

**Jordan's Industrial Policy  
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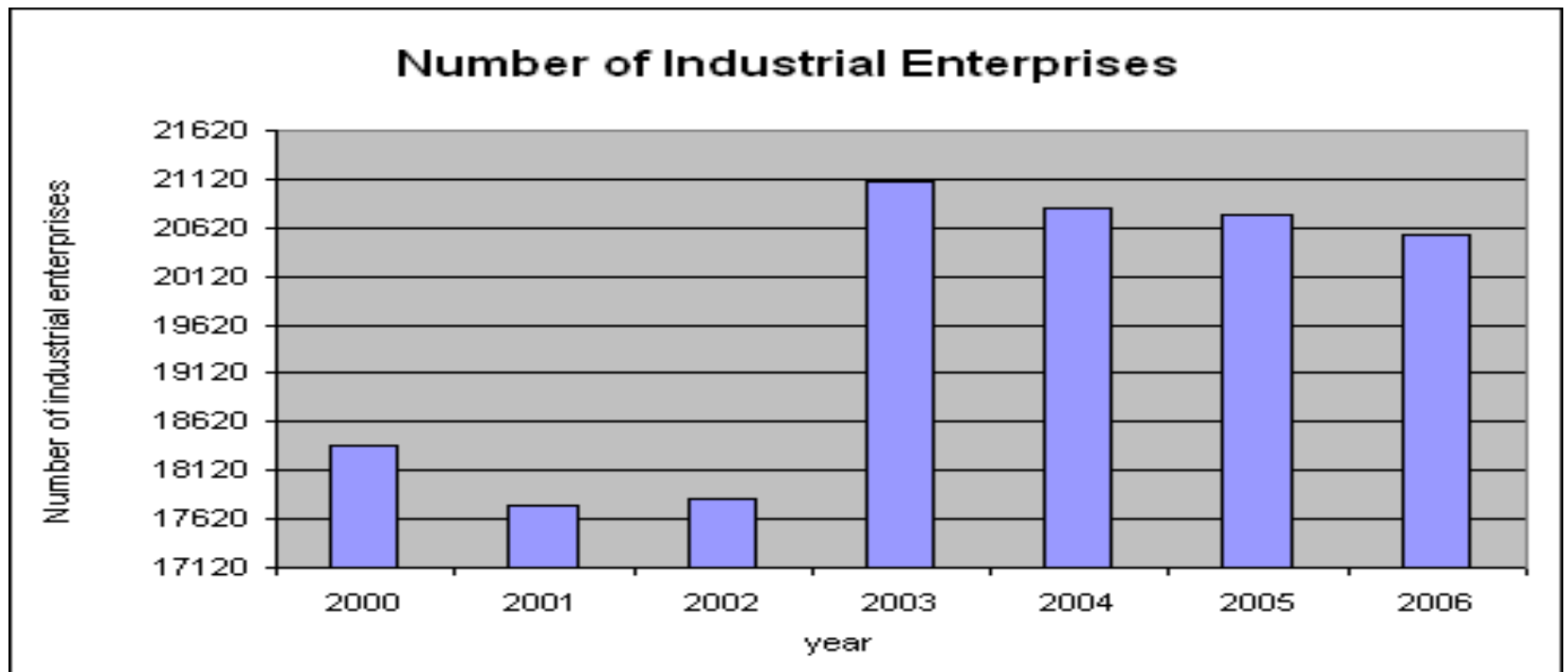
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## Jordan's Industrial Profile

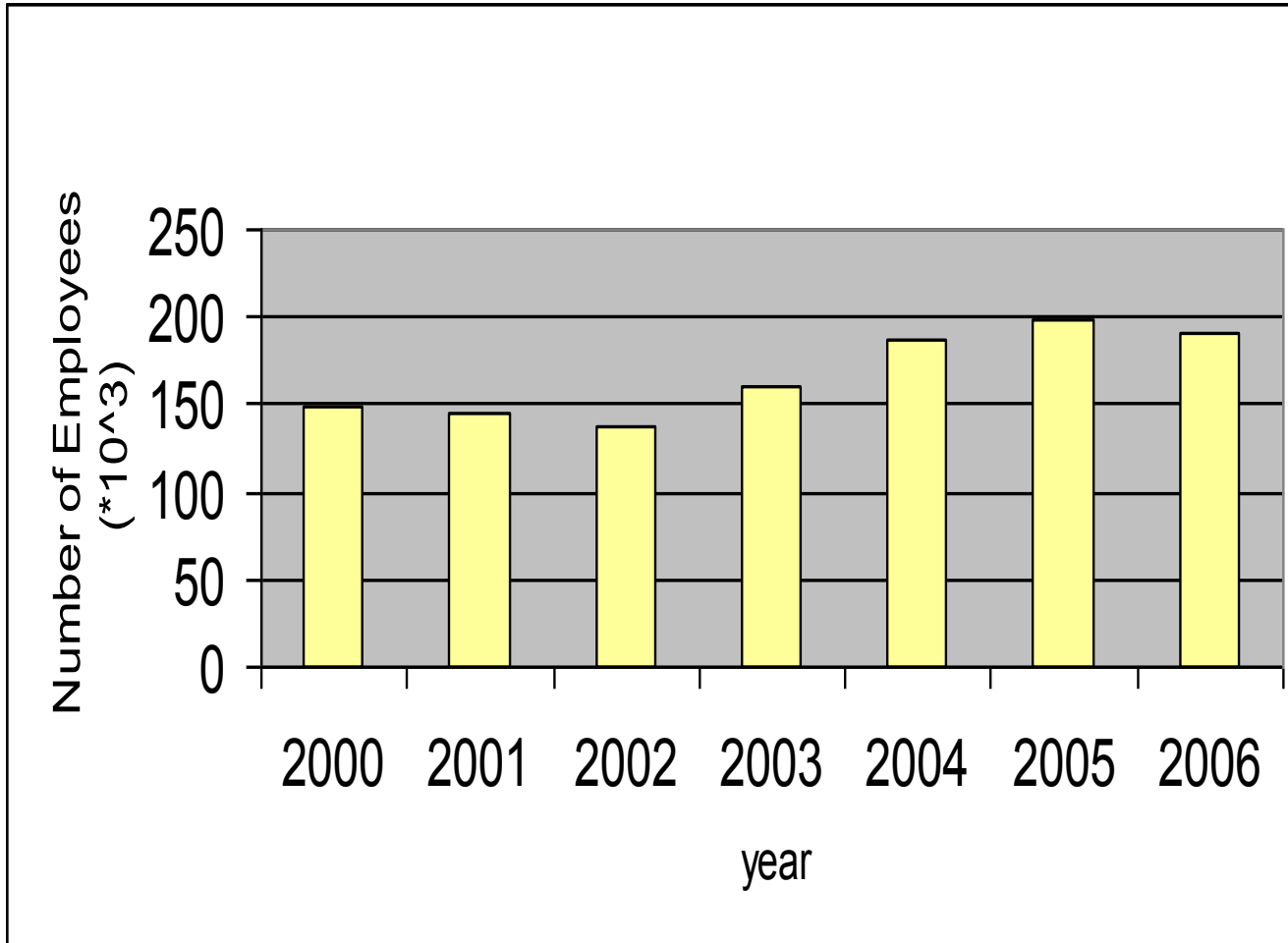
### Contribution Of Industrial Sector in The Gross Domestic Product

Industrial/ Sector	2000	2001	2002	2003	2004	2005	2006
Mining	2.9	2.9	3.1	2.9	2.6	2.4	2
Manufacturing	16.3	16.7	18.7	18.5	19.9	20.6	21.3
Electricity & Water	2.7	2.7	2.6	2.6	2.7	2.7	2.5
Total	21.9	22.3	24.4	24	25.2	25.7	25.8

# Number of Industrial Enterprises



# Number of Employees In the Industrial Sector



# The Need for a National Industrial Policy

- The directions of His Majesty King Abdullah the second of giving economic and social issues top priority
- Government's commitment to implement the royal directives into policies, plans and executive programs
- The need of the industrial sector for assistance to face their challenges and problems, and increase their competitiveness
- The increase of energy prices and its impact on production cost and competitiveness of the sector

# The Need for a National Industrial Policy

- To face the challenges of globalization and economic openness due to the bilateral and multilateral agreements signed with many countries
- Non availability of required local labors
- New legislations and laws
- Creation of new institutions
- Euro-Mediterranean charter on enterprise

# Industrial Policy: Vision

To create a competitive industrial sector in the local and international markets achieving significant growth rates which reflect positively on sustainable development including:-

- the Gross Domestic Product.
- Per Capita Income.
- Exports, Trade Balance Deficit.
- Decrease Unemployment Rate.

# **Industrial Policy: main objectives**

- Development of the industrial sector by 8%.
- Increasing the growth of exports by 10%.
- Increasing the job opportunities provided by the industrial sector by 8%.
- Increasing total/ industrial investments by 8%.

# General Frame Work of the National Industrial Policy

- The draft of the policy is covering the following topics:
  - The current position of Industrial sector
  - International agreements and their impact on the industrial sector
  - Policies and general goals
  - Support programs
  - Main problems and challenges facing the industrial sector and methods to solve these problems

# General Principles of National Industrial Policy

- Increase the competitiveness of Jordanian industrial products locally and internationally
- Create an attractive investments environment
- Offer support and incentives horizontally to the industrial sector
- Focus on the export oriented industries

# General Principles of National Industrial Policy

- Adopt several strategies to achieve the policy general goals, such as:
  - Expand the local production base by increasing and diversifying production,
  - Develop the quality of national products,
  - Increase products ability to penetrate traditional and nontraditional markets.
  - Encourage merger of industrial establishments
- Develop the partnership between public and private sectors

# General Principles of the Industrial Policy

- Offer horizontal indirect financial and technical support, and determine priorities and fields of support, which include:
  - Export industries like pharmaceuticals, olive oil, garments, and Dead Sea product industries
  - Labor-intensive industries like textiles and food industries
  - High added-value industries such as information technology industry
- Energy saving and using lower cost alternatives

# National Industrial Policy Dimension

1. Indirect financial and technical support
2. Developing exports
3. Investment promotion
4. Environment
5. Standards and Metrology
6. Energy
7. Partnership between the private and public sectors

# Estimated Budget

It has been estimated that the budget required to implement the industrial policy is approximately JD 113 millions for 3 years 2009-2011.

# Budget Requirement to Implement the Industrial Policy

<b>Dimension</b>	<b>Total</b>
1. Indirect Technical and financial support	1,056,560
2. Export Development	15,950

# Budget Requirement to Implement the Industrial Policy *(Cont.)*

Dimension	Total
3. Investment Promotion	
4. Environment	
5. Standards and Metrology	
.6 Energy	
7. Partnership between private and public sectors	
Total	JD 113 Million

# Recommendations

- The industrial policy is intended to cover a period of three years (2009-2011) aiming at increasing the competitiveness of Jordanian industries in the local and foreign market by providing technical and indirect financial assistance to SMEs.
- It is recommended that the cabinet discuss and decide on national industrial policy to approve the following :

# Recommendations

- Endorse the national industrial policy and ask the Ministry of Industry and Trade to take the necessary measures to implement the program and the necessary executive plans
- Form the national industrial development committee and task forces responsible for pursuing their duties as stated in the 11 dimensions
- Allocate the necessary budget for this purpose which is estimated at (JD 113) million required for a period of 3 years (2009-2011).