



غرفة صناعة الأردن
Jordan Chamber of Industry

Hashemite Kingdom of Jordan
Ministry of Industry, Trade and Supply



THE NATIONAL TIJARA COALITION STRATEGIC PRIORITIES & ACTIONS

2021-2022



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List of Abbreviations and Acronyms

ACC	Amman Chamber of Commerce
ACI	Amman Chamber of Industry
AmCham	American Chamber of Commerce
ASEZA	Aqaba Special Economic Zone Authority
B2B	Business to Business
BIT	Bilateral Investment Treaty
BPWA	Business and Professional Women Association
CMMI	Capability Maturity Model Integration
DFC	Development Finance Corporation
EBRD	European Bank for Reconstruction and Development
EGP	Export Growth Pathway
ERA	Export Readiness Assessment
EU	European Union
FDI	Foreign Direct Investment
FIAS	SAMBO International Federation
FMCG	Fast Moving Consumer Goods
FSMA	Food Safety Modernization Act
GAM	Greater Amman Municipality
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GoJ	Government of Jordan
ICT	Information and Communication Technology
IFC	International Finance Corporation
INTAJ	Information Technology Association of Jordan
ISO	International Organization for Standardization
ISSF	Innovative Startups and SMEs Fund
IT	Information Technology
JCC	Jordan Chamber of Commerce
JCI	Jordan Chamber of Industry
JE	Jordan Exports
JFDA	Jordan Food and Drug Administration
JIC	Jordan Investment Commission
JSMO	Jordan Standards and Metrology Organization
JoUSFTA	Jordan-U.S. Free Trade Agreement
JSF	Jordan Strategy Forum
JV	Joint Venture
MODEE	Ministry of Digital Economy and Entrepreneurship
MoITS	Ministry of Industry, Trade and Supply
MoL	Ministry of Labor
NQI	National Quality Infrastructure
NTC	National Tijara Coalition
PLMA	Private Label Manufacturers Association
PPD	Public Private Dialogue
PPE	Personal Protection Equipment
PPP	Public Private Partnership
RIA	Regulatory Impact Assessment
ROO	Rules of Origin

SME	Small and Medium Enterprise
SPS	Sanitary and phytosanitary
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development
USAID MEG	USAID Middle East Economic Growth
USFDA	United States Food and Drug administration
USTDA	United States Trade and Development Agency
VC	Venture Capital
VMP	Virtual Market Place
WBG	World Bank Group
WTO	World Trade Organisation

Background & Introduction

Established in 2001, the National Tijara Coalition (NTC) is a public-private platform for dialogue and action, bringing together 34 relevant Government institutions; chambers and business associations as well as representatives from the related sections within the U.S. Embassy in Amman.

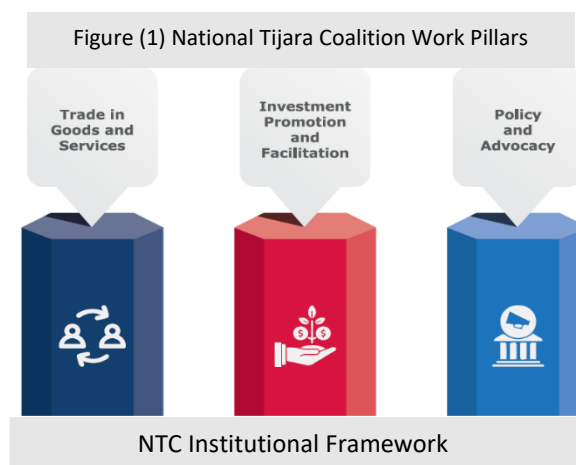
The NTC aims to grow the Jordan-U.S. economic relations through direct business engagement in the development of bilateral trade and investment ties that are strengthened by an enabling business environment (policy & advocacy).

To this end, the NTC, was relaunched in 2017 with the adoption of 'Working Principles'; the establishment of the Jordan-U.S. Free Trade Agreement Unit (JoUSFTA Unit)¹ and the setup of an institutional framework headed by the Minister of Industry Trade and Supply, to work together on achieving the following objectives:

- Promote and support increase in bilateral trade in goods and services.
- Promote and facilitate investment promotion and opportunities.
- Support the development of economic policies and legislative modernization.
- Build awareness among the business community in both Jordan and the USA on bilateral trade and investment relations and opportunities.
- Conduct specialized training courses and compile information and expert databases to support two-way trade and investment.

In 2018, the NTC formulated a five year “*Trade & Investment Strategy: a plan for growing exports and enhancing investments between Jordan and the U.S. 2018-2022*”, which outlined a focused and targeted approach to enhance economic gains from the preferential trade and strong investment relations between Jordan and the U.S.

The strategy was supported by an annual implementation plan and with the support of USAID the NTC in 2018 and 2019 was able to successfully progress in its mission within its three pillars of work: Trade, Investment and Policy & Advocacy, through a number of trade and investment promotion activities and events, capacity building and publications. The outcome of this work is reflected in the NTC progress report.



All documents are available from: <https://amcham.jo/national-tijara-coalition/>

¹ The JoUSFTA Unit is hosted at AmCham-Jordan, and functions as the Secretariat for the NTC and is the technical and information reference point for US-Jordan trade and investment.

Figure (2) Outcomes of the NTC's 2018-2021 Work in Numbers



In 2020, and with the outbreak of the COVID-19 health pandemic, the work of the NTC was directed to addressing emerging economic concerns. This included holding a series of dialogue sessions in April of that year, between the government-private sector and representatives from the donor community to allow private sector companies, manufacturing and trading of essential products to share experiences and insights on the difficulties facing them as a result of the COVID-19 global pandemic. The platform was supported by the Minister of Planning and International Cooperation and provided an opportunity to put forth solutions and recommendations in the areas of trade (export/import), adapting to changes in the supply chain, business model, questions on how to maintain business partnership as well as trade financing needs.

Rationale & Process

The significant impact that the COVID-19 pandemic had globally and on Jordan, specifically due to the lockdown measures on enterprises, employees and the economy as a whole, necessitates revisiting the 5-year NTC strategy to prioritize and adapt its actions and activities in a manner that would allow the NTC to effectively respond to the challenges facing companies, underpinned by the economic integration objective contained in the Jordan-U.S. Free Trade Agreement and leveraging the special economic partnership to support Jordan's sustainable economic development and job creation.

Accordingly, the NTC led by the MOITS in a working session held on August 13th, 2020; recognising the need to set priority areas for the coming two years, set up a special taskforce² to work on formulating these strategic priorities along the NTC: Trade, Investment and Policy & Advocacy pillars, as well as the importance of strengthening the NTC's institutional framework and the capacities of its members to enable them to better engage in the platform. As an essential and positive aspect of responsive and legitimate public-private collaboration and joint responsibility in the economic development process.

Due to constraints resulting from measures taken in response to the COVID-19 pandemic, the work was temporarily stalled. With technical support from the USAID MEG, the NTC Secretariat was able to rejuvenate the working process with the taskforce, engaging of a short-term subject matter expert³, to support the work which included a mapping exercise, desk research, one-on-one meetings with members representatives and focused groups carried out during March to May of 2021. The result of this work is reflected in this document.

Strategic Priorities

Below are the strategic priorities to be implemented in the coming two years for each pillar as well as the cross cutting institutional framework as agreed by the members. These priorities are devised in response to the current landscape and took the form of initiatives and actions

² The taskforce comprised representatives from MITS, JIC, JEDCO and JE, JCC, JCI and ACI, AmCham-Jordan and representatives from the economic and commercial sections of the U.S. Embassy in Amman.

³ Eng. Luma Batarseh (<https://www.linkedin.com/in/luma-batarseh-60383026/?originalSubdomain=jo>)

necessary to address in a targeted and meaningful manner the needs of enterprises as they seek to overcome and find new business opportunities, with specific focus on the U.S.

The NTC strategic priorities are aligned with and contribute to achieving the national economic policies and plans as reflected in “Jordan 2025: A National Vision and Strategy”, Jordan Economic “Growth Plan 2018-2022” and Turning the Corner: Jordan’s Path to Growth Plan⁴ (referred to as the reform matrix) that provide key cross cutting actions aimed at jump starting economic growth and job creation. Noting that the reform matrix was central in the formulation of the NTC’s activities which are devised to be complementary to the overall national reform efforts.

⁴ Presented in 2019 by the GoJ at the London conference and available from:
https://mop.gov.jo/ebv4.0/root_storage/en/eb_list_page/reform_matrixturningcorneren28feb2019-1.pdf

Pillar I. Trade

- Priorities : 1. To enhance awareness of the Jordan-U.S. FTA
2. To provide enterprise level support to grow and diversify exports to the U.S.
3. To identify and help materialize specific sourcing and partnership opportunities from the U.S.

Specific Activities under each Priority

I. To enhance awareness of the Jordan-U.S. FTA

2021 marks the 20th anniversary of entry into force of the Jordan-U.S. Free Trade Agreement (FTA) which has produced significant economic benefits for Jordan and expanded the volume of two-way trade by 800%, since 2001, and leading -in most years- to a positive trade balance in Jordan's favour. Today, the U.S. is Jordan's main trading partner as more than 20% of Jordan's world exports in goods are to the U.S.



To celebrate these achievements and bring greater awareness among the wider business community, especially entrepreneurs and women owned enterprises of the opportunities made possible under the FTA, as of yet untapped potentials for both goods and services trade, the NTC has set up a dedicated working group⁵ to develop and implement a number of activities as follows:

- a) Develop a promotional video⁶, highlighting the story and value of the FTA.
- b) Design and hold a number of events (webinars and seminars) on specific issues related to the FTA.
- c) Draft and publish a special publication of the results and impacts of the FTA.

The implementation of these activities began in late 2020, with the promotional video now available on line⁷ and the launch of the events in December 17th, 2020, with a special high-level virtual session⁸ and are ongoing till the end of the year, along with developing the publication with support from AmCham-Jordan and the USAID MEG project.

2. To provide enterprise level support to grow and diversify exports to the U.S.

In line with the NTC's 2018-2022 Strategy, and building on previous work- Members will refocus the work and improve the quality of the export support tools provided to companies to enable them to successfully unlock the potential of Jordan-U.S. FTA. This will be

⁵ This WG was part of the outcomes of the NTC August meeting and includes representatives from MITS, ACI, JIC, AmCham-Jordan/JoUS FTA Unit.

⁶ Available at: <https://www.youtube.com/watch?v=eu2exfTFEMQ>

⁷ See <https://www.youtube.com/watch?v=eu2exfTFEMQ>

⁸ Available at: <https://www.youtube.com/watch?v=u4Qs7ETBKL0>

accomplished by enhancing the “Export Growth Pathway” a targeted support system that guides companies in their efforts to grow and expand their goods and services exports to the U.S.

The Export Growth Pathway (EGP) was set up in 2018 and presents an approach to provide enterprise level support across all stages of the export journey, to advance Jordan’s goods and services exports to the U.S. Where NTC members come together under the EGP to combine their strengths and supply companies with meaningful support to overcome the challenges of exporting to the U.S. The EGP was designed in a comprehensive and integrated approach, encompassing tools from market research, export readiness assessment, export support plans and recommendations, export promotion activities (trade shows, visits and missions), finding buyers (B2B meetings) to fulfilling export requirements (certifications and licenses). Next to specialized trainings, guides and information leaflets.

Figure (3) Process of the Export Growth Pathway



In the past and subject to resources availability, the NTC was able to implement key components of the pathway such as trade shows, B2B missions, and trainings with positive outcomes. The work continued in early 2020, with the planning of an export support mission lead by MOITS and implemented by AmCham-Jordan and JCI to the U.S., which included participation in the ASD Market Show in Las Vegas. This activity was cancelled as a direct result of the pandemic. In March 2021, AmCham-Jordan with support from USAID MEG was able to launch the pathway in an abridged format focused on finding buyers for export ready companies.⁹

The EGP continues to present the most cost-effective approach to promote exports to the U.S. The effect of the COVID-19 on enterprises, has necessitated speeding up the full operationalization of the EGP. In a manner that would allow NTC members to work together and pool their resources to accelerate exports, as a way to advance companies’ growth, new jobs creation and the recovery of the economy. This involves directing the work to maximize gains from ongoing activities as well as bridging critical gaps in the export support services

⁹ For more information please visit: <https://amcham.jo/apply-now-export-growth-pathway-program/>

specifically as related to enhancing companies and products competitiveness (e.g., certification, marketing, pricing, VMP and e-commerce)

The EGP covers all stages of the export process, where stakeholders have stressed the importance of carrying out the complete pathway to ensure a sustained and successful exporting journey for benefiting companies, with emphases on developing and implementing a number of key activities as follows:

Turning the Corner: Jordan's Path to Growth

Reform Pillar 3 - Drive FDI and Promote Export Development of Products, Services and Markets

3.3 Enhance export competitiveness and promotion 'Jordan Exports'

a) Priority Sectors

The NTC strategy already identified priority sectors to enable a focused approach that can bring the highest returns on investment by Members (human and financial resources) in terms of export growth to the US. Noting that efforts under the EGP must also accommodate a specific support mechanism that targets growth-oriented companies, as the nature of the small Jordanian economy has shown that certain types of economic activities, while limited in number and/or scope, have a unique competitive advantage allowing them to succeed both regionally and internationally.¹⁰

1) Accordingly, the priority sectors identified by NTC members are:

Goods		
Sector	Products	Rational
Processed Food	- Various food products	This sector is promising and has already penetrated the U.S. market, however, there is an opportunity to expand market share in the ethnic segment and migrate to other segments including mainstream, hypermarkets/retailers. As well as to other regions in the U.S. as exports are concentrated for now in the North West region.
	- Meat and Dairy	Jordan is home to more than a dozen regionally successful meat and dairy manufacturing companies. Opening up export opportunities for these companies can have a significance on expanding the current capacity and investments within this sector including job creation. Producers are currently unable to export to the US due to weakness in SPS measures including the lack of a national traceability system. Aligning the national SPS measures is the first priority in supporting export growth to open a huge untapped potential for this sector.

¹⁰ Such as the Arab Bank, Hikma Pharmaceuticals, Petra Engineering, Aramex, Nuqul Group, Tamatem.

		Members also noted that on the national level <u>there is a need to develop a roadmap to identify and address challenges, opportunities and develop recommendations to sustain the success and growth of the sector.</u>
Personal Protection Equipment (PPE)	<ul style="list-style-type: none"> - Face masks, gowns, others - <i>Medical: Face masks, gowns +</i> - sanitizers & disinfectants - Detergents and other cleaning products 	The PPE sector has untapped potential as the pandemic created significant demand and opportunity for this sector. Currently, Jordan has more than 50 masks manufacturers with production capacity of 5M/day, more than 90 sanitizers and detergents manufacturers. The sector requires more understanding and investigation about the competitiveness of the Jordanian products vs. the demand within the US market.
Others -	<ul style="list-style-type: none"> - Plastic products - Packing and packaging 	Due to the Jordan-US FTA and the high levels of consumption of said products in the US- taken with the ease of access to quality and cost-effective inputs of production- namely from KSA. However, plastic sector has many sub sectors (packaging, furniture, etc.) and it requires further analysis and investigation to identify how promising is the sector with regards to the U.S. market, taking into consideration many factors including the product and cost competitiveness and the high cost of shipping.
Services		
Sector	Products	Rational
Computer and related services	<ul style="list-style-type: none"> - Outsourcing 	Jordan has ICT graduates' surplus, while US and EU has shortage (2M) in IT skilled people. Additionally, Jordan has an opportunity in outsourcing where it can create demand for companies leading to job creation.

- 2) In parallel, carry out sectors/products investigation to identify promising “other” sectors to benefit from the EGP support. This review will follow an evidence- based model looking at the product competitiveness, production capacity and market attractiveness as criteria.
- 3) In the services sector, investigate with relevant NTC Members and key private sector companies to explore sectors and ideas to boost trade in services with the U.S.

b) States & Regions

NTC members couldn't identify US states and regions based on indicators, therefore there is need to design and develop an evidence-based approach to identify the best regions/states based on the targeted sectors/products. In principle, the identification and targeting of regions will go hand in hand with the development of the export plan per group of companies within a specific sector or individual company.

c) Market Requirements & Export Readiness

Assist companies in meeting and understanding market entry requirements to drive their export readiness pursuant to an Export Readiness Assessment ERA as designed in the pathway, with specific focus on putting into place the following technical assistance tools:

- 1) Profiling the market entry requirements per priority sector/product: information leaflets with sources and list of national and U.S. service providers. The work should also produce a list of priority areas of assistance.
- 2) Design and implement a specific support program to enable companies to comply with the market access requirements (standards and certifications). To start, and based on direct demand from NTC members the following programs have been identified for immediate actions:
 - Food sector: program for Kosher & Halal certifications.
 - ICT sector: CMMI, ISO for software engineering certifications.
- 3) Design and implement a specific support program to build appropriate price structures for companies. Members also noted that on the national level there is a need to identify measures, mechanisms and tools to reduce production costs that are continuously increasing and reducing the product competitiveness.
- 4) Design and implement a specific support program to foster companies' digital readiness and ability to engage in e-commerce activities, by developing communication and marketing material (website, promotional videos, catalogues, factsheets etc.).

d) Market Intelligence

Assist companies in better access to information to enable them to make evidence-based decisions with specific focus on putting into place the following technical assistance tools:

- 1) Identify and list best trade portals, databases and data sources, per targeted sectors, and support subscription fees.
- 2) Identify a pool of U.S. and Jordanian experts (sector based) for open and continuous channels of market research and information to learn about the markets, sectors, practices, trade indicators and trends from practical aspects.
- 3) Conduct market/sector research to identify trends and demand, as needed.

e) B2B Linkages and Matchmaking

Assist companies in developing and securing export leads through a two pronged approach, as follows:

- **On the NTC level:**

- 1) Design and implement a campaign in the U.S. to promote Jordan as a sourcing destination.
- 2) Identify and implement a “Signature Shows” scheme to be led by the appropriate sector association/chamber under a national umbrella and in collaboration with the relevant Members. This will include a continuous presence of Jordanian “brand -pavilion” to promote Jordan as a destination and hub. This would include building strategic partnerships with event organizers and exploring opportunities of collaboration with the aim of identifying value added support and services for companies.

To start, members identified the following trade shows:

Priority Exhibitions	Sector	Level of Consensus
SIAL – Canada	Food	High
Fancy Food – USA	Food	High
Magic Show – USA (Important event for the apparel sector in US market, not for companies only but for promoting Jordan as sourcing destination).	Apparel	Low
PLMA Show – Chicago	White and private Label Show	High

Virtual exhibitions still need further exploration and improvements in addition to capacity building and awareness to enable companies to benefit from these virtual platforms. Several NTC members have considered utilizing virtual platforms. This includes AmCham which was successful in collaborating with ASD Market Week and Emerald Expositions to coordinate Jordan’s participation in the Source Direct Virtual Trade Show, where 7 Jordanian companies participated in the virtual show that took place from Oct 2020 – Mar 2021.

- 3) Design a special modality for Jordanian presence – a “boots on the grounds” scheme that will support a sustained outreach and contact/follow-up for companies with U.S. leads and buyers.

- **On the individual company level:**

- 1) Identify specific and specialized exhibitions, events and shows in the U.S. market per the priority sectors. In addition, strategically select the participation method; whether visitor, exhibitor, under a Jordanian Pavilion or as individual, based on the sector, product and company positioning.

- 2) Design and implement a program to support growth-oriented companies to participate in and undertake export promotion activities such as trade exhibitions, conferences and B2B meetings/partner search.

Box 1: Focused Activity

Provide Export Promotion Support for the IT outsourcing:

- 1) Identify and reach out to business development agencies, companies, brokers that generate business leads.
- 2) Research and disseminate advertised international tenders seeking outsourced solutions.
- 3) Identify prospects and expansion opportunities for IT outsourcing companies by utilizing: (i) Jordanian expats; (ii) Associations or Chambers.

f) Training & Capacity Building

Continue with ongoing training programs implemented by the various NTC Members to expand benefits to participating companies. As well as design demand driven capacity building programs that stem from and support the various programs and initiatives.

On the national level, NTC Members also expressed a need to developed awareness and/or capacity building programs on the following specific topics:

- 1) Trade Facilitation and National Trade Window workshops and publications (Information paper), implemented in partnership with Jordan Customs, JFDA, JSMO and other border agencies - including awareness on the golden list and how it can contribute to easing export/import process.
- 2) Digitization, automation and process improvement of GoJ services (GAM, Customs, JFDA, Tax Department, etc.) and convey these positive developments to the private sector. With a view to identify additional process improvements needed by the private sector that can be automated.

Turning the Corner: Jordan's Path to Growth

Reform Pillar 3 - Drive FDI and Promote Export Development of Products, Services and Markets

3.4 Enhance trade infrastructure and facilitation

3.6 Digital economy

Box 2: Focused Activity

Supply Chain Resilience:

The unprecedented supply chain disruption caused by COVID-19 has had severe operational and cost consequences, with companies having to address issues including

demand drops and surges by segment, supply shortages, inventory placement challenges and reduced productivity.

There is a pressing need for NTC members to put in place specific technical assistance tools to support companies in:

- 1) Assessing vulnerability, risks and dependency of current supply chain practices.
- 2) Develop and deploy multiple solutions to alter, strengthen and diversify supply chains to become more resilient, such as leveraging digital capabilities and/or increasing investment in supply chain technologies, modifying inventory policies, evaluating alternative outbound routes and sources of supply.

Box 3: Focused Activity

Provide Support to Digitalization and E-commerce

Companies are continuously looking for innovative models to export their products (goods and services), taking into consideration that consumer behaviour is always changing and shifting globally. The outbreak of COVID-19 pandemic has accelerated the use of digital tools and created new business and work realities, including an unprecedented surge in e-commerce, accelerated digital transformation, sales growth and irreversible dependence, forcing companies to adjust their business models to adapt to these new realities.

Figure (4) U.S. Retail Landscape - During 2020, in \$billions



Source: Digital Commerce 360 analysis of U.S. Department of Commerce data
 *Total retail figures exclude sales of items not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations and fuel dealers

Consumers spent \$861.12 billion online with U.S. retailers in 2020, up 44.0% from \$598.02 billion in 2019, according to the latest Digital Commerce 360 analysis. Online spending represented 21.3% of total retail sales last year, compared with 15.8% in 2019.

E-commerce offers business a whole range of opportunities, from alternative marketing channels, sales generation, broadening brand and global outreach. With digitization spreading and new technologies emerging, SMEs need to invest in e-commerce development to survive the competitive market. This also offers opportunities for women owned enterprises and entrepreneurs. Moreover, this is equally relevant for both goods or services trade.

To open markets via e-commerce, there are three main aspects to be addressed, legal/regulatory; procedural and benefits and exemptions. To promote greater digitalization as an essential business tool, and e-commerce as an export channel in Jordan will require adopting a comprehensive approach that addresses different dimensions, as follows:

- Multilateral dimension at the WTO that sets the global trading rules and at the bilateral dimension noting that the Jordan-US FTA includes commitments on e-commerce.
- National dimension to build an enabling e-commerce ecosystem. Noting that on the national level MOITS, with support from GIZ and in collaboration with UNCTAD, is implementing an e-commerce strategy for Jordan that includes a review of the regulations endorsing e-commerce, incentives and the gaps that need to be addressed with a view to developing a national e-commerce strategy.
- Sectoral dimension to address the localities within each sector.
- Procedural, operational and logistical dimension.

NTC Members focused their priorities on the following areas:

- 1) Identify sectors and products with edge, assess their competitiveness and readiness for e-commerce.
- 2) Design and implement a capacity building program to qualify SMEs to access e-commerce platforms and virtual marketplaces which includes:
 - Skills, tools and requirements to best utilize e-commerce;
 - Understanding the shift from B2B to B2C;
 - Delivery time;
 - Cost structures;
 - Pricing strategies;
 - Infrastructure and e-fulfilment centers;
 - Payments gateways and methods;
 - Related logistics and
 - Available platforms (general like Amazon or more specialised per sector).

In this context it is also critical to point out, and from a national level, there is a need to understand the real impact of e-commerce on the local brick and mortar retail - especially apparel. Although this sector has been negatively affected due to the growth of e-commerce, the Government (Jordan Customs) have put in place some measures that brought relief to the local retail sector and ensured they recoup part of the lost tax

revenues. With this in mind the Jordan Chamber of Commerce has requested that an impact assessment is carried out that includes recommendations to offset the negative impacts. In addition to, looking into solutions to facilitate the e-commerce (small) shipments - via courier or mail services- from Jordan to the U.S., in a timely and cost-effective manner - NTC Members specifically highlighted the need to address this hurdle.

3. To identify and help materialize specific sourcing & partnership opportunities from the U.S.

The NTC Members, led by the Jordan Chamber of Commerce, AmCham-Jordan together with the Commercial Department at the U.S. Embassy in Amman will put in place initiatives that will contribute to growing commercial ties with U.S. businesses, by leveraging the Jordan-US FTA which anchors Jordan to the world's largest and most advanced economy, as strengthening two-way trade is critical to achieving real economic integration that contributes to growth and development.

These initiatives will focus on the priority sectors of: ICT, Health Care, Medical Devices, Energy Efficiency Solutions, Environmental Technologies and Safety and Security Defence, where Jordan has solid industrial base and experienced businesses that can benefit from strong ties with U.S. partners to advance know-how and knowledge sharing as well as technology transfer and development. Moreover, these sectors also align with those identified by the U.S Embassy Commercial Department in the Country Commercial Guide.

Under this priority, the NTC will develop and implement a number of key activities as follows:

a) “Import Enhancing”

Develop and implement an import enhancing program that includes the following actions:

- 1) Build a data base of local companies working in the targeted sectors. The database should contain detailed information on qualifications and expertise, availability of financial resources; sales channels, networks and connections, similar/complimentary product lines they import.
- 2) The data base will be utilized to identify and profile “import ready” Jordanian companies to be linked to U.S partners. Taking into consideration the Jordanian market's absorption levels within each sector to foster viable partnerships.
- 3) Explore partnership modalities between Jordanian importers and US companies (whether buyers, agents, distributors, franchise licenses general importers or joint venture) per sector specificities.
- 4) Provide technical assistance to work with the companies on canvassing interest, identifying priorities, capacity building on how to partner with U.S. companies and match them with the appropriate U.S. partners.

Noting that in this context members highlighted the need to identify challenges and impediments facing importers of U.S. products and address them under the NTC policy and advocacy pillar.

b) B2B Linkages & Matchmaking

Develop and implement a B2B and matchmaking program that includes the following actions:

- 5) Identify events (conferences, shows, exhibitions) within the priority sectors where Jordanian potential importers can visit and explore latest technologies, products and potential opportunities.
- 6) Organize a Made in America Exhibition and catalogue show, in Jordan once every two years.
- 7) Identify project-based opportunities for US companies to partner with Jordanian firms to execute projects; such as government tenders and PPP projects.

c) Value chain linkages

Identify linkages and opportunities for sourcing from the US to benefit from FTA and bilateral cumulations (ROOs allow for US originating inputs to go towards 15% of the 35% value added requirement), and work with the Jordanian companies.

Pillar II. Investment

- Priorities :
1. Promote Jordan to U.S. Tech Investors.
 2. Assist Jordanian companies wishing to invest in the U.S.
 3. Build capacities in Access to Finance.

Specific Activities Under Each Priority

International reports and metrics indicate that Jordan's overall investment environment is improving. Jordan was selected as one of the top three most improved business climates in the World Bank's "Doing Business Report 2020," jumping 29 places from 104 to 75. In the World Economic Forum's 2019 Global Competitiveness Report Jordan ranked 40, advancing six points in its domestic competition indicator. Jordan also ranked sixty-third on the 2018 Global Entrepreneurship Index, and twenty-ninth on the Global Innovation Index.¹¹

However, more needs to be done, on the policy and promotion levels to increase the quantity and quality of FDI to Jordan from the U.S and others, leveraging the U.S Jordan FTA and the Jordan-US Bilateral Investment Treaty. In this context, AmCham-Jordan and the Jordan Investment Commission (JIC) are in the process of concluding a memorandum of understanding to better utilize the NTC platform in investment promotional efforts to the U.S, and to support consultation processes with the private sector.

Noting that, from the national policy perspective, the JIC is working towards introducing amendments to the Investment Law No. 30/2014. Moreover, with support from development partners, the JIC is formulating a new "investment promotion strategy", enhancing after care and investor grievance services, as well as implementing a project to attract investment from the Jordanian diaspora, investors based in the Gulf, the UK and other international markets.¹² The NTC can help provide reach to the Jordanian diaspora in the U.S. and U.S. investors.

The private sector also highlighted the need to further streamline the "Investor's Journey" across the business lifecycle, from improving the business registry infrastructure, accelerating implementation of licensing and permit reform to reduce compliance costs, as this will improve the ease of doing business and enhance competitiveness.

I. Promote Jordan to US Tech Investors

Jordan is well positioned in the tech sector as it possesses a business-friendly environment with explicitly designed investment incentives, a young; educated and skilled workforce, global connectivity, the presence of venture capital, and low start-up costs. These are only some of the factors that can help attract FDI, which is essential to

Turning the Corner: Jordan's Path to Growth

Reform Pillar 3 - Drive FDI and Promote Export Development of Products, Services and Markets

3.1 Increase trade in services through FDI

¹¹ <https://www.state.gov/reports/2020-investment-climate-statements/jordan/#:~:text=International%20reports%20and%20metrics%20indicate,places%20from%20104%20to%2075.>

¹² <https://www.jic.gov.jo/en/ebd-uk-and-jordan-launch-private-investment-drive/>

secure the sector's promise of economic growth-based on innovation and technology, specifically from the U.S. - the world's leading digital and knowledge economy. Accordingly, the NTC will implement sustained and targeted investment promotion activities necessary to capture these investments, as follows:

- Conduct a survey to identify the SMEs willing/seeking investment and assess if they are investable and investment ready (JV, partnerships, etc.).
- Build Jordan's value proposition/differentiation, as an ideal location for tech activities (regionally and internationally).
- Map potential US tech investors (companies) for FDI attraction or partnership opportunities with established companies.
- Design and implement investment targeting and outreach activities, to reach out and secure investment from promising companies. These activities should look at leveraging the Jordan diaspora in the U.S.

Box 4: Focused Activity

Promote ASEZA as an investment destination

ASEZA's is putting into place a roadmap for the economic development in the coming period, to help the zone recover from the impact of the COVID-19 pandemic. Focusing on domestic tourism, skills development and investment promotion and attraction utilizing Jordan's preferential trade arrangements, location, access to skilled workforce. These will be endorsed by customized incentive package (i.e. financial, subsidy, scholarships, land tax, procedures, etc.) based on the targeted company/sector.

Activities to promote opportunities within ASEZA to potential U.S. investors, the NTC will:

- Map, screen and identify targeted investment investors in garment, tourism, food processing and other sectors.
- Carry out matchmaking opportunities to attract capable partners.

2. Assist Jordanian companies wishing to invest in the U.S.

Having presence in the U.S. can also help companies grow and expand their global reach, accordingly the NTC will provide support to Jordanian companies wishing to set up in the U.S. through providing information, advice and list of service providers (per sector/state in the U.S.). Moreover, the NTC will organize a Jordanian Delegation to the "Select USA" annual event in Washington DC, and participation in other similar events.

3. Build capacities on Access to Finance

Design and implement a technical assistance program targeting companies to assist them in accessing available finance provided for Jordan by financing institutions such as ISSF, IFC, DFC, EBRD, USTDA, in addition to VC and financing mechanisms including debt, equity and mezzanine, to support companies' growth plans, job creation and enhancing their competitiveness. This will include the following:

- Identify and map the various financing channels in and for Jordan and their requirements.
- Educate companies (with focus on SMEs and entrepreneurs/start-ups) about access to finance offerings.
- Build the capacity of companies to benefit from the appropriate financing channels (such as developing feasibility studies and teasers).
- Link companies to advisors who can help them secure financing, or match them with potential financing partners.

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Reform Pillar 4 - Deepening Access to Finance from Banks and Non-Bank Financial Institutions

Box 5: Focused Activity

Promote Public Private Partnership Opportunities

Jordan has revised its Public -Private -Partnership (PPP) Law, No. (17) of 2020, and setup a PPP Unit at the Prime Ministry in order to mobilize private sector investment into key infrastructure projects, essential for enhancing the business environment, enabling trade and commerce as well as generating employment.

NTC will:

- Review the PPP list and identify potential and promising projects to be promoted to the U.S. companies.
- Identify matchmaking opportunities and attract capable partners.

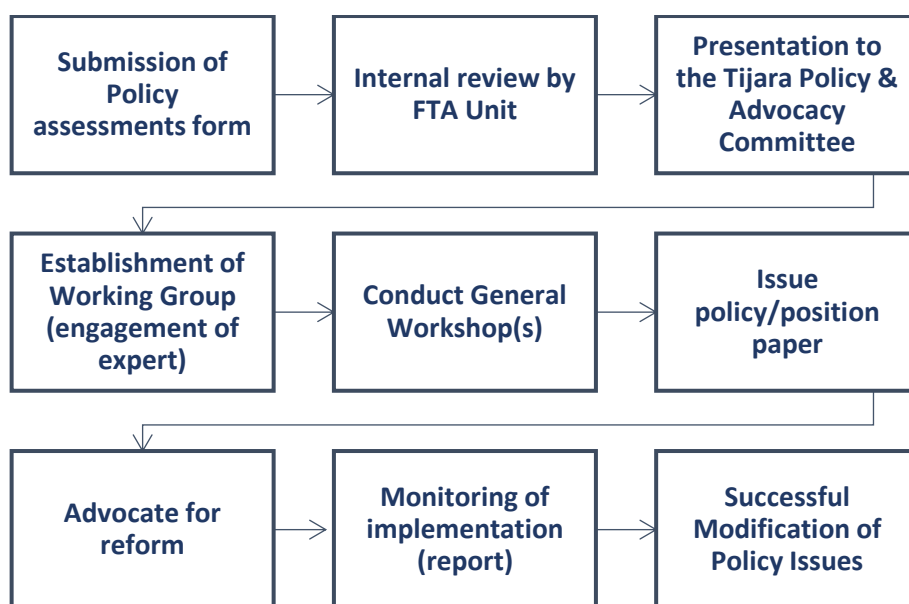
Pillar III. Policy and Advocacy

Priorities : I. Identify specific and actionable issues that will lead to policy (legislative and/or procedural) reforms.

The NTC strives to create an enabling business environment to allow businesses to unlock the potential of Jordan-US FTA and capture investment opportunities. Contributing to policy reforms is a NTC priority and mandate, that can be reflected either through: (i) changes in legislation and how they are implemented, (ii) changes in the burdens that are placed on businesses and the relationships in which businesses can engage; and (iii) the incentives that drive business decisions.¹³

In addressing policy reform initiatives, the NTC Policy and Advocacy Committee, follows an agreed transparent, analytical and research-based process that depends on consensus building among the relevant stakeholder.

Figure (5): Overview of the NTC Policy and Advocacy Process



The downturn economic implications of COVID-19 on the Jordanian economy demands speeding up economic reforms accompanied by effective support programs that can strengthen the recovery of companies. Many of which are keen to grow their business relations in the U.S. Accordingly, stakeholders were invited to identify key policy reforms that will have an impactful result on enhancing Jordan-U.S. trade and investment relations.

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Reform Pillar 2 - Improving the Business Environment and Increasing Competition

¹³ https://www.marketlinks.org/sites/default/files/resource/files/ML6028_business_enabling_environment_briefing_paper.pdf

The agreed policy issues are listed below and will be addressed according to the aforementioned process. Noting that AmCham-Jordan is working towards developing a NTC Policy and Advocacy Manual.

Specific Issues Identified by Stakeholders

a) National Food Traceability System

Jordan cannot be internationally competitive in the Food Processing sector without the existence of strong phytosanitary measures. A Food Traceability System (from the producer to the end consumer) is a key element for food safety requirements that would open the U.S. market and other markets to exports of Jordanian food products of meat and dairy (including processed foods). Having a national food traceability system has become more urgent as Jordanian food and beverage companies wishing to export to the USA market fall under the Food Safety Modernization Act (FSMA) and now face more stringent USFDA traceability requirements than previously. In addition, consumer safety and health concerns have become more critical due to the COVID-19 global health pandemic outbreak. In this context, the International Finance Corporation, a member of the World Bank Group (WBG-IFC), is implementing the Jordan National Quality Infrastructure (NQI) Project, an Advisory Project funded by the EU and FIAS. The NQI Project is a three-year project to improve the competitiveness of Jordan's producers in international markets, which will lead to increasing the volume of Jordanian exports. AmCham-Jordan has been invited to be a member of the NQI Project's Steering Committee. To this end, AmCham-Jordan has set up a technical working group with Jordan Chamber of Industry and relevant private sector companies to contribute to and help design a practical and "business-like" policy paper related to setting up a national food traceability system and push the process forward.

b) Unequal Enforcement of Certain FMCG Imports

Local SMEs agents and distributors of U.S. and International FMCG brands (FMCG – specifically cosmetics and personal care items and food), voiced serious concerns regarding the non-enforcement and/or unequal enforcement of certain standards and regulations pertaining to the import of FMCG. This weak and unequal enforcement (including monitoring and testing of imports) described by company representatives as “selective implementation” is exposing brand agents and distributors to serious harm due to increasing amounts of product imports of their brands from non-authorized agents and distributors that are entering the market while not being in compliance with the Trading Requirements for Cosmetics and Personal Care Items for the year 2016 and its amendments, and related JSMO standards – for example; some items are not registered, and/or do not meet the Jordanian standards, do not adhere to the labelling requirements and do not respect the shipping and storage requirements. These violations present a serious threat to consumer health and safety, as well as cause economic losses, not only to the brand agents and distributors leading to employment redundancies, but also affect economic actors in the local market. To this end, AmCham-Jordan has set up a technical working group with relevant, private sector companies to contribute and design a practical and "business-like" policy paper related to the proper and full enforcement of the legislation.

c) Enhancing the Capabilities of JFDA and Streamlining the Registration Process

There is need to enhance the capacity of JFDA to monitor and support sector development to be in line with international best practices, as it is hindering the growth and development of local manufacturing of food and cosmetics sectors. The Food and Cosmetic sectors could grow their roster of exportable products with more streamlined process within JFDA through process reengineering; automation and technological advancements, regulatory reforms, institution strengthening and capacity building. This can be achieved by enhancing the relation between USFDA and JFDA to provide capacity building and technical assistance for JFDA to align, integrate and converge standards to streamline the process, refine and enhance regulations and automate processes.

d) Revisiting the Regulations on Subsidies/Support for the Manufacturing Sector

The government issued programs offering monetary subsidies for manufacturing companies - Reflected in Regulations No. (13) for 2020¹⁴ & No. (18) for 2020¹⁵ - for which the requirements are difficult to meet. Moreover, the companies that met the requirements were not able to collect the monetary payment due to unavailability of funds. This, coupled with the increase in taxes and curtailing of investment incentives, is affecting exporters liquidity and competitive position of their products. Accordingly, the NTC will review the relevant regulation and propose adjustments to the program to offer the needed support to manufacturing companies in line with the local capabilities and WTO rules.

e) Amendments to the Investment Law

The Jordanian Investment Law No (30) for 2014 made sweeping changes to the system governing investment. It set up JIC as a new body that was mandated with investment promotion, governing the economic zones (excluding ASEZA), as well as export promotion. The Law also set up an investment incentive system in certain sectors within the economy and unified the various economic zones in the Kingdom under “Development Zones” – next to maintaining the Free Zones (public/private) models.

Turning the Corner: Jordan's Path to Growth

Reform Pillar 3 - Drive FDI and Promote Export Development of Products, Services and Markets

3.2 Improve investment promotion and facilitation

The application of the Law continues to present challenges. The Government is in the processes of amending the Law. Accordingly, the NTC, will work with stakeholders to develop a policy paper that will reflect the private sector preceptive and suggestions on the needed scope and depth of the amendments in line with best international practice and the Jordanian context.

¹⁴ نظام حوافز الأنشطة الصناعية لسنة 2020

¹⁵ نظام حوافز ضريبة الدخل للقطاع الصناعي لسنة 2020

f) Guidelines/Code of Policies and Legislative Governance

These guidelines were issued with support of the World Bank Group (WBG) in 2018 and adopted by the Council of Ministers, yet to date no positive action has been taken to operationalize the Guidelines. Legislative uncertainty and unclarity weaken trust between the public and private sectors, and hinder private sector development and investments. An adequate legal and regulatory structure is a prerequisite to a business enabling environment. Accordingly, the NTC will organize a round table with the Government and define ways of collaboration to develop recommendations (policy paper) for the setup of a specific implementing framework that includes a Regulatory Impact Assessment (RIA) stage.

g) E-Commerce

The outbreak of COVID-19 has led to a surge in e-commerce, accelerated digital transformation, sales growth and irreversible dependence. It is critical to empower the national business environment (policies, legislation, processes and programs) that will allow companies to successfully engage in e-commerce, digitalization and expand their businesses to the U.S. market¹⁶. MOITS, with support from GIZ and UNCATD, are currently working on putting into place the needed strategy to build the enabling e-commerce ecosystem, including the required changes in public policy and business practices to improve the digital and trading infrastructure, facilitate digital payments and establish appropriate legal and regulatory frameworks for online transactions and security. The NTC can play an active role in ensuring that the voice and concerns of the private sector are heard when shaping the strategy and helping design and implement the actions to ensure that the right support and capacity building programs are put in place.¹⁷

h) Modernization of Standards and U.S. Standards

Jordanian standards and technical regulations are issued by Jordan Standards and Metrology Organization (JSMO) based on international, regional and national standards in accordance with international best practices. In accordance with Article (13-a) of the Standards and Metrology Law (22/2000) and its amendments, Jordanian standards and technical regulations are set based on product requirements in terms of performance rather than its design or descriptive characteristics where appropriate and possible. According, updating and modernization of standards is a goal of JSMO in a manner that will ensure that national legislations and standards for product requirements (on safety, quality, health, etc.), as well as procedures for assessing product compliance with such requirements (testing, inspection, accreditation, etc.), are not unjustifiably discriminatory and/or do not create unnecessary obstacles to trade. Accordingly, it is necessary to modernize the legislations and standards specifically hand in hand with developing the capabilities of the testing labs to conduct tests based on the performance of the product; by providing necessary equipment and reference materials in addition to training technicians on certified test methods.

The NTC will work with JSMO and JFDA as well as and Jordanian manufacturers and traders to identify priority products such as chemical industry (from personal care items to clearing

¹⁶ Jordan-US FTA – e-commerce provision (7) and joint statement.

¹⁷ Look at Customs procedure / Tax procedure in dealing small, shipped packages (in/out)

detergents) and work on the modernization of the standards and the overall systems while ensuring that certain processes are put in place that would allow JSMO to recognize U.S. standards as equivalent to the Jordanian standards to facilitate market entry.¹⁸

Policy Issues in the Garment & Apparel Sector

i) MOL Golden List Adjustments

The Ministry of Labor (MoL) created a monitoring mechanism called the Golden List to better assure that companies are acting in accordance with the Labor Law. The Golden List sets criteria for working conditions, employment of guest workers and the recruitment of Jordanians. The Jordanian Labor Inspectorate must ascertain compliance, after which companies can be placed on the Golden List. There is a need to revisit the criteria (inclusion and exclusion) in consultation with the private sector as it affects companies' image and status with their respective U.S. and international buyers, which in some cases is, unreasonably, hindering their ability to attract new buyers and affecting the image of Jordan as a country.

Noting that the Ministry of Labor established a committee to review the criteria of the Golden List Program in consultation with the private sector. The committee includes representatives from the Ministry of Labor, The Jordan Garments, Accessories & Textiles Exporter's Association (JGATE) and the General Trade Union of Workers in Textile Garment & Clothing Industries. The Committee identified certain amendments, which are in the process to be duly endorsed.

j) Future of the Apparel Sector

This sector is a main result of the Jordan -U.S. FTA, it employes over 30 thousand Jordanians, and contributes to 80% of Jordan's export to the U.S. The sector is a major contributor to the economic cycle in various direct and indirect ways. As such the sector continues to hold employment promise particularly for female workers (where empirical evidence shows there is a latent competitive advantage). Accordingly, it is vital to develop an evidence-based sector specific policy to ensure the sector is sustained in Jordan in the mid- and long-term and achieves the promise of greater Jordanian employment

Box 6: Focused Activity

Strengthening Policy & Advocacy Framework

I. Annual Survey:

NTC will design and implement an annual survey on Jordan-U.S. economic relations, to collect data, information and feedback from the wider business community on trade issues (export/import), investment needs and policy challenges.

¹⁸ Either To put in place an administrative process to allow for obtaining special permission for certain type of products. To consider the US regulation as equivalent to Jordanian Regulation. – investigate the products (detergents for cloth and dishwashers ...) coming from the US that are not able to enter the Jordanian market – performance wise – or updated the standards and test method and text performance – solution. تعديل
المصاريف الرأس المالية + المواصفة + الاختبار + الأجهزة – المصاريف الرأس المالية

2. Capacity Building:

Design and deliver a training and capacity building program to enable NTC private sector members to effectively advocate for specific policy issues through public sector dialogue. This includes building their skills to better diagnose and articulate policy issues, properly utilize PPD tools such as holding interviews with relevant parties, conducting proper research, surveys, impact assessments, drafting position papers and proposing policy reform recommendations.

Cross-Cutting Issue: Reinforcing the NTC Institutional Framework

- Priorities :
1. Strengthen the National Tijara Platform
 2. Enhance the Jordan-U.S. FTA Unit

The NTC, over the 20 years since its setup, has gone through times when members engagement was strong and other times when the NTC was dormant.¹⁹ In 2017, with support from USAID, the NTC was relaunched and the Jordan-U.S. FTA Unit was established and tasked to serve as secretariat to the Coalition. The JUSFTA Unit is the national focal point serving Jordanian and U.S. businesses to better understand and utilize the trade and investment opportunities made available under the Jordan U.S. Free Trade Agreement (FTA) and the Bilateral Investment Treaty (BIT) and is hosted and supported by the American Chamber of Commerce in Jordan (AmCham-Jordan).

Figure (5): Tijara Coalition Historical Millstones:

Established om 2001 and Relaunched in 2017



Specific Activities under each Priority will be as follows:

I. Strengthen the National Tijara Coalition Platform

The NTC is the longest standing formal and structured PPD platform in Jordan. Today more than ever before, there is national stakeholder commitment to engage more effectively in

¹⁹ <https://amcham.jo/national-tijara-coalition/>

consultations between the public and private sectors as a prerequisite for broadening country ownership of inclusive economic development.

The NTC currently meets many of the good practices in public–private dialogue for economic development.²⁰ Its working principles reflect the NTC mandate and members commitment and structure. The JUSFTA unit serves as facilitator for its activities, and there is strong and wide-range representation.

However, some gaps remain, and to bridge these gaps the NTC have agreed to embed the following practices as an integral part of the NTC work:

- a) **Champions:** Each pillar, activity or issue will have champions from both the public and private sectors, who can invest in the process and drive it forward.
- b) **Participation:** ensure a wider participation to reflect the national context and developments and enable the NTC to address emerging issues. This will include inviting entities to join, such as MODEE, JSF, BPWA. As well as opening the door for willing organizations to seek membership in the NTC.
- c) **Members Engagement:** Representation in taskforces and working groups will be assigned based on the activity and issue with relation to the experience, relevance, authority.
- d) **Outreach and Communication:** Develop and implement an outreach and communication plan for NTC to build awareness among the larger business community of the role and work of the NTC, and develop the brand identity for the NTC.
- e) **Monitoring & Evaluation:** Develop and implement a unified monitoring and evaluation framework to demonstrate and measure the NTC performance.

2. Enhance the Jordan-U.S. FTA Unit

- a) **Additional Human Resources:** Strengthen the JUSFTA Unit to better serve the expanding work of the NTC, by inviting NTC members to designate a dedicated staff member (at least 6 and maximum 12 in total) to be part of the Secretariat cohort of human resources.
- b) **Capacity Building Workshop:** This cohort will benefit from specially designed capacity building workshops to create a homogeneous group. The training would include various topics based on the competencies of the designated members such as Jordan-U.S. economic relations, trade concepts and research, communication, facilitation and drafting skills.



²⁰ <http://publicprivatedialogue.net/tools/PPDhandbookintro.pdf>

- c) **Structured Process:** The work of the Secretariat and its cohort should follow a structured process through the development of manual/s of work, to guide and help manage the overall processes in a manner that ensures transparency and good governance.

Implementation Plan & Next Steps

To ensure that the NTC's efforts are focused and effective members will work together to develop an overall implementation plan that designates the lead entity and partner entities responsible of implementation of the set priority and its actions. These should also be incorporated, as appropriate, in the lead organization's business plane.

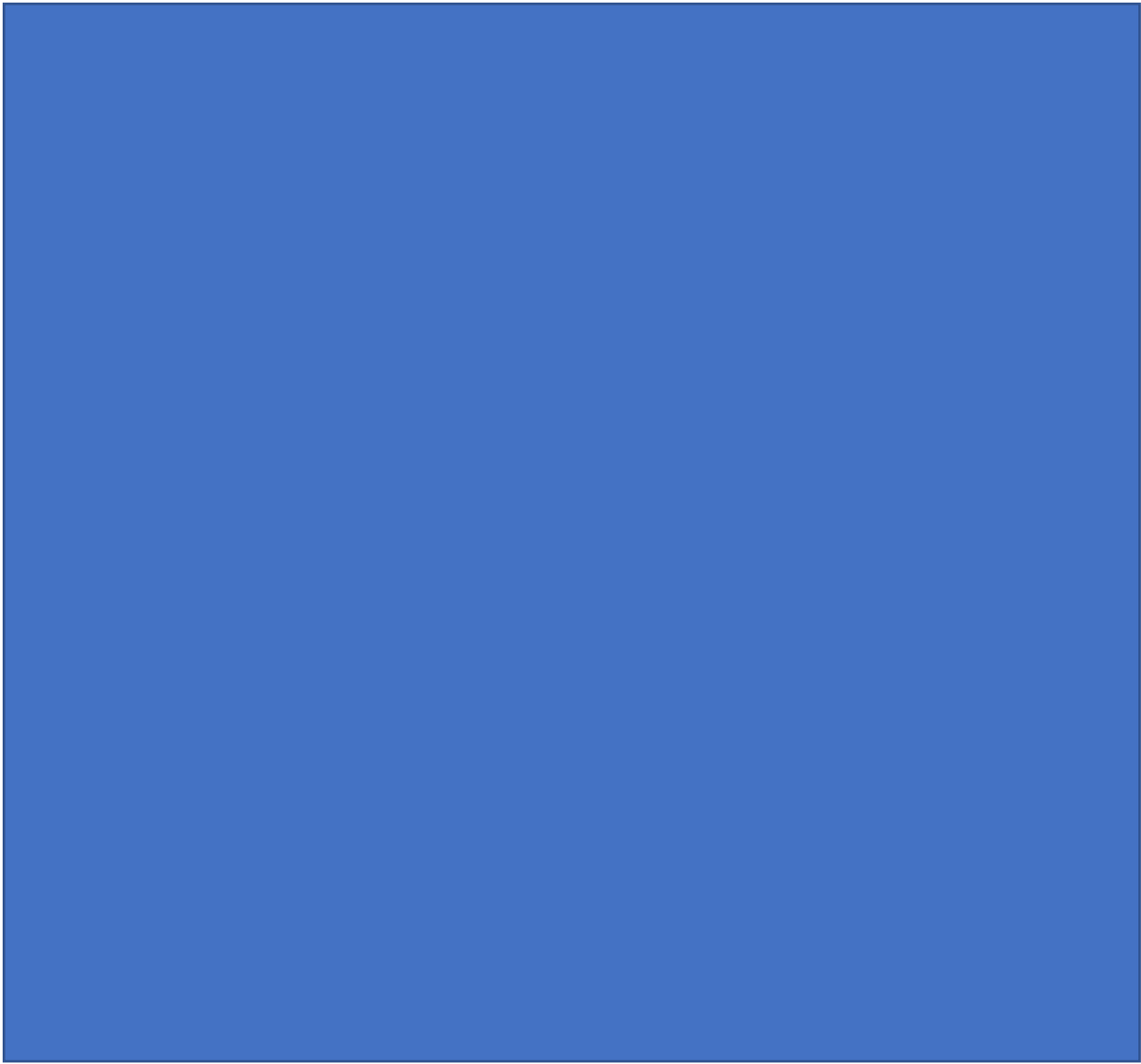
Putting in place said implementation plan is critical to move the work of the NTC forward from goals setting to effective and strategic action.

Note on Adoption

The National Tijara Coalition Council adopted the STRATEGIC PRIORITIES & ACTIONS: 2021-2022 at its Annual Meeting on 16th of August 2021. The meeting was headed by the Minister of Industry, Trade and Supply and the U.S. Ambassador to Jordan, and the representatives of the NTC member organizations from the public and private sectors.

The STRATEGIC PRIORITIES & ACTIONS: 2021-2022 will be annexed to the Trade & Investment Strategy: a plan for growing exports and enhancing investments between Jordan and the U.S. 2018-2022, and implemented together with it in line with the discussions and work of the relevant Members within the respective Committees and set-up working groups, as appropriate.

Amman
16/8/2022



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