



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

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EMBASSY OF JORDAN HOSTS DINNER FOCUSED ON INVESTMENT OPPORTUNITIES IN AQABA

*Co-Sponsored by U.S. – Arab Chamber, Embassy Event
Highlights Surge in U.S. – Jordan Trade and Investment*

Washington, DC – The Embassy of the Hashemite Kingdom of Jordan recently hosted a high-level delegation from the strategically important port city of Aqaba. An embassy dinner, co-sponsored by the National U.S. – Arab Chamber of Commerce (NUSACC) and the U.S. Chamber of Commerce, brought together business leaders and government officials to hear presentations offered by the Aqaba Special Economic Zone Authority (ASEZA). The keynote speaker was Dr. Kamel Mahadin, Chief Commissioner of ASEZA, who highlighted growing commercial opportunities in the Aqaba region.



Dr. Kamel Mahadin, Chief Commissioner of ASEZA, led a high-level delegation to the United States from the port city of Aqaba, Jordan.

“Jordan, under the Hashemite vision, was and still is an oasis of security and safety,” said Dr. Mahadin. “It is a haven; with its competitive investment climate, infrastructure, and world-class transport system, the Aqaba Special Economic Zone represents a strategic choice for investment in sectors that serve the region as a whole.” Moreover, he noted, Jordan is “an oasis of integrated investment” that thrives, in large part, because the nation’s workforce is “skilled, knowledgeable and experienced.”



The embassy function was hosted by H.E. Dr. Alia Hatoug Bouran, Jordan's Ambassador to the United States, who highlighted a wide range of economic opportunities in Jordan revolving around infrastructure development, renewable energy technologies, IT bandwidth, the nation's impressive literacy rates, and Jordan's commitment to a high quality of life. "There is no doubt that today's global economy and political climate present a unique set of regional challenges, none of which can be overcome without cooperation, openness, and innovation," said Ambassador Hatoug Bouran. "In Jordan, we believe and act on this notion. His Majesty King Abdullah II always champions economic and political progress in Jordan in an environment that promotes pluralism, participation, and moderation."



H.E. Dr. Alia Hatoug Bouran, Jordan's Ambassador to the United States, hosted the Aqaba delegation and highlighted economic opportunities in Jordan.

David Hamod, President & CEO of the National U.S. - Arab Chamber of Commerce, concurred. "Jordan has few natural resources, but it is blessed with the most important resource of all: its people," he said. "The people of Jordan have distinguished themselves in the region for their professionalism, entrepreneurship, innovation, and their ability to create value."

Aqaba: A Magnet for Development

The ASEZA delegation's visit to New York and Washington was the first in memory, and it enjoyed very high-level support. The Hon. Stuart Jones, U.S. Ambassador to Jordan participated by teleconference. "I am thrilled to see Aqaba and Jordan highlighted so effectively during the ASEZA road trip to the United States," he noted. "Aqaba offers so much for U.S. investors and exporters, and road trips like these help to foster the U.S. - Jordan partnership. I am very grateful to ASEZA Chairman Dr. Kamel Mahadin for making this trip to the United States."

Dr. Mahadin, Chief Commissioner of the Aqaba Special Economic Zone Authority (ASEZA), was joined by government representatives and private sector leaders who are invested



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

heavily in Aqaba. These included: Bashar Rumman, Vice President of Aqaba Development Corporation; Sharhabeel Madi, Commissioner for Economic Development; Sheldon Fink, the American CEO of PBI Aqaba; and Emad Kilani, CEO of Al Mabaar, which is undertaking the largest development project in the modern history of Jordan. The delegation was on a one-week tour encompassing New York City, Baltimore, and Washington DC.



Dignitaries at the Aqaba dinner included (from left to right): Gregori Lebedev, Chairman of the Board for the Center for International Private Enterprise; Dr. Kamel Mahadin, Chief Commissioner of ASEZA; H.E. Dr. Alia Hatoug, Jordan's Ambassador to the United States; and David Hamod, NUSACC President and CEO.

for trade: 85 percent of what Jordan imports comes through Aqaba, 65 percent of what Jordan exports goes through Aqaba, and half of what passes through the port ends up in Iraq, he pointed out. "Jordan is the gateway now to the Levant," he said. "In ten minutes you will be in Iraq and Israel, in 25 minutes you are in Egypt, and in half an hour you will be in Saudi Arabia."

Privatization Spurring ASEZA

The Aqaba Special Economic Zone (ASEZA) has placed a heavy emphasis in recent years on privatization. The Aqaba Container Terminal was successfully privatized, Dr. Mahadin noted, in partnership with AP Moller – Maersk Group. As a result, he said, "a few years back we were handling 300,000 containers. Last year, we handled 800,000. This year, we're up to one million."

Dr. Mahadin described Jordan as a "sponge in the region," referring to his nation's ability to attract investment from the Arabian Gulf, Europe, Asia, and from countries in the Middle East and North Africa (MENA) that are facing political instability. \$700 million has recently been invested in Jordan's ports development, Dr. Mahadin said, and this has been a highly successful investment. The Kingdom's goal was to attract \$6 billion in investment over two decades, he suggested, but Jordan has already surpassed the \$20 billion mark in just over a dozen years.

Dr. Mahadin also highlighted Aqaba's pivotal role in the region



ASEZA is now sharpening its privatization focus on other sectors as well, notably in renewable energy. Ninety-eight percent of Jordan's energy needs are satisfied through imports, Dr. Mahadin said, and the equivalent of 13 percent of the country's Gross Domestic Product goes toward energy consumption. Oil and natural gas constitute 94 percent of the total energy mix in Jordan, he noted, so Aqaba has initiated a major push for solar and wind energy. Aqaba receives a substantial amount of yearly solar radiation per unit area, with an average annual total radiation exceeding 2500 Kwh per year per square meter.

In 2001, the Government of Jordan launched the Aqaba Special Economic Zone in order to develop and improve infrastructure, commerce, and livelihoods in the region by creating a world-class business hub. ASEZA has exceeded all expectations, in part because of the attractive incentives that it offers to traders and investors. Key among these:

- 100 percent foreign ownership of the company and land
- A "flat tax" of 5 percent on net business income (with few exceptions)
- Duty-free imports of goods into ASEZA in commercial quantities
- Full repatriation of capital

According to Dr. Mahadin, ASEZA is placing a heavy emphasis on commercial opportunities in the following sectors: energy, business parks, shopping centers, education, tourism and recreation, convention centers, heavy and light industry, and logistics / ports and airport development. (To view more details on opportunities in Aqaba, click [here](#).)



David Hamod, NUSACC President and CEO: "We are grateful to our two ambassadors, H.E. Dr. Alia Hatoug Bouran and Hon. Stuart Jones, for ensuring that business remains a very high priority in the relationship between our countries."



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غرفة التجارة الأمريكية العربية الوطنية

Jordan – U.S. Commerce Rising

Mr. David Hamod, President & CEO of the National U.S. - Arab Chamber of Commerce, was invited by the Embassy of Jordan to help welcome the Aqaba delegates to Washington, DC. In light of recent developments in the Levant region, he noted, “It is well known that Jordan lives in a tough neighborhood, and news from the neighborhood in recent weeks has certainly been unsettling. But H.M. King Abdullah II and the people of Jordan have a very different vision from some others in region, a vision that welcomes discourse and dialogue, a vision that is inclusive of all faiths and cultures.”



Dr. Mahadin, Chief Commissioner of the Aqaba Special Economic Zone Authority, was joined by government representatives and private sector leaders who are invested in Aqaba.

“The world appreciates that vision,” Hamod continued. “This helps to explain why Jordan has been so successful in attracting investment & trade. In little over a decade, through the year 2012, Foreign Direct Investment stock in Jordan has grown from \$3 billion to nearly \$25 billion. U.S. FDI stock, in the years 2009 – 2012 alone, increased some 35 percent.”

As for trade, Hamod noted, “many people know that Jordan was the first Arab country to sign a Free Trade Agreement (FTA) with the United States. But they may not be aware that in the 11 years *before* the FTA, growth in bilateral merchandise trade averaged only 6 percent, while in the 11 years *after* implementation of the FTA, the average growth soared to 17 percent.” According to NUSACC research, he said, sales of U.S. merchandise are on track to grow almost 50 percent between 2013 (\$2.09 billion) and 2016 (\$3 billion), and



NATIONAL U.S.-ARAB CHAMBER OF COMMERCE

غرفة التجارة الأمريكية العربية الوطنية

U.S. market share during this same period is expected to grow from 10 percent (2013) to 13 percent (2016). “These trends are clearly moving in the right direction,” Hamod suggested.

In addition to crediting the Jordanian and American private sectors for the strong uptick in trade and investment, Hamod expressed appreciation to the U.S. and Jordanian embassies, respectively. He noted, “We are grateful to our two ambassadors, H.E. Dr. Alia Hatoug Bouran and Hon. Stuart Jones, for ensuring that business remains a very high priority in the relationship between our countries.”

Hamod concluded, “In the same way that our Chamber has enjoyed a historic relationship with our ‘sister’ chambers – the Jordan Chamber of Commerce and the Jordan Chamber of Industry – so, too, have the Jordanian and American peoples enjoyed a special relationship over many decades based on deep trust, mutual respect, and a strong desire for peace throughout the region.”

Hamod’s observations were consistent with those offered by His Majesty King Abdullah II in May at the “Innovative Jordan” conference at the University of California at Berkeley. Jordan’s hallmarks, King Abdullah said, include “moderation and openness, respect for others, inclusiveness, and concern for the future. These values have made Jordan a partner in regional peace-making, global peacekeeping, and interfaith dialogue . . . and a voice for the entrepreneurial spirit in our region.

The National U.S.-Arab Chamber of Commerce, widely regarded as the voice of American business in the Arab world, is in touch with business communities across the United States and serves as the U.S. point of contact for the national chambers of commerce in the 22 Arab nations. On a daily basis, NUSACC works closely with leaders throughout the Arab world, as well as high-level decision makers in the U.S. business community, public policy research centers, multilateral institutions, nongovernmental organizations, media, and the U.S. Government.