

Joint press release by the OECD and the Ministry of Investment of Jordan

Jordan seeks to further advance reforms that attract more sustainable investment

22/06/2022 – The government of Jordan is pursuing an ambitious reform agenda to reignite private investment and share its benefits more widely across society. Jordan can implement more coherent sustainable investment strategies by strengthening co-ordination across ministries and by engaging in public-private and social dialogue, according to a new report from the OECD with funding from the European Union.

The [FDI Qualities Review of Jordan](#) also recommends that authorities adapt policy reforms to evolving global foreign direct investment (FDI) trends – along with other trends such as digitalisation and climate change – to support the emergence of a more inclusive, greener and knowledge-based Jordanian economy.

Attracting FDI that supports sustainable development is particularly relevant in Jordan where FDI is a substantial source of external financing - the FDI stock-to-GDP ratio currently exceeds 80%. The recommendations in the report are based on international practices and standards that can help Jordan to leverage FDI to finance the Sustainable Development Goals (SDGs), fulfil the commitments made in the Paris Agreement, and optimise the strength and quality of the recovery. The Review is the result of a comprehensive process of research, analysis and policy dialogue conducted by the OECD in co-operation with the Jordanian Ministry of Investment, along with other ministries, public agencies, and the private sector.

One important step already taken by the government is the creation of a new Ministry of Investment that hosts all investment-related bodies. Beyond efforts in the area of investment, the authorities are undertaking other legal and regulatory reforms to boost competition, streamline tax incentives, address labour market inefficiencies and skills shortages, foster gender equality and advance the low-carbon transition. Further efforts to implement these reforms effectively will support the government's goal of leveraging investment for sustainable development.

The FDI Qualities Review of Jordan looks at how foreign investment can help Jordan achieve the SDGs in areas such as productivity and innovation, job quality and skills, gender equality and decarbonisation. For instance, greenfield FDI projects every year create on average 1700 new jobs, although this fell to fewer than 250 jobs in 2020. However, the sectors that attract the most FDI in Jordan – including real estate, construction and oil and gas-related energy – are not the sectors that contribute the most to innovation, decarbonisation or the creation of skilled jobs. The report provides an overview of Jordanian public institutions responsible for investment, taking a close look at arrangements to ensure policy co-ordination, stakeholder consultation and evaluation of policy impacts. It also examines the mix of government policies currently in place to attract investment that contributes to sustainable development, noting areas for priority policy reforms.

The Review was launched during a high-level event in Amman, Jordan, organised jointly with the [Ministry of Investment](#), the European Union and the [Jordan Strategy Forum](#). Interventions were made by H.E. Yousef Al-Shamali, Acting Minister of Investment and Minister of Industry, Trade, and Supply, Yoshiaki Takeuchi, OECD Deputy Secretary-General, and Adam Janssen, EU Chargé d'Affaires in Jordan, in front of an audience of policy makers, private sector representatives and international organisations. The event was followed by a public-private dialogue on investment and business climate reforms in Jordan's ICT sector. Both events took place in the framework of the [EU-OECD Programme on Investment in the Mediterranean](#).

The launch of the FDI Qualities Review of Jordan follows the recent adoption of the [OECD Recommendation on FDI Qualities for Sustainable Development](#) and the publication of the [FDI Qualities Policy Toolkit](#) and [FDI Qualities Indicators 2022](#) at the June 2022 OECD Ministerial Council Meeting. The OECD Recommendation, adhered to by 51 countries including Jordan, is the first international instrument that provides guidance to governments on leveraging FDI for sustainable development.

As an adherent to the OECD Declaration on International Investment and Multinational Enterprises, Jordan has been a member of the OECD investment community since 2013. The Government of Jordan and the OECD are pleased to have joined forces in producing this Review and hope that it will help lay the foundations of a more inclusive and sustainable recovery.

Additional information:

- [OECD FDI Qualities Review of Jordan](#)

- [OECD FDI Qualities Initiative](#)
- [EU-OECD Programme on Investment in the Mediterranean](#)