



**EMPOWERING WOMEN ENTREPRENEURS  
IN THE MENA REGION TOWARDS EQUAL ACCESS  
WITH MEN TO BUSINESS AND TRADE**

# **MARKET STATE OF ART & TRENDS JORDAN COUNTRY PROFILE**



EMPOWERING WOMEN  
ENTREPRENEURS IN THE  
MENA REGION TOWARDS  
EQUAL ACCESS WITH MEN  
TO BUSINESS AND TRADE

**MARKET STATE OF  
ART & TRENDS**  
JORDAN COUNTRY PROFILE

**EMPOWERING WOMEN  
ENTREPRENEURS IN THE  
MENA REGION TOWARDS  
EQUAL ACCESS WITH MEN  
TO BUSINESS AND TRADE**

**MARKET STATE OF  
ART & TRENDS  
JORDAN COUNTRY PROFILE**

# TABLE OF CONTENTS

<b>Contents</b>	5
<b>Introduction</b>	8
Macroeconomic overview	8
Covid-19 impact	9
<b>Selected sectors</b>	10
<b>I. The Agri-food sector</b>	10
<i>Exports and Imports</i>	11
<i>Export Potential</i>	12
<i>Main Sectoral opportunities and challenges</i>	12
COVID's Impact on the Sector	14
COVID's Impact on Consumer behavior	14
Demand trends and needs	14
High demand products	14
<b>II. The Textile Sector</b>	15
<i>Exports and Imports</i>	15
<i>Export Potential</i>	16
<i>Main Sectoral opportunities and challenges</i>	17
COVID's impact on the sector	17
Demand trends and needs	18
COVID-19 Impact on consumer behavior	18
High demand products	18
<b>III. The ICT Sector</b>	20
<i>Exports and Imports</i>	21
<i>Main Sectoral opportunities and challenges</i>	21
COVID-19 Impact on the sector	22
Demand trends and needs	22
COVID-19 Impact on consumer behavior	22
High Demand Products	22
Market Opportunity	22
<b>References 1</b>	25

## LIST OF FIGURES

<b>Figure 1</b> : Number of employees in the agriculture sector from 2016-2019.	10
<b>Figure 2</b> : Food exports from Jordan per region	11
<b>Figure 3</b> : Share of Arab countries in Jordan's food exports	11
<b>Figure 4</b> : Subsector exports flows. <i>Source: OEC</i>	11
<b>Figure 5</b> : Subsector import flows. <i>Source: OEC</i>	11
<b>Figure 6</b> : Untapped export potential across commodities in Jordan. <i>Source: Trade Map.</i>	12
<b>Figure 7</b> : Subsector import flows. <i>Source: OEC</i>	14
<b>Figure 8</b> : Top commodities with untapped export potential. <i>Source: Trade Map</i>	15
<b>Figure 9</b> : Subsector export flows. <i>Source: OEC</i>	16
<b>Figure 10</b> : Subsector import flows. <i>Source: OEC</i>	16
<b>Figure 11</b> : Untapped export potential across commodities in Jordan. <i>Source: Trade Map</i>	16
<b>Figure 12</b> : Subsector import flows. <i>Source: OEC</i>	19
<b>Figure 13</b> : Top commodities with untapped export potential. <i>Source: Trade Map.</i>	19
<b>Figure 14</b> : Share of ICT establishments per subsector. <i>Source: The Arab Weekly</i>	20
<b>Figure 15</b> : Number of employees in the textile sector from 2017-2019	20
<b>Figure 16</b> : Distribution of revenues per subsector. <i>Source: Department of Statistics</i>	21

## LIST OF TABLES

<b>Table 1</b> : Jordan's macroeconomic indicators	9
<b>Table 2</b> : SWOT analysis of the Jordanian agri-food sector	13
<b>Table 3</b> : SWOT analysis of the Jordanian textile sector	17
<b>Table 4</b> : SWOT analysis of the Jordanian ICT sector	21

## LIST OF ABBREVIATIONS

<b>Abbreviation</b>	<b>Definition</b>
<b>EU</b>	<i>European Union</i>
<b>FTA</b>	<i>Free Trade Agreement</i>
<b>GAP</b>	<i>Good Agricultural Practices</i>
<b>GCC</b>	<i>Gulf Cooperation Council</i>
<b>GDP</b>	<i>Gross Domestic Product</i>
<b>GIZ</b>	<i>German Agency for International Cooperation</i>
<b>ICM</b>	<i>Integrated crop management</i>
<b>ICT</b>	<i>Information and Communications Technology</i>
<b>IDI</b>	<i>In-depth interview</i>
<b>IT</b>	<i>Information Technology</i>
<b>ITES</b>	<i>Information Technology Enabled Service</i>
<b>MENA</b>	<i>Middle East and North Africa</i>
<b>OEC</b>	<i>The Observatory of Economic Complexity</i>
<b>RTE</b>	<i>Ready to Eat</i>
<b>SWOT</b>	<i>Strengths, Weaknesses, Opportunities, and Threats</i>
<b>UAE</b>	<i>United Arab Emirates</i>
<b>US</b>	<i>United States</i>
<b>USA</b>	<i>United States of America</i>
<b>USD</b>	<i>United States Dollar</i>

## INTRODUCTION

Under developmental efforts by **The Centre of Arab Women for Training and Research (CAWTAR)**, launching the project '**Empowering Women Entrepreneurs in the MENA Region towards Equal Access with Men to Business and Trade Markets**', this report aims to analyse the sectors that were previously identified as sectors with high potential for women participation and for creating businesses in 6 MENA countries. The report at hand is amongst a series of 6 reports for each of the following countries namely **Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia** in the prominent sectors of **agri-food, textile, and ICT**. The report presents a main economic overview of the country followed by a market trends analysis on each of these sectors. This report therefore represents Egypt and emphasizes on assessing potential business opportunities to be led by women in the country.

### Macroeconomic Overview

Jordan recently ranked 102nd in the Human Development Index and has an upper middle-income economy. The Jordanian economy, despite being one of the smallest in the region, is appealing to foreign investors due to its skilled workforce. Along with its well-developed health sector, the country is a popular tourist destination, as well as a medical tourism destination. Nonetheless, a scarcity of natural resources, a large influx of refugees, and regional unrest have stifled economic growth. Even though Jordan had positive GDP growth rates over the years and its national poverty rate reached 15.7 percent in 2019<sup>(1)</sup>, it had a negative GDP of 2 percent<sup>(2)</sup> in 2020 as a result of the pandemic hitting.

On the sectoral front, the services sector contribution to the labour force was the highest employing 73 percent, followed by the industrial sector employing 24 percent, while the agricultural sector was the lowest contributor employing 3 percent of Jordan's labour force<sup>(4)</sup>. As for GDP contribution, the services sector had the highest contribution in 2020 to the country's GDP as it reached 60.9 percent, followed by the industry sector which contributed 24.5 percent, while the agriculture sector had a miniscule contribution of 4.9 percent. In terms of female unemployment, it had shown a downward trend between 2017 and 2019 from 31.2 percent to 27 percent. However, by the end of 2020, the female unemployment rate rose sharply to 32.8 percent in consequence of COVID-19<sup>(5)</sup>. The table below (table 1) highlights Jordan's macroeconomic indicators:

- 
1. Jordan. World Bank. 2020.
  2. Leipziger, Danny, and Carl J. Dahlman. A Post-Pandemic Growth Strategy for Southern and Eastern Mediterranean Countries. CMI and The Growth Dialogue.
  3. Economic and political overview. Credit Agricole Group. 2021.
  4. Ibid.
  5. Jordan overview. The World Bank. 2021.



**Table 1: Jordan's macroeconomic indicator**

Demographics & Macroeconomic Indicators	
Population & growth rate (2021) <sup>(6)</sup>	10,909,567 people with an annual growth rate of 0.82 percent.
Age structure <sup>(7)</sup>	0-14 years: 33.05 percent 15-24 years: 19.77 percent 25-54 years: 38.39 percent 55-64 years: 5.11 percent 65 years and above: 3.67 percent
Population distribution by gender (2021) <sup>(8)</sup>	Males: 50.6 million. Females: 49.4 percent
Labor force <sup>(9)</sup>	731,000 people
Urbanization rate (2021) <sup>(10)</sup>	91.6 percent of the total population with a 0.98 annual rate of change.
Literacy rate by gender <sup>(11)</sup>	Males: 98.6%, Females: 97.8%
GDP growth trend <sup>(12)</sup>	2015: 2.6%, 2016: 2.1%, 2017: 2.1%, 2018: 1.9%, 2019: 2%, 2020: -2%
GDP (2020) <sup>(13)</sup>	43.7 billion USD
GDP per capita (2020) <sup>(14)</sup>	3100.00 USD
GDP by sector <sup>(15)</sup>	Agriculture: 4.9%, Industry: 24.5%, Services: 60.9%
Inflation <sup>(16)</sup>	0.33 %
Investment/doing business <sup>(17)</sup>	69.0

## Covid-19 impact

Jordan's economy has contracted by only 1.6% in comparison to its peers during 2020 and had modest real GDP growth of 0.3% at the beginning of 2021. This is partly due to fiscal and monetary policies implemented by the government, as well as improvement in terms of trade fuelled by the drop in oil prices<sup>(18)</sup>. However, COVID-19 had a negative effect on the country's

6. Jordan, Middle East. The World Factbook. 2021.
7. Ibid.
8. Kemp, Simon. Digital 2021: Jordan. Data Reportal. 2021.
9. Jordan, Middle East. The World Factbook. 2021.
10. Ibid.
11. Ibid.
12. Jordan economic outlook. Focus Economics. 2021.
13. Jordan GDP. Trading Economics.
14. Ibid.
15. Economic and political overview. Credit Agricole Group. 2021.
16. Jordan Inflation Rate 1970-2021. Macro Trends.
17. Doing Business 2020. World Bank. 2020.

travel and tourism sector, which accounted for around 18% of GDP and of total employment in 2019<sup>(19)</sup>. As for the pandemic's influence on consumers' incomes, households' labour and remittances incomes have shrunk due to the COVID-19 economic shock, accordingly, poverty is expected to increase in the short run by 11 percentage points. However, the government response through cash transfers and expansion of the social safety net could aid in mitigating around a third of that increase<sup>(20)</sup>.

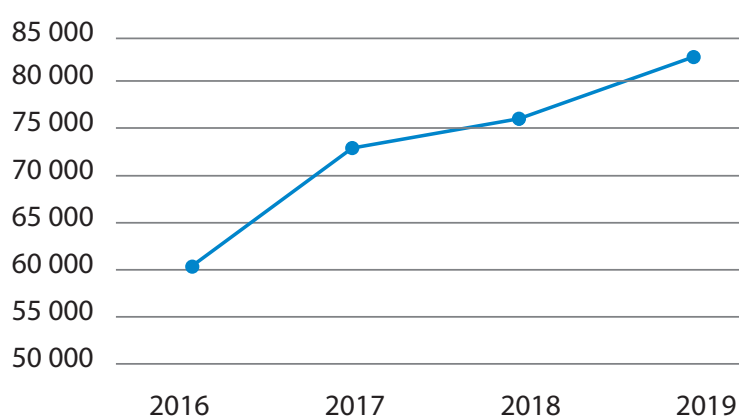
## Selected sectors

### 1. The Agri-food sector

The agriculture sector in Jordan employs 15% of the labor force in the country and it has been expanding in terms of labor between 2016 and 2019, rising by around 37% and reaching 83 thousand employees in 2019 as shown in figure (1).

The sector is considered a source of income for about 80 thousand families in the rural and urban areas<sup>(21)</sup>.

**Figure 1 Number of employees in the agriculture sector from 2016-2019**



The food processing sector has relatively high levels of added value, as evident through local production which makes up 47.2% of local consumption. Processed meats, processed F&V, dairy and bakery have the highest levels of added value within the processed foods sector. Despite being one of the top 3 subsectors with high added value, processed meats were not deemed a priority sub-sector due to the import restrictions on most meat products<sup>(22)</sup>. According to a study conducted in 2018, the three Jordanian Chambers of Industry had 2,645 registered enterprises operating in the food processing sector in 2017<sup>(23)</sup>. 2,093 (79.13%) of these enterprises were considered microenterprises while the rest were considered small, medium or large. As such, the processing sector is comprised of many micro and small enterprises, mainly family businesses<sup>(24)</sup>.

18. Jordan overview. The World Bank. 2021.

19. Jordan's Economic Update — April 2021. The World Bank. 2021.

20. Jordan. World Bank. 2020.

21. Agriculture sector profile.

22. Hundaiteh, Lina, and Mr Fadi Fayad. JORDAN'S FOOD PROCESSING SECTOR ANALYSIS AND STRATEGY FOR SECTORAL IMPROVEMENT. GIZ. 2019.

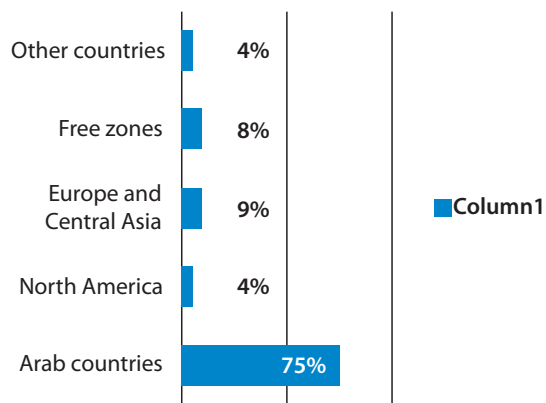
23. Ibid.

24. Ibid.

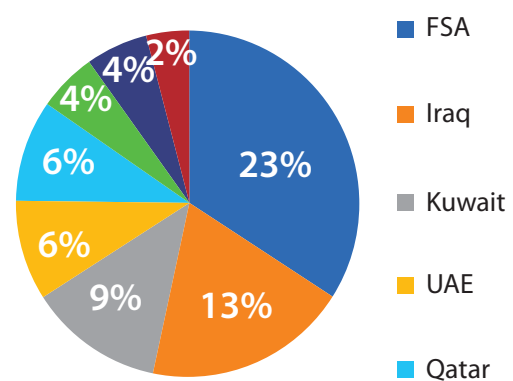
## Exports and Imports

Jordan's food exports make up around 14 percent of the total goods' exports<sup>(25)</sup>. The export markets for Jordanian processed foods have shown a slow but steady annual growth from 2012<sup>(26)</sup>. Even though Jordan imports around 90 percent of its food items and energy requirements, the Minister claims that Jordan is self-sufficient in vegetables, fruits and meat<sup>(27)</sup>. Figures (2) and (3) showcase the top countries Jordan exports food products to and their share of exports<sup>(28)</sup>.

**Figure 2 : Food exports from Jordan per region**

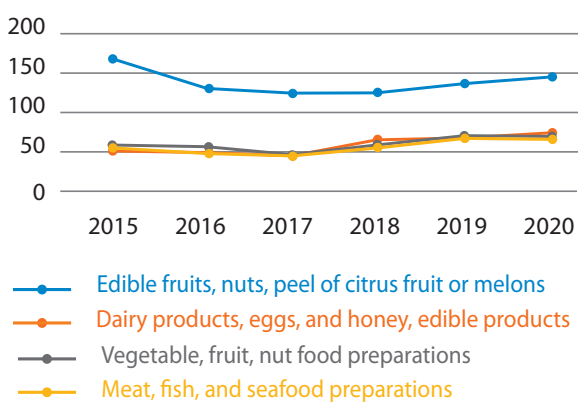


**Figure 3 : Share of Arab countries in Jordan's food exports**



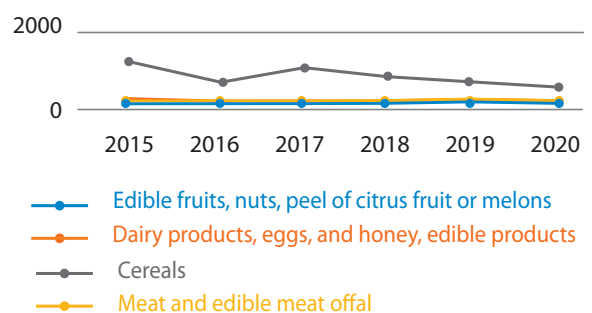
**Figure 4 : Subsector exports flows.**

Source: OEC



**Figure 5 : Subsector import flows.**

Source: OEC



25. General profile: Jordan. UNCTAD STATS. 2021.

26. Ibid.

27. Singh, Manjari. Jordan after COVID-19: From Crisis Adjustment to Crisis Management. Fikra Forum. 2020.

28. Hundaileh, Lina, and Mr Fadi Fayad. JORDAN'S FOOD PROCESSING SECTOR ANALYSIS AND STRATEGY FOR SECTORAL IMPROVEMENT. GIZ. 2019.

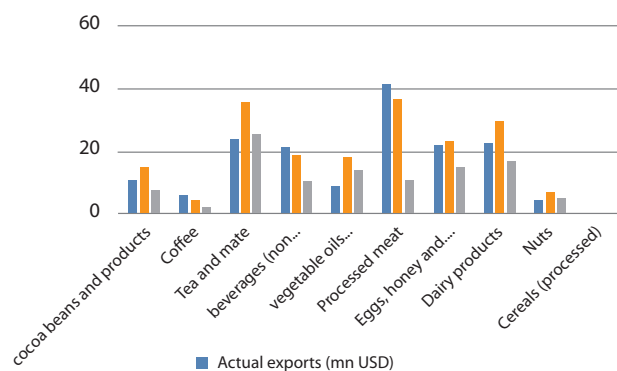
As demonstrated in figures (4) and (5)<sup>(29)</sup>, products which have witnessed a decrease in imports are meat and edible meat offal where its imports have been in decline since 2017 recording imports of USD 338 million in 2020 as well as imports of cereals that have almost shrunk in half between 2015 and 2020. While other products have conversely witnessed an increase in their import levels particularly edible fruits, nuts, peel of citrus fruit or melons, which saw an increase in imports by 16% between 2019 and 2020, as well as a 3% increase in exports during the same year.

### Export Potential

Figure (6) shows the untapped export potential for the main food products in Jordan. As illustrated, the top five food products with untapped export potential are Tea and mate,<sup>(30)</sup>

Attached in the Market opportunity section below is a table that illustrates the export potential of Jordan's top agri-food products, as well as their export values and untapped export potential. It also specifies the markets within which the untapped potential lies and highlights the largest ones<sup>(31)</sup>.

**Figure 6 Untapped export potential across commodities in Jordan.** Source: Trade Map



### Main Sectoral opportunities and challenges

Prior to the pandemic, Jordan began accumulating strategic food stocks – mostly wheat and barley, both of which are not grown locally owing to a lack of water and land resources – to maintain societal stability. Stockpiling food as a means of ensuring stability, however, comes at a high cost as Amman faces fiscal stress and economic pressures, which affects Jordanian households<sup>(32)</sup>. Furthermore, the prevalence of micro- and informal enterprises may result in unfair rivalry with formal firms on a domestic level<sup>(33)</sup>.

29. OEC.

30. Trade Map.

31. Ibid.

32. Fathallah, Hadi, and Timothy Robertson. The Cost of Food Security in Jordan. Carnegie Endowment for International Peace. 2021.

33. Hundaileh, Lina, and Mr Fadi Fayad. JORDAN'S FOOD PROCESSING SECTOR ANALYSIS AND STRATEGY FOR SECTORAL IMPROVEMENT. GIZ. 2019.

Table (2) summarizes the strengths, weaknesses, opportunities, and threats of and to the agri-food industry in Jordan based on the aforementioned data, as well as 'Jordan's Food Processing sector Analysis and Strategy for Sectoral Improvement' document published by GIZ<sup>(34)</sup>. This table shows the SWOT analysis to be considered by policy makers and support organizations.

**Table 2: SWOT analysis of the Jordanian agri-food sector**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Location of Jordan</li> <li>• Climate allows cultivation of agricultural products all year round.</li> <li>• Large number of free trade agreements (FTAs) signed by Jordan increases trade opportunities with the respective countries.</li> </ul> <p><i>Availability of specialized industrial zones all over Jordan facilitates industry start-ups and allows cost sharing in various utility services such as electricity and wastewater treatment.</i></p>	<ul style="list-style-type: none"> <li>• Reliance on traditional methods in agriculture, which retards the inclusion of new efficient technology</li> <li>• The level of education of small farmers does not allow integration of Global GAP or Integrated crop management (ICM) on their farms.</li> <li>• The delay in application of good practices will impact the penetration into developed markets of agricultural products in their original and transformed versions.</li> <li>• Absence of skilled labor force.</li> <li>• Low investment in human capital in terms of training and coaching.</li> </ul> <p><i>Absence of reliable statistical data within sub-sectors.</i></p>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Evolving market demand and increased loyalty of the Jordanian consumer to locally produced products.</li> <li>• Market penetration through product diversification and higher quality, especially in Arabic sweets and the F&amp;V sub-sector. This applies to markets such as the EU, the US, Australia, and Japan.</li> <li>• Increased local production and replacement of imports, especially by those products with added value, such as RTE products based on meat and vegetables.</li> </ul> <p><i>Availability of need food technologies.</i> <i>Jordan's large number of FTAs allowsto open market windows especially in the African continent.</i></p>	<ul style="list-style-type: none"> <li>• Loss of market share in neighboring countries as a result of economic crisis as well as rise in competing products.</li> <li>• Imports competing with local production, especially in the dairy sub-sector.</li> <li>• Risk of food safety problems (food-borne diseases).</li> <li>• Decreasing reputation of Jordan as a food producing country.</li> </ul> <p><i>Regional political situation affecting trade logistics and investment climate.</i></p>

34. Hundaileh, Lina, and Mr Fadi Fayad. JORDAN'S FOOD PROCESSING SECTOR ANALYSIS AND STRATEGY FOR SECTORAL IMPROVEMENT. GIZ. 2019.

## COVID's Impact on the Sector

Jordan's food systems are projected to have witnessed nearly a 40% decrease in production. Although this reduction in production is only natural, government policies implemented across Jordan have had a favourable impact.

## COVID'S impact on Consumer Behavior

As fear spread in light of the pandemic, consumers globally have started to focus on strengthening their immunity. In Jordan, consumers have decreased the portions they eat, and have chosen food packed with high nutritional values, placing greater attention to packaging and delivery adhering to COVID's hygienic protective policies<sup>(35)</sup>.

## Demand trends and needs

Jordan is a net importer of food as it nearly imports 90 percent of its food items and energy needs<sup>(36)</sup>, while domestic demand for agriculture and food products has been steadily increasing. The rise in domestic demand for agriculture and food products is a result of the rising urbanization and population expansion, which is aided further by an increasing number of individuals moving to Jordan from surrounding countries.

## High demand products

### Domestic demand

Domestic demand trends relevant to the agri-food industry can be extrapolated from the most imported agri-food products, demonstrated in figure (7).

As it shows, cereals are the highest imported product to fill the gap in demand, as the country exports miniscule quantities in comparison which could reflect low levels of local production. The local agri-food industry can likely tap into the local market by tuning production and prices to suit local consumers.

**Figure 7 : Subsector import flows.** *Source : OEC.*



35. IDI.

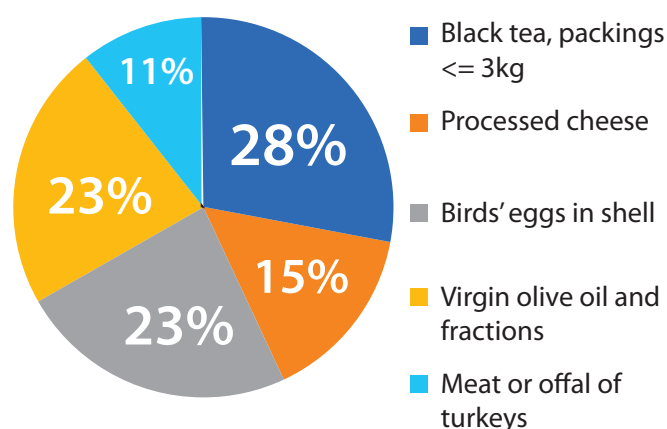
36. Singh, Manjari. Jordan after COVID-19: From Crisis Adjustment to Crisis Management. Fikra Forum. 2020.

### International demand

International demand trends can be inferred through actual exports, but even they're even more clearly demonstrated through the sector's untapped export potential, which figure (8) illustrates.

Black tea, virgin oil and fractions, and birds' eggs in shell have the most untapped potential within the agri-food sector.

**Figure 8 : Top commodities with untapped export potential.** *Source: Trade Map.*



## 2. The Textile Sector

Jordan's textile industry has expanded significantly during the previous fifteen years. Jordan exports annually a total of \$2 billion on average in textile-related items to worldwide markets<sup>(37)</sup>. Jordanian production is mainly meant for global markets especially US markets, with a special emphasis on quality and on-time deliveries as competitive advantages that place them on better footing with their competitors<sup>(38)</sup>. While Jordanian textile appears to have a monopoly in exports, the country imports 45 percent of its needs including yarns and textiles from China and Pakistan<sup>(39)</sup>. Currently, the sector is comprised of 75,000 employees as well as 1260 establishments of which 80 percent are concentrated in clothing<sup>(40)</sup>. Local brands have a modest presence in the textile sector with a 50-55 percent market share. The main subsectors include articles of apparel (knitted or crocheted), articles of apparel (not knitted or crocheted), and knitted or crocheted fabric.

### Exports and Imports

*Jordan's textile and garment industry is one of the country's most important export industries. In 2018, the country exported more than \$1.8 billion in textiles and clothes, virtually mainly of knit apparel. Data illustrated in figure (9) and (10) indicated that:*

- *Exports of knitted sweaters have been witnessing a steady continuous increase from 2015 to 2019.*
- *Imports of light rubberized knitted fabric have skyrocketed between 2018 and 2019, to reach USD 690 million from USD 325 million – a 112 percent increase.*

37. Textile Industry in Jordan. Textile Infomedia.

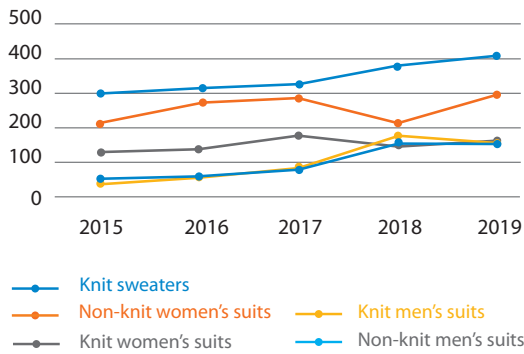
38. IDI.

39. Jordan becomes the home for luxury apparel. Fibre 2 Fashion. 2015.

40. IDI.

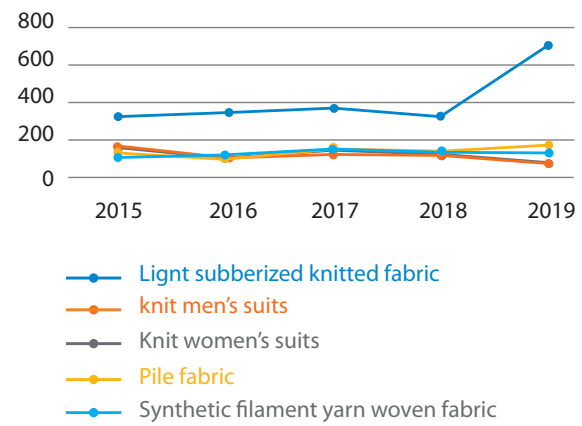
**Figure 9 : Subsector export flows.**

Source : OEC



**Figure 10 : Subsector import flows.**

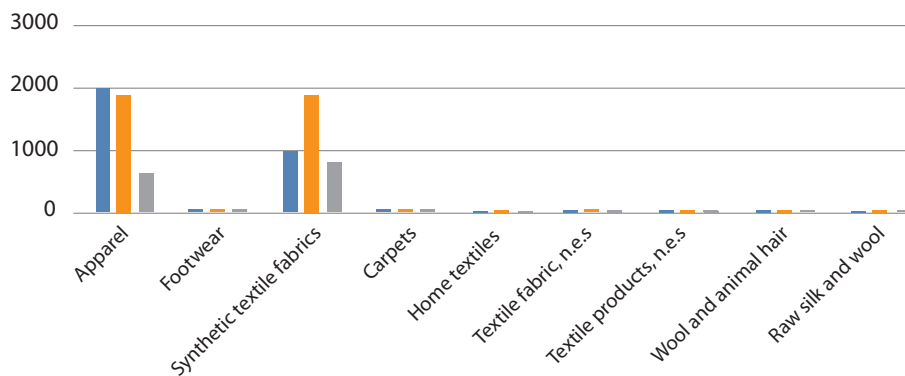
Source : OEC



## Export Potential

Figure (11) shows the untapped export potential for the main textile commodities in Jordan. As illustrated, the top commodities with untapped export potential are Apparel, Synthetic textile fabric, and carpets<sup>(42)</sup>.

**Figure 11: Untapped export potential across commodities in Jordan.** Trade Map



Attached in the Market Opportunity section below is a table that illustrates the export potential of Jordan's top textile products, as well as their export values and untapped export potential. It also specifies the markets within which the untapped potential lies and highlights the largest ones<sup>(43)</sup>.

41. Competitiveness project to strengthen Jordan's textile and clothing sector. ITC News. ITC. 2020.

42. Trade Map.

43. Ibid.



## Main Sectoral opportunities and challenges

Labour unrest is one of the challenges in Jordan's textile and garment sector. Many strikes have been reported by industrial employees seeking higher salaries, better health insurance coverage, and other perks. Earlier this year, the Institute for Global Labour and Human Rights accused a Jordanian garment manufacturer of labour abuses, stating that hundreds of foreign workers were forced to work excessive hours without proper compensation or health benefits. Additionally, guest workers, especially from Bangladesh, India, and Sri Lanka, hold more than two-thirds of jobs in Jordan's textile and clothing business. The Ministry of Labour has advised firms in the industry to limit their reliance on foreign workers, particularly given Jordan's high unemployment rate of 12.9 percent in 2017, according to Jordan's Department of Statistics<sup>(45)</sup>.

Table (3) summarizes the strengths, weaknesses, opportunities, and threats of and to the agri-food industry in Jordan based on the aforementioned data, as well as 'Jordan's Textile & Apparel Industry' document published by Kohan Textile Journal<sup>(46)</sup>. This table shows the SWOT analysis to be considered by policy makers and support organizations.

**Table 3: SWOT analysis of the textile sector in Algeria**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Jordan has earned a reputable name worldwide in textile outsourcing.</li> <li>Benefits from numerous free trade agreements.</li> <li>Better production costs than competitors.</li> </ul> <p><i>Positive dynamism in the country's tourism sector promises in a vibrant apparel market.</i></p>	<ul style="list-style-type: none"> <li>Lack of financial resources to invest in production line optimization and certification.</li> <li>Lack of access to technical assistance.</li> <li>Difficulty of access to skilled labor.</li> </ul> <p><i>Labor is/are not Jordanian.</i></p>
Opportunities	Threats
<ul style="list-style-type: none"> <li>Excellent compliance with environmental and social standards.</li> <li>Potential to respond to flexible orders and small order sizes.</li> </ul> <p><i>High level of education of the factories' management staff.</i></p>	<ul style="list-style-type: none"> <li>Decreasing natural gas supply and increasing oil prices.</li> <li>Labor unrest.</li> </ul>

## COVID's Impact on the Sector

The workforce shrunk from 86,000 to 75,000 following the pandemic. This could be attributed to the shutdown of many start-ups and businesses as they were constricted by the defence order applied that prohibits firing employees post COVID-19. As such, many employers

44. Ibid.

45. Ibid.

46. Jordan's Textile & Apparel Industry. Kohan Textile Journal. 2020.

were unable to pay labour wages and had to shut down consequently. This, in turn, reduced purchasing power, lowering the consumers' consumption as a result. Textile exports also followed a downward trend, as they dropped from USD 1.4 billion in 2019 to USD 1.1 billion in 2020. However, as of 2021, exports have reached USD 1.3 billion, and the sector is projected to rebound.

As for production, it was halted for the most part in March and April, resulting in significant losses and overstocking of raw materials. Accessing more raw materials to recharge manufacturing has been difficult, since importers have been unable to acquire fresh raw materials, and vendors have raised prices to take advantage of reduced supply<sup>(47)</sup>. The footwear manufacturing sub-sector was hit harder than others since it mostly consists of micro-enterprises that had not previously registered with the Social Security organization, making it difficult to continue operations<sup>(48)</sup>. Moreover, representatives from the carpet manufacturing sub-sector indicated that just 30% of carpet showrooms were open, indicating that demand was poor<sup>(49)</sup>.

## COVID's Impact on Consumer Behavior

Driven by the uncertainty of the pandemic and the unavoidable decline in purchasing power, the consumer price index has changed. People increased their consumption of energy and food, whilst decreasing their clothing purchases or shifting towards second-hand and outlets, further exacerbated through the conducted IDIs. And while consumption is picking up again, there is still a mismatch between pre and post COVID consumption.

## Demand trends and needs

Jordan has a cost advantage over Cambodia, Thailand, Vietnam, Bangladesh, India, Sri Lanka, and China. As a result, many firms from other countries who want to sell textiles or apparel to the United States of America and benefit from duty and quota-free access opt to establish production operations in Jordan. Export revenue is the primary source of profit for manufacturers<sup>(50)</sup>. Market dynamics have changed owing to COVID-19. As of late, people have increased their purchases of modest wear, sportswear, loungewear, and formal suits. This rising trend is expected to continue.

## High demand products

### *Domestic demand*

Domestic demand trends relevant to the textile industry can be extrapolated from the most imported textile products, demonstrated in figure (12).

As shown, knitted or crocheted fabric are the highest imported product to fill the gap in demand, as its not one of the country's main exported commodities which could reflect low levels of local production. The local textile industry can likely tap into the local market by tuning production and prices to suit local consumers.

---

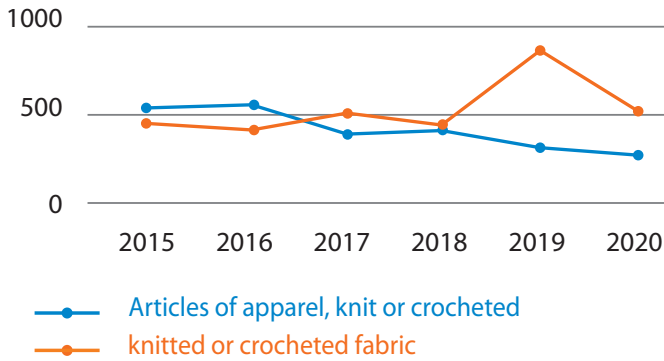
47. Skills for Trade and Economic Diversification (STED) in the Garment & Leather Manufacturing Sector in Jordan. ILO. 2020.

48. Ibid.

49. Ibid.

50. Jordan becomes the home for luxury apparel. Fibre 2 Fashion. 2015.

**Figure 12 Subsector import flows.** *Source : OEC.*



Babywear is amongst the sub-sectors with a small market share and a huge gap in the market. This provides the Jordanian local market with a chance to capitalize on that gap to meet demand instead of importing from Syria. Furthermore, undergarments are mainly produced for local markets with no intention of expanding to global markets.

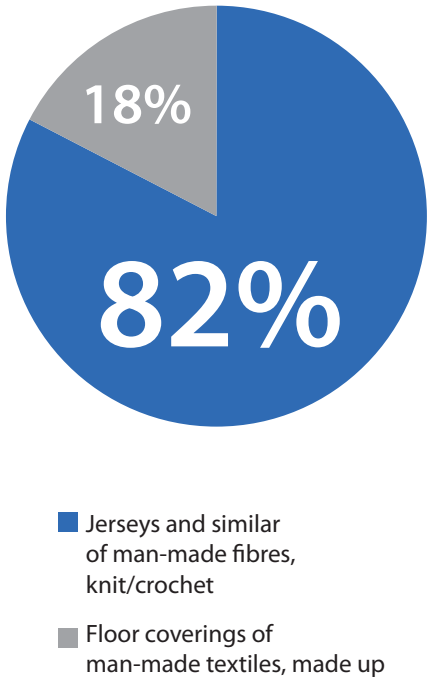
**International demand**

There are subsectors that have shown promise and have potential for growth such as apparel and carpets.

Figure (13) highlights Jerseys and similar of manmade fibres, knit or crochet as the highest commodity with export potential out of the top subsectors mentioned above.

Demand on cotton increased by nearly 40 percent, as well as woven, and polyesters which have followed an upward trend. Additionally, there is a growing demand for modestwear, loungewear, sportswear, and formal suits. For instance, Europe is one of the biggest markets for Jordanian modest wear.

**Figure 13 Top commodities with untapped export potential.** *Source: Trade Map.*



### III. ICT

As for the workforce, there were 17,698 people working in ICT in 2018. Men held 67 percent of all jobs, while women had 33 percent<sup>(51)</sup>. During the same year, export revenues reached an estimated \$262 million, while domestic revenues stood at \$487 million. Furthermore, overall IT & ITES revenues increased by 10.71 percent, surpassing \$749.1 million in sales revenue. While the growth rate is in the double digits, it is still below its potential, owing partly to the region's political instability, which has led in the loss of several significant markets<sup>(52)</sup>, as well as stiff competition from neighbouring nations, particularly the UAE and Egypt<sup>(53)</sup>. On the entrepreneurial scene, several interviewees cited Stereotyping as a major hindrance to women's participation, which does not exceed 30-40 percent, in ICT-related start-ups. This is a result of society's association of women with necessity-based entrepreneurship, such as handicraft businesses.

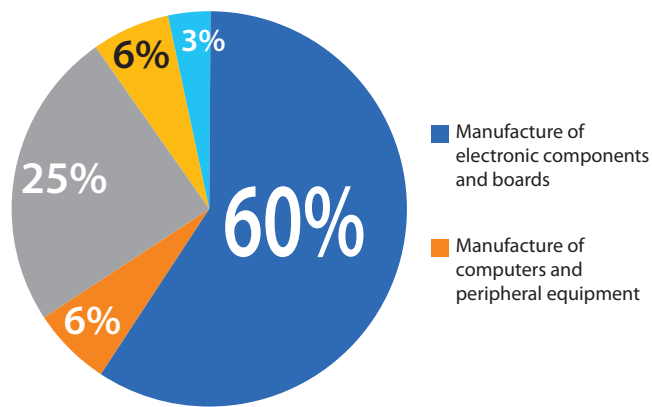
In 2018, there were a total of 32 information and communication establishments in Jordan<sup>(54)</sup>, 19 of which are concerned with the manufacture of electronic components and boards with a share of 60% as illustrated in figure (14).

Between 2011 and 2018, the number of companies fell by 11%, from 36 to 32 companies.

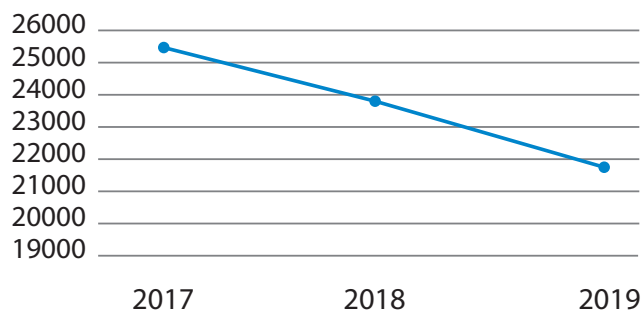
Subsectors include hardware, software, telecommunications, content providers, and wholesale and retail.

In terms of employment, there is a significant decline in the number of employees in the sector between 2017 and 2019. Employees in the sector have shrunk by nearly 15 percent during that time period as shown in figure (15).

**Figure 14 Share of ICT establishments per subsector.** Source: *The Arab Weekly*.



**Figure 15 Number of employees in the textile sector from 2017-2019**



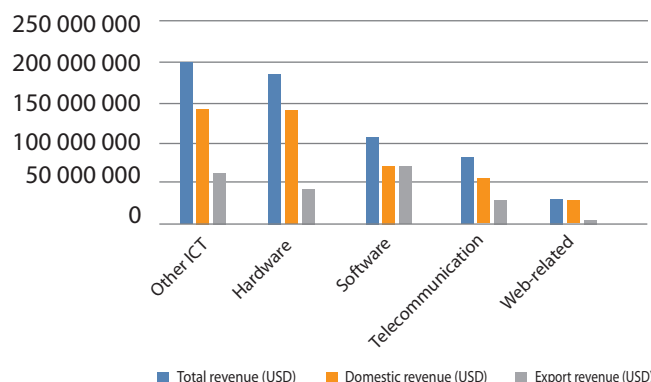
51. ICT Sector in Jordan 2018. Information and Communication Technology Association of Jordan.  
 52. ICT Sector in Jordan 2018. Information and Communication Technology Association of Jordan.  
 53. Ghazal, Mohammad. Jordan's ICT sector faces critical challenges. *The Arab Weekly*. 2015.  
 54. Establishments Census. Department of Statistics.

## Exports and Imports

Figure (16) illustrates revenues generated whether domestically or internationally from the ICT sub-sectors and it has shown that<sup>(55)</sup>:

- Revenues are mostly generated from other ICT activities, the hardware, and software subsectors.
- In 2016, the software subsector generated nearly USD 80 million, making it the highest revenue generator from exports.

**Figure 16 Distribution of revenues per subsector.**  
Source: Department of Statistics.



## Main Sectoral opportunities and challenges

Several problems in the ICT industry restrict the potential for additional investment in Jordan such as a lack of an effective business and regulatory environment, excessive costs and a lack of skills, and a poor auxiliary infrastructure; all which impede the creation of a competitive private sector<sup>(56)</sup>. However, Jordan still enjoys various opportunities and strength points within the sector which it could capitalize on regardless of the weaknesses threatening the sector. Table (4) below summarizes such data based on 'Jordan ICT sector profile' document published by the Information and Communication Technology Association of Jordan<sup>(57)</sup>.

**Table 4: SWOT analysis of the Jordanian ICT sector**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Jordan is a pioneer in the MENA region with regards to fully liberalizing its ICT market.</li> <li>• One of the region's most open economies to trade and foreign participation.</li> <li>• Competitive costs and high talent.</li> <li>• High number of ICT graduates annually.</li> <li>• High rate of entrepreneurship.</li> <li>• Competitive incentives.</li> </ul> <p><i>Location.</i></p>	<ul style="list-style-type: none"> <li>• Product development and building specialization.</li> <li>• Legal and regulatory hurdles may affect market efficiency.</li> <li>• Relative mismatch between outputs of academia and the industry requirements.</li> </ul> <p><i>Relatively low level of R&amp;D by global standards.</i></p>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Major export markets are GCC and USA.</li> <li>• Established international trade to develop business with other countries.</li> </ul> <p><i>Product development and building specialization.</i></p>	<ul style="list-style-type: none"> <li>• Regional vitality.</li> <li>• Regional competition.</li> <li>• Reliance on foreign aid.</li> </ul> <p><i>Difficulty in attracting and retaining ICT experts in Jordan.</i></p>

55. ICT Sector in Jordan 2018. Information and Communication Technology Association of Jordan.

56. Promoting investment and business climate reforms in Jordan's ICT sector. OECD. 2021.

57. Jordan ICT sector profile. Information and Communication Technology Association of Jordan.

## COVID's impact on the sector

Since the pandemic, educational and agricultural technologies have witnessed an upward trend. By virtue of social distancing, many people within the educational system have had to switch to E-learning, and many consumers confined in their homes had to resort to online deliveries in adherence with the virus' precautionary methods. In terms of healthcare services, they have been automatized in order to adapt to the virtual shift.

## COVID's impact on the sector

Between 2020 and 2021, the number of internet users in Jordan rose by 56 thousand (+0.8%)<sup>(58)</sup>. During the same time period, the number of Jordanian social media users grew by 600 thousand (+11%)<sup>(59)</sup>. As of January 2021, Jordan had a 66.8% internet penetration rate while Jordan's social media users accounted for 61.5% of the entire population<sup>(60)</sup>.

## Demand trends and needs

Consumers have conveyed greater trust in online platforms and increasing their online purchases accordingly. This helped mitigate the effect of the pandemic on all virtual businesses.

## High Demand Products

Several key experts in the Jordanian ICT sector have stated that in line with the digital shift happening globally, business owners have invested more heavily in e-commerce as a means to cope with the restrictions and limitations naturally imposed by the spread of the virus. Consumers have conveyed greater trust in online platforms, which helped mitigate the effect of the pandemic on all virtual businesses. The sector is increasingly adopting IoT, the automation of services and focusing more on software rather than hardware.

## *Market opportunity*

Market opportunity resides within products with untapped export potential. Identifying these sub-products and relevant export markets showcase where global demand lies. This could, in turn, be a compass for investors and business owners alike, as to where to invest their efforts. The tables below (tables 5 and 6) highlight the top sub-products in the agri-food and textile sectors with their corresponding untapped export potential, as well the main potential export markets for those sub-products:

---

58. Kemp, Simon. Digital 2021: Jordan. Data Reportal. 2021.

59. Ibid.

60. Ibid.

**Table 5 Untapped export potential for the top food sub-products and the main potential export markets for those sub-products as well as for the main food products<sup>(61)</sup>.**

Sub-category with highest untapped export potential	Export potential (mn USD)	Actual exports (mn USD)	Untapped potential (mn USD)	Markets per product group	Comments
<b>Tea and mate</b>					
Black tea, packings <=3kg	24.4	13.2	16.7	Saudi Arabia, United States and Kuwait	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$4.1 mn.
Total untapped export potential	35.6	23.8	25.6	Saudi Arabia, United States and Egypt	
<b>Dairy</b>					
Processed cheese	19.1	10.6	9	Saudi Arabia, Kuwait and United Arab Emirates	Palestine, State of shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$4.2 mn.
Total untapped export potential	29.6	22.6	16.5	Saudi Arabia, Palestine, State of and Kuwait	
<b>Eggs, honey, and edible animal products</b>					
Birds' eggs in shell	22.5	20.9	14	Qatar, Saudi Arabia and Oman	Oman shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$2.9 mn.
Total untapped export potential	23.3	21.8	14.7	Saudi Arabia, Qatar and Oman	
<b>Vegetable oils and fats</b>					
Virgin olive oil and fractions	17.6	8.3	13.5	United States, Saudi Arabia and Canada	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$9.8 mn.
Total untapped export potential	18.3	9	14	United States, Saudi Arabia and China	
<b>Processed meat</b>					
Meat or offal of turkeys	18.1	11.7	6.4	Saudi Arabia, Qatar and Kuwait	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$3.8 mn.
Total untapped export potential	36.9	41.3	10.5	Saudi Arabia, United States and Kuwait	

61. Source: Trade Map.

**Table 6: Untapped potential for the top textile sub-products and their main potential export markets**

Textile subproduct with highest untapped export potential	Export potential (mn USD)	Actual exports (mn USD)	Untapped potential (mn USD)	Markets per product group	Comments
<b>Apparel</b>					
Jerseys and similar of man-made fibres, knit/crochet	458.9	452.9	86.2	United States, Canada and Netherlands	United Arab Emirates shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$68.7 mn.
Total untapped export potential	2000	1900	569.4	United States, United Arab Emirates and Canada	
<b>Synthetic textile fabric</b>					
Wovens of strip of synthetic filament, >=67 dtex, <=1mm	0.4953	0.7333	0.4435	France, Italy and United States, United Arab Emirates and Egypt	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$289.8 k.
Total untapped export potential	1000	1900	849.5	United States, United Arab Emirates and Egypt	
<b>Carpets</b>					
Floor coverings of man-made textiles, made up	26.4	11.5	18.4	United States, Saudi Arabia and United Arab Emirates	United States shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$19.4 mn.
Total untapped export potential	51	27.8	35.2	United States, Saudi Arabia and United Arab Emirates	



## References

1. Agriculture sector profile.  
<https://www.jic.gov.jo/wp-content/uploads/2018/12/Agriculture-Sector-Profile.pdf#:~:text=The%20Agriculture%20sector%20in%20Jordan%20employs%2015%25%20of,areas.%20It%20also%20contributes%20to%20providing%20job%20opportunities.>
2. Competitiveness project to strengthen Jordan's textile and clothing sector. ITC News. ITC. 2020  
<https://www.intracen.org/layouts/2coltemplate.aspx?pageid=47244640256&id=47244679084>
3. Doing Business 2020. World Bank. 2020  
<https://www.doingbusiness.org/en/data/doing-business-score>
4. Economic and political overview. Credit Agricole Group. 2021  
<https://international.groupecreditagricole.com/en/international-support/jordan/economic-overview>
5. Establishments Census. Department of Statistics.  
<http://dosweb.dos.gov.jo/ar/product-category/establishments-census-ar/>
6. Fathallah, Hadi, and Timothy Robertson. The Cost of Food Security in Jordan. Carnegie Endowment for International Peace. 2021.  
<https://carnegieendowment.org/sada/84424>
7. General profile: Jordan. UNCTAD STATS. 2021  
<https://unctadstat.unctad.org/CountryProfile/GeneralProfile/en-GB/400/index.html>
8. Ghazal, Mohammad. Jordan's ICT sector faces critical challenges. The Arab Weekly. 2015  
<https://thearabweekly.com/jordans-ict-sector-faces-critical-challenges>
9. Hundaileh, Lina, and Mr Fadi Fayad. JORDAN'S FOOD PROCESSING SECTOR ANALYSIS AND STRATEGY FOR SECTORAL IMPROVEMENT. GIZ. 2019.  
<https://www.giz.de/en/downloads/Jordan%20Food%20Processing%20Sector%20Analysis%20and%20Strategy%20for%20Sectoral%20Improvement.pdf>
10. ICT Sector in Jordan 2018. Information and Communication Technology Association of Jordan  
[https://intaj.net/wp-content/Studies/ig\\_en\\_2018.pdf](https://intaj.net/wp-content/Studies/ig_en_2018.pdf)
11. Jordan. World Bank. 2020  
<https://thedocs.worldbank.org/en/doc/146631603047358616-0280022020/original/7mpoam20jordanjorkcm.pdf>
12. Jordan overview. The World Bank. 2021  
<https://www.worldbank.org/en/country/jordan/overview#1>
13. Jordan, Middle East. The World Factbook. 2021  
<https://www.cia.gov/the-world-factbook/countries/jordan/>

14. Jordan economic outlook. Focus Economics. 2021  
<https://www.focus-economics.com/countries/jordan>
15. Jordan GDP. Trading Economics  
<https://tradingeconomics.com/jordan/gdp#:~:text=Jordan%20GDP.%20The%20Gross%20Domestic%20Product%20%28GDP%29%20in,the%20World%20Bank%20and%20projections%20from%20Trading%20Economics.>
16. Jordan Inflation Rate 1970-2021. Macro Trends  
<https://www.macrotrends.net/countries/JOR/jordan/inflation-rate-cpi#:~:text=Jordan%20Inflation%20Rate%20-%20Historical%20Data%20%20,%20%204.10%25%20%2047%20more%20rows%20>
17. Jordan's Economic Update – April 2021. The World Bank. 2021  
<https://www.worldbank.org/en/country/jordan/publication/economic-update-april-2021>
18. Jordan ICT sector profile. Information and Communication Technology Association of Jordan.  
<https://www.slideshare.net/ashamlawi/jordan-ict-sector-profile-2012>
19. Jordan becomes the home for luxury apparel. Fibre 2 Fashion. 2015.  
<https://www.fibre2fashion.com/industry-article/7637/jordan-becomes-the-home-for-luxury-apparel>
20. Jordan's Textile & Apparel Industry. Kohan Textile Journal. 2020  
<https://kohantextilejournal.com/jordans-textile-apparel-industry>
21. Kemp, Simon. Digital 2021: Jordan. Data Reportal. 2021.  
<https://datareportal.com/reports/digital-2021-jordan/>
22. Leipziger, Danny, and Carl J. Dahlman. A Post-Pandemic Growth Strategy for Southern and Eastern Mediterranean Countries. CMI and The Growth Dialogue.  
[file:///C:/Users/dell/AppData/Local/Packages/microsoft.windowscommunicationsapps\\_8wekyb3d8bbwe/LocalState/Files/S0/3/Attachments/Post%20Pandemic\[246\].pdf](file:///C:/Users/dell/AppData/Local/Packages/microsoft.windowscommunicationsapps_8wekyb3d8bbwe/LocalState/Files/S0/3/Attachments/Post%20Pandemic[246].pdf)
23. Manjari. Jordan after COVID-19: From Crisis Adjustment to Crisis Management. Fikra Forum. 2020  
<https://www.washingtoninstitute.org/policy-analysis/jordan-after-covid-19-crisis-adjustment-crisis-management>
24. Promoting investment and business climate reforms in Jordan's ICT sector. OECD. 2021  
[https://www.oecd.org/mena/eu-oecd-mediterranean-investment/EU\\_OECD\\_Issues\\_paper ICT\\_sector\\_Jordan.pdf](https://www.oecd.org/mena/eu-oecd-mediterranean-investment/EU_OECD_Issues_paper ICT_sector_Jordan.pdf)
25. Singh, Skills for Trade and Economic Diversification (STED) in the Garment & Leather Manufacturing Sector in Jordan. ILO. 2020  
[https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---ifp\\_skills/documents/publication/wcms\\_754936.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_754936.pdf)
26. Textile Industry in Jordan. Textile Infomedia  
<https://www.textileinfomedia.com/textile-industry-in-jordan>

