digital banking. A national e-ID card system was created in 2016. Legislation is currently being developed to govern digital banks, including provisions for licensing. Two digital banks have been recently launched using existing banking licenses. The adoption of E-wallets is also increasing, growing from 350,000 in 2019 to over 1 million in 2020. Other enablers include the aFawateerCom, an e-payment platform created by the Central Bank in 2014 and operated by MadfooaCom Electronic Payments. Jordan was the first country in the region to launch an interoperable mobile payments system, JoMoPay, providing an early platform for fintech and increased financial inclusion.²⁵ Jordanian payment and fintech company ProgressSoft leads the field, working with banks around the world.

Currently, Jordan is inviting investors to partner on the operation, management, and expansion of a

public-private partnership project to digitally connect 900 schools and 217 hospitals. Development of a national broadband network is underway to connect 1318 public schools, 231 public hospitals, and 169 government entities, with a range of implementation opportunities.²⁶

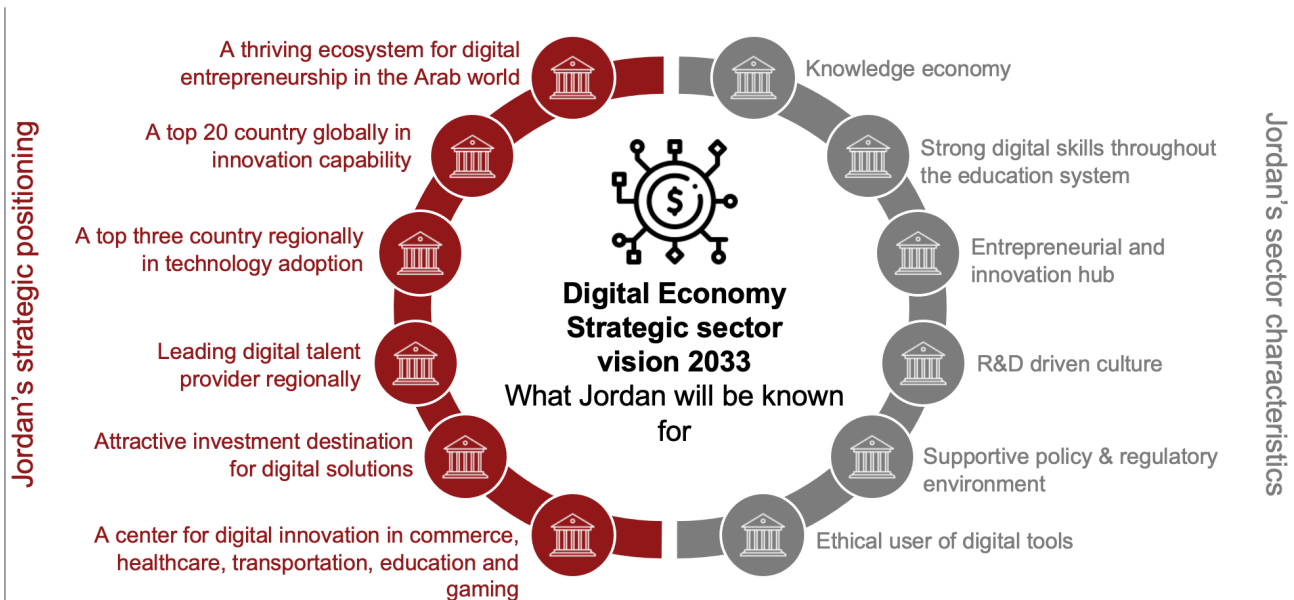
Overseas investors in the technology sector also benefit from several provisions of the Investment Law: in 2016 the government enacted extensive customs duty exemptions for imports related to the provision of IT services; IT export taxes have been eliminated; goods and services related to the provision of IT services are exempted from sales tax; and there is no minimum capital requirement for technology companies, no requirement for Jordanian equity, and no restrictions on the transfer or repatriation of capital.²⁷

According to available data Jordan's efforts are meeting with success. In the four-year period from 2014-18 technology sector revenue increased at a compound average growth rate (CAGR) of 11.64% and revenue in the sector grew by \$300 million. In 2017-2018 revenue in the sector increased 5% to \$2.3 billion. Of that, telecom contributed 62.6% and IT 37.4%. Technology jobs in the country exceeded 27,000, with women accounting for more than 30% of the tech workforce. In 2020 the number of technology jobs grew 14%, the number of female employees grew by 18%, the number of foreign employees in the sector grew 10%, and the number of companies in the sector grew by 17%.²⁸

Most recently, in June 2022, the government released its **Economic Modernization Vision** for the next ten years, a strategy developed collaboratively with the private sector that includes a prominent focus on technology-led growth.²⁹ Its aims include:

- Increasing the digital economy's contribution to GDP by 13% annually, from \$1.4 billion USD in 2021 to \$5.49 billion in 2033;
- increasing employment in the sector by 12.4% annually, from 25,000 in 2021 to 101,000 in 2033;
- increasing digital exports by 30.7% annually, from \$280 million USD in 2021 to \$6.3 billion in 2033.

Digital Economy: Strategic sector aspirations 2033



Priorities for implementation include:

- Developing a future-ready workforce equipped with 21st century skills, and growing female employment in the sector by 45%;
- Creating a public data agency to support innovation and decisionmaking;
- Creating a cabinet-level department in the Prime Minister’s Office to accelerate the digitalization of government services;
- Establishing a regulatory sandbox for disruptive technologies;
- Creating a “virtual freezone” where startups can innovate with a minimum of government regulation in fields such as tax, social security or vocational licensing;
- Creating an IP fund with the capacity to provide R&D grants for the development of technology that can be commercialized and supported by venture capital.
- Attracting risk capital for pre-seed and late growth stage investment.

The Economic Modernization Vision builds on and accelerates measures in place to advance Jordan’s digital economy. Ambitious in scope, it confirms that digital transformation will remain at the center of Jordan’s economic strategy.

A Regional Technology and ICT Platform

Leveraging its workforce and infrastructure as well as its stability (Jordan is ranked second for safety and security among Arab countries and 16th globally by the Gallup Law and Order Index)³⁰, and with business-friendly regulations, Jordan is positioning itself as a regional platform for IT services aimed at accessing the MENA region’s 400 million consumers as well as global markets. Growth opportunities are significant, stemming from strong regional consumer demand for consumer goods and technology products, gaps in government infrastructure and services, and the need for innovation to fill the gap.

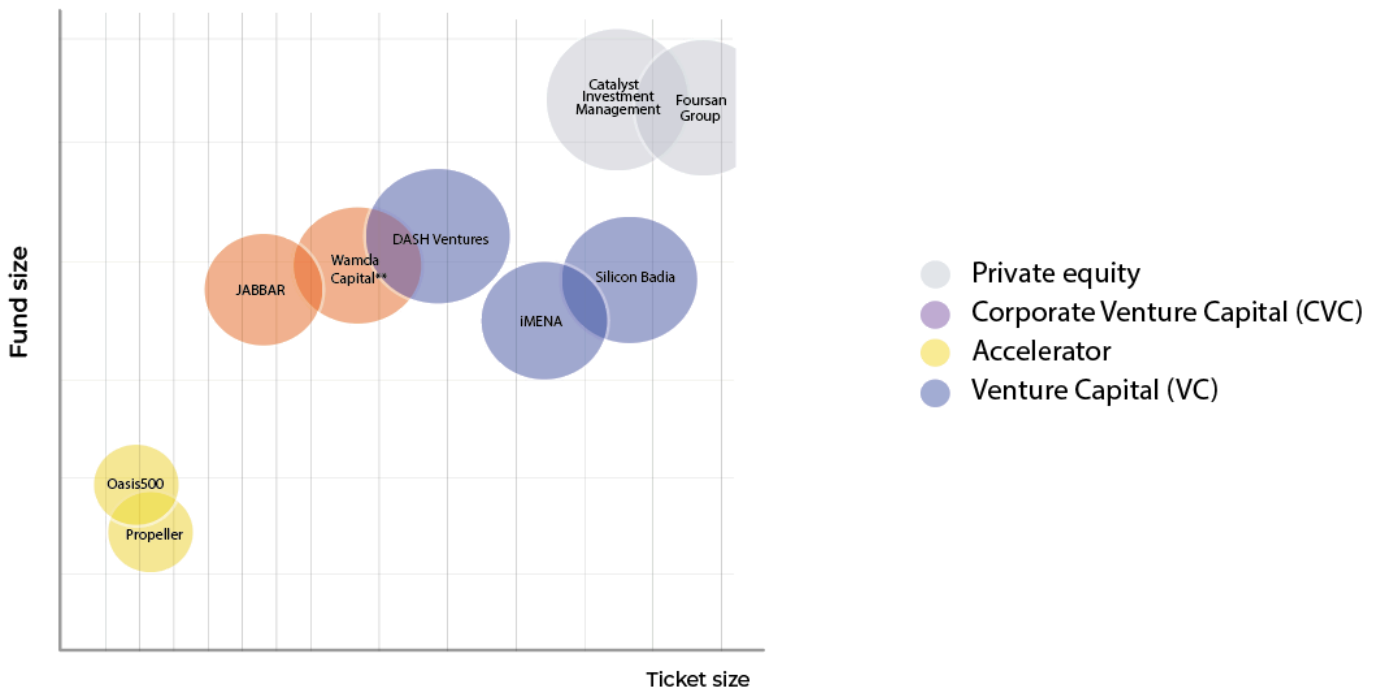
While Jordan accounts for only 3% of the population of the MENA area, the World Economic Forum

reports that it is home to 27% of the top 100 Arab startups shaping the Fourth Industrial Revolution.³¹ Gaming is also a focus, as well as healthtech, edtech, fintech, and at to some degree water and green energy. Regional success stories include web portal Maktoob (the first notable tech exit in the Middle East, since acquired by Yahoo), Souq.com (an ecommerce spinout by the founders of Maktoob, acquired by Amazon), gaming company Jawaker (acquired for \$205 million by Stillfront), Hikma (the first regional pharma company to export to the U.S, listed on the London exchange in 2005 and currently valued at \$5B), logistics company Aramex (founded in Jordan and now headquartered in Dubai, the first Arab company listed on the NASDAQ, with a current value of \$6 billion), and Mawdoo3 (the largest Arabic language website).

Approximately 75% of Arabic internet content is generated by Jordan's ICT sector. Four of the region's ten most visited Arabic language websites (including

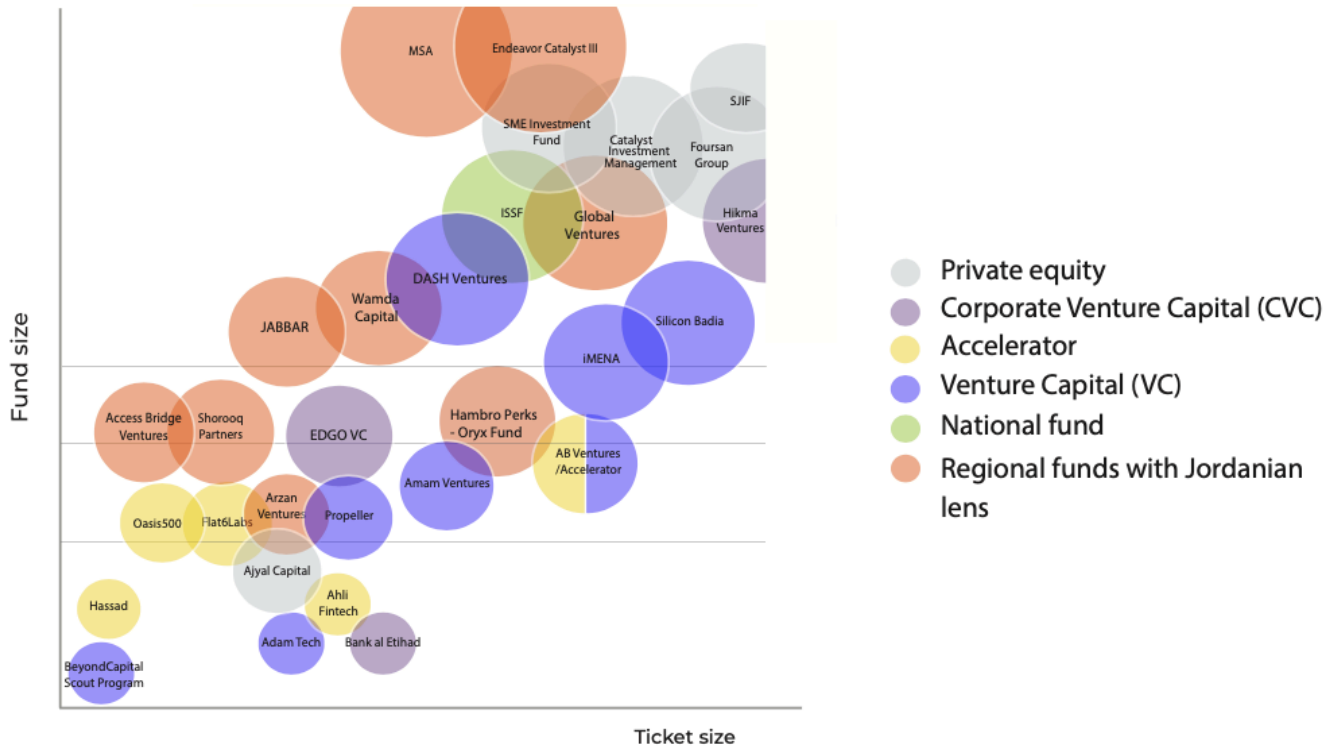
the top two) are Jordanian. Much of this activity is generated by entrepreneur-led startups, with many concentrated in the King Hussein Business Park. The development of Jordan's entrepreneurial ecosystem can be traced to 2010 and has particularly accelerated since 2015. Oasis500, Jordan's leading seed investment fund and accelerator, provides facilities and seed investment of up to \$100,000, and early-stage venture funds like Propeller are active. Startups are also a priority for the government, which provides support through a \$100 million entrepreneurship lending fund – the Innovative Start-ups and SME Fund (ISSF) -developed in partnership with the World Bank. More than 900 active ICT companies with 30,000 employees are now operating in the sector. Jordanian social security data shows a compound annual growth rate for employment in the sector of 19% in the past three years. Though still young, the ecosystem is starting to generate serial entrepreneurs.

Investor Landscape in Jordan Before 2017



Source: Beyond Capital

Investor Landscape in Jordan After 2017



Source: Beyond Capital

BEYOND CAPITAL

Beyond Capital is an ecosystem enabler and fund of funds supporting entrepreneurs. Launched in 2017 as a partnership of Endeavor Jordan and Silicon Badia (the first venture capital firm in the region) with a \$10 million seed grant from the United States Agency for International Development (USAID), it currently supports a portfolio of 45 companies through more than 30 direct investments into early-stage companies and four investments as a limited partner in other investment funds. Recipients include Oasis500, Propeller, and Flat6labs. In addition to connecting entrepreneurs to capital, mentors and potential talent, Beyond Capital provides training for fund managers through 6-month modules in fields such as design thinking and fosters an angel investor community through the Beyond Capital Angel Network. Managing Director Tamer Al Saleh notes that “Jordan is a small market, and to succeed as a startup you have to look beyond the country as soon as you see the product works. Jordanian entrepreneurs are set to scale by day one.”³²

PROPELLER

After starting a successful startup company, Propeller founder Zaid Farekh became an angel investor in 2016, investing with partners in software startups. That led to formalizing Propeller as a venture fund. Its first fund of \$2.5 million, which focused on the pre-seed, seed, and post-seed level, invested \$50,000 to \$250,000 in fourteen companies. Fund II, which also covers up to Series A, was launched in early 2022, aiming to raise \$15,000,000. The first successful exit from Fund I, also in early 2022, repaid the investors. As with other venture funds, several portfolio companies failed but most are going forward. When portfolio companies require later stage funding they’re connected to larger capital markets in Egypt, Saudi Arabia and the UAE where checks of \$5-10M are available.

Farekh notes that there’s ample venture capital available in the region, particularly at the growth stage. It’s a new environment that has accelerated since 2015. Silicon Valley venture firms aren’t a major

factor yet, he says, but some such as Sequoia Capital and Kleiner Perkins have started doing deals. While it's possible to build a company that addresses global markets (Propeller specifically invests in SAAS because it can scale globally), most investors focus on growing businesses within the region, and later stage investors from larger countries often ask their portfolio companies to relocate. Founders tend to be mature, averaging 28-35. With more companies finding success, entrepreneurs are founding a new round of companies, replicating the pattern of serial entrepreneurship in mature venture markets.³³

FLAT6LABS

Flat6Labs, an early-stage venture fund, was launched in Egypt and is now in seven countries in the Middle East including Jordan. With \$125 million under management, it focuses on companies that can expand across the region. Portfolio support includes a four-month program for seed stage companies and follow-on (pre-Series A) funding. Its seed funds include a Jordan fund that invests in tech-enabled startups in ICT, software, education, healthcare, digital content and games, big data and analytics, fintech and payments, media and entertainment. With \$20 million to deploy, the fund plans to invest in up to 90 startups over its five-year span. Rasha-Manna, Jordan General Manager, believes that solutions developed in Jordan can be applied across the region. While companies may migrate their headquarters to Saudi Arabia or the UAE as they grow, their engineering base usually stays in Jordan.³⁴

MAWDOO3

Entrepreneur Rami Al Qwasmī has founded or acquired four of the top ten websites in the Arabic-speaking region, including the top two ranked by Forbes: Mawdoo3 and Webteb. Mawdoo3, which produces online content in Arabic, supports a team of 400 full time employees and 6000 freelancers, producing more than 300,000 articles to date. With tens of millions in funding raised from Europe and the United States, it annually serves 200,000 subscribers, 100 million unique users, and 20 million social media followers across the Middle East.

Al Qwasmī also founded Makane, a regional version of Shopify, which has more than 600 employees. Taking the Shopify model one step further, teams of consultants fan out to help bring merchants who are offline into the online world, integrating both payments and delivery. Al Qwasmī notes that "This part of the world is like the U.S. was twenty years ago in terms of online users. People want and need to go online - it's a huge opportunity." On scaling from Jordan he says, "It's not hard to scale in the region. If you have a good idea all you need to do is get on a plane. Investors have a lot of appetite for tech startups in our region and Jordan is the best place to start a company. It's a small market, however, and to grow you also need to be in big markets like Saudi Arabia (with 30 million people) or Egypt (with 100 million). There's no problem finding funding to do that, though finding smart, strategic money – investors with vision who also provide hands-on support – can be harder."³⁵

TAMATEM

Mobile games publisher Tamatem works with global developers to localize their games for the MENA market. Founded in 2013, the firm recently hit 100 million game downloads, one million active monthly users, and over 50 published games. \$17 million in funding has been raised to date, most recently from South Korean video game developer Krafton and from regional funds such as Venture Souq and Endeavor Catalyst. Tamatem ranks 27th on Forbes Middle East's 2020 50 Most-Funded Startups list.³⁶

While Jordanian startups are scaling to regional markets, global technology companies are choosing Jordan as a base for regional and sometimes global operations. This includes Bay Area companies like Integral Reality Labs, a San Mateo-based 3D printing company that is making Jordan a regional production and ICT base. Larger U.S. Companies with a presence include Oracle, Amazon, EY, Webhelp, Microsoft, Juniper, Accela, Expedia, Amazon and Cisco. PWC has its back office for the MENA region in Amman, with 900 employees in roles ranging from secretaries to specialists in AI, robotics, and software development; women make up 60% of its workforce.³⁷ Google is deploying the Blue Raman Submarine

Cable linking India with Saudi Arabia, Djibouti, Oman and Jordan to increase capacity and decrease latency for cloud users. The system, which makes landfall in Aqaba, will be operational in 2024.³⁸

Since 2003, 15 Bay Area technology companies have invested in 18 projects in Jordan, with an average value of \$11.5 million and total investment of \$207.6 million. The largest investment has been by Google, which invested \$101.8 million in ICT and cloud computing infrastructure in April 2020.³⁹

ASPIRE

For two decades Aspire has operated as an IT services company in Jordan serving major companies around the world with 400 employees. Founder and Managing Director Kaushal Shah sees Jordan as a competitive market for IT talent: “When I came here from India 20 years ago I saw that to find good talent I didn’t need to look to India. Some countries are geared up to produce very large numbers of engineers and hiring in the thousands. If you’re a smaller company, though, you might not get top quality talent. Unlike India, Jordan may not be the place to develop a big captive (proprietary) center, but it’s a very good place to have a remote team that can supplement other global resources.” Shah acknowledges the limitations of Jordan’s smaller scale but also sees that as an opportunity: “You can’t just come in and find ready-made resources on the scale you can in India, so you need to build teams. That gives you the opportunity to create your own globally competitive team and the resources are there to do it. There are lots of engineers, and not just in IT. Once you train them they become a strong resource.”

He sees strong demand in the MENA region as more companies focus on digital transformation. Asked about Jordan’s business environment Shah is also positive: “I’ve been all over the world. This country has a good balance and the government will partner to fix things, so the environment is business friendly.” Aspire’s clients include WW (previously Weight Watchers), Univision, Scholastic, Televisa, the American Institute of Physics, Expedia, Obe Fitness, and Glass Door.⁴⁰

ESTARTA

Estarta was established as an IT company more than thirty years ago through the merger of a US-focused outsourcing company and a Jordanian systems integrator, to tap into the market for business process outsourcing, software development, and specialized consultancy services in the Middle East. Cisco becoming a client in 2004, utilizing an outsourcing model for high-end technical engineering. The company has established relationships with local universities to recruit talent, utilizing its own incubator as well as graduates of Cisco’s Network Academy. The government also acts as a partner by focusing on the development of high-quality human resources through educational and other initiatives. As one example, it relieves the company of some hiring costs by providing flexibility on the standard regulatory obligations governing employment. Under a new program the cost of hiring employees will also be subsidized for up to six months, an initiative designed to address the need for a pipeline of “ready resources” – workers with actual experience who can ramp up to a task quickly.

Today the company has over 1500 employees serving Cisco and other major clients. On scaling operations in Jordan, while it’s hard to go straight to the market and hire large numbers of people quickly, Estarta CEO Mutaz Nablisi believes that “Within six months you can develop a pipeline for whatever you need and over time can build to thousands.” Estarta supports its professional services delivery in the Gulf region both on-premise with clients and remotely from Jordan or from operations in Eastern Europe. It is also focusing on bringing more women into positions of leadership. Though still a work in progress, its goal is to have the same percentage of women in management (45%) as in the company overall, a target the company expects to achieve within 18 months.⁴¹

MICROSOFT

Microsoft set up operations in Jordan in 2003 with a handful of employees and has since grown to more than 400, including in addition to sales and marketing personnel engineers working on issues in security, identity, data, AI and cloud. Outsourcing has added another 50, with further growth expected. Microsoft Jordan is part of the company's Middle East and Africa (MEA) area; its Customer Experience & Success (CE&S) site serves as a hub for enterprise customer support and services in the Middle East and Africa as well as Europe and other regions.

Senior Business Group Lead for the Microsoft MEA Multi-Country Cluster Maher Al-Khaiyat observes that "The quality of the workforce is very good, and we haven't had a problem finding qualified engineers. Our Jordan site consistently ranks high for customer satisfaction." To staff its operations the office in Amman draws on Microsoft's global Aspire Hire program, which takes people from universities for in-house training within one year of graduation. Those employees only account, however, for 5-8% of the workforce, as most hires are drawn from the local IT ecosystem and come with 5-8 years of work experience. Women account for 24% of its customer service and support unit and 51% of its larger customer success unit.⁴²

Conclusion

A small economy by regional and global standards, Jordan benefits from several advantages as a business and ICT platform: a stable political environment (Jordan has been described as "an open-minded monarchy that treats its citizens with respect"), close ties with the United States, a highly educated workforce with a substantial pool of experienced engineers, government policies that prioritize education, active support for women in the workplace, and an entrepreneurial culture that generates a disproportionately large number of technology startups. There is also a strong emphasis in government on partnering with the private sector. This makes Jordan a significant location for ICT operations supporting services in the Arabic speaking Middle East and North Africa region (MENA) as well as in Europe and the U.S. While not able to provide ICT resources on the scale of countries like India, it offers strong opportunities to develop offshore support and services for small and medium sized companies as well as larger U.S. businesses seeking a regional offshore base.



Acknowledgements

This report was developed and written by Sean Randolph, Senior Director at the Bay Area Council Economic Institute, with support from Research Associate Estevan Lopez and Research Assistant Paul Fitchen. Its research was made possible by support from the American Chamber of Commerce in Jordan.

The Jordan Strategy Forum (JSF), a leading Jordanian think tank, provided valuable research input. JSF engages decision makers and conducts research to support a strong private sector and economic growth in Jordan.

The Institute also wishes to thank the following business and economic leaders for the information and insights they provided through written comments and personal interviews:

Raghad Alkhozah, Acting CEO, American Chamber of Commerce in Jordan

Rami Al Qwasmi, Founder, Mawdoo3

Tamer Al Saleh, Managing Director, Beyond Capital

Nesreen Barakat, CEO, Jordan Strategy Forum

Zaid Farekh, Founder, Propeller

Mothanna Gharaibeh, CEO Fifth Advisory Services, former Minister of Digital Economy and Entrepreneurship

Rasha Manna, Jordan General Manager, Flat6Labs

Ronaldo Mouchawar, Vice President for the Middle East and North Africa, Amazon

Mutaz Nabulsi, CEO, Estarta

Michael Orfaly, Senior Partner, PWC Jordan

Kaushal Shah, Founder and Managing Director, Aspire

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