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## INVEST

### FOREIGN DIRECT INVESTMENT

Historically, the Jordanian economy has benefited from massive investment by the Gulf countries, which continued to skyrocket until 2006. However, since then FDI has declined due to the international economic crisis, followed by geopolitical instability. The situation was compounded by the health and economic crisis triggered by the Covid-19 pandemic. According to UNCTAD's [World Investment Report 2023](#), FDI inflows surget to USD 1.32 billion in 2022, up by 82.9% y-o-y and above the pre-pandemic level. At the end of the same period, the total stock of FDI stood at USD 38.38 billion, around 78.6% of the country's GDP. According to a report by the Central Bank of Jordan, in the first six months of 2023, Jordan attracted USD 776 million in foreign direct investment, marking a 20.9% increase compared to the same period in 2022. Investments are mainly concentrated in the field of real estate (residential and commercial), financial services and large tourism projects.

The country's attractiveness lies mainly in the quality of its infrastructure, its solid and dynamic banking system, as well as its level of economic openness, which has allowed the establishment of free trade zones and public-private partnerships. The Government introduced a new initiative to encourage investment, including offering investors a single-window application facility through the Jordanian Investment Commission. In October 2022, Jordan enacted the Investment Environment Law No. 21 of 2022, which took effect in January 2023, replacing the Investment Law No. 30 of 2014. The purpose of this law was to foster an environment conducive to investment and to encourage greater investment inflows. It reiterated that non-Jordanian investors would receive equal treatment as Jordanian investors and broadened the range of sectors eligible for incentives, subject to specific criteria being met. Among other incentives, the aw allows companies to employ foreign workers more freely, permitting the hiring of non-Jordanians for administrative and technical roles requiring specialized skills, up to 25% of the total workforce, extendable to 40% if qualified Jordanian labor is lacking. Despite enhancements in business indicators aimed at easing investment and operations, conducting business in Jordan can be more challenging compared to other regional locations. Investors particularly highlight tax regime instability and incentive package concerns, along with issues in the public-private interface, including inconsistent government interpretation of policies and regulations. The Investment Environment Bylaw No. 7 of 2023 expanded ownership percentage in some economic activities, while maintaining some restrictions. Jordan ranks 71st among the 132 economies on the [Global Innovation Index 2023](#) and 92nd out of 184 countries on the latest [Index of Economic Freedom](#).

Foreign Direct Investment	2020	2021	2022
<b>FDI Inward Flow</b> <i>(million USD)</i>	760	622	1,137
<b>FDI Stock</b> <i>(million USD)</i>	36,590	37,305	38,380
<b>Number of Greenfield Investments*</b>	6	7	11
<b>Value of Greenfield Investments (million USD)</b>	216	426	383

Source: UNCTAD - Latest available data.

Note: \* Greenfield Investments are a form of Foreign Direct Investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up.

Country Comparison For the Protection of Investors	Jordan	Middle East & North Africa	United States	Germany
Index of Transaction Transparency*	4.0	6.4	7.0	5.0
Index of Manager's Responsibility**	4.0	4.8	9.0	5.0
Index of Shareholders' Power***	3.0	4.7	9.0	5.0

Source: Doing Business - Latest available data.

Note: \*The Greater the Index, the More Transparent the Conditions of Transactions. \*\*The Greater the Index, the More the Manager is Personally Responsible. \*\*\* The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action.

## WHAT TO CONSIDER IF YOU INVEST IN JORDAN

### Strong Points

The main advantages of Jordan are:

- Its political stability built around King Abdullah, who remains very popular and has the support of the army
- Its geographical location and very good international relations (with the EU, the IMF, the Gulf monarchies and the United States), which allow it to have the financial, political and logistic support of the international community
- A growth rate above the region's standards, favoured by a significant production of phosphate and potash and by a well-developed tourism sector
- Control of public expenditure
- Low cost and well-educated labour in the Arab world
- Favourable business environment
- Modern and well-connected infrastructure
- Special economic zones across the country (either Development Zones or Free Zones)

### Weak Points

Jordan's main weaknesses in attracting FDI are:

- Political tensions in the region with the proximity of Iraq, Syria and Israel. On the domestic front, the massive influx of Iraqi refugees, added to the large presence of Palestinian refugees, is a risk factor for social cohesion.
- A very large structural trade deficit linked to its lack of natural resources and food products leading to a high dependence on external aid
- Very high unemployment rate (19.1% in 2019 - Jordan's Department of Statistics, latest data available) that fuels social tensions

### Government Measures to Motivate or Restrict FDI

Jordan, under King Abdallah's leadership, has developed a progressive economic liberalisation policy that

favours foreign investment. The special economic areas, such as the [Qualified Industrial Zone \(QIZ\)](#) and the [Free Zone of Agaba](#) offer very advantageous tax regimes for companies. Also, the government has simplified the registration procedures for foreign companies by creating the [Jordan Investment Commission](#). Finally, the Jordanian State has launched a campaign of privatisation which has benefited public and private partnerships in several sectors. Among the main measures set up by the government are:

- [Income tax exemption during 10 years, variable depending on the place and sector of activity](#)
- [Tax exemption on income generated from the export of goods and services](#)
- [Repatriation of capital, profits and salaries without charges](#)

The Jordan Economic Growth Plan 2018-2022, will put Jordan on a path of sustainable growth and double Jordan's economic growth, at a minimum, according to a report released by the Economic Policy Council. Furthermore, based on Jordan's "Vision 2025", the economic growth plan is expected to gradually rise from 6.5% in 2021 to 7.5% in 2025. This measure seeks to boost Jordan's economic growth. It is effectively supported by the Jordanian government, which has been cutting bureaucracy and paperwork, improving its economic legislative environment and harmonizing its economic operations.

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## INVESTMENT OPPORTUNITIES

### Tenders, Projects and Public Procurement

[Tenders Info](#), null

[null](#), null

[DgMarket](#), [Tenders Worldwide](#)

### Finding Assistance For Further Information

#### Investment Aid Agency

[Jordan Investment Commission](#)

#### Other Useful Resources

[10 Reasons to Invest in Jordan - Amman Stock Exchange](#)

#### Doing Business Guides

[Doing Business Guide Jordan - World Bank](#)

[Doing business in Jordan - UHY](#)

[Jordan Tax Guide - Deloitte](#)