

JORDAN

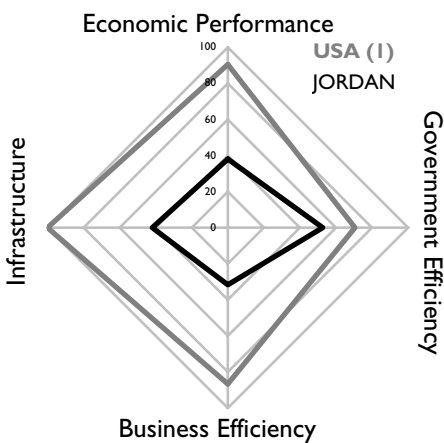
CHALLENGES IN 2004

- Reduce external debt through fiscal consolidation and debt management.
- Increase water supply and improve water infrastructure maintenance.
- Enhance productivity through structured micro reforms.
- Minimize distortions in labor market and improve education/training.
- Increase private R&D investment and knowledge transfer.

Provided by :
Ministry of Planning, Competitiveness Unit



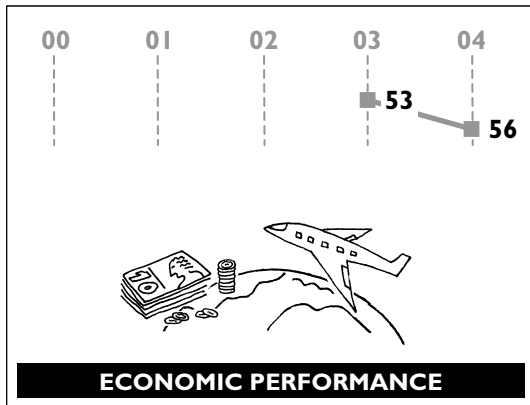
OVERALL PERFORMANCE



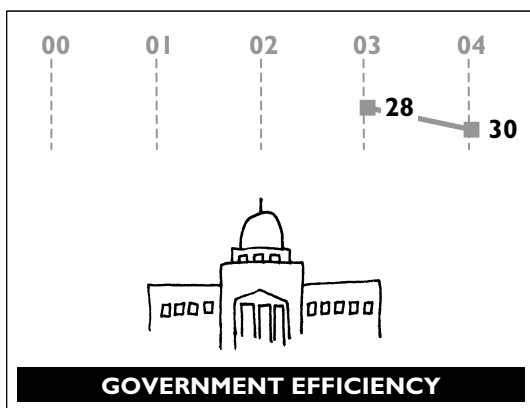
BASIC FACTS

Capital	Amman
Population (millions)	5.47 (2003)
Land area (km ² '000)	89.3 (2003)
Exchange rate (per \$)	0.71 (2003)
GDP (\$ billions)	9.4 (2002)
GDP per capita (\$)	1,760 (2002)
Real GDP growth (%)	3.1 (2003)
Consumer Price Inflation (%)	1.8 (2002)
Unemployment rate (%)	15.30 (2002)
Labor force (millions)	1.40 (2002)
Current Account Balance (\$ bn)	0.468 (2002)
Direct Investment	
Stocks Inward (\$ billions)	2.41 (2002)
Flows Inward (% of GDP)	0.60 (2002)

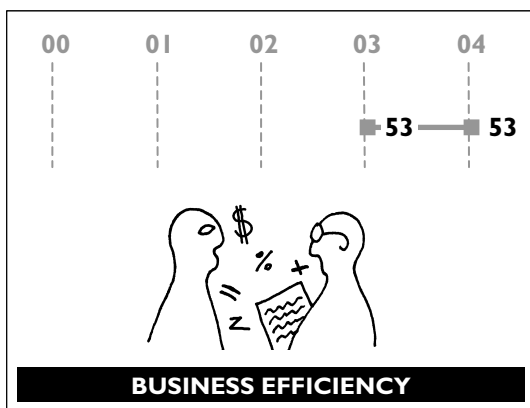
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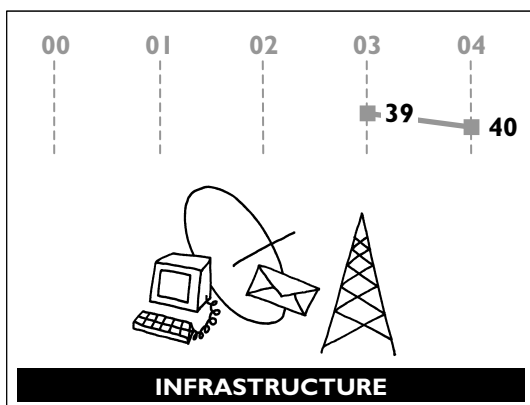
	2004
Domestic Economy	54
International Trade	27
International Investment	52
Employment	58
Prices	34



	2004
Public Finance	53
Fiscal Policy	13
Institutional Framework	32
Business Legislation	33
Societal Framework	29



	2004
Productivity	59
Labor Market	29
Finance	38
Management Practices	48
Attitudes and Values	34



	2004
Basic Infrastructure	59
Technological Infrastructure	46
Scientific Infrastructure	27
Health and Environment	34
Education	41

JORDAN

These criteria are the 10 Strongest Criteria by Factor identified by taking the biggest value differences from the averages of the 60 economies.

	Rank
I Economic Performance	
1.4.03 Employment - growth Estimates: percentage change	2
1.3.14 Relocation of R&D facilities is not a threat to the future of your economy (Survey)	7
1.3.13 Relocation of production is not a threat to the future of your economy (Survey)	7
1.2.11 Exports of commercial services Percentage of GDP	8
1.2.09 Exports of goods - real growth Percentage change based on US\$ values	12
1.2.18 Trade to GDP ratio (Exports + Imports) / (2 x GDP)	14
1.2.02 Current account balance Percentage of GDP	15
1.3.15 Relocation of services is not a threat to the future of your economy (Survey)	16
1.2.12 Exports of commercial services - real growth Percentage change based on US\$ values	19
1.5.01 Consumer price inflation Average annual rate	20
2 Government Efficiency	
2.2.07 Corporate tax rate on profit Maximum tax rate, calculated on profit before tax	6
2.3.06 Exchange rate policy of your economy supports the competitiveness of enterprises (Survey)	9
2.2.01 Collected total tax revenues Percentage of GDP	10
2.2.02 Effective personal income tax rate Percentage of an income equal to GDP per capita	10
2.4.12 Creation of firms is supported by legislation in your economy (Survey)	11
2.5.02 Personal security and private property are adequately protected (Survey)	13
2.4.15 Unemployment legislation provides an incentive to look for work (Survey)	13
2.2.12 Collected capital and property taxes Percentage of GDP	16
2.4.03 Public sector contracts are sufficiently open to foreign bidders (Survey)	16
2.4.14 Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities (Survey)	16
3 Business Efficiency	
3.2.12 Labor Force Growth Percentage change	1
3.2.02 Unit labor costs in the manufacturing sector Percentage change	2
3.3.13 Stock market capitalization Percentage of GDP	4
3.2.01 Compensation levels Estimates: Total hourly compensation for manufacturing workers (wages + supplementary benefits), US\$	10
3.2.05 Working hours Average number of working hours per year	11
3.3.01 Banking sector assets Percentage of GDP	14
3.3.16 Stock market index percentage change on index	19
4 Infrastructure	
4.2.01 Investment in telecommunications Percentage of GDP	1
4.1.21 GDP and energy consumption Real GDP growth minus energy consumption growth	5
4.3.14 Interest in science and technology is strong among the youth (Survey)	8
4.4.13 Ecological footprint Area units per person, hectares of biologically productive space	9
4.4.16 Environmental laws and compliance do not hinder the competitiveness of businesses (Survey)	11
4.4.09 Alcohol and drug abuse do not pose problems at the work place (Survey)	12
4.5.07 The educational system meets the needs of a competitive economy (Survey)	15
4.3.13 Science in schools is adequately taught (Survey)	17
4.1.24 Electricity costs for industrial clients US\$ per kwh	17
4.5.12 Qualified engineers are available in your labor market (Survey)	18

These criteria are the 10 Weakest Criteria by Factor identified by taking the biggest value differences from the averages of the 60 economies.

	Rank
I Economic Performance	
1.4.02 Employment Percentage of population	60
1.2.07 Exports of goods US\$ billions	59
1.3.03 Direct investment stocks abroad US\$ billions	59
1.1.01 Gross domestic product (GDP) US\$ billions	59
1.1.02 GDP (PPP) Estimates; US\$ billions at purchasing power parity	58
1.3.07 Direct investment stocks inward US\$ billions	58
1.1.23 GDP per capita (PPP) Estimates; US\$ per capita at purchasing power parity	57
1.2.10 Exports of commercial services US\$ billions	57
1.3.04 Direct investment stocks abroad - real growth Percentage change based on US\$ values	56
1.3.05 Direct investment flows inward US\$ billions	56
2 Government Efficiency	
2.5.10 Females in parliament Percentage of total seats in Parliament	59
2.4.16 Immigration laws prevent your company from employing foreign labor (Survey)	55
2.3.04 Country credit rating Rating on a scale of 0-100 assessed by the Institutional Investor Magazine ranking	53
2.4.05 Government subsidies To private and public companies as a percentage of GDP	53
2.3.13 Political parties do not understand today's economic challenges (Survey)	53
2.1.06 Central government foreign debt Percentage of GDP	50
2.4.13 Start-up days Number of days to start a business	48
2.1.10 Total reserves Including gold and official reserves (gold = SDR 35 per ounce)	45
2.4.01 Customs' authorities do not facilitate the efficient transit of goods (Survey)	45
2.2.13 Collected indirect tax revenues Taxes on goods and services as a percentage of GDP	44
3 Business Efficiency	
3.2.11 Labor force Percentage of population	60
3.4.08 Marketing is not conducted efficiently by enterprises in your economy (Survey)	60
3.1.03 Overall productivity - real growth Estimates: Percentage change of real GDP per person employed	59
3.3.06 Investment Risk Euromoney country credit-worthiness scale from 0-100	57
3.2.10 Labor force Employed and registered unemployed	56
3.1.01 Overall productivity (PPP) Estimates: GDP (PPP) per person employed, US\$	51
3.4.06 Customer satisfaction is not emphasized in your economy (Survey)	49
3.3.14 Value traded on stock markets US\$ per capita	48
3.4.07 Entrepreneurship of managers is not widespread in your economy (Survey)	48
3.4.09 Social responsibility of business leaders is low towards society (Survey)	48
4 Infrastructure	
4.1.07 Dependency ratio Population under 15 and over 64 years old, divided by active population (15 to 64 years)	60
4.2.16 High-tech exports US\$ millions	59
4.2.17 High-tech exports Percentage of manufactured exports	57
4.1.08 Roads Density of the network	56
4.1.23 Energy imports vs merchandise exports Energy imports as a percentage of merchandise exports in US\$	55
4.2.09 Internet users Number of internet users per 1000 people / Source: Computer Industry Almanac	54
4.2.08 Computers per capita Number of computers per 1000 people / Source: Computer Industry Almanac	54
4.4.08 Human development index Combines economic - social - educational indicators / Source: Human Development Report	52
4.2.02 Fixed telephone lines Number of main lines per 1000 inhabitants	51
4.2.03 International fixed telephone costs US\$ per 3 minutes in peak hours to USA (for USA to Europe)	51

JORDAN

This section highlights the economy's 20 strongest criteria, that is those with the highest standardized values (STD values).*

* STD Values = [(economy's value) - (average of 60 economies)] / standard deviation

20 Strongest Criteria

Number	Name	Economy's Value	Economy's Rank	Average Value
4.2.01	INVESTMENT IN TELECOMMUNICATIONS Percentage of GDP	2.964	1	0.800
3.2.12	LABOR FORCE GROWTH Percentage change	6.85	1	1.17
1.4.03	EMPLOYMENT - GROWTH Estimates: percentage change	8.87	2	1.29
3.3.13	STOCK MARKET CAPITALIZATION Percentage of GDP	106.57	4	34.15
4.1.21	GDP AND ENERGY CONSUMPTION Real GDP growth minus energy consumption growth	5.529	5	0.683
2.2.01	COLLECTED TOTAL TAX REVENUES Percentage of GDP	15.04	10	29.47
3.2.02	UNIT LABOR COSTS IN THE MANUFACTURING SECTOR Percentage change	-5.41	2	2.53
4.4.13	ECOLOGICAL FOOTPRINT Area units per person, hectares of biologically productive space	1.6	9	4.4
3.2.05	WORKING HOURS Average number of working hours per year	2,161	11	1,921
2.2.02	EFFECTIVE PERSONAL INCOME TAX RATE Percentage of an income equal to GDP per capita	5.50	10	15.88
2.2.07	CORPORATE TAX RATE ON PROFIT Maximum tax rate, calculated on profit before tax	25.00	6	31.14
3.2.01	COMPENSATION LEVELS Estimates: Total hourly compensation for manufacturing workers (wages + supplementary benefits), US\$	1.38	10	11.39
2.2.12	COLLECTED CAPITAL AND PROPERTY TAXES Percentage of GDP	0.68	16	1.66
1.3.14	RELOCATION THREATS OF R&D FACILITIES (Survey) Relocation of R&D facilities is not a threat to the future of your economy	6.48	7	4.92
4.3.14	INTEREST IN SCIENCE AND TECHNOLOGY (Survey) Interest in science and technology is strong among the youth	7.03	8	5.35
1.3.13	RELOCATION THREATS OF PRODUCTION (Survey) Relocation of production is not a threat to the future of your economy	5.89	7	4.53
2.3.06	EXCHANGE RATE POLICY (Survey) Exchange rate policy of your economy supports the competitiveness of enterprises	6.53	9	5.21
2.4.12	CREATION OF FIRMS (Survey) Creation of firms is supported by legislation in your economy	7.43	11	5.89
4.4.09	ALCOHOL AND DRUG ABUSE (Survey) Alcohol and drug abuse do not pose problems at the work place	8.00	12	6.71
4.4.16	ENVIRONMENTAL LAWS (Survey) Environmental laws and compliance do not hinder the competitiveness of businesses	6.97	11	6.04

What if ?

Competitiveness Simulations help policy makers focus on and prioritize the key competitiveness issues facing their economies. We replace the economy's 20 weakest values with the average values of the 60 economies to compute a simulated overall competitiveness ranking. However, this is a theoretical exercise and should not be perceived as policy advice. Consideration must be given to each economy's development level, political constraints and social value system.

Simulated Ranking Changes

From **48** To **34**

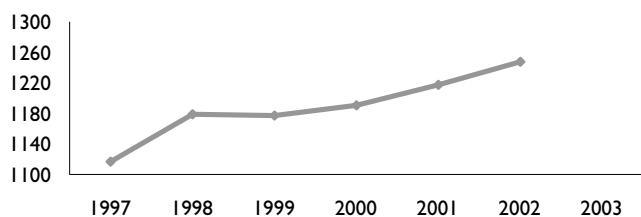
20 Weakest Criteria

Number	Name	Economy's Value	Economy's Rank	Average Value
1.4.09	YOUTH UNEMPLOYMENT Percentage of labor force	55.30	49	17.70
3.2.11	LABOR FORCE Percentage of population	26.27	60	47.90
4.1.07	DEPENDENCY RATIO Population under 15 and over 64 years old, divided by active population (15 to 64 years)	71.5	60	50.2
1.4.02	EMPLOYMENT Percentage of population	23.88	60	44.21
2.1.06	CENTRAL GOVERNMENT FOREIGN DEBT Percentage of GDP	80.45	50	16.10
3.3.06	INVESTMENT RISK Euromoney country credit-worthiness scale from 0-100	44.10	57	74.28
2.3.04	COUNTRY CREDIT RATING Rating on a scale of 0-100 assessed by the Institutional Investor Magazine ranking	38.5	53	70.1
1.4.07	UNEMPLOYMENT RATE Percentage of labor force	15.30	54	8.36
1.1.23	GDP PER CAPITA (PPP) Estimates; US\$ per capita at purchasing power parity	4,111	57	19,964
4.2.09	INTERNET USERS Number of internet users per 1000 people / Source: Computer Industry Almanac	69.60	54	341.71
2.4.13	START-UP DAYS Number of days to start a business	98	48	49
4.4.08	HUMAN DEVELOPMENT INDEX Combines economic - social - educational indicators / Source: Human Development Report	0.743	52	0.855
3.1.01	OVERALL PRODUCTIVITY (PPP) Estimates: GDP (PPP) per person employed, US\$	17,137	51	44,214
3.4.08	MARKETING (Survey) Marketing is not conducted efficiently by enterprises in your economy	5.03	60	6.46
2.4.16	IMMIGRATION LAWS (Survey) Immigration laws prevent your company from employing foreign labor	4.69	55	5.84
4.1.13	WATER TRANSPORTATION (Survey) Water transportation (harbors, canals, etc.) does not meet business requirements	4.47	50	6.34
2.3.13	POLITICAL PARTIES (Survey) Political parties do not understand today's economic challenges	2.73	53	4.32
3.4.07	ENTREPRENEURSHIP (Survey) Entrepreneurship of managers is not widespread in your economy	5.06	48	5.95
3.4.06	CUSTOMER SATISFACTION (Survey) Customer satisfaction is not emphasized in your economy	5.47	49	6.45
3.4.09	SOCIAL RESPONSIBILITY (Survey) Social responsibility of business leaders is low towards society	4.53	48	5.58

JORDAN

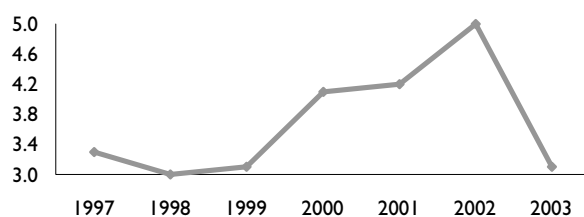
GDP PER CAPITA

National currency per capita



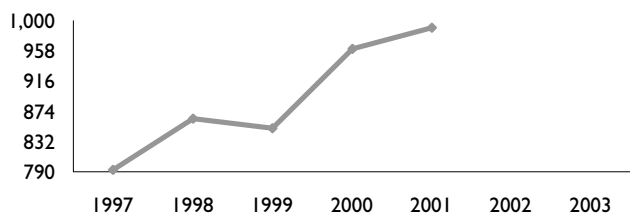
REAL GDP GROWTH

Percentage change, based on national currency in constant prices



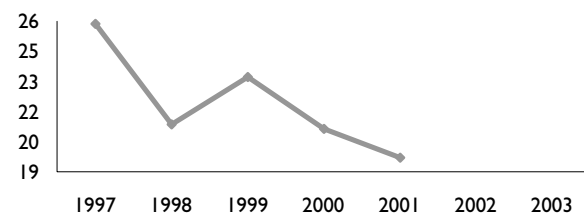
PRIVATE FINAL CONSUMPTION EXPENDITURE

National currency per capita



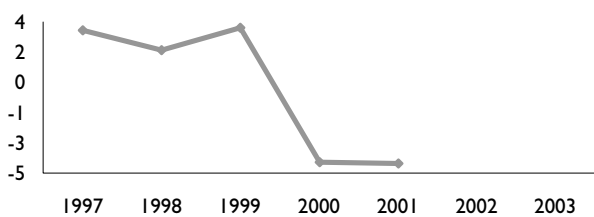
GROSS DOMESTIC INVESTMENT

Percentage of GDP



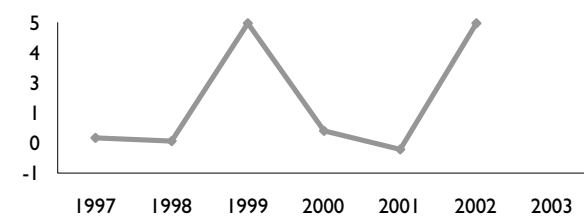
GROSS DOMESTIC SAVINGS

Percentage of GDP



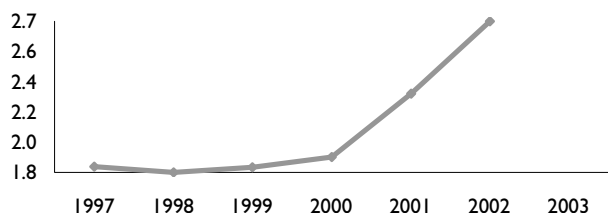
CURRENT ACCOUNT BALANCE

Percentage of GDP



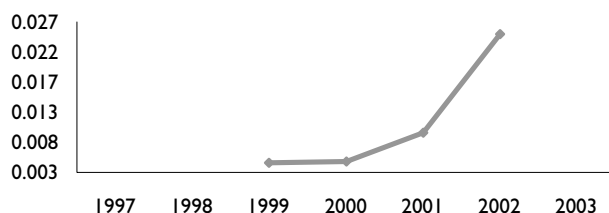
EXPORTS OF GOODS

US\$ billions



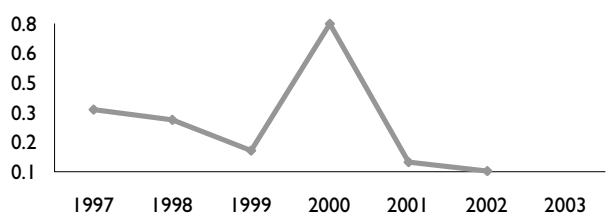
DIRECT INVESTMENT FLOWS ABROAD

US\$ billions



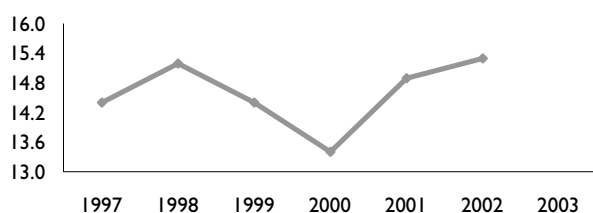
DIRECT INVESTMENT FLOWS INWARD

US\$ billions



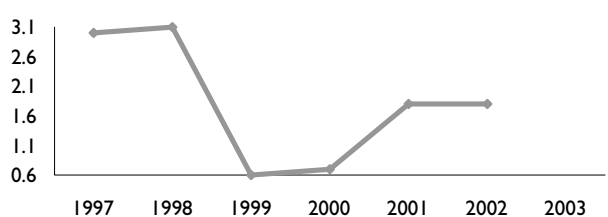
UNEMPLOYMENT RATE

Percentage of labor force



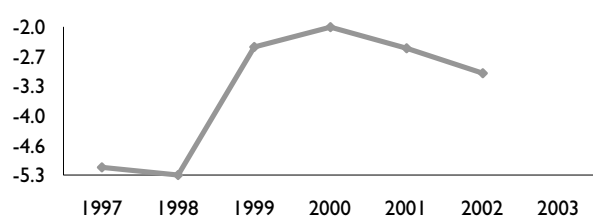
CONSUMER PRICE INFLATION

Average annual rate



GOVERNMENT BUDGET SURPLUS/DEFICIT

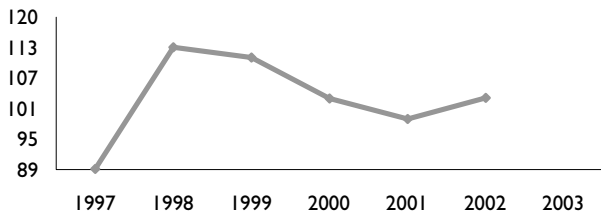
Percentage of GDP



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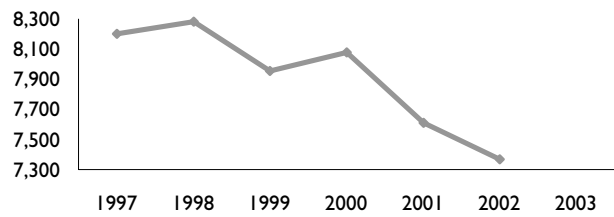
CENTRAL GOVERNMENT TOTAL DEBT

Percentage of GDP



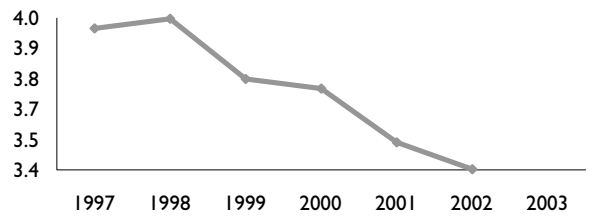
OVERALL PRODUCTIVITY

GDP per person employed, US\$



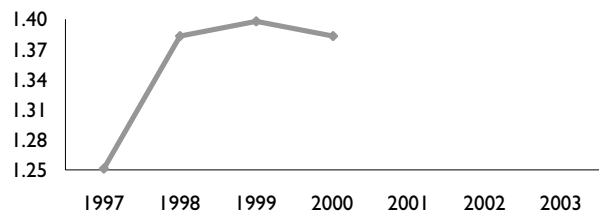
LABOR PRODUCTIVITY

GDP per person employed per hour, US\$



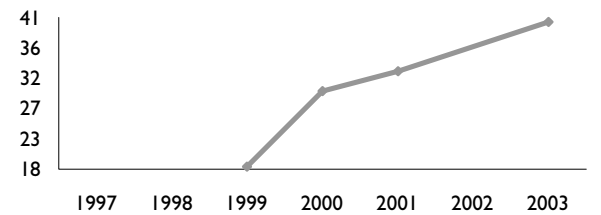
COMPENSATION LEVELS

Estimates: Total hourly compensation for manufacturing workers, US\$



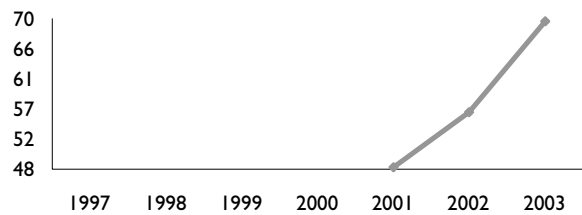
COMPUTERS PER CAPITA

Number of computers per 1000 people / Source: Computer Industry Almanac



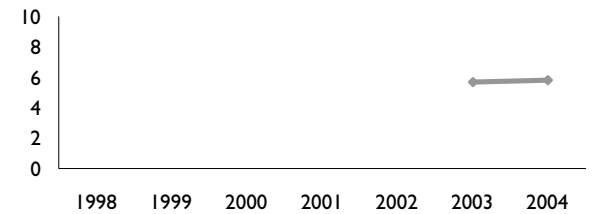
INTERNET USERS

No. of internet users per 1000 people / Source: Computer Industry Almanac



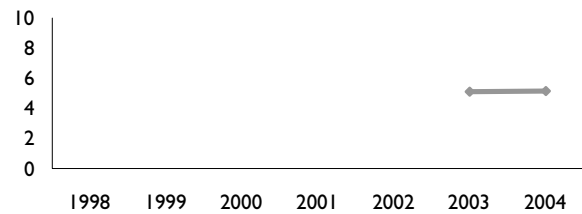
CREDIBILITY OF MANAGERS

Executive Opinion Survey



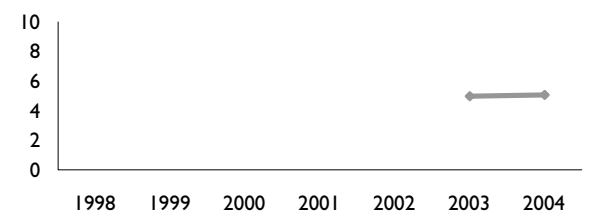
CORPORATE BOARDS

Executive Opinion Survey



ENTREPRENEURSHIP

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SOCIAL RESPONSIBILITY

Executive Opinion Survey

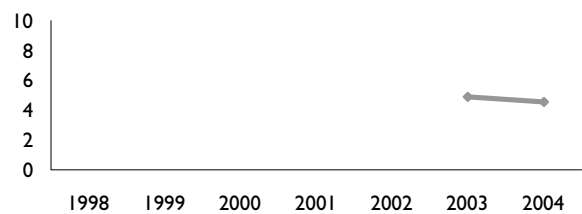
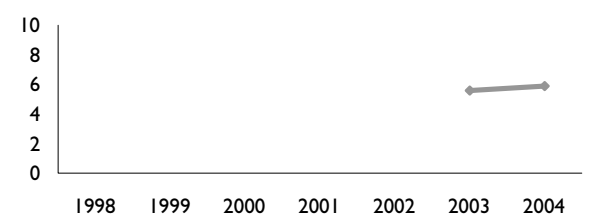


IMAGE ABROAD

Executive Opinion Survey



FLEXIBILITY AND ADAPTABILITY

Executive Opinion Survey

