

Where to Invest?

Jordan's Enabling Platforms



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Enabling Platforms

- A. Development Areas and Zones
- King Hussein Business Park (KHBP)
 - King Hussein Bin Talal Development Area KHBTD (Ma'raq)
 - Irbid Development Area
 - Ma'an Development Area (MDA)
- B. Aqaba Special Economic Zone
- C. Qualified Industrial Zones (QIZ)
- D. Industrial Estates
- E. Free Zones



Development Area Law

- The Government of Jordan (GOJ) enacted new Development Areas Law in 2008 that provides a clear indicator of the Government's commitment to the success of development zones.
- This law aims to provides **further streamlining** and enhance quality-of-service in the delivery of licensing, permits and the ongoing procedures necessary for the operations of site manufacturers and exporters.

Under the Development Areas Law

Income Tax ^[1]	5%	On all taxable income from activities within the Area
Sales Tax	0%	On goods sold into (or within) the Development Area for use in economic activities
Import Duties	0%	On all materials, instruments, machines, etc to be used in establishing, constructing and equipping an enterprise in the Area
Social Services Tax	0%	On all income accrued within the Area or outside the Kingdom
Dividends Tax	0%	On all income accrued within the Area or outside the Kingdom

1 No income tax on profits from exports

Areas Under the Development Areas Law

Irbid Development Area (IDA)

ICT, Healthcare Middle & Back Offices, and Research and Development.

King Hussein Business Park (KHBP)

Services at the heart of the capital



King Hussein Bin Talal Development Area KHBTD (Mafrq)

Industrial Production, transportation hub, plenty of opportunities for industrial and logistics tenants to master developers and operators

Ma'an Development Area (MDA)

Industries:

- Manufacturing of building and construction material
- Exploitation of renewable energy (solar and wind)
- R&D Development Center for renewable energies
- Exploitation and marketing of minerals and natural resources
- Specialized educational programs in sciences and engineering

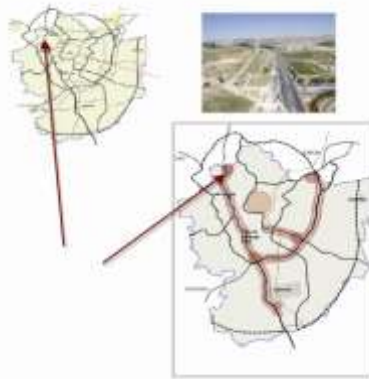
King Hussein Business Park (KHBP)

Amman's Future business hub. A high quality development with more than 112,000 sqm of ready to use office space at the heart of the capital.



Location

Outstanding city location on Amman's main corridor with quick access to all city amenities.



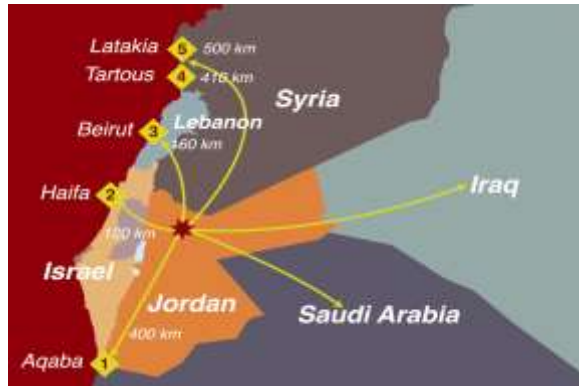
Readiness for Business

Office buildings, communication networks, auditorium, sports complex, social and support areas and much more.

Opportunity

KHBP means business, with a multitude of space, fittings, and term offerings to suit businesses that desire to locate the Jordanian capital and take advantage of MENA and GCC region.

King Hussein Bin Talal Development Area KHBTDA (Mafrag)



Location

- 60 km northeast of the capital.
- Modern highway network **connecting Jordan, Syria, Iraq, and Saudi Arabia.**
- **Closest access to regional ports.**
- Adjacent mixed use **airport** planned by 2010.

Opportunity

- Industrial production.
- A transportation hub.
- Industrial and logistics tenants to master developers and operators.

Readiness for Business

- An industrial center stretching of developed and serviced land across 21 kilometers.

IRBID Development Area (IDA)

A New Reality within your grasp. Irbid is building for Knowledge.

Information and Communication Technology
Health Care
Research and Development

Location

- Located 20 km east of the capital
- 4 locally established universities offering world class engineering programs of study.
- Irbid hosts 15-story hospital on the main highway linking Irbid to Syria with an impressive array of healthcare expertise and service offerings.



Readiness for Business

- 3.2 square kilometers development area is ideally suited for: IT/outsourcing, health care, professional services, Middle & Back Offices, and Research and Development.
- World-class community services, amenities and housing as an integral part of the development vision for the site.

IRBID Development Area (IDA)

Opportunity

- IDA is now ready to receive prospective investors from industrial and logistics tenants to master developers and operators.
- Site developers will have the opportunity to provide for a wide range of facilities and amenities including hotels, shops, restaurants and other commercial applications.



MA'AN Development Area (MDA)



Ma'an Development Area Clusters

MDA is expected to create over 20,000 job opportunities within the next 15 years.

Area is rich with Silica, Kaolin, Zeolite, Clay and many other natural resources

Location

- Ma'an is one of the closest cities to Aqaba 110 km, 125 km to Saudi Arabia, 200 km to Amman, and 400 to Iraq.
- Direct **access to specialized cargo highway** that directly connects Jordan to both Saudi Arabia and Iraq.
- An area **rich with natural resources** in commercial quantities, from Silica, Kaolin, Zeolite, Clay and many others.
- A local population of 28,000.
- Presence of a reputable King Hussein Bin Talal University with more than 7,000 students (2007).

Readiness For Business

- MDA spans over 8.75 km² in the vicinity of the city of Ma'an and is comprised of four clusters:
 - **Industrial Park**
 - **Residential Community**
 - **Skill Development Center**
 - **Hajj Oasis: 20 hectares of land.**

Various Opportunities

Opportunity

- MDC is looking for a strategic partner to complete the development and management of the 4 clusters for the coming 20 years.

Target Industries:

- Manufacturing of building and construction material
- Exploitation of renewable energy (solar and wind)
- R&D Development Center for renewable energies
- Exploitation and marketing of minerals and natural resources
- Specialized educational programs in sciences and engineering
- And many more



Industrial Park Launched on Sept 2008 and due to be completed in (2030)



Residential community (2030)



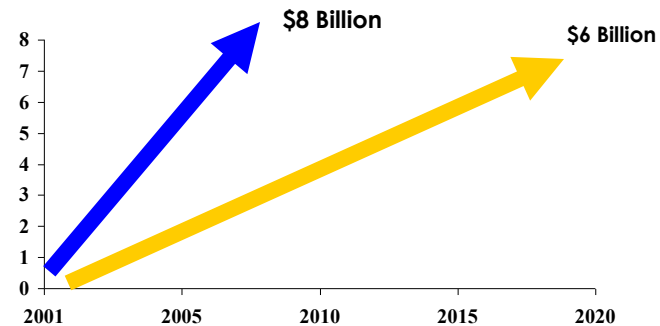
AQABA Special Economic Zone



Unique tourist destination on the Red Sea with a duty free shopping oasis accompanied with a high quality of life.

- The Aqaba Special Economic Zone (ASEZ) is a private sector-driven development initiative that maximizes private sector participation in a duty free, tax-advantaged, and flexible regulatory operations environment providing a model approach to environmentally sustainable development and governance.

The Achievements Exceeded The Master Plan Target By 133%



Favorable Business Environment

Attractive Incentives offered in ASEZ

A flat 5% income tax on the net profit

Exemption from annual land and building taxes on utilized property.

Exemption from taxes on distributed dividends and profits.

Duty-free import of goods in commercial quantities from the National Customs Territory

No foreign equity restrictions on investments.

No foreign currency restrictions.

Full repatriation of profits and capital.

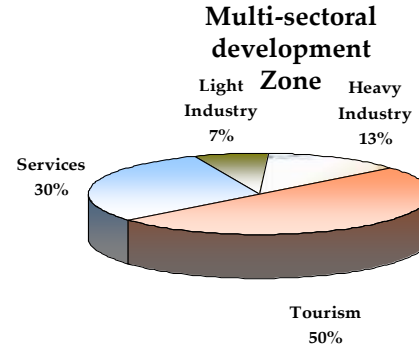
Streamlined labor and immigration procedures.

Up to 70% foreign labor

100% foreign ownership

Availability of land for lease or sale.

Full guarantees on rights and ownership



Master Planning



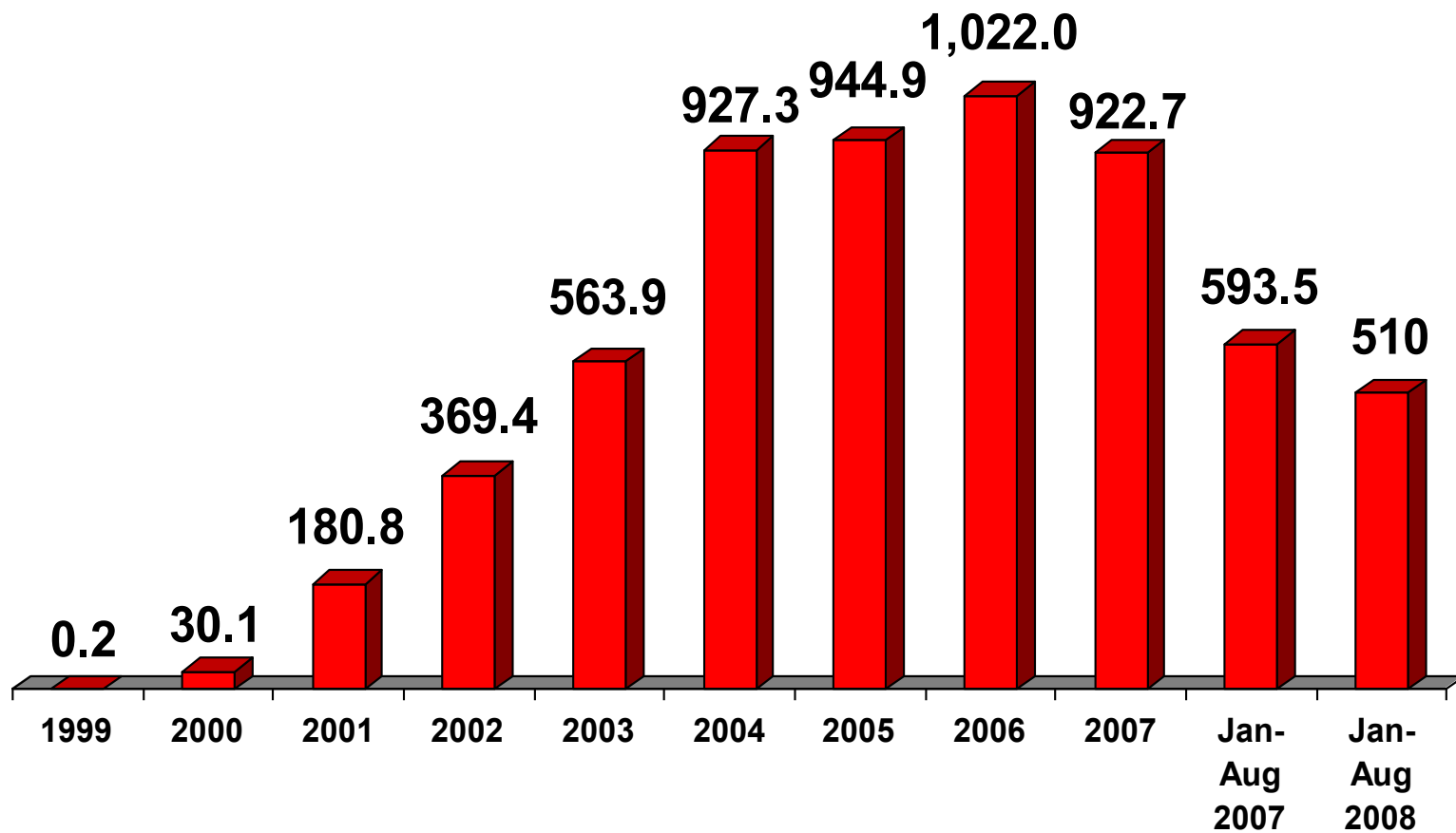
Qualified Industrial Zones

- The Qualified Industrial Zones (QIZ) agreement was signed on November 13th, 1996 with the US.
- Goods manufactured in QIZs enjoy the following:
 - immediate tariff- and quota-free access to the U.S. market,
 - 10-year tax-free income,
 - no custom duties on imported materials,
 - no restrictions on foreign currency transactions,
 - no time limit or renewal requirements and full repatriation of capital, profits and wages.
- There are 13 QIZs in Jordan
- Most QIZs are also industrial estates

Qualified Industrial Zones – conditions to qualify

- 35% of the appraised value of a product must be contributed by a manufacturer located within the QIZ
- Products must meet specific rules of origin requirements, from Jordan, Israel and the West Bank/Gaza Strip:
 - Method I: At least (11.7%) must be contributed by the manufacturer in Jordan's QIZ, and (8%) by material of Israeli origin (7% for high-tech products), as for the remainder of the 35%, the content can come from the QIZ, the West Bank/Gaza strip, Israel or the USA;
 - Method II: A manufacturer in the Jordan QIZ, and an Israeli manufacturer can each contribute at least 20% of the total production cost of the QIZ- produced goods.

QIZ exports to the US (million USD)



INDUSTRIAL ZONES

There are 12 Industrial Estates (6 Public, 6 Private)

Industrial Estates offer:

- Cost effective land and factory buildings
- Reasonable cost of utilities
- Comprehensive network of roads and infrastructure
- A wide range of ancillary services
- One Stop Shop
- 2 year exemption from income and social service tax
- Total buildings, land and reduction on municipality fees

Target Industries:

- Food Manufacturing
- Metal Modeling
- Pharmaceutical Production
- Plastic Products
- Furniture
- Cosmetics
- Machinery
- Medical Equipment
- Engineering and Electronics
- Construction and Building Materials

Services at Industrial Estates:

- Customs Center
- Vocational Training center
- Labor Office
- Civil Defense
- Banks
- Free Zones
- Gas Stations
- Maintenance Workshops
- Custom Clearance offices
- Clinics



FREE ZONES

Exemptions in Free Zones

- Exemption of project profits from income taxes for goods exported outside the Kingdom as well as transit trade, in addition to profits accruing from the selling or transferring of goods inside the borders of the free zones.
- Exemptions from salaries and allowances of non-Jordanian employees in projects established in the free zone from income and social service tax.
- Exemption from imported goods or exported there from to parties other than domestic market from import fees accrued thereon except services and rent charges.
- Exempting buildings and real estate constructions built in the free zones from the licensing fees as well as building and land taxes.



Jordan Investment Board

- Information and accompanied visits
- One stop shop for setting up your business
- Tax and Custom Duties Incentives
 - Projects exempted from income & social services taxes by 25%, 50%, or 75% for 10 years, depending on the location and sector of project
 - Imported fixed assets are exempted from customs duties/taxes
 - Additional exemption from customs duties and income tax is granted for the expansion, modernization, or development of existing projects
 - Ease of licensing and registration procedures
 - Free repatriation of capital, profits and salaries

Thank you

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