

Assessing Jordan's Competitiveness

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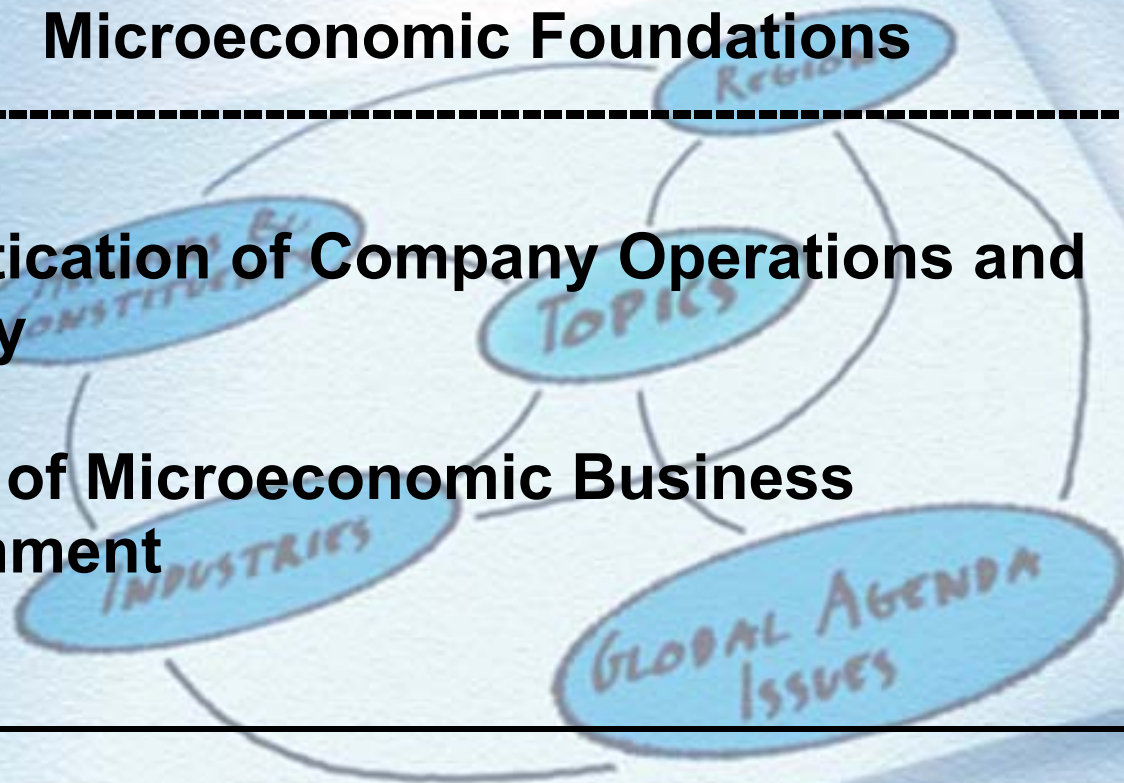
Current Competitiveness Index

Microeconomic Foundations

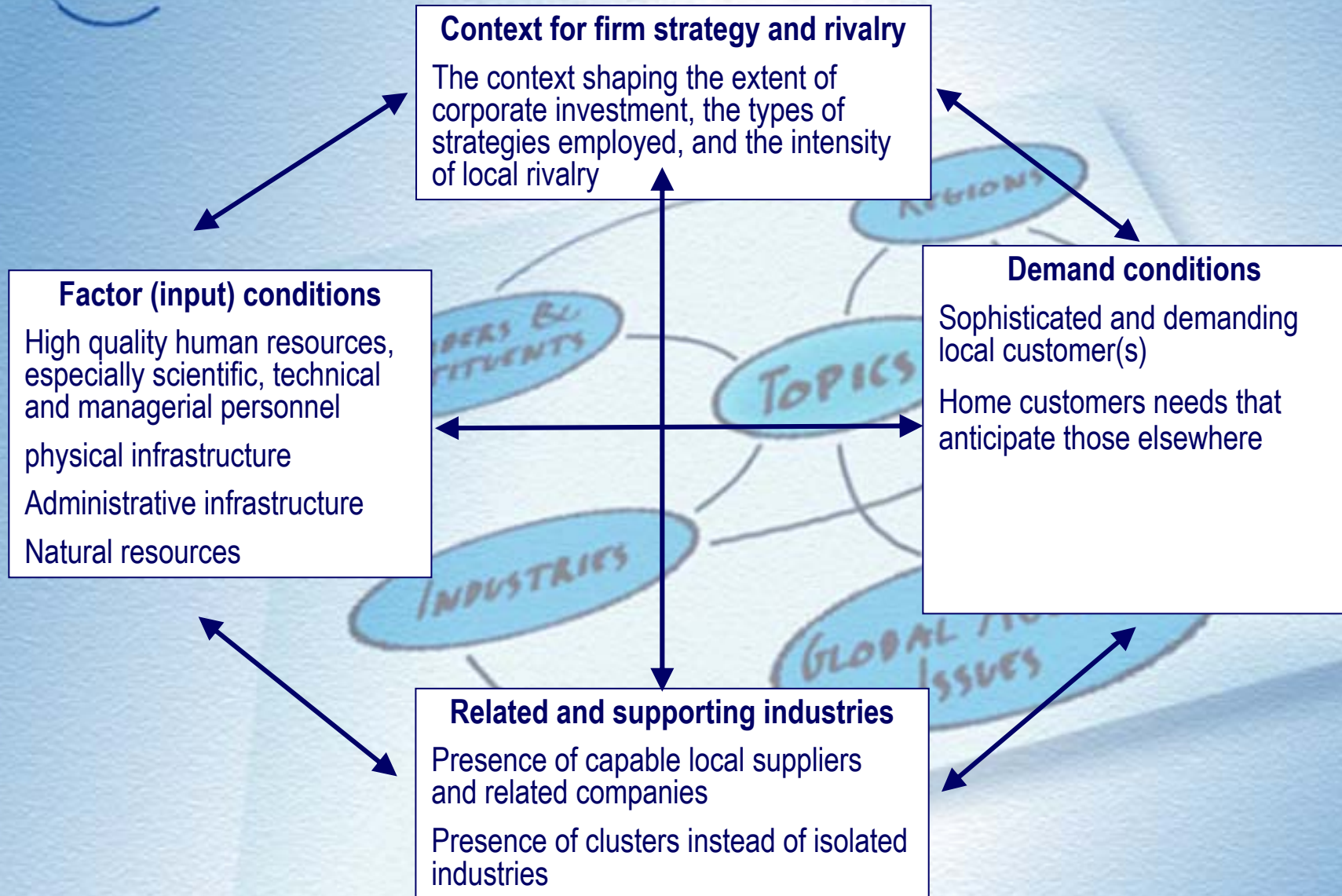
Sophistication of Company Operations and Strategy

Quality of Microeconomic Business Environment

Political, Legal and Macroeconomic Context



The Microeconomic Business Environment



How to Measure Current Competitiveness?

- “Hard data” (publicly available statistics from national authorities, IMF, World Bank, IDB, etc)
- Survey data from Executive Opinion Surveys
- 72 respondents from Jordan (16.23 firms per 1 million inhabitants).
- Around 55% small (<500 employees); 11% medium sized and 10 % large.
- 41% produce for domestic and foreign markets; 6% subsidiaries of foreign companies.



Rankings

Company Operations and Strategy

Germany	1	Turkey	28
United States	2	Brazil	29
Finland	3	Russia	33
Japan	4	China	38
Switzerland	5	Egypt	44
Sweden	6	Jordan	46
Netherlands	7	Thailand	47
Denmark	8	Peru	49
France	9	Bulgaria	54
Belgium	10	Ukraine	56

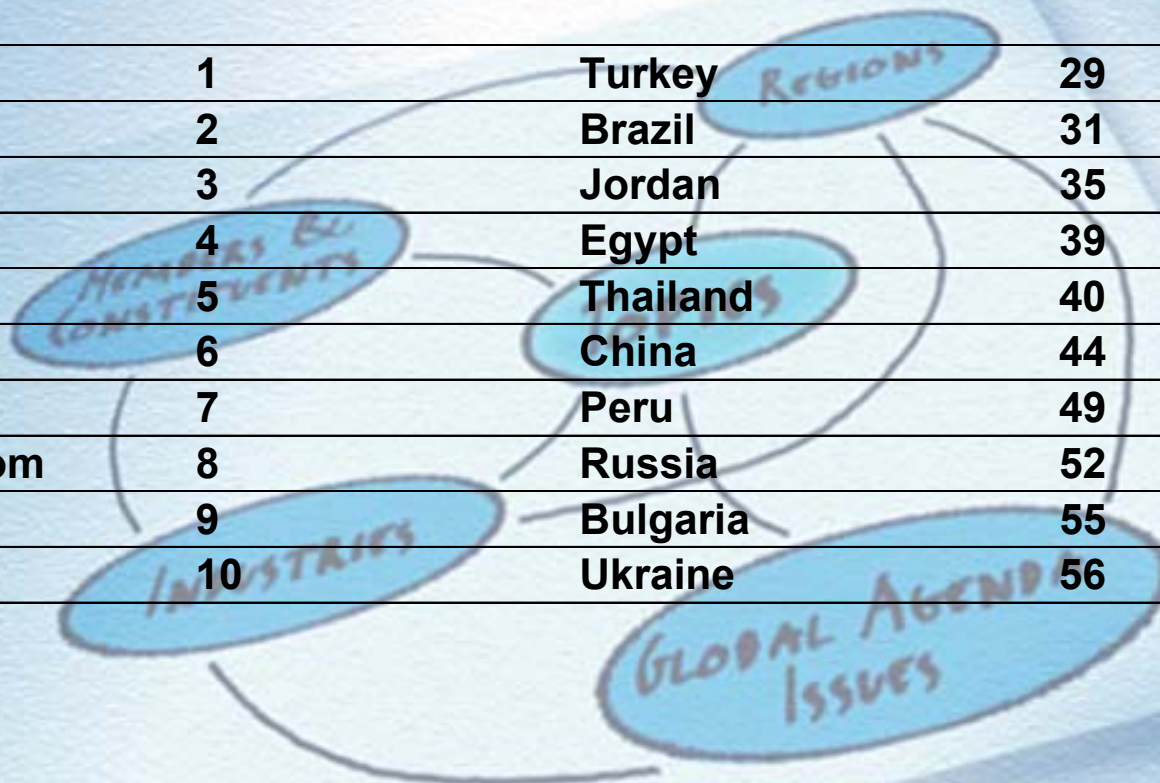
Rankings

Quality for the National Business Environment

Finland	1	Turkey	29
United States	2	Brazil	32
Netherlands	3	Jordan	35
Denmark	4	Egypt	39
Singapore	5	Thailand	40
Germany	6	China	45
Australia	7	Peru	51
Canada	8	Russia	53
United Kingdom	9	Bulgaria	54
Switzerland	10	Ukraine	56

Current Competitiveness Rankings

Finland	1	Turkey	29
United States	2	Brazil	31
Germany	3	Jordan	35
Netherlands	4	Egypt	39
Switzerland	5	Thailand	40
Denmark	6	China	44
Sweden	7	Peru	49
United Kingdom	8	Russia	52
Singapore	9	Bulgaria	55
Australia	10	Ukraine	56



GPD Per Capita Relative to Current Competitiveness

Current Overachievers

- **Advanced Countries:** Norway, Iceland, Ireland, Singapore, United States, Canada
- **Middle Countries:** Venezuela, Russia, Argentina, Czech Republic, Greece, Portugal, Colombia, Mauritius, Slovakia
- **Developing Countries:** Bolivia, Ecuador, Bulgaria, Ukraine



GDP Per Capita relative to Current Competitiveness

Upside Potential

- **Advanced Countries:** Finland, Germany, New Zealand, Netherlands, Sweden United Kingdom
- **Middle Countries:** South Africa, Malaysia, Israel, Costa Rica, Chile
- **Developing Countries:** India, Jordan, Egypt, Vietnam, Zimbabwe, Turkey, China, Indonesia, Philippines, Brazil, El Salvador, Thailand

Jordan: Current Competitive Advantages

Sophistication of Company Operations and Strategy

- Foreign distribution and marketing, Export companies, production processes

Quality of Business Environment

- Overall infrastructure, roads, median income tax rate, VAT rate, internet use, math and science education, low organized crime, low litigation costs



Jordan: Current Competitiveness Disadvantages

Sophistication of Company Operations and Strategy

- competence of senior management, global exports, marketing



Jordan: Current Competitive Disadvantages

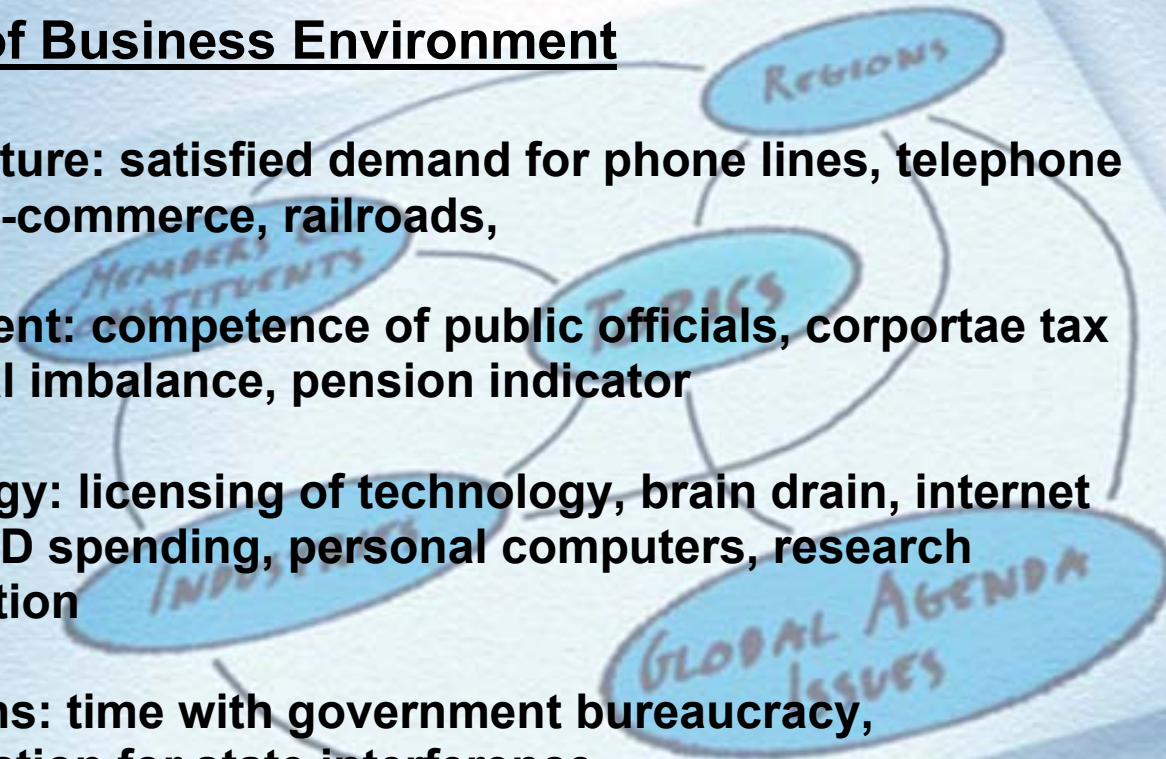
Quality of Business Environment

Infrastructure: satisfied demand for phone lines, telephone density, e-commerce, railroads,

Government: competence of public officials, corporate tax rate, fiscal imbalance, pension indicator

Technology: licensing of technology, brain drain, internet costs, R&D spending, personal computers, research collaboration

Institutions: time with government bureaucracy, compensation for state interference



1/3 x Economic Creativity Index

+ 1/3 x Finance Index

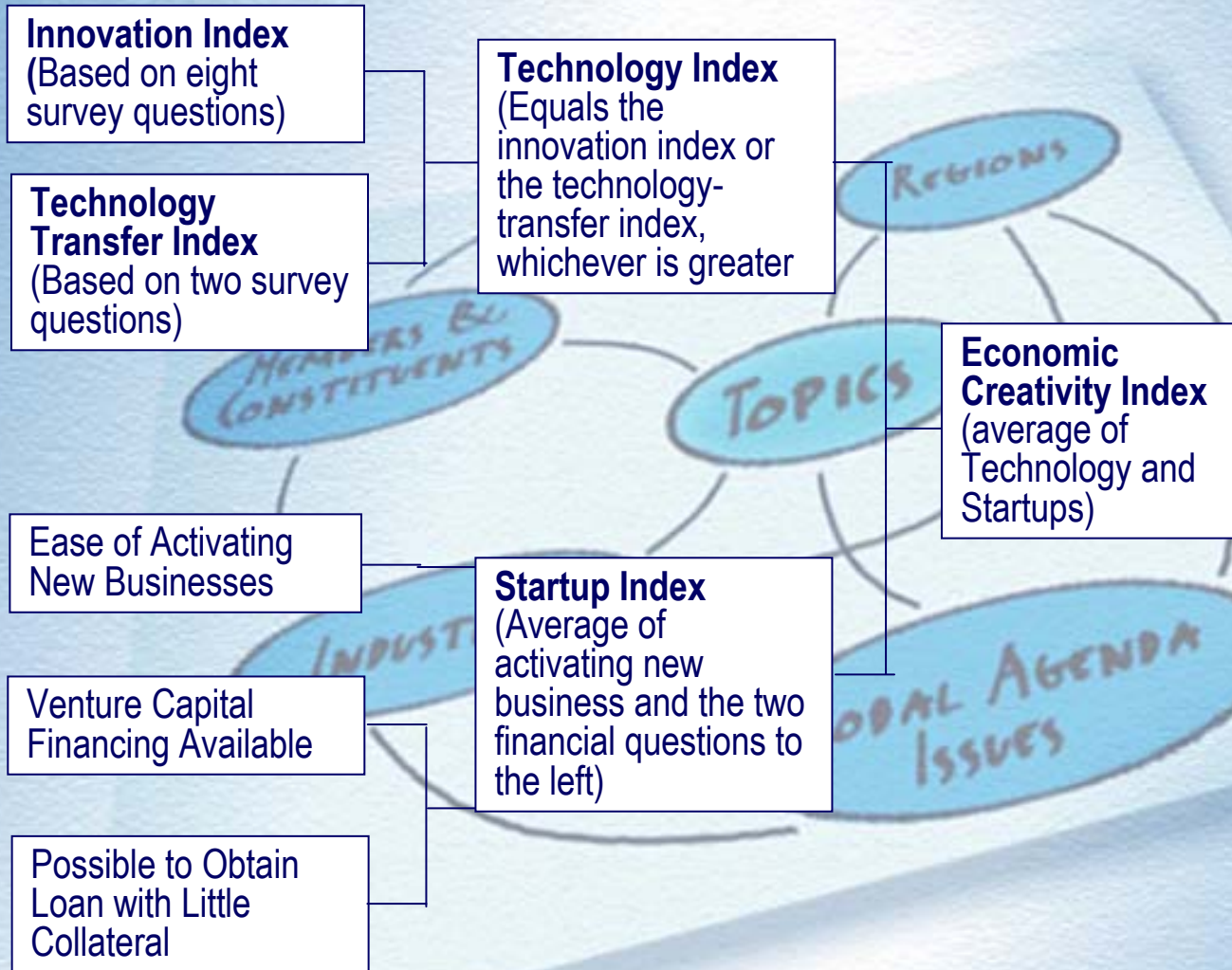
+ 1/3 x International Index

= Growth Competitiveness Index

(reflecting a country's ability to achieve sustained economic growth over the medium term)

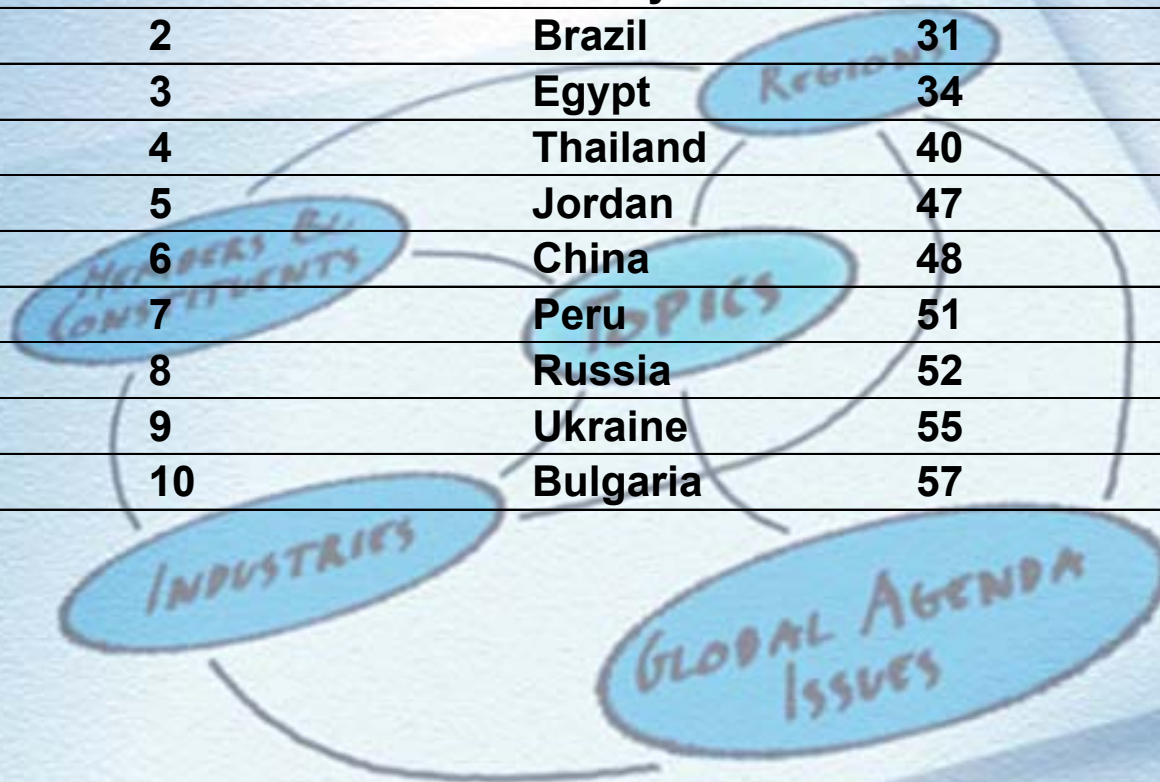


The Economic Creativity Index



Economic Creativity Index 2000

United States	1	Turkey	29
Finland	2	Brazil	31
Singapore	3	Egypt	34
Luxembourg	4	Thailand	40
Sweden	5	Jordan	47
Israel	6	China	48
Ireland	7	Peru	51
Netherlands	8	Russia	52
United Kingdom	9	Ukraine	55
Iceland	10	Bulgaria	57



Growth Competitiveness Ranking 2000

United States	1	Thailand	31
Singapore	2	Turkey	40
Luxembourg	3	China	41
Netherlands	4	Egypt	42
Ireland	5	Brazil	46
Finland	6	Jordan	47
Canada	7	Peru	48
Hong Kong SAR	8	Russia	55
United Kingdom	9	Ukraine	57
Switzerland	10	Bulgaria	58



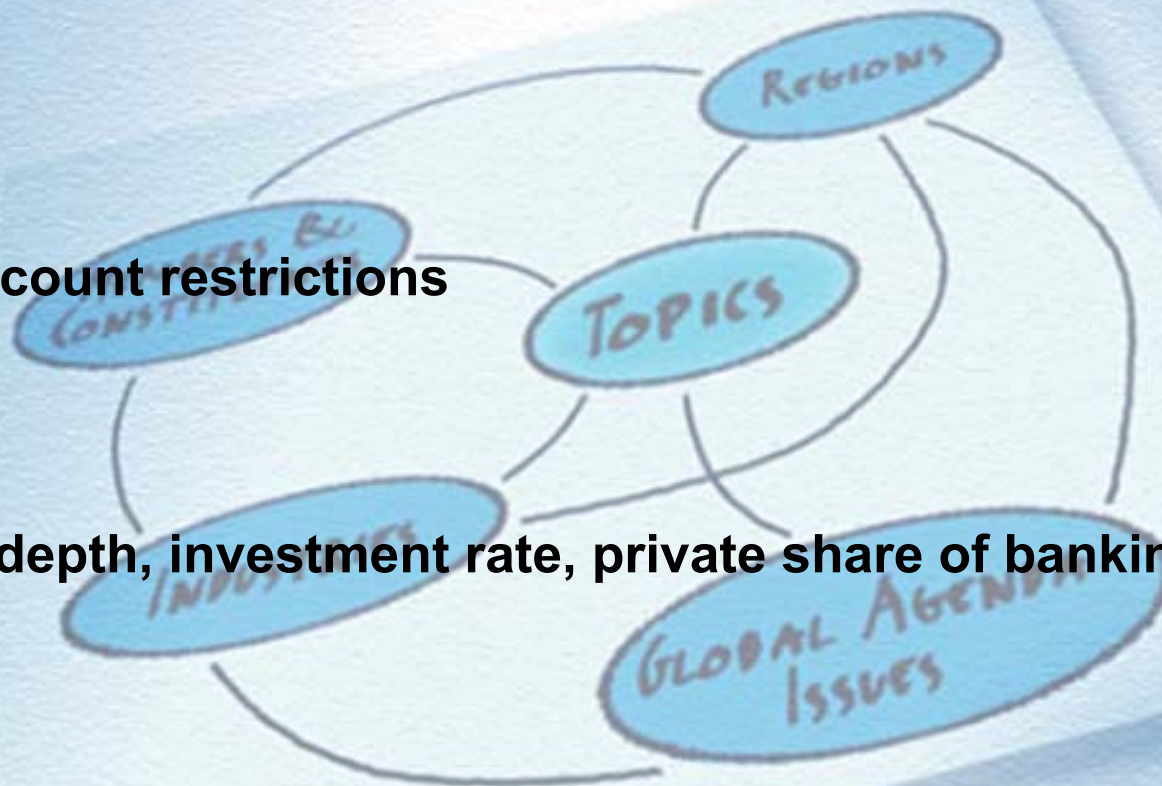
Jordan: Growth Competitiveness Advantages

Openness

- Capital account restrictions

Finance

- Financial depth, investment rate, private share of banking system

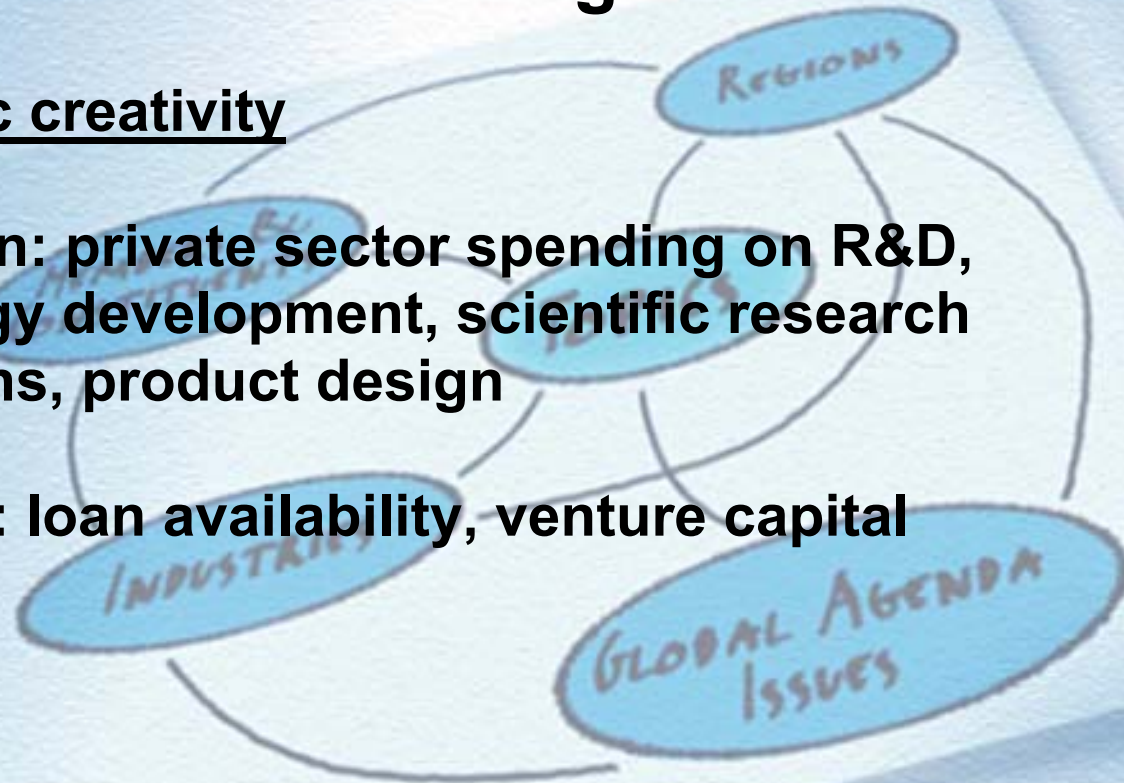


Jordan: Growth Competitiveness Disadvantages

Economic creativity

Innovation: private sector spending on R&D, technology development, scientific research institutions, product design

Start-ups: loan availability, venture capital



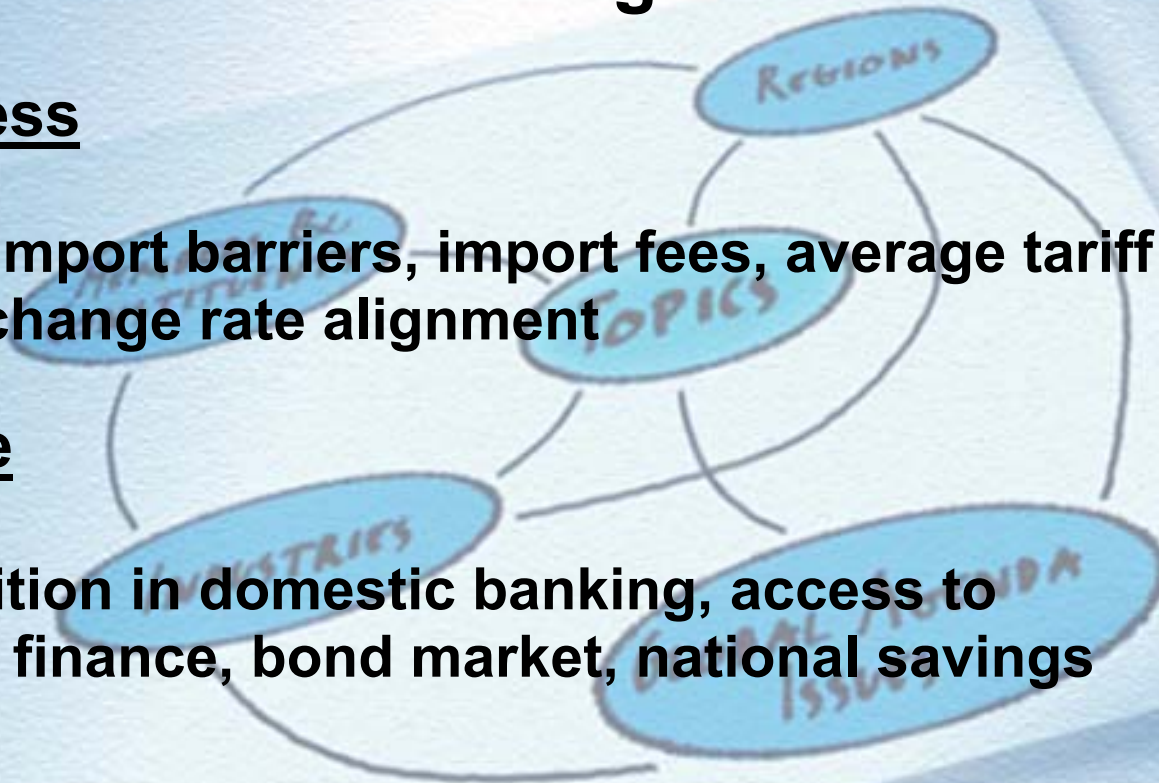
Jordan: Growth Competitiveness Disadvantages

Openness

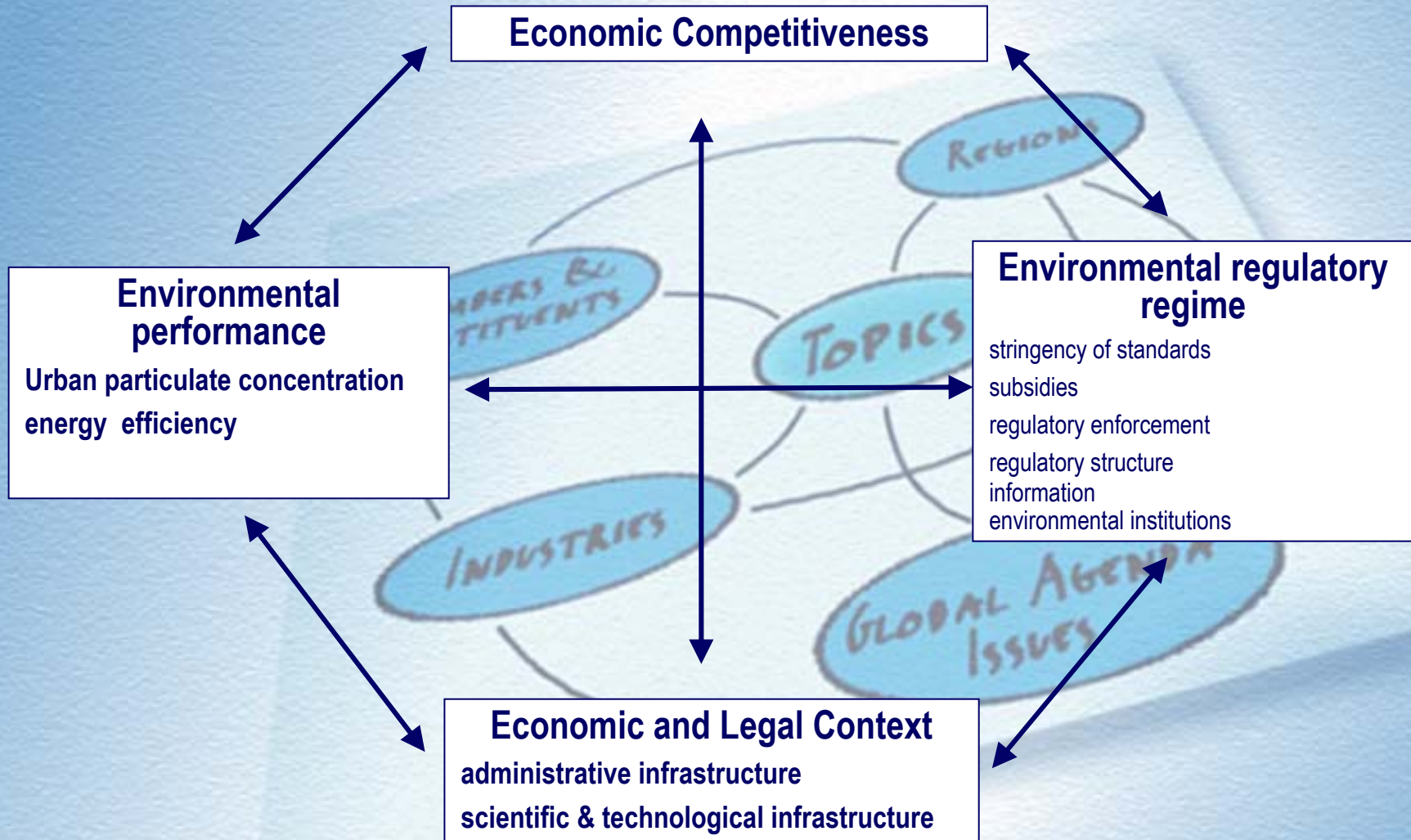
Hidden import barriers, import fees, average tariff rate, exchange rate alignment

Finance

Competition in domestic banking, access to external finance, bond market, national savings rate



Competitiveness and Environmental Performance



Environmental Sustainability Index

ESI = f(environmental systems, environmental stresses, human vulnerability, social and institutional capacity, global stewardship)

(total number of countries = 122)

Finland	1	Egypt	67
Norway	2	Turkey	70
Canada	3	Morocco	89
Sweden	4	Jordan	96
Switzerland	5	Algeria	102
New Zealand	6	Syria	106
Australia	7	Lebanon	109
Austria	8	Kuwait	116
Iceland	9	Libya	118
Denmark	10	Saudi Arabia	121