



A754-Economic Report 2024

JORDAN

30 June 2024

Summary

In 2023, **Jordan's economy continued to show resilience** in the face of challenging global and regional circumstances such as the conflict in Gaza. It has maintained macroeconomic stability and access to international capital markets. **Economic growth accelerated in the first three quarters of 2023**, with strong performance across all sectors, particularly in manufacturing, mining, transport, and agriculture, as well as in tourism-related sectors. **However, the conflict in Gaza has had an immediate negative impact on the Jordanian economy**, particularly on tourism, cross-border trade and the overall investor and consumer confidence.

Despite the overall progress, Jordan's economy is weakened by a high level of public debt, which reached 114% of its GDP in 2023.¹ The total debt-to-GDP ratio is also high by regional standards and limits the government's ability to provide subsidies or fund social support, limiting its capacity to address social tensions. In addition, **poverty is widespread** (35% of the population), **unemployment among Jordanians remains high** (22.3% in 2023) and very high among youth aged 15 to 24 years (47% in 2023), and structural challenges weigh on the private sector development. **Jordan's economy remains heavily dependent on foreign aid.**² International financial aid reached almost USD 3.5 billion in 2023 (6.9% of total GDP in 2023). In 2023, Jordan ranked 63rd out of 180 countries on the Corruption Perceptions Index (CPI) and 4th in the MENA region.

As Jordan has few natural resources, its economy relies mainly on imports such as crude oil and its products, vehicles or parts thereof, and precious jewelry, with **China being the leading import partner**. Jordan's main exports are textiles, fertilizers, and precious jewelry, with the **US being the leading export market**. Over the reporting period, exports to Saudi Arabia and Canada increased, while exports to India decreased. In 2023, Jordan's total exports amounted to JD 8.939 billion, while imports amounted to JD 18.259 billion, resulting in a significant, albeit decreasing, **trade deficit of almost JD 9.5 billion**.

For Switzerland, Jordan is an economic partner with development potential. In 2021, there were eleven subsidiaries of Swiss companies in Jordan, employing 1,853 people. For Switzerland, Jordan is the 8th largest export market in the Middle East (CHF 640 million Swiss exports). From Jordan's point of view, Switzerland is an important economic partner, as it is the 6th largest import partner (3.8% of total imports to Jordan). Over the course of 2023, **imports from Jordan**, mainly precious metals and textiles, **to Switzerland surged by 90.9% from 14 million in 2022 to 153 million in 2023**. However, **Swiss**

¹ Jordan News, [Public debt hits JD41.181 billion in 2023, 114% of GDP](#), 30 March 2024, (last visited 12 June 2024).

² IMF, Jordan's Staff Report, Country Report No. 24/10, January 2024.

exports to Jordan, such as precious metals, chemical-pharmaceutical products and precision instruments, watches, and jewelry, **fell by 40% from 1,075 million in 2022 to 640 million in 2023.**

On 13 December 2023, Switzerland and Jordan signed an **agreement on the avoidance of double taxation (DTA)** with respect to income tax in Amman ensuring legal certainty and favorable conditions for the further development of bilateral economic relations and tax cooperation between the two countries.

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1 ECONOMIC SITUATION AND ECONOMIC POLICY DEVELOPMENTS (Annex 2)

Economic growth: Jordan has been trapped in a state of low-growth, averaging 2.2% over the past decade, one of the slowest trajectories compared to peer countries. The Hashemite Kingdom's GDP for 2023 stands at JD 35,465 million and economic growth reached 2.7%,³ confirming the economic recovery following the COVID-19 health crisis. By comparison, the average growth for Middle Eastern and North African (MENA) countries was 6% in 2022, but only 1.5% in 2023.⁴ Ratio of government expenditure to GDP reached 33.3% in 2023.⁵ In October 2023, the Jordanian GDP per capita was USD 4,500,⁶ well below neighboring countries such as Israel (USD 52,200)⁷ and Saudi Arabia (USD 32,530),⁸ but similar to Iraq (USD 5,870).⁹ Last year's growth was driven by a "robust contribution from services (...), in addition to manufacturing and a rebound in agriculture."¹⁰ The IMF forecasts steady economic growth of 2.7% through 2024.¹¹

Conflict in Gaza: Within the last three months of 2023, the conflict had a significant impact on various sectors of the Jordanian economy such as tourism and cross-border trade as well as on the overall investor and consumer confidence.¹² The most significant consequences for Jordan is the negative impact on the country's **tourism industry**. The sector, which accounted for 14.6% of the GDP in 2023, is largely dependent on international tourists and has been severely affected by the conflict due to tourists' security concerns. According to the Jordanian Ministry of Tourism, around 60% of bookings were cancelled in November.¹³ In addition, the disruption of trade and investment flows has had an equally negative economic impact. Historically, Jordan has acted as a hub for goods to and from Palestine, and the **disruption of these trade routes is now affecting Jordan's cross-border trade**. Finally, widespread boycott campaigns calling for the avoidance of companies seen as supporting Israel, such as Nestlé, McDonald's and Starbucks, are also having a negative impact on the economy. In the first three months of the conflict, sales of McDonald's fell by as much as 93%, showing how boycotts have become a powerful political tool in the region, particularly in Jordan. It is said that Carrefour and Starbucks might leave the Jordanian market because of the prolonged boycott of their services. In the event of a prolonged or escalating conflict scenario, the IMF warned of a "potential deterioration"¹⁴ in **investor and consumer confidence**, a significant decline in tourism revenues and a possible slowdown in economic growth, which could lead to a deterioration in external balances and increased financing needs.¹⁵

Inflation: In 2023, inflation was at 2.2%, compared with 4.2% in 2022.¹⁶ This represents a significant slowdown over the past year, supported by monetary policy tightening and lower commodity prices.¹⁷

Poverty rate: According to the Department of Statistics, Jordan faced a relatively high poverty rate of 24.1% in 2022.¹⁸ With a World Bank per capita poverty line of USD 7.9 per day, according to the Atlas of the Sustainable Development Goals for the year 2023, "an estimated 35% of the total population in Jordan, or about 3.980 million people out of 11.3 million, are classified as poor."¹⁹

Labor force participation: Employment creation remains a major challenge in Jordan, as "economic growth has not translated into significant gains in labor market outcomes."²⁰ Employment growth has

³ The World Bank, [Jordan Economic Monitor](#), Fall 2023, p. 10, (last visited 12 June 2024).

⁴ Economist Intelligence Unit, [Data Jordan](#), (last visited 12 June 2024).

⁵ Statista, [Jordan: Ratio of government expenditure to gross domestic product \(GDP\) from 2019 to 2029](#), 7 May 2024, (last visited 12 June 2024).

⁶ IMF, [Jordan Country Data](#), (last visited 12 June 2024).

⁷ IMF, [Israel Country Data](#), (last visited 12 June 2024).

⁸ IMF, [Saudi Arabia Country Data](#), (last visited 12 June 2024).

⁹ IMF, [Iraq Country Data](#), (last visited 12 June 2024).

¹⁰ The World Bank, *supra* note 3, p. 10.

¹¹ IMF, *supra* note 6.

¹² Albawaba, [The economic impact of the Gaza war on Jordan](#), 18 December 2023, (last visited 12 June 2024).

¹³ Jordan Times, [War on Gaza affects Jordan's tourism industry, leading to spillover effects in hotel occupancy](#), 6 November 2023, (last visited 12 June 2024).

¹⁴ Jordan Times, [Jordan's economic growth to slow to less than 2% in case of prolonged war on Gaza](#), 15 January 2024, (last visited 12 June 2024).

¹⁵ *Idib*.

¹⁶ IMF, *supra* note 6.

¹⁷ The World Bank, *supra* note 3, p. 10.

¹⁸ Jordan Times, [Poverty rate of 24.1% requires policy change](#), 9 June 2022, (last visited 12 June 2024).

¹⁹ Jordan News, [More than one-third of Jordanians live below poverty line](#), 12 July 2023, (last visited 5 March 2024).

²⁰ The World Bank, *supra* note 3, p. 13.

occurred almost exclusively in tourism, and to a lesser extent in manufacturing and agriculture. All other sectors dominated by the private sector, including transportation, ICT, construction, and real estate, experienced a decline in employment.²¹ As of the second quarter of 2023, the labor force participation rate continued its gradual decline to 33% down from 39.2% in 2017. At 13.8%, the Jordanian female labor participation remains among the lowest in the world. However, male labor force participation, which stands at 53%, is also low by global and regional standards, highlighting the need to increase participation for both men and women.²²

Unemployment: Despite the low participation rate, the unemployment rate remains high, declining only slightly from 22.6% in the previous year to 22.3% in 2023 – a figure that remains well above the pre-pandemic average of 15.1% (2012-2019).²³ Women and young people aged 15 to 24 years continue to be the most affected, with unemployment rates of 30.9% and 47% respectively.²⁴

Minimum wage: In February 2023, the Tripartite Committee for Labor Affairs decided to set the minimum wage in Jordan at JD 260 (USD 366.21) for the years 2023 and 2024.²⁵ Around 70% of people in Jordan receive wages of JD 500 or less.²⁶

Debt: Jordan remains a highly indebted country. In 2023, public debt amounted to 91.9% of its total GDP.²⁷ This is one of the highest debt levels in the region, with MENA countries averaging 48.2% of GDP in 2022.²⁸ Jordan's total debt-to-GDP ratio "limits the government's ability to provide subsidies or fund social support, increasing the risk of social unrest."²⁹ According to the Economist, Jordan's "growing national debt continues to constrain government spending, increasing the possibility that without external assistance, costs in the form of increased taxes and reduced subsidies may be passed on to Jordanian consumers."³⁰

Foreign aid: Jordan is heavily dependent on foreign aid mainly stemming from the US, Germany, and the World Bank. According to the Ministry of Planning and International Cooperation, the value of foreign aid pledged to Jordan from January to November 2023 reached a total of USD 3.438 billion.³¹ In addition to regular grants and soft loans, foreign aid included additional grants to support the Syrian crisis response plan, which amounted to USD 506.8 million for the reporting period.³² US assistance to Jordan accounts for more than 40% of the total official assistance the Kingdom receives annually.³³ In September 2022, the US and Jordan signed their fourth Memorandum of Understanding (MoU) on foreign assistance to Jordan. For the period from 2023 to 2029, the agreement commits the US government to seeking a total of USD 1.45 billion in annual economic and military assistance for Jordan. Compared to the previous agreements, this fourth agreement provides for a 13.7% increase in annual assistance. It represents the largest multi-year US foreign assistance commitment to the Kingdom to date (USD 10.15 billion over seven years).³⁴

In 2023, the **World Bank's** 2017-2023 Country Partnership Framework with Jordan came to an end. During this period, the World Bank's portfolio has expanded to support Jordan's economic reform agenda, boost climate action and resilience, and strengthen its COVID-19 response and recovery.³⁵ The World Bank is currently preparing a new Country Partnership Framework (CPF), which will outline its

²¹ Idib., p. 14.

²² Idib., p. 13.

²³ Idib., p. 10.

²⁴ Idib., p. 13; The World Bank and the ILO estimate youth unemployment at 41.7%, World Bank, [ILO estimate](#), (last visited 23 June 2024).

²⁵ Roya News, [Minimum wage fixed at JD 260](#), 2 February 2023, (last visited 12 June 2024).

²⁶ Jordan Times, *supra* note 18.

²⁷ IMF, *supra* note 6.

²⁸ Statista, [Debt as share of gross domestic product in the Middle East and North Africa in 2022, by country](#), 28 June 2023, (last visited 12 June 2024).

²⁹ CRS, [Jordan: Background and U.S. Relations](#), 23 June 2023, (last visited 12 June 2024).

³⁰ Idib.

³¹ Jordan Times, [Jordan receives \\$3.438 billion in foreign aid in January-November 2023](#), 4 December 2023, (last visited 12 June 2024).

³² Idib.

³³ CRS, *supra* note 29.

³⁴ Idib.

³⁵ The World Bank, [Jordan Strategy](#), 5 February 2024, (last visited 12 June 2024).

strategic support for the country for the period from 2024 to 2029.³⁶ The CPF will also be a tool to implement and deliver on Jordan's 2022 Economic Modernisation Vision.³⁷

In January 2024, the **International Monetary Fund (IMF)** approved a new four-year agreement under the Extended Fund Facility (EFF) in the amount of about USD 1.2 billion in order to support the authorities' economic program.³⁸ The new EFF arrangement is intended to support the authorities' efforts "toward maintaining macro-stability, further building resilience, and accelerating structural reforms to achieve stronger, more inclusive growth and job creation."³⁹ Debt reduction remains a priority, with the current target of reducing the debt-to-GDP ratio to 80% by 2028 remaining unchanged. The IMF has stated that the program is designed "to complement Jordan's Economic Modernisation Vision, which aims at addressing deep structural vulnerabilities, particularly high unemployment, stagnant growth and persistent external and fiscal imbalances."⁴⁰ The IMF's renewed support will also be "crucial in bolstering donor and investor confidence (...)"⁴¹ which is particularly pertinent "in the near term as the Israel-Hamas conflict in Gaza threatens to spread regionally, with the scope for subsequent instability in Jordan a potential deterrent to foreign investment."⁴²

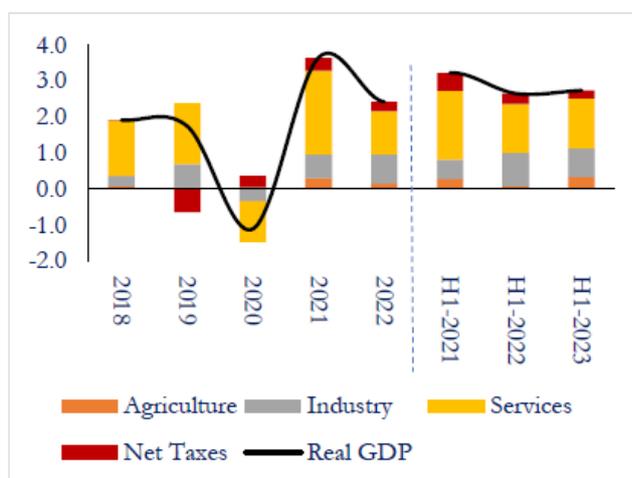
2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES (Annex 1)

Sectors: According to the Department of Statistics, the main sectors contributing to Jordan's GDP in 2023 are **manufacturing industries (industry)** with 18.7% of the GDP, **finance, insurance, and business services (services)** with 17.7% of the GDP and **wholesale and retail trade, hotels, and restaurants (services)** with 11.7% of the GDP. In 2023, the transport, storage, and communication sector (services) had the highest growth rate at 5.3%, contributing 8.5% to the total GDP.⁴³ **Agriculture** contributed 4.1% to the total GDP and showed a growth rate of 5.1% in 2023.⁴⁴

According to the latest World Bank report, last year's growth was driven by a strong contribution from the services sector: transport and communications, finance,

insurance, wholesale, and retail trade together grew by 0.9%-points (Figure 1.2). Meanwhile, the corresponding sector of hotels and restaurants grew by 5.8%, but its contribution to overall growth remains marginal given its small weight in the economy (1.5% of GDP).⁴⁵ The industrial sector – the leading private sector employer with over 250,000 employees⁴⁶ – also continued to make robust contributions to growth, with manufacturing growing by 3.6% and mining by 3.9%. However, creating employment opportunities remains a challenge as economic growth is not translating into "substantial gains in labor market outcome"⁴⁷. Employment growth was only observed in tourism and to a lesser extent in manufacturing and agriculture, although the latter is a small employment sector.⁴⁸

Figure 1.2 Services continue to lead growth, with robust contribution from industry and agriculture
Percentage points, y-o-y growth



Source: Department of statistics (DoS) and WB staff calculations

³⁶ The World Bank, [Press Release](#), 8 April 2024, (last visited 12 June 2024).

³⁷ Idib.

³⁸ IMF, [Press Release](#), 10 January 2024, (last visited 12 June 2024).

³⁹ Idib.

⁴⁰ Economist Intelligence Unit, [Jordan expected to secure fresh four-year IMF agreement](#), 10 November 2023, (last visited 12 June 2024).

⁴¹ Idib.

⁴² Idib.

⁴³ Department of Statistics, [Press Release](#), 2 January 2024, (last visited 12 June 2024).

⁴⁴ Idib.

⁴⁵ The World Bank, *supra* note 3, p. 28.

⁴⁶ Jordan Times, [Jordan's industrial sector dominates employment landscape - World Bank](#), 24 December 2023, (last visited 12 June 2024).

⁴⁷ Idib.

⁴⁸ Idib.

Tourism: According to the Ministry of Tourism and Antiquities, there were 609 hotel establishments in Jordan in 2023, employing more than 20,000 Jordanians and more than 3,000 foreigners.⁴⁹ Following the COVID-19 crisis, Jordan has seen a sharp increase in tourism revenues. According to the Central Bank of Jordan, tourism revenues increased by 27.4% to JD 4.894 billion in 2023, accounting for 14.6% of Jordan's GDP.⁵⁰ The number of tourists visiting Jordan in 2023 increased to 6,353,800 visitors, an increase of about 25.8% compared to the previous year. The increase is thought to be mainly due to on low-cost airlines and increased marketing strategies.⁵¹ For example, Aqaba was included in Time Magazine's list of the World's Greatest Places in 2023, raising awareness of the Jordanian coastal city at the Red Sea.⁵² Jordan is also an attractive destination for **medical tourism**. In June 2023, the UN World Tourism Organisation (UNWTO) announced Jordan as a regional hub for medical and wellness tourism.⁵³ In 2022, more than 190,000 tourists visited the Kingdom for medical treatment, according to the Private Hospitals Association (PHA). In the first five months of 2023, over 75,000 medical tourists came to Jordan.⁵⁴ According to 2021 statistics, Jordan has about "26.6 physicians per 10,000 inhabitants, which exceeds the global average of 17.2 physicians per 10,000 inhabitants"⁵⁵. According to the Minister of Tourism, Makram Al Queisi, the ministry is working to enhance Jordan's role as a top medical tourism destination by "developing and executing clear promotional plans and programs to maximise the benefits of this recognition through the Jordan Tourism Board (JTB)."⁵⁶ Minister of Health, Firas Al Hawari, pointed out that investment in healthcare and medical tourism is key to increasing economic growth in line with the Economic Modernisation Vision.⁵⁷

Ongoing is the **Jordan National Tourism Strategy 2021-2025**, which aims to create inclusive economic growth through authentic and sustainable tourism products and experiences. By highlighting historic sites, developing partnerships with the private sector and encouraging investment, the strategy aims to address the weaknesses of Jordan's tourism sector. The plan revolves around five strategic objectives: Products, Human Resources, Marketing, Heritage Protection, and Reforms, and includes significant financial investments for heritage protection, including improvements for 15 key sites from 2022-2024.⁵⁸

In January 2023, the Aqaba Development Corporation, with the support of the Emirati company AD Ports Group, opened **the Aqaba Cruise Terminal**, reinforcing the coastal city's position as a regional tourism hub and gateway for travelers visiting the Red Sea. The terminal is just the first of five strategic projects planned between AD Ports Group and the Aqaba Development Corporation.⁵⁹

The **armed conflict in Gaza** has had significant impact on various sectors of the Jordanian economy, with tourism being the most affected. As early as November 2023, tourism stakeholders reported "a steep decline"⁶⁰ in hotel bookings.⁶¹ Sales of the famous 'Jordan Pass', a tourist card giving access to the country's historic sites, dropped by 65%. In addition, several international airlines have suspended or reduced their flight offers to Jordan. According to the Jordan Hotel Association (JHA), the hotel occupancy rate was expected to reach 95% in October, but dropped to 50% after 7th of October. For November, the JHA expected an occupancy rate of 80%, but by October 2023, around 60% of previously confirmed reservations had reportedly been cancelled.⁶² In February 2024, the JHA noted that the projected occupancy rates for the coming months were expected "to be around 25-32% in Amman, 18-

⁴⁹ Jordan Times, [Israeli war on Gaza triggers sharp decline in hotel reservations](#), 19 February 2024, (last visited 12 June 2024).

⁵⁰ Jordan Times, [Jordan's tourism sector contributes 14.6% to GDP in 2023 despite challenges](#), 26 December 2023, (last visited 12 June 2024).

⁵¹ Jordan Times, [Tourism income increased by 27.4% in 2023](#), 19 January 2024, (last visited 12 June 2024).

⁵² Time Magazine, [Aqaba Jordan](#), 16 March 2023, (last visited 12 June 2024).

⁵³ The World Tourism Organization, [Press Release](#), 7 June 2023, (last visited 12 June 2024).

⁵⁴ Jordan Times, [Medical field representatives highlight sector needs in light of UNWTO declaration](#), 20 June 2023, (last visited 12 June 2024).

⁵⁵ Jordan Times, [UNWTO declares Jordan a regional hub for medical tourism](#), 8 June 2023, (last visited 12 June 2024).

⁵⁶ Idib.

⁵⁷ Jordan Times, *supra* note 54.

⁵⁸ Ministry of Tourism and Antiquities, [Jordan National Tourism Strategy 2021-2025](#), January 2020, p. 11 ff., (last visited 12 June 2024).

⁵⁹ AD Ports Group, [Press Release](#), 23 January 2023, (last visited 12 June 2024).

⁶⁰ Jordan Times, *supra* note 13.

⁶¹ Idib.

⁶² Idib.

20% in Dead Sea hotels, and less than 10% in Petra.”⁶³ Tourism experts therefore advised travel agents to shift their focus to promoting domestic tourism and tapping into the expatriate community.⁶⁴

3 FOREIGN ECONOMIC POLICY

3.1 Host country policy and priorities

Jordan’s Economic Modernisation Vision (EMV): In 2022, King Abdullah II launched Jordan’s Economic Modernisation Vision which is centered under the slogan “A Better Future”⁶⁵. The EMV is to be implemented over 10 years in three phases: the initial phase from 2022 lasting until 2025, a second from 2026 to 2029, and a third one from 2030 to 2033. The EMV will be implemented through more than 360 initiatives in the 35 main economic sectors⁶⁶ and focuses **on three interrelated pillars** that represent the key challenges facing Jordan today: Economic Growth,⁶⁷ Quality of Life aiming to improve living standards,⁶⁸ and Sustainability to best address needs related to climate change, food security, clean energy and water.⁶⁹ The three pillars are supported by eight strategic goals:

Economic Growth:

1. Accommodate 1+ million young females and males in the labor market,
2. Increase income per capita by on average 3% per year,
3. Improve Jordan’s ranking in the Global Competitiveness Index to the top 30 percentile,

Quality of Life:

4. Double the percentage of Jordanians satisfied with their quality of life to reach 80%,
5. Have one Jordanian city ranked among the top 100 cities in the world,
6. Improve Jordan’s ranking in the Legatum Prosperity Index to top 30 percentile,

Sustainability:

7. Improve Jordan’s ranking in the Global Environmental Performance Index to top 20 percentile,
8. Improve Jordan’s ranking in the Global Sustainability Competitiveness Index to top 40 percentile.

First and foremost, the significance of the vision lies in the economic pillar, which addresses the challenge of creating one million new job opportunities for Jordanians at a rate of 100,000 opportunities per year. This will require attracting investment and financing of around JD 41 billion.⁷⁰

For the current implementation phase, the government approved an **Executive Plan**⁷¹ in January 2023, which set out 98 priorities (corresponding to the initiatives of the EMV) and serves as a roadmap for implementation.⁷² According to the plan, the government was expected to complete the implementation of 87 of the 96 priorities by the end of 2023. For 2023, Jordan’s Prime Minister Bisher Al-Khasawneh affirmed that the implementation of the Executive Program is progressing despite the challenges surrounding it. As of November 2023, the government claimed to have “completed the implementation of 26 specified priorities for 2023,”⁷³ in addition to 53 priorities that are currently underway. A total of 17 priorities are delayed.

3.2 Prospects for Switzerland (potential for discrimination or comparative advantage)

Double Taxation Agreement: Switzerland and Jordan signed an agreement on the avoidance of double taxation (DTA) with regard to income tax in Amman on 13 December 2023. This agreement ensures

⁶³ Jordan Times, [Israeli war on Gaza triggers sharp decline in hotel reservations](#), 19 February 2024, (last visited 12 June 2024).

⁶⁴ Jordan Times, [Israeli aggression on Gaza causes over 70% cancellation of tourism reservations in Jordan](#), 3 December 2023, (last visited 12 June 2024).

⁶⁵ [Economic Modernisation Vision](#), (last visited 12 June 2024).

⁶⁶ Idib., p. 12.

⁶⁷ Idib., p. 27.

⁶⁸ Idib., p. 28.

⁶⁹ Idib., p. 29.

⁷⁰ Jordan News, [EMV: Progressing towards 1M jobs by 2025, 5.7% completed in 2023](#), 1 January 2024, (last visited 12 June 2024).

⁷¹ Economic Modernisation Vision, [Executive Program 2023-2025](#), 13 November 2022, (last visited 12 June 2024).

⁷² Jordan Times, [EMV executive plan outlines priority legislation for 2023-2025](#), 21 January 2023, (last visited 12 June 2024).

⁷³ Jordan News, *supra* note 70.

legal certainty and favorable conditions for the further development of bilateral economic relations and tax cooperation between the two countries. The DTA also contains an administrative assistance clause in line with international standards for the exchange of information upon request. The cantons and the business community have welcomed the conclusion of the DTA. It still has to be approved by the Swiss parliament and by the competent authority in Jordan before it can enter into force.⁷⁴

4 FOREIGN TRADE

4.1 Developments and general outlook (Annex 3)

Due to Jordan's limited natural resources, international trade plays an important role in the economy.⁷⁵ However, the trade deficit remains substantial.

Exports: The Department of Statistics reported that Jordan's total exports amounted to JD 8.939 billion in 2023.⁷⁶ Compared to 2022, **national exports decreased slightly by 2.1%.**⁷⁷ Jordan mainly exported textiles (15%), fertilizers (11%), and precious jewelry (9%) in the first ten months of 2023.⁷⁸ Exports of clothing and its accessories (-13.1%), fertilizers (-15.1%), crude potash (-37.1%), and crude phosphate (-23.4%) have decreased, while exports of precious jewelry (+71.2%) and pharmaceutical products (+22.8%) have increased, mitigating the decline in national exports.⁷⁹ In the reporting period, Jordan's **exports to the EU amounted for EUR 0.6 billion** mainly dominated by chemicals (46%), which accounted for 6.7% of total exports.⁸⁰ In terms of trading partners, **the US remained the leading destination for Jordanian exports (30%) in 2023⁸¹ due to the Free Trade Agreement between the US and Jordan since 2000.** The second largest export destination was India (20.3%), followed by Saudi Arabia (15.6%), Iraq (10.3%), and the UAE (5.2%).⁸² The value of national exports to countries in the Greater Arab Free Trade Area (GAFTA) and to countries in the North American Free Trade Agreement (NAFTA) increased: exports to Saudi Arabia rose by 20.5% and to Canada by 28.3%. At the same time, national exports to non-Arab Asian countries and to the European Union (EU) fell: exports to India fell by 7% and to the Netherlands by 47.3%.⁸³

Imports: The Department of Statistics reported that the value of imports in 2023 amounted to JD 18.259 billion, **a decrease of 6.0% compared to 2022.**⁸⁴ Jordan's import-dependent economy mainly imports crude oils and its products (16.6%), vehicles or parts thereof (8.7%), and precious jewelry (7.3%).⁸⁵ In the first ten months of 2023, imports of crude oil and its products (-15.1%), precious jewelry (-27.9%), and grains (-26.7%) decreased, while imports of vehicles and bicycles (+40%), mechanical and electrical tools (+14.3%) increased.⁸⁶ In terms of **trade partners** for 2022, **China was Jordan's leading import partner (16%),** followed by Saudi Arabia (15%), the UAE (8%), the US (5.6%), and India (5.2%), **closely followed by Switzerland with a share of 3.8% of total imports.**⁸⁷ Jordan's **imports from the EU amounted to EUR 4.0 billion** in the reporting period, a slight decrease from EUR 4.1 billion in 2022, and were led by chemicals (16%), machinery and appliances (15%) and vegetables (15%).⁸⁸ The total share of **imports from the EU is 21.9%.** In 2023, imports from NAFTA countries and non-Arab Asian countries increased compared to 2022: imports from the US rose by 14.5%, while imports from China increased by 5.9%. On the other hand, imports from GAFTA countries and EU countries decreased: Imports from Saudi Arabia fell by 11.6%, from Romania by 51%, **and from Switzerland by 37.9%.**⁸⁹

⁷⁴ State Secretariat for International Finance SIF, [Press Release](#), 29 January 2024, (last visited 12 June 2024).

⁷⁵ WTO, [Trade Policy Review of Jordan](#), (last visited 12 June 2024).

⁷⁶ Jordan News, [Jordan's exports reached JD8.939 billion in 2023](#), 27 February 2024, (last visited 12 June 2024).

⁷⁷ Department of Statistics, [Press Release](#), 26 December 2023, (last visited 12 June 2024).

⁷⁸ Numbers for the first 10 months of 2023; ITC, [Trade Map](#), (last visited 23 June 2024); Department of Statistics, *supra* note 77.

⁷⁹ Jordan News, *supra* note 76; Department of Statistics, *supra* note 77.

⁸⁰ European Commission, [EU Trade Relationships Jordan](#), (last visited 12 June 2024).

⁸¹ IMF, IMF Data, [Direction of Trade Jordan](#), (last visited 12 June 2024).

⁸² Trading Economics, [Jordan Exports by Country 2022](#), (last visited 12 June 2024).

⁸³ Jordan News, *supra* note 76.

⁸⁴ Department of Statistics, *supra* note 77.

⁸⁵ *Idib.*

⁸⁶ Jordan News, *supra* note 76; Department of Statistics, *supra* note 77.

⁸⁷ IMF, *supra* note 81; Trading Economics, *supra* note 82.

⁸⁸ EU Commission, *supra* note 80.

⁸⁹ Jordan News, *supra* note 76.

Trade deficit: For 2023, the Department of Statistics reported that Jordan's total exports amounted to JD 8.939 billion, while imports amounted to JD 18.259 billion. Therefore, the trade deficit for 2023 is significant and reached JD 9.320 billion, although it decreased by 10.0% compared to the same period in 2022.⁹⁰

Recent developments: Due to the conflict in Gaza and regional tensions in the Red Sea, "attacks on international shipping in the Red Sea by Houthi rebels, and military strikes on the group by the US and the UK in Yemen are disrupting international shipping, weighing heavily on Jordan's trade."⁹¹ According to the Economist Intelligence Unit (EIU) for Jordan, disruptions to imports "risk triggering a fresh inflationary spiral in Jordan, raising socioeconomic pressures and potentially driving social unrest."⁹² Jordan's import-dependent economy relies heavily on the port of Aqaba, the country's only container port with access to international waterways.⁹³ Since the Houthi attacks began in mid-November 2023, import and export volumes from the port have declined as the majority of major shipping companies have diverted their operations away from the Red Sea.⁹⁴ According to the EIU, imports in particular have fallen sharply, "as the majority are sourced from Asian markets, including China and India, whereas the bulk of Jordan's exports flow to the US, Europe and elsewhere in the Middle East, bypassing the Red Sea entirely."⁹⁵ The resulting high shipping costs (including rising risk premiums and fuel costs), import delays and the reorientation of supply chains to new suppliers are driving up prices in Jordan. It is also severely affecting trade between Jordan, Gaza, and the West Bank, disrupting the movement of goods.⁹⁶ In 2022, the occupied Palestinian Territories (oPt) accounted for 2.22% (about USD 355 million) of total Jordanian exports⁹⁷, while Jordan imported 0.51% (about USD 159 million) from the oPt.⁹⁸

In January 2024, Jordan and **Saudi Arabia** signed an agreement to enhance cooperation in the energy and digital transformation sectors. The agreement aims to promote cooperation in various energy sectors, including oil, gas, electricity, renewable energy, energy efficiency and petrochemicals. The agreement also underlines joint efforts to develop circular carbon economy and related technologies, with the overall goal of mitigating the effects of climate change.⁹⁹

4.2 Bilateral trade (Annex 4)

Economic relations between Switzerland and Jordan are moderate, although imports from Jordan to Switzerland are increasing. **Swiss exports to Jordan fell by 40%** from CHF 1,075 million in 2022 to CHF 640 million in 2023. Exports are mainly precious metals, precious stones and gemstones (57.9%), chemical and pharmaceutical products (25.1%), and precision instruments, watches and jewelry (10.6%).¹⁰⁰ In the course of 2023, however, **imports rose sharply by 90.9% to 153 million**. Switzerland's main imports were precious metals, precious stones and gemstones (92.4%) and textiles (5.5%).¹⁰¹

5 DIRECT INVESTMENTS

5.1 Developments and general outlook (Annex 5)

Overview: According to the Central Bank, in the first six months of 2023, Jordan attracted USD 776 million in foreign direct investment (FDI), an increase of 20.9% compared to the same period in

⁹⁰ Idib.

⁹¹ Economist Intelligence Unit, [Red Sea clashes present short-term inflation risks in Jordan](#), 4 March 2024, (last visited 12 June 2024).

⁹² Idib.

⁹³ Idib.

⁹⁴ Idib.

⁹⁵ Idib.

⁹⁶ Jordan News, *supra* note 76.

⁹⁷ OEC, [Jordan](#), (last visited 12 June 2024).

⁹⁸ Idib.

⁹⁹ Arab News, [Riyadh and Amman sign deal to boost cooperation in energy sector](#), 11 January 2024, (last visited 12 June 2024); Jordan Times, [Jordan and Saudi signs agreement to boost cooperation in energy, digital transformation sectors](#), 12 January 2024, (last visited 12 June 2024).

¹⁰⁰ See Annex 4.

¹⁰¹ See Annex 4.

2022.¹⁰² According to the IMF, FDI reached 1.394 billion in 2023, an increase of 10.2% compared to USD 1.253 billion in 2022.¹⁰³ Investments are mainly concentrated in the field of real estate (residential and commercial), financial services, and large tourism projects.¹⁰⁴ In the first quarter of 2023, the industrial sector received the largest share of investments, accounting for about 57% of total investments, with an investment volume of JD 165.6 million. The services sector followed with a share of 35% and an investment volume of JD 100 million. The tourism sector accounted for 6% of total investments with an investment volume of JD 17.5 million. Other industries and businesses, such as hospitals, medical centers, IT and research and development, accounted for 2% of total investment during that period.¹⁰⁵ Jordan's investment attractiveness lies mainly in the quality of its infrastructure, its solid and dynamic banking system, and its degree of economic openness, which has allowed the establishment of free trade zones and public-private partnerships. For 2023, Jordan ranks 71st out of 132 economies in the Global Innovation Index 2023 (the 8th position regionally), moving up ten places since 2021.¹⁰⁶

Despite improvements in business indicators aimed at facilitating investment and operations, doing business in Jordan can be more challenging than in other regional locations. In particular, investors highlight instability in the tax regime and concerns over incentive packages, as well as issues at the public-private interface, including inconsistent government interpretation of policies and regulations.¹⁰⁷

Bilateral treaties: A list of Jordan's bilateral investment treaties can be found [here](#).

Recent developments: In October 2022, Jordan passed a new **Investment Environment Law** No. 21 of 2022¹⁰⁸, which entered into force in January 2023. Overall, the newly introduced law aims to create an investment-friendly environment in line with Jordan's Economic Modernisation Vision from 2022.¹⁰⁹ A key part of the law is the incentives for economic activity. The incentives include customs and tax exemptions and reductions, income tax benefits, and special permits for strategic activities (Art. 9 ff.). Despite improvements, US investors, for instance, cite the instability of the tax regime and the government's inconsistent interpretation of its policies and regulations as key challenges of operating in Jordan.¹¹⁰

In February 2023, the **Jordanian and Iraqi Ministers of Industry** met in Baghdad for the 29th meeting of the Jordanian-Iraqi Joint Committee. The two parties signed seven agreements and MoUs on cooperation in the fields of "investment, labour, vocational training, social development, trade, tourism, antiquities and culture."¹¹¹

In May 2023, the Jordanian Investment Council approved the **2023-2026 General Investment Policy and Promotion Strategy** in line with the Economic Modernisation Vision. The strategy aims "to reinforce the general direction of unifying investment references, provide legislative stability and create an environment that attracts additional investments and empowers existing ones."¹¹² In connection to the new strategy, the Ministry of Investment launched the '[Invest in Jordan](#)' online platform to facilitate communication with local and international investors. Invest in Jordan highlights 18 different priority investment sectors and more than 30 investment opportunities with an estimated value of over JD 1 billion.¹¹³

¹⁰² Jordan News, [\\$776 million in foreign direct investments were made to Jordan in H1 2023](#), 21 September 2023, (last visited 12 June 2024); Lloyds Bank Trade, [Jordan: Investing in Jordan](#), April 2024, (last visited 12 June 2024); Jordan Times, [Foreign direct investment flows into Jordan reached \\$383.8m in Q1 2023](#), 21 September 2021, (last visited 12 June 2024).

¹⁰³ IMF, *supra* note 2, p. 30.

¹⁰⁴ Lloyds Bank Trade, *supra* note 102; Jordan Times, *supra* note 102.

¹⁰⁵ Jordan Times, [Investment Council approves 2023-2026 general investment policy](#), 4 May 2023, (last visited 12 June 2024).

¹⁰⁶ Lloyds Bank Trade, *supra* note 102; Jordan Times, *supra* note 102; Economic Modernisation Vision, [Press Release](#), 10 October 2023, (last visited 12 June 2024).

¹⁰⁷ Lloyds Bank Trade, *supra* note 102; Jordan Times, *supra* note 102.

¹⁰⁸ Ministry of Investment, [Law No. \(21\) of 2022, Investment Environment Law](#), 16 October 2022, (last visited 12 June 2024).

¹⁰⁹ Economic Modernisation Vision, *supra* note 65.

¹¹⁰ US Department of State, [2023 Investment Climate Statements: Jordan](#), (last visited 12 June 2024).

¹¹¹ Jordan Times, [Jordan and Iraq reach agreements to enhance cooperation](#), 9 February 2023, (last visited 12 June 2024).

¹¹² Jordan Times, *supra* note 105.

¹¹³ Jordan Times, [Ministry launches inaugural 'Invest in Jordan' platform](#), 9 July 2023, (last visited 23 June 2024).

The **conflict in Gaza** is exacerbating existing economic challenges in Jordan¹¹⁴ and is likely to experience a decline in foreign direct investment, which “will leave negative marks on economic growth in both the short and long term.”¹¹⁵

In November 2023, **Jordan and the UAE** signed MoUs identifying investment opportunities worth USD 5.5 billion and aimed at achieving sustainable development and prosperity in both countries. The first MoU, signed between the Jordanian and UAE Ministries of Investment, includes investment in infrastructure and development projects in the Kingdom as well as exchange of expertise and cooperation. The MoU will enable Jordan and the UAE to increase the GDP of both countries through investments in various sectors such as renewable energy, industrial projects, manufacturing, transport, pharmaceuticals, and food processing.¹¹⁶ The MoU also includes an agreement signed between the Abu Dhabi Developmental Holding Company (ADQ) and the Jordan Investment Fund (JIF) to establish an investment fund in Jordan for various infrastructure and development projects worth more than USD 5 billion.¹¹⁷ The second memorandum covers a USD 400 million grant from the Emirati government to finance development projects in Jordan.¹¹⁸

In February 2024, following a royal visit to the **Sultanate of Oman** in 2022, Jordan signed a MoU with the Omani government to expand the scope of investment relations and economic cooperation between the two countries. The Jordanian Minister of Investment, Mrs. Kholoud Saqqaf, noted that Omani investment in Jordan is mainly concentrated in the industrial sector and expressed a keen interest in further cooperation and coordination. The MoU covers a diverse portfolio of 36 investment opportunities, across various sectors and geographical locations, with a total investment value of USD 1.4 billion.¹¹⁹

5.2 Bilateral investments

According to statistics from the Swiss National Bank, the stock of Swiss direct investment in Jordan stood at CHF 219 million at the end of 2021. Direct investment flows from Switzerland to Jordan reached CHF 245 million in 2022, an increase of 11% compared to the previous year.¹²⁰

Most of the Swiss companies are active in the pharmaceutical and chemical sectors, hotel services, machinery/infrastructure, and food products.

6 PROMOTING BUSINESS AND TOURISM

6.1 Swiss foreign trade promotion instruments

The Swiss Embassy in Amman works to maintain a favourable business environment for Swiss companies in Jordan by promoting **dialogue with Jordanian ministries and executives**. The diplomatic section of the Embassy is responsible for economic matters and provides support to Swiss companies when necessary. The Embassy also organises meetings and events with Swiss business stakeholders in Jordan and maintains regular contact with them.

The **Swiss-Jordanian Business Club (SJBC)** was established in 2006 with the aim of developing and strengthening bilateral cooperation relations with Switzerland in various economic fields. The SJBC is chaired by Adnan Talhouni, former Jordanian Ambassador to Switzerland. It was on the initiative of the SJBC that negotiations on the double taxation agreement were resumed and finally concluded. The SJBC has also played an important role in advancing Jordan’s science diplomacy portfolio by facilitating the realisation of both SESAME in 2017 (a particle physics research laboratory) and the Transnational Red Sea Centre in 2019 (a Red Sea coral research center based at the EPFL): SESAME is an intergovernmental organisation and the first regional laboratory for the Middle East and neighbouring

¹¹⁴ Jordan Times, [Jordan endures expected impact of Gaza war](#), 31 January 2024, (last visited 23 June 2024).

¹¹⁵ Jordan Times, [Jordan's economy and the war in Gaza](#), 17 December 2023, (last visited 23 June 2024).

¹¹⁶ Arab News, [UAE and Jordan sign \\$2bn investment MoU](#), 2 November 2023, (last visited 23 June 2024).

¹¹⁷ Idib.

¹¹⁸ Ministry of Investment, [Press Release](#), 6 June 2024, (last visited 23 June 2024).

¹¹⁹ Jordan Times, [Investment Ministry and Omani Commerce Ministry sign MoU](#), 23 February 2024, (last visited 23 June 2024).

¹²⁰ Swiss National Bank, [Database](#), (last visited 23 June 2024).

regions. The laboratories conduct research in fields ranging from medicine and biology to materials science, physics, chemistry, health, environment, agriculture, and archaeology.¹²¹ The Transnational Red Sea Center is a non-profit, scientific research center established in 2019 at the Ecole Polytechnique fédérale de Lausanne (EPFL) with the official support of the Swiss Federal Department of Foreign Affairs.¹²²

Switzerland Global Enterprise (S-GE) is one of the players promoting the Swiss economy by assisting Swiss companies wishing to establish or expand their presence in Jordan.¹²³ S-GE does not have an office in Jordan but participates in improving economic cooperation between Switzerland and the countries of the Middle East from the Swiss Business Hub Middle East based in Dubai.

In addition, the **Swiss Confederation's Excellence Scholarships** offer research scholarships (research fellowship, PhD, Postdoc) aimed at young researchers from abroad who have completed a master's degree or PhD. These scholarships promote international exchange and research cooperation between Switzerland and over 180 other countries, including Jordan, and increase and further strengthen Switzerland's visibility abroad.¹²⁴

6.2 The host country's interest in Switzerland

Switzerland enjoys a good reputation among the Jordanian population. In 2023, there were 236 Swiss nationals living in Jordan, while the Jordanian community in Switzerland numbered 487. Within the Jordanian government, Switzerland is particularly valued in the areas of education, tourism, employment and vocational training.

¹²¹ CERN, [Press Release](#), 16 May 2017, (last visited 23 June 2024).

¹²² [Transnational Red Sea Center](#), (last visited 23 June 2024).

¹²³ [Switzerland Global Enterprise](#), (last visited 23 June 2024).

¹²⁴ The State Secretariat for Education, Research and Innovation, [Swiss Government Excellence Scholarships](#), (last visited 23 June 2024).

ANNEX 1 – Structure of the host country's economy

Breakdown GDP (%)	2022	2023
Agriculture	4	6.3
Industry	25.6	25.6
Services	45.6	43.4
Of which public services	12.1	15.1

Breakdown Employment (%)	2022	2023
Agriculture	n/a	n/a
Industry	n/a	n/a
Services	n/a	n/a
Of which public services	n/a	n/a

Source: http://dos.gov.jo/dos_home_e/main/archive/GDP/2022/Q3_2022.pdf and https://dosweb.dos.gov.jo/DataBank/News/Gdp/Q4_2023_e.pdf

ANNEX 2 – Key economic data for the host country 2022-2024

	2022	2023	2024
GDP (USD bn)*	48.7	51	53.6
GDP per capita (USD)*	4,317	4,498	4,705
Growth rate (% of GDP)*	2.2	2.5	2.6
Inflation rate (%)*	4.2	2.2	2.7
Unemployment rate (%)*	22.9	n/a	n/a
Fiscal balance (% of GDP)*	-3.6	-2.8***	-2.1***
Current account balance (% of GDP)*	-7.9	-7	-6.3
Total external debt (% of GDP)**	91.8	91.2	91.5
Debt-service ratio (% of exports)**	198.8	198.8	209.9***
Reserves (months of imports)**	6.8	7.2	6.8

* Source: IMF, World Economic Outlook, April 2024, available at: <https://www.imf.org/en/Publications/WEO/weo-database/2024/April>, (last visited 23 June 2024).

** Source: IMF, Jordan's Staff Report, Country Report No. 24/10, January 2024.

*** Provisional numbers

ANNEX 3 – Host country business partners 2022

Rank	Country	Export ¹²⁵	Total of Exports (%)	Rank	Country	Import ¹²⁶	Total of Imports (%)
1	USA	2	23.4	1	China	3	15.2
2	India	1.3	15.2	2	Saudi Arabia	2.9	15.1
3	Saudi Arabia	0.840	10	3	UAE	1.5	7.8
4	Iraq	0.615	7.3	4	USA	1.1	5
5	Free Zones	0.420	5	5	India	0.99	5.1
6	Indonesia	0.240	2.9	6	Switzerland	0.73	3.8
7	Palestine	0.199	2.4	7	Turkey	0.64	3.3
8	China	0.191	2.3	8	Romania	0.61	3.2
9	UAE	0.182	2.2	9	Germany	0.57	2.9
10	Egypt	0.160	1.9	10	Egypt	0.56	2.8
57	Switzerland	0.005	0.06				

Sources: http://www.dos.gov.jo/dos_home_e/main/linked-html/ex_trad.htm and <https://data.imf.org/?sk=9D6028D4-F14A-464C-A2F2-59B2CD424B85&slid=1514498277103>, (last visited 23 June 2024).

¹²⁵ Export from host country in USD (mio.).

¹²⁶ Import to host country in USD (mio.).

ANNEX 4 – Bilateral trade between Switzerland and the host country 2017-2023

Year	Exports to Jordan (CHF mio)	Change (%)	Imports from Jordan (CHF mio)	Change (%)	Balance (CHF mio)	Change (%)	Total (CHF mio)
2017	522	19.1	6	36.5	517	20.2	528
2018	321	-38.6	10	78.0	311	-39.9	331
2019	277	-13.5	52	423.5	225	-27.4	329
2020	263	-5.0	267	416.6	-4	-101.7	530
2021	682	158.9	20	-92.7	662	-17294.5	702
2022	1,075	57.7	14	-29.1	1,061	60.3	1,089
2023*	640	-40.4	153	999.8	488	-54.0	793

* Provisional data

Source: <https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/result.xhtml>, (last visited 23 June 2024).

Exports to Jordan	2022 (% of total)	2023 (% of total)
1. Precious metals, precious stones and gemstones	77.5	57.9
2. Products of the chemical-pharmaceutical industry	13.2	25.1
3. Precision instruments, watches and jewelry	6.3	10.6

Imports from Jordan	2022 (% of total)	2023 (% of total)
1. Precious metals, precious stones and gemstones	24.7	92.4
2. Textiles	44.8	5.5
3. Products of the chemical-pharmaceutical industry	2.4	0.3
4. Machines, appliances, electronics	7.3	0.1

Source: <https://www.gate.ezv.admin.ch/swissimpex/public/bereiche/waren/result.xhtml>, (last visited 23 June 2024).

ANNEX 5 – Main countries investing in the host country 2023

Rank	Country	Direct investment (USD mio., stock)	Share	Variation (%) (stock)	Inflows over past year (USD)
1			..%	n/a	n/a
2			..%	+/- ...%	....
3			..%	+/- ...%	....
4			..%	+/- ...%	....
5			..%	+/- ...%	....
6			..%	+/- ...%	....
7			..%	+/- ...%	....
8			..%	+/- ...%	....
9			..%	+/- ...%	....
10			..%	+/- ...%	....
11			..%	+/- ...%	....
12			..%	+/- ...%	....
	Total		100%	+/- ...%	

NB: Jordan does not have publicly available data on FDI disaggregated by country.

Source: <https://data.imf.org/regular.aspx?key=60564262>, (last visited 23 June 2024).