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**GIZ Jordan**  
**Trade for Employment**

# Assessment of Trade-related Services Market in Jordan

## Final Report



December 2018

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## ABBREVIATIONS

<b>ACI</b>	Amman Chamber of Industry
<b>ACC</b>	Amman Chamber of Commerce
<b>B2B</b>	Business to Business
<b>BPO</b>	Business Process Outsourcing
<b>BSO</b>	Business Support Organisation
<b>CCD</b>	Company Controllers Department
<b>GDPR</b>	General Data Protection Regulation
<b>EEN</b>	Enterprise Europe Network
<b>ES</b>	European Standards
<b>EU</b>	European Union
<b>GIZ</b>	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
<b>ICT / IT</b>	Information and Communication Technology / Information Technology
<b>ILO</b>	International Labour Organisation
<b>Int@j</b>	Information and Communications Technology Association of Jordan
<b>ITES</b>	Information Technology-Enabled Services
<b>JAPM</b>	Jordanian Association of Pharmaceutical Manufacturers
<b>JCI</b>	Jordan Chamber of Industry
<b>JEA</b>	Jordan Exporters Association
<b>JEDCO</b>	Jordan Enterprise Development Corporation
<b>JIC</b>	Jordan Investment Commission
<b>MENA</b>	Middle East and North Africa
<b>MoITS</b>	Ministry of Industry, Trade and Supply
<b>MSME</b>	Micro, Small and Medium Enterprise
<b>NTP</b>	Networked Trade Platform
<b>SME</b>	Small and Medium Enterprise
<b>T4E</b>	Trade for Employment
<b>TFA</b>	Trade Facilitation Agreement
<b>TNA</b>	Training Needs Analysis
<b>ToR</b>	Terms of Reference
<b>URS</b>	User Requirement Specifications
<b>USAID</b>	United States Agency for International Development
<b>WKO</b>	Austrian Chamber of Commerce
<b>WTO</b>	World Trade Organization

## 1. SUMMARY



This study aimed to assess Jordan's existing trade-oriented services market and identify demand-driven trade-related services. This was achieved through desk research, expert interviews, and a survey carried out in the period from September to November 2018.

The study's major finding is that most companies are unaware of the range of services available for supporting trade, which suggests that the activities of Jordan's service providers should be promoted more strongly. Since no Jordanian export service providers offer a full support suite in their programme, there is no one-stop-shop where an exporter can get all the information they need. This is an important finding, as companies that are interested in exporting may lose interest if they feel that the process of obtaining support is too time-consuming. The scattered nature of the export landscape is probably one of the main reasons why Jordan's export sector is not currently reaching its full potential, and it should therefore be consolidated to provide exporters with greater access to information and support.

In the contemporary situation, support to exporters is often associated with electronic platforms such as Alibaba, Amazon, eBay, and other e-commerce solutions. However, these concepts cannot merely be copied and pasted: developing an e-commerce platform requires significant investment and, while e-commerce can be part of an export strategy, it is not the same as export promotion. It was observed in a best practice analysis that all successful export nations have highly-functional e-platforms. Singapore, for example, has invested the significant amount

of USD 108 Million in a new platform that allows all processes to be completed in paperless form, as well as providing a fully-fledged information portal. The development of an electronic portal is costly – as this study confirms – and there is no blueprint solution. However, the study concludes that the needs of Jordanian businesses for things such as information related to markets and products are not very different from those of businesses in other countries. A major finding is how much the quality of information matters, and resources to increase the quality of information should be allocated accordingly. This will be costly, but it would be more so to neglect the trend or develop platforms that are not state-of-the-art and do not serve the needs of the Jordanian economy.

There is a high demand for support services among Jordanian companies, and they are willing to pay or co-finance these services if they are of good quality. Disappointment caused by unhelpful services or irregularly updated service sites, or by unrealistic expectations about success abroad, must be addressed in the design of a new support scheme which should take a holistic approach that includes creating awareness of export opportunities, meeting the need for information, addressing the shortage of qualified staff, and managing companies' expectations by being clear that the development of export is time-consuming and cannot be done overnight. The prevailing mentality of most Jordanian businesses and their lack of long-term orientation are also impediments, and they must be helped to understand that export is a process that requires a strong system of export promotion.



## 2. INTRODUCTION



### 2.1 BACKGROUND INFORMATION

Jordan is a country of small- and medium-size enterprises (SMEs). The country has more than 100,000 SMEs, which account for around 97% of all businesses. Collectively they are the country's biggest employer and form the backbone of the economy, but the majority of these enterprises focus on the domestic market, due to their limited international competitiveness.

With support from the private sector and donor agencies, the Jordanian Government is currently undertaking the necessary steps to address the main challenges facing SMEs in export development.

Exporters all over the world are facing similar problems in different regional contexts. These include difficulties in marketing and managing the business process, and legal issues.

An additional issue that can be observed almost in every country is the psychological barrier involved in leaving the home market, which is felt most strongly by SMEs. There are different methods and stages of export. Some companies remain at a certain level, while others develop

further. It is also evident that companies at different levels of development have different needs, which must be met if their development is not to stagnate or slow down. Indirect export, which refers to goods whose final destination is outside the production country but are not exported by the producer itself, may also limit company development somewhat.

In order to develop exports systematically, it is imperative to segment companies according to their specific support needs:

- Potential exporters
- Companies that have tried but failed
- Repeat exporters
- Professional exporters.

As a general rule, the more experience an exporter has acquired, the more individual the service has to be.

There is an urgent need for market information (quantitative data such as trade volume and qualitative information such as contacts), finance, risk management tools, quality management standards and information on how to meet them, productivity improvement, and metrology.



### Potential exporters

Potential exporters have a product suitable for export but have not yet considered exporting as an option to expand their business activities. The main tasks here are to interest this group in developing a regular export business, and to provide the necessary support services.

The main reasons for companies not to consider export are:

- Cultural barriers
- Lack of information about procedures
- Lack of information about markets (e.g. price points/distribution chains)
- Lack of knowledge concerning settlement of payments.

### Companies that have tried but failed, or have lost their markets

Some companies have already tried unsuccessfully to export their goods or services. This failure is often the result of an ad hoc rather than a systematic and planned approach, while other common reasons include working with unsuitable partners, technical problems connected to packaging or labelling, or problems related to financial settlement. Jordan has also lost markets due to political problems in neighbouring countries.

### Repeat exporters

Repeat exporters have already gained experience in basic export operations. Their problems are

more related to finding contacts/information about potential new markets. They export mainly to neighbouring countries and have a limited regional focus. Their weaknesses are usually in branding and marketing. They also have no subsidies and organise their business mainly from their home base, which results in a lack of market knowledge.

### Professional exporters

Professional exporters have already overcome the main problems related to exporting and have secured subsidies in their target countries to guarantee a smooth flow of goods. They usually have a brand and use brand strategies. These companies need support in finding new customers and timely and precise information about target and potential markets. They also need financial instruments to finance their exports and hedge the various risks related to export operation.

Supporting SMEs in overcoming these barriers and providing them with appropriate market knowledge will require tremendous effort. Some companies also need to build up their capacity to fulfil demand and to be competitive. Some also require support to participate in various cross-border promotional activities. In short, support is needed for almost all internal and external processes.



## 2.2 SCOPE OF THE STUDY

A survey was conducted to understand the current situation of Jordan's trade-related services market and the mechanisms by which services are delivered to trade-oriented companies, and to analyse the options available for platforms providing trade-related services. The survey aimed to provide project staff with information on existing trade-related services and service providers to measure changes and achievements against the project's result indicators, and to help the project to identify demand-driven trade-related services and design an intervention scheme for improving the quality and availability of trade-related services in Jordan.

### The survey assessed:

- The provision of services by the main public (e.g. JEDCO, JIC) and private (e.g. JCI, business support organisations [BSOs]) trade-related service providers
- Trade-related services demanded by traders and the most promising priority services for increasing competitiveness
- Baseline data on the existing, in-demand, trade-related services provided by private and state service providers
- Potential recommendations for project interventions to improve existing services and/or develop new ones to ensure and promote the export of selected products to priority markets
- Best practices on electronic platforms providing information on trade-related services, highlighting their structures, business models, content, estimated costs for establishment and maintenance, hosts, and ownership
- Potential recommendations for an intervention scheme for the development/consolidation of a trade-related services e-platform in Jordan, within the framework of the T4E project.



### 3. METHODOLOGY



The project team used a wide variety of desk and field sources to ensure that the questions asked during the survey would lead to solid results. These included:

- a. Reports produced by projects and authorities
- b. Experience of experts working in the field
- c. Interviews with Jordanian organisations, including both private and public bodies.

The survey method took into account the limitations imposed by the nature of the Jordanian business landscape, which is dominated by SMEs. Such limitations include the low participation rate of SMEs and the limited time and availability of managers and staff. Furthermore, since SMEs, and especially micro enterprises, are not always fully aware of the terminology used in international business, the questions had to be translated into comprehensible terms.

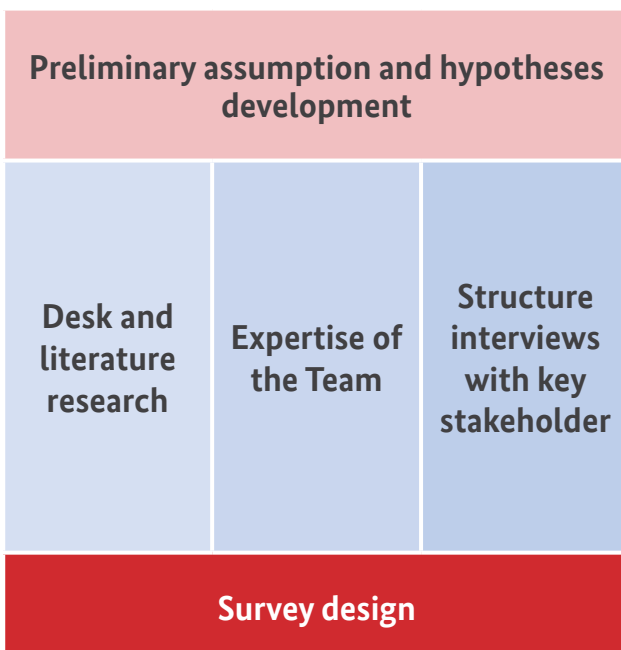


Figure 1: Preliminary assumption and hypotheses development

The information gathered at this stage was not intended to answer questions or provide solutions, but to prepare the ground for the research in such a way that the main question – What services must be provided? – can be based on robust quantitative database.

#### 3.1 HYPOTHESES AFTER DESK RESEARCH AND FIRST MISSION TO THE FIELD

The following figure outlines the hypotheses that were developed after the desk research and first mission to the field.

<p><b>If companies do not know service providers for different service levels, is there a demand?</b> We do not expect great demand among non-exporters – this will indicate that awareness-raising is needed.</p>
<p><b>If the service level of current providers is not satisfactory then is there an overall demand?</b> We expect a low satisfaction level – this will indicate there is room for new services.</p>
<p><b>If not all services are considered as useful, then GIZ has to decide which services have to be developed further.</b> We expect that for some services GIZ will have to team up with existing providers, while some will need to be developed from scratch.</p>
<p><b>If it turns out that there is only a demand for services among already-exporting companies, then what can be done to interest non-exporters (not covered by the Terms of Reference)?</b> We expect that a majority of interested companies will be from the segment of regular/occasional exporters.</p>
<p><b>If the survey finds that only a minority of companies are willing to pay, then what kind of business model can guarantee sustainability (not covered by the Terms of Reference)?</b> We expect low acceptance of paid services.</p>

Figure 2: Hypotheses

### 3.2 OVERVIEW OF JORDAN'S EXPORT INDUSTRY

The Jordanian Government is currently undertaking the necessary steps with the support of the private sector and donor agencies to address the main challenges facing SMEs in export development, which are seen as obstacles to export growth. The following figure lists the main challenges for SMEs in Jordan in terms of export development:

1	The challenge to create a focused, sustainable programme
2	Lack of availability of proper export promotion set-up
3	Lack of skills in export techniques among SMEs' management teams
4	Limited availability of competent export marketing consultants
5	Limited access to finance to support sustainable exports
6	Lack of awareness amongst SMEs of the export support services available in Jordan, and a lack of concentration of these services which makes it difficult for SMEs to obtain the required information

*Figure 3: Main challenges for SMEs in export development*

This preliminary analysis mainly focuses on the last point (No. 6), identifying the services provided and assessing whether they are necessary.

Figure 4 below shows different approaches to, and stages in, in the export business. Some companies remain at a certain level, while others develop further. It is also evident that companies at different levels of development have different needs. Unless these needs are addressed, development can slow down and stagnate. Indirect exports, which refers to goods whose final destination differs from the production country, but which are not exported by the producer itself, may even hinder company development.



In order to develop exports systematically, it is imperative to segment companies according to their specific support needs. This figure shows different possibilities of entering markets by trade:

### Possibilities of entering markets by trade

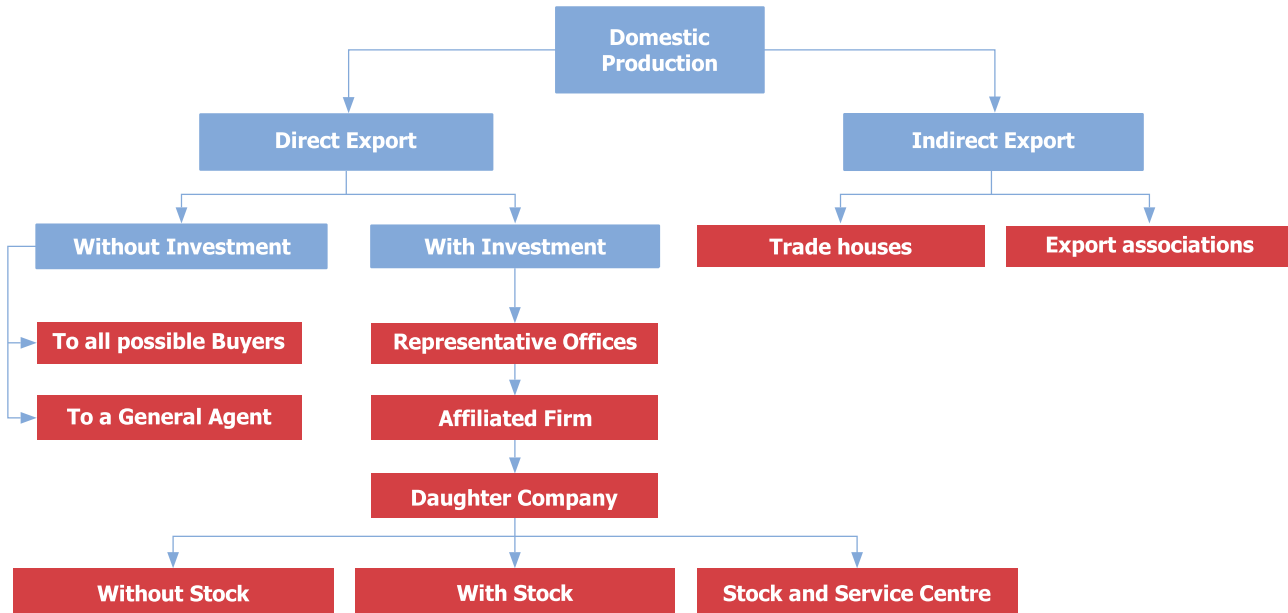


Figure 4: Possibilities of entering markets by trade  
Source: Foedinger 2003

#### 3.2.1 Development Stages of Exporting Companies

As a general rule, the more experience an exporter has acquired, the more tailored the service has to be. Therefore, the recommended products and services will need to be adjusted to the individual exporter, which in turn will allow them to become more experienced exporters.

The experts consulted on developing Jordan's export industry felt that there was an urgent need for business support institutions and export promotion bodies to provide the following:

- Market information (quantitative data such as trade volume and qualitative information such as contacts)
- Availability of finance
- Tools for risk management
- Quality management standards and the means to meet them
- Productivity improvement and metrology.

#### 3.2.2 Types of Exporters

In general, companies can be divided into four types of exporters:

- Potential exporters
- Companies that have tried exporting but failed
- Repeat exporters
- Professional exporters.

##### Potential exporters

Potential exporters have a product suitable for export, but have not yet considered exporting as an option to expand their business activities. The main tasks here are to interest this group in developing an export business and providing them with services to help them conduct the business regularly.

The main reasons for not considering export include:

- Cultural barriers
- Lack of information about procedures
- Lack of information about markets, such as price points/distribution chains, etc.
- Lack of knowledge concerning settlement of payments.

### Companies that have tried exporting but failed, or have lost their markets

This group has already tried unsuccessfully to export their goods or services. This failure is often the result of using an ad hoc rather than a systematic and planned approach. Other reasons include selecting unsuitable partners, technical problems in areas such as packaging and labelling, and problems related to financial settlements. Jordan has also lost markets due to political problems in neighbouring countries.

### Repeat exporters

Repeat exporters have already gained experience in basic export operations. Their problems are more related to finding contacts/information about new potential markets. They are mainly exporting to neighbouring countries and have a limited regional focus. Their weaknesses are usually in branding and marketing. They also have no subsidies and mostly organize their businesses from their home-base, and so miss out on market knowledge.

### Professional exporters

Professional exporters have already overcome the main problems related to exporting, and have usually already established subsidies in their target countries to guarantee a smooth flow of goods. They mainly have a brand, and use brand strategies. These companies need support in finding new customers as well as timely and precise information about target and potential markets. Besides advanced market intelligence, these companies are also looking for financial instruments to finance their exports and hedge the various risks related to export operations.

It will require tremendous effort to provide SMEs with market knowledge about entry barriers, and support in overcoming them. Some SMEs also need help to build their capacity to fulfil demand and make their offers competitive. Some will also require support to participate in various cross-

border promotional activities. In short, support is needed in almost all internal and external processes.

## 3.3 SERVICES

Not all support measures are suitable to be provided online, particularly company-tailored measures. The initial meeting explored the suitability of the following areas:

- Export financing
- Matchmaking
- Certification
- Market research
- Networks
- Trade-fair participation support
- Export audit.

### 3.3.1 Export Financing

It is obvious that financial products for export operations (letters of credit, guarantees, etc.) cannot be provided online. These products are too complex and need to be personalised, which requires individual consultation. Nevertheless, online services can provide information (price, conditions, etc.) about the different products provided by financial institutions.

### 3.3.2 Matchmaking

Matchmaking is possible as an online service. It could be as simple as a directory of suppliers for certain goods, or developed into an online marketplace, with a wide range of feasible possibilities in between.

As a starting point, a directory of companies and their products can be envisaged. It is imperative that such a service be advertised and interlinked with other trade sites.

### 3.3.3 Certification

Information on product certificates and standards is one of the most common export-related requests. Services may range from basic information on required standards, up to a fully-fledged service with online testing on standard



compliance, lists of accredited certification bodies, cost, validity, etc. Here, the main constraint is not the technical complexity of such a service, but the availability of data. The European Union (EU) and World Trade Organization (WTO) have some databases available.

### 3.3.4 Market Research

Market research assistance can be provided in several ways. For companies that already know their specific information needs, it may comprise the provision of data material via easy-to-use interfaces such as Trademap<sup>1</sup> or World Bank data. Other sites, such as that of the Austrian Chamber of Commerce (WKO), provide full reports on countries and product sectors. The more specific the information needed, the less likely it is to be available for free. At the level of company data and contacts, such services are usually not free of charge. Nonetheless, market research is ideally suited to be provided online.

### 3.3.5 Networks

Networking is a predecessor of matchmaking, and is highly suitable as an online product. The appropriate depth of networking tools still has to be decided: such tools may parallel LinkedIn, for example, or merely provide links to such networks.

### 3.3.6 Trade-fair Participation

Trade fairs are to some extent suitable for promotion online. Trade-fair calendars could be provided, along with information on costs and deadlines related to participation. An inventory that provides a checklist for participating, preparing, and following-up could also be provided. More individualised services are better delivered through classic consultancy interventions (advisory/coaching).

### 3.3.7 Export Audit

A web-based platform is ideal for a basic export audit. However, there are limitations, such as limited capacities to process complex text answers. Web-based export audits may be an excellent entry point for potential exporters interested in trade.

### 3.3.8 E-Learning Platform

The project team also wish to mention the possibility of integrating an e-learning platform to build up a base of trained export specialists. Several of the aforementioned services require specific knowledge, and an export academy that provides courses online would be instrumental in increasing such knowledge in the exporter community. Further research is necessary to examine the potential of this idea.

The envisaged platform may provide its own solutions, work as a hub, or work with its own interface but using third-party data material. The best mix cannot be determined yet.



1 <https://www.trademap.org/Index.aspx>



### 3.3.9 Assessment of Services

The table below provides an assessment of services in relation to suitability, technical complexity and effort, as well as assumptions made in relation to each service.

	Suitability	Technical complexity	Development effort	Assumptions
<b>Export financing</b>	Good	Medium	Medium	When platform service provides information and sources
<b>Matchmaking</b>	Excellent	High	High	When a generic solution is developed
<b>Certification</b>	Good	Low	Medium	Where used as a hub service
<b>Market research</b>	Excellent	Low/Medium	Low	Where used as a hub service
<b>Networks</b>	Excellent	High	High	When a generic solution is developed
<b>Trade-fair participation</b>	Good	Medium	Low	When service provides information and sources
<b>Export audit</b>	Good	Medium	Medium	Where tailor-made solution is developed

*Table 1: Assessment of services*

The survey will examine the demand for services with these basic features.



## 4. SURVEY DESIGN AND SAMPLE COMPOSITION



### 4.1 SURVEY DESIGN

The survey design researched the demand for services in the defined target group. The following questions were asked for each service:

#### 8. Do you know if such a service is provided? If your answer is no, please go to Question 8b.

- Yes (Please write the name of the provider if known.) \_\_\_\_\_
- No

Here, we checked whether the mapping of services up to the present had been comprehensive and sought to identify **Trade-related services available in Jordan**, as specified in the ToR. The question tested whether the respondent was aware of the existence of such services and the bodies that provide them.

#### 8a) How satisfied are you with the availability or accessibility of this service?

Even where only rudimentary services are provided, a high satisfaction level could still be achieved. This question aimed to reveal **Trade-related services demanded, but not available in the Jordanian market**. In combination with other responses, this serves as an indicator of demand. Respondents were asked to answer on a scale from 1 to 5, where 1 indicates the lowest and 5 the highest level of satisfaction.

#### 8b) Do you consider such a service specifically designed for Jordanian businesses as useful?

This question determined the need for the service. This is not yet an indication of demand; rather, the question aimed to reveal **Potential for these services in Jordan**. In combination with Question 8a, it allows a matrix to be developed to estimate the potential. The matrix is based on a modified Kano<sup>2</sup> approach.

#### 8c) Would you use such a service?

This question tested the **Demand for selected products provided by state and private service providers**, aiming to ascertain the actual demand for a service. If the gap between potential and actual demand is high, the problem is very likely a lack of awareness. Combining these results with the satisfaction level, the project team were able to develop a precise picture of demand that also gave an indication of which business model should be chosen.

#### 8d) Would you pay for such a service if it provided you with the information/support you need?

Here, the intention was to ascertain whether it would be possible to introduce the service on a fee-paying basis. Respondents were asked to answer “Yes” or “No”. While not specified in the ToR, answers potentially provided further indications regarding a business model.

2 Kano’s house of quality is an approach mainly used in Quality management to manage customer expectations – in a nutshell the approach distinguish into three features: Base (if not fulfilled - customer is unhappy), performance attribute (the more it is fulfilled the more satisfaction) and excitement attributes (customer gets more than expected). The project translated this concept into three dimensions – knowing / usefulness / readiness to use.

## 4.2 STRUCTURE OF PARTICIPATING COMPANIES

The survey asked six profile questions. Five related to structural categorisation, and one added qualitative information to the profile. The structure of the questions allowed the project team to research structural profiles – e.g. companies with 5 to 20 employees that occasionally export to the Middle East and North Africa (MENA) region.

Data were requested as follows:

Sector  
Size  
How often do you export?  
If you are not exporting, would you like to?  
If you have already exported, in which region?

In addition to the structural data, the project team sought to identify companies' problem areas. Respondents could choose up to three predefined statements. Together with the structural data, the answers made it possible to add qualitative data to the structural profile, e.g. companies with 5 to 20 employees undertaking occasional export to the MENA region and having problems with certification.

We have no experience in exporting  
We lack information about the market situation. For example: Who are our competitors? What is there demand for? What are the price points? What are the product requirements?  
We have problems preparing export documentation for Jordanian authorities  
We have problems financing export  
We do not have enough experienced staff  
It is difficult for us when languages other than Arabic are spoken  
We lack certification for export  
Our quality differs from that demanded for export

## 4.3 SAMPLE COMPOSITION

There are 194,560 companies registered with the Company Controllers Department (CCD) at the Ministry of Industry and Trade and Supply (MoITS) in Jordan. Of these, 136,495 are proprietorships and simple partnerships (unlimited liability). As such, 70.16% of registered companies have low general

capitalisation. Limited liability companies constitute 25.09% of registered companies; the remaining are public shareholding companies [0.24%], 1,021 not-for-profit companies [0.52%], 1,014 operational foreign-registered companies [0.52%], 2,859 non-operational foreign-registered companies [1.47%], and private shareholding companies [0.62%].

According to the CCD's records, only 79 companies were registered with export (rather than import/export) as a declared objective in their articles of association from the period 1 January 1960 until 25 September 2018. This indicates a very low level of export interest among Jordanian companies. Since Jordan acceded to the WTO on 11 April 2000, only 56 companies have been established with export as one of their objectives.

Of the 194,560 registered companies, 83,629 (42.98%) are trading companies (mostly import); 61,843 (31.79%) are service companies; 34,886 (17.93%) are industrial companies, including handicraft and artisan businesses; 8,205 (4.22%) are agricultural companies; and 5,997 (3.08%) contracting and construction companies.

532 companies were surveyed online with phone support.  
50 were interviewed face-to-face and acted as a control group to add quantitative information and verify the conclusions

### Survey tool

Phone calls were used to introduce the online survey to each of the respondents and to provide an overview of the study. The link to the survey was then sent via either WhatsApp or email.

### Quantitative data

The survey was designed to be biased towards GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) priority sectors. These include the industrial (chemicals, pharmaceuticals, garments, and processed food) and service sectors (information and communication technology [ICT], architectural, engineering, and professional services).

## 5. OVERVIEW OF JORDAN'S TRADE-RELATED SERVICES MARKET



### 5.1 MAPPING OF EXPORT SUPPORT IN JORDAN

The trade-related service market was mapped via desk research, followed by face-to-face meetings with the institutions/service providers listed in 5.2 below. Only a few of the service providers approached were unavailable during the timeframe, or declined the invitation. Companies' trade- and export-related services were reviewed on two different levels:

- First level: e-platform (digital platform) services
- Second level: non-e or non-digital services.

In the following, the focus will be placed first on **non-digital services**, as few respondents offered e-services. An overview of the digital services offered is given in 5.3.

### 5.2 NON-DIGITAL TRADE-RELATED SERVICES AVAILABLE IN JORDAN

This section presents the service providers offering trade-related services.

#### **Ministry of Industry, Trade and Supply (MoITS):**

MoITS is responsible for regulating the industry by type, classifying and registering companies according to internal regulations, and preparing programmes and studies to develop industry and increase its competitiveness.

The Ministry also regulates and monitors Jordan's internal and external trade, prepares studies and agreements that protect the interests of the country and its citizens, and promotes trade services by making signed trade agreements available to companies and the public.

Finally, MoITS examines trade and industrial blocs and authorities, both Arab and international, and advises the Council of Ministers on ways to deal with such bodies, the feasibility of joining them, and their effect on the national economy.

While the Ministry has a major role in trade development through policy making, it is not an implementation body.

#### **Amman Chamber of Industry (ACI):**

ACI has been taking care of the interests of Jordanian industry since 1962, working to provide services and programmes to increase the competitiveness of Jordanian products both locally and internationally. It supports policies and seeks to enhance confidence in Jordanian products, develop technical, technological, administrative, and marketing capabilities, link business institutions and expand opportunities for members, and promotes sustainable economic development.

ACI provides several services to promote trade. These include the provision or facilitation of: B2B meetings/matchmaking services, certificates & standards, trade agreements, market research and studies (often made freely accessible on third-party sites), trade fairs and exhibitions, export audits, access to finance, training, and technical assistance.

#### **Jordan Chamber of Industry (JCI):**

JCI contributes to the development of the national industrial process through participating in the formulation of the industry's public policy and protecting the interests of industrial and craft enterprises. It promotes cooperation between Jordan's industrial Chambers and unions, and with Chambers in Arab and other foreign countries. It further focuses on the technological component of industry as a means of improving comparative and competitive advantages to increase the added-value of Jordanian industrial products. JCI also focuses on the development of product designs and the capabilities of Jordanian producers.

JCI is currently providing several services to endorse trade and export. These include the provision or facilitation of: B2B meetings/matchmaking services, procedures for exporting, trade agreements, packaging and labelling requirements, market research and studies, participation in trade fairs and exhibitions, access to finance, training, and coaching. JCI plans to introduce export audit assessments in the near future.

#### ***Jordan Enterprise Development Corporation (JEDCO):***

The Jordan Enterprise Development Corporation (JEDCO) is a governmental organisation dedicated to supporting the development of emerging businesses and small and medium-sized enterprises in Jordan. The Corporation is financially and administratively autonomous, with a board of directors that is chaired by the Minister of Industry and Trade and whose members represent an equal number of private- and public-sector stakeholders.

JEDCO's mission is to develop productive enterprises with a focus on Jordan's industrial, service, and agribusiness sectors. The Corporation offers tailored technical and financial support to selected projects, aiming to improve their competitiveness and foster their growth both locally and internationally.

JEDCO currently offers the following trading endorsement services: B2B meetings/matchmaking, export audit assessment, access to finance, training, and coaching.

#### ***Jordan Investment Commission (JIC):***

The Jordan Investment Commission (JIC) constitutes an embodiment of His Majesty King Abdullah II's vision for economic progress as a top national priority. His Majesty the King's directives have stressed the need to continue economic restructuring and modernisation programmes. They also emphasise the need to develop effective legislation, policies, and procedures to enhance the competitiveness of the national

economy, attract investments and facilitate their success, and eliminate bureaucratic constraints in order to create employment opportunities, raise growth rates, and achieve sustainable development. JIC's priorities are to lead and stimulate investment, ensure its sustainability, and help to realise its desired impact of driving economic growth and job creation. Fulfilling this function requires the Commission to develop the country's investment infrastructure and increase its readiness through regulatory legislation, and then to pursue well-studied steps to promote investment and exports, build local and international partnerships, and increase the effectiveness of the investment window.

JIC is currently endorsing trade through providing or supporting: B2B meetings/matchmaking services, market research and studies, and participation in trade fairs and exhibitions.

#### ***The Jordanian Association of Pharmaceutical Manufacturers (JAPM):***

JAPM was established in 1996 as a dedicated sector-specific association and is the representative body of manufacturers of pharmaceuticals and medical appliances, one of the key sectors of the Jordanian economy.

JAPM is a voluntary non-profit association which has a member base comprising almost all pharmaceutical companies in Jordan. The Jordanian pharmaceutical industry, which is primarily export-driven, provides high-quality, safe, and effective pharmaceuticals at affordable prices for millions of people worldwide.

JAPM is currently endorsing trade through providing or supporting: participation in trade fairs and exhibitions, developing and influencing policy, training, coaching, technical assistance, and other sector-specific services.

#### ***A/E Business Council:***

The A/E Business Council is a membership and representational association offering professional

services to architectural and engineering consulting companies based in Jordan. Its principal objectives are to promote standards for quality, excellence, and competitiveness in the sector and to facilitate trade through best practices both in Jordan and in overseas export markets.

The A/E Business Council is a not-for-profit association that supports its members through the facilitation of networking, consultation with government agencies concerning professional and regulatory issues, information sourcing, business training and education, and the promotion of international trading links.

The A/E Business Council encourages trade by providing the following services to its members: trade agreements, market research and studies, training, and coaching.

**Int@j (Information and Communications Technology Association of Jordan):**

Founded in 2000, Int@j is a membership-based advocacy, support, and networking association for the ICT and IT Enabled Services (ITES) industry.

Int@j serves as the collective voice of the industry, advocating on behalf of stakeholders and seeking to maximise the ICT sector's contribution towards the national economy.

Int@j helps boost ICT trade by providing or facilitating: certificates/standards, trade-fair and exhibition participation, access to finance, training, and coaching. It also provides other ICT sector-specific services.

**Jordan SMEs:**

Jordan SMEs helps its members, the industrial business community in Jordan, to develop appropriate methodologies to provide solutions to the challenges which the sector faces.

Jordan SMEs provides the following services to its members: B2B meetings and matchmaking, and participation in exhibitions and trade fairs.

**Jordan Exporters Association (JEA):**

JEA is a private, voluntary, non-profit organisation. It was established in 1989 to assist Jordanian businesses in their quest to develop international trade, especially in the promotion of Jordanian exports. JEA represents leading manufacturing and service concerns from various sectors of the Jordanian economy.

JEA provides the following services to its members: B2B meetings and matchmaking, market research studies, and participation in exhibitions and trade fairs.





The following table offers a concise visual representation of the current *non-digital trade-related services* in Jordan:

	MIT	ACI	JCI	JECO	JIC	JAPM	A/E Business	INT@J	Jordan SMEs	JEA
non-digital services										
Directory										
B2B meetings/ matchmaking										
Certificates/ standards										
Administrative procedures for exporting										
Trade agreements										
Labeling requirements										
Packaging requirements										
Market research and studies/ Market intelligence										
Trade fairs and exhibitions										
Export audit										
Access to finance										
Policies development/ influencing										
Training and coaching										
Technical assistance										
Other ...										

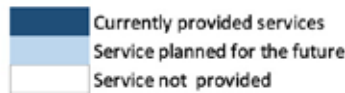


Table 2: Non-digital trade-related services

### 5.3 OVERVIEW OF TRADE-RELATED ELECTRONIC INFORMATION PLATFORMS IN JORDAN

As mentioned above, our mapping exercise included Jordanian service providers’ digital and non-digital trade-related services. This section describes the existing e-services. These are as follows:

- Jordan Chamber of Industry (JCI): JCI currently offers directory e-services, and is planning to offer export audit services in the near future.
- Jordan Enterprise Development Corporation (JEDCO): JEDCO is planning to be able to provide access-to-finance services in the near future.
- Jordan Investment Commission (JIC): JIC currently offers directory e-services and trade agreements.
- A/E Business Council: The A/E Business Council provides directory e-services and some other subscription-based services.
- Int@j: Int@j offers directory e-services and some other subscription-based services.

The table below summarises the current situation of the *available e-services*:

	MIT	ACI	JCI	JECO	JIC	JAPM	A/E Business Council	INT@J	Jordan SMEs	JEA
	e-platform									
Directory										
B2B meetings/ matchmaking										
Certificates/ standards										
Administrative procedures for exporting										
Trade agreements										
Labeling requirements										
Packaging requirements										
Market research and studies/ Market intelligence										
Trade fairs and Exhibitions										
Export Audit										
Access to Finance										
Policies development/ influencing										
Training and coaching										
Technical assistance										
Other ...										

Currently provided services  
 Service planned for the future  
 Service not provided

Table 3: Currently provided e-services

## 5.4 INFORMATION SERVICES IN LINE WITH THE TFA

The WTO Trade Facilitation Agreement (TFA) requires that each member shall make available, and update to the extent possible and as appropriate, the following through the Internet:

- 2.1(a) a description of its procedures for importation, exportation, and transit, including procedures for appeal or review, that informs governments, traders, and other interested parties of the practical steps needed for importation, exportation, and transit;
- (b) the forms and documents required for importation into, exportation from, or transit through the territory of that Member;
- (c) contact information on its enquiry point(s).

2.2 Whenever practicable, the description referred to in subparagraph 2.1(a) shall also be made available in one of the official languages of the WTO.

2.3 Members are encouraged to make further trade-related information available through the internet, including relevant trade-related legislation

The relevant Jordanian authorities have signed this agreement and should therefore abide by its terms; however, as seen in the previous section, even if all their e-services are combined, they do not manage to do so.



## 6. SURVEY OUTCOME



Chapter 5 has shown that several institutions provide trade-related services in a non-digital form in Jordan, though some are at an early stage. To connect supply with demand, a survey was conducted *to determine the demand for these services among companies* and identify which three are most commonly requested.

Industrial sector: Responses came from the garments (34%), processed food (30%), chemicals (29%), and pharmaceuticals (8%) sub-sectors.

Services sector: Responses were generated from the ICT (55%), architectural and engineering (23%), and professional services (22%) sub-sectors.

### 6.1 STRUCTURE OF RESPONDENTS

#### 6.1.1 Sector

A random selection of companies were invited to take part in the survey, and of those that replied 74% were from the industrial sector and 26% from the services sector.

#### 6.1.2 Size

Most companies in the sample (41%) have between 5–20 employees, while 35% are micro-enterprises (1–4 employees). MSMEs therefore represent more than 75% of total responses. The figure below provides more detail.



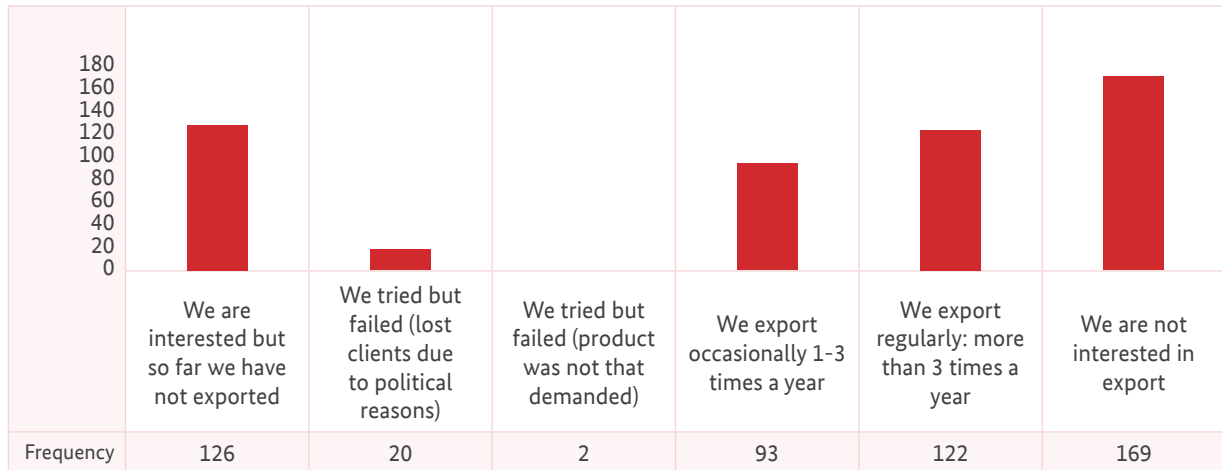
Figure 5: Size of companies

#### 6.1.3 Export Frequency

Nearly 32% of companies who responded are interested in export but have not yet exported, while 24% state that they are not interested in export. Therefore, there is an opportunity

to convert 56% of the surveyed sample to exporters by providing a better understanding of the challenges they face in exporting. See figure below:

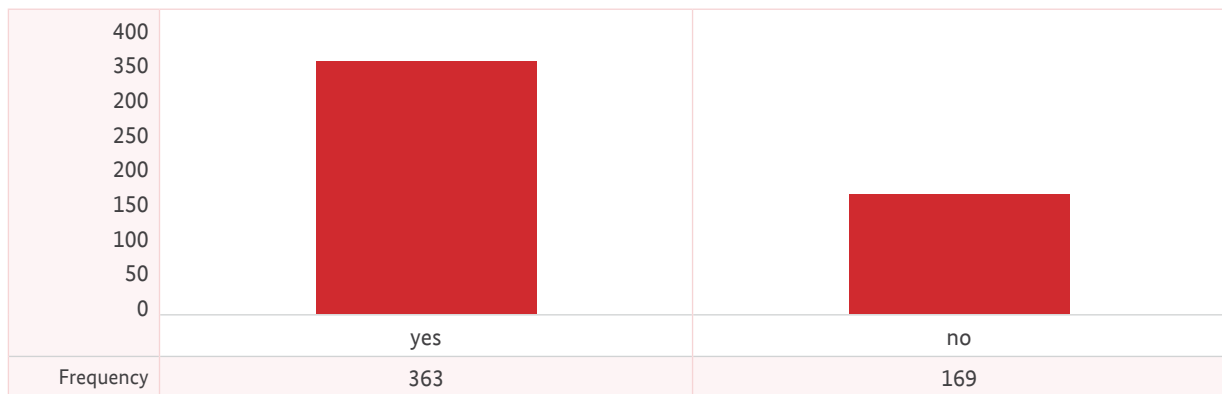
**Export Frequency**



*Figure 6: Export frequency*

This percentage increases to 68% when companies which do not export are specifically asked whether they would like to start:

**If you are not exporting, would you like to export?**



*Figure 7: Do you wish to export?*

### 6.1.4 Export Countries

The primary export markets are in neighbouring countries (50%), MENA (24%), Europe (9%), other (8%), North America (6%), and Africa (3%).

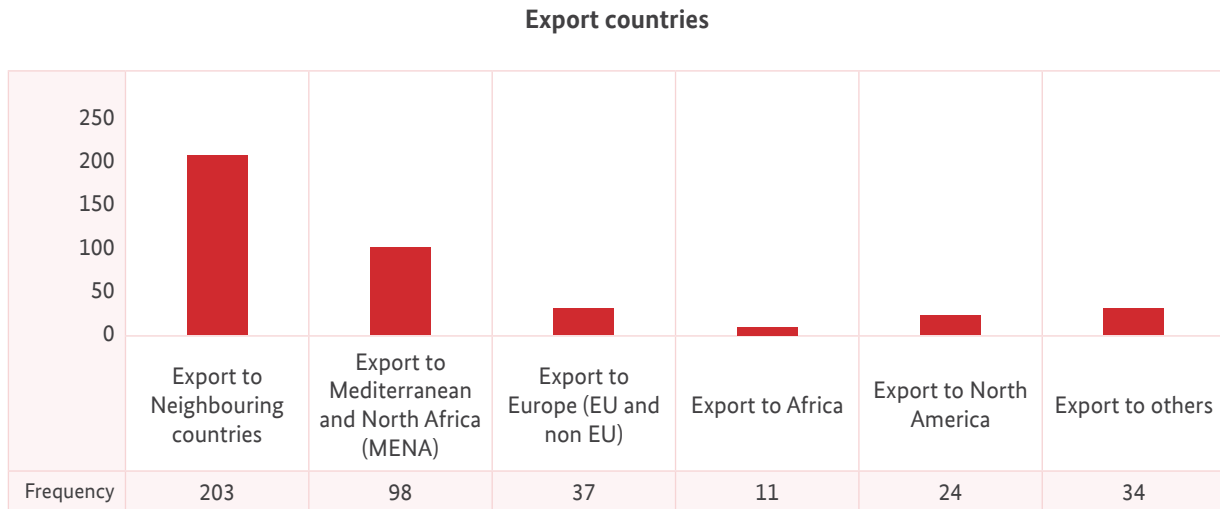


Figure 8: Export countries

### 6.1.5 Challenges

To match the services demanded with the most pressing concerns for Jordanian export businesses, we asked respondents about the most crucial challenges that their company faced. The questions were linked to the services described later in this report, and aimed to provide a snapshot of problems that cannot be addressed by an e-platform (such as language and HR).

Participants could choose up to three answers from a given set. The total number of answers given was 537. The answers did not reveal any surprises: the problem areas revealed are very similar to those mentioned by counterparts in other countries. Percentages cited below include interpolated missing answers.

Some 51.8% of responses mentioned a lack of information on the market situation, for example relating to demand, price points, and product requirements. This challenge should be addressed quickly, as it emerged as clearly the most

prominent issue. The second-most-prominent problem is the availability of experienced staff. This shows that the education system (whether formal or informal) is not responding well to the needs of the economy. Some 15.1% of respondents saw this as a challenge. Bureaucracy was seen as a difficulty by 10.1% of respondents. Problems in preparing export documentation are mostly twofold: on the one hand, companies must go through complex and opaque procedures that are hard to understand; on the other, there is a lack of knowledge and experience in the area. The latter problem may be connected to the lack of competent staff. Problems in financing export were indicated by 8.4% of respondents. This may be linked to either the limited availability of financial instruments or to the limited knowledge of the instruments that are available in the market.

Language problems were seen as crucial by 6.7% of the respondents, and problems with certificates by 5.6%. These relatively low percentages can be explained by exporting companies having

already accumulated knowledge in these areas, and therefore not seeing them as main issues.

Furthermore (linked to the need for information), other companies may not yet know what kinds of

certificates are needed. Only 2.2% of respondents saw quality as a challenge. These results seem to provide a good foundation to estimate export potential, but should be examined in greater detail in future research.

		Answers		Percent of cases
		N	Percent	
What are the main challenges?	We are lacking information about the market situation: Who are our competitors? What is there demand for? What are the price points? What are the product requirements?	278	51.8%	76.6%
	We have problems preparing export documentation for Jordanian authorities	54	10.1%	14.9%
	We have problems financing exports	46	8.6%	12.7%
	We do not have enough experienced staff	81	15.1%	22.3%
	It is difficult for us when languages other than Arabic are spoken	36	6.7%	9.9%
	We are lacking certificates that are needed for export (ISO, GAP, etc.)	30	5.6%	8.3%
	Our quality differs from the quality demanded for export	12	2.2%	3.3%
Total		537	100.0%	147.9%

*Table 4: Main challenges, frequencies*

## 6.2 RESULTS FOR SERVICES

### 6.2.1 Technical Remarks

For some questions the number of answers was too low (as seen in the corresponding tables). The following transformation was therefore applied to make the results more robust by considering the number of answers and the mean. As shown below, the indicator consists of the number of respondents and arithmetic mean, as well as a projection variable on a 0–5 scale. Other transformation attempts based on lg10, lge and ex did not yield a result that can be comprehensible to a lay reader. The approach used ensured a good presentation of the results.

The transformation formula was as follows:

$$I = \frac{M * Na1}{Nmax}$$

Where  $I$  = indicator

$M$  = arithmetic mean of answer

$Na1$  = number of answers

$Nmax$  = highest number of answers received for the question across different services.

To visualise the market for services, a graph was constructed using the indicators for availability and demand. The higher the indicator value, the more satisfied the respondents were with the accessibility/availability of (ordinate) or demand for (abscissa) the service. The number in the circle shows respondents' willingness to pay for services. Services in the lower-right corner of the square should be considered for development.

Value/verbal expression	Availability	Usefulness (needs)	Use (demand)
0–0.99	Very low	Useless	None
1.00–1.99	Low	Not very useful	Unlikely
2.00–2.99	Medium	Useful	Probable
3.00–3.99	High	Very useful	Very likely
4.00–5.00	Very high	Highly useful	Certain

Table 5: Number range and verbal expression

The figure below explains how to read the following graphs:

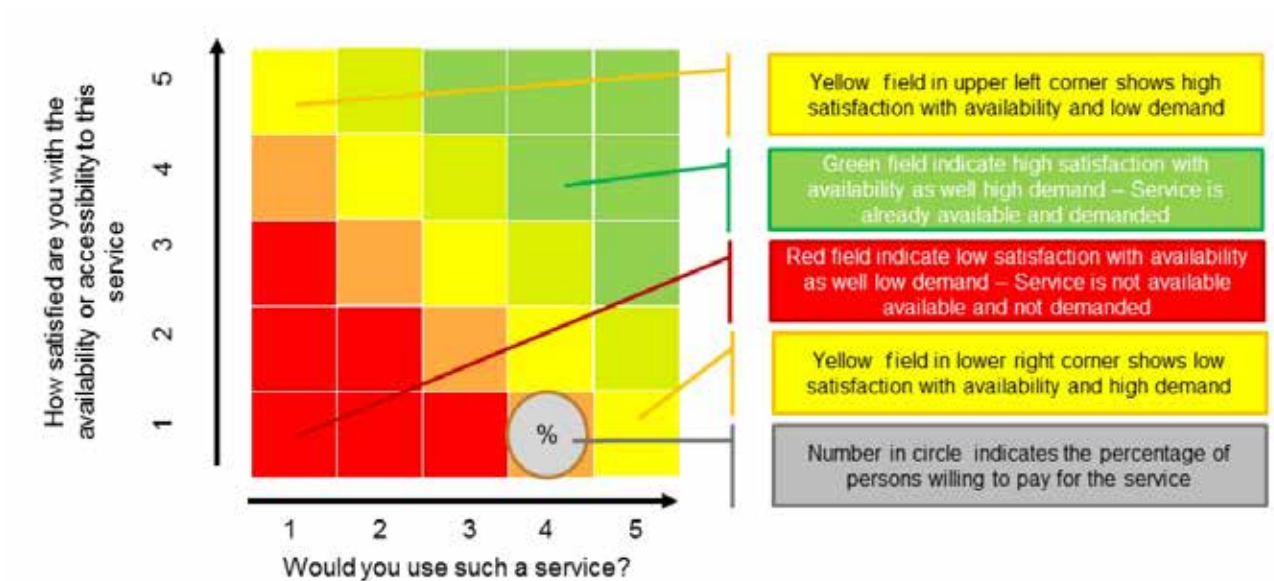


Figure 9: Key to reading graphs of results

### 6.3 INTERNATIONAL MARKET RESEARCH

#### 6.3.1 Description of Services

**International market research**

*Information/data and studies on which markets to enter, price points, procedures, and country specifics, helping you to decide if a market is of interest*

Awareness of “International market research” services is rather low. Only 11 out of 532 respondents answered that they are aware of such a service. Considering that they are in fact provided

by quite a large number of institutions,<sup>3</sup> there is certainly a potential to improve communication. No specific service providers were identified in responses to the final, qualitative question.

3 See chapter 5: trade-related services available in Jordan.

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	11	2.1	3.0	3,0
	No	352	66.2	97.0	100,0
	Total	363	68.2	100.0	
Missing		169	31.8		
Total		532	100.0		

Table 6: International market research – Are you aware of such a service being provided?

The question “How satisfied are you with the availability or accessibility of this service?” scored 0.2, showing an extremely low satisfaction rate. This should be seen in connection with the corresponding section “Challenges”, where 51.8% of respondents saw availability/accessibility of market research as a problem. Furthermore, the

indicator for usefulness (indicating the potential) is very high (4.3), as is the indicator for demand (4.0). The positive gap between these two values (0.3) indicates that awareness could be increased. The potential to monetise the service is very promising, as 58.2% of respondents would be willing to pay if the service was of high quality.

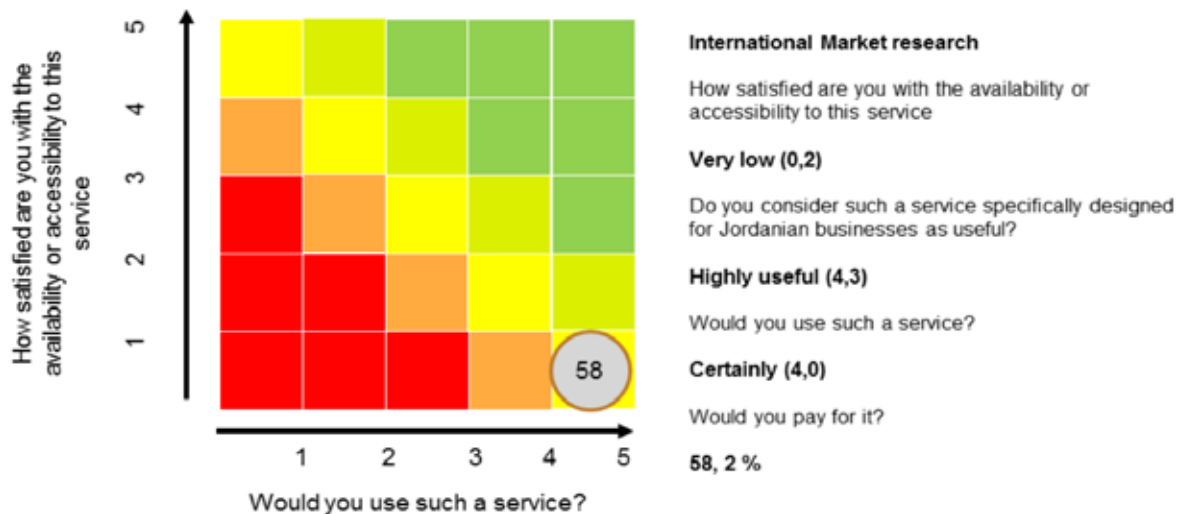


Figure 10: Results of question on international market research

Information gathered in face-to-face interviews supported the quantitative results. The most relevant answers, sorted by sector, are:

Industry/topics	International market research
<b>Pharmaceuticals</b>	
Human medicine	We use pharmaceutical intelligence reports that are costly, and could use financial support in purchasing these specialised market intelligence studies. We need a market opportunity analysis (basic market analysis) to assess market entry opportunities.
Veterinary and agricultural medicine	We gather our own market intelligence. We appoint agents who can facilitate product registration (usually takes around two years).
<b>Chemicals</b>	
Fertilisers	We mainly deal with agents who facilitate trading in target markets.
Ferric chloride (liquid form) for water treatment and desalination plants	Cross-border trade support to export to Israel. Israel is our main customer. We conduct our own market studies and intelligence-gathering.
<b>Processed food</b>	
Boiling, sorting, cracking, and toasting cashew nuts	We are a new company; we have no experience in exports. We are the first factory in Jordan and second in the Middle East.
Various Arabic food products; pickles and ready-mix	We know the Middle Eastern market. We are interested in market studies targeting the US market.
Biscuits and wafers stuffed/not stuffed, food flavourings	Packaging requirements in target markets.
<b>Textiles and garments</b>	
Garments apparel/veiled women apparel	Very much needed. It must address our specific market segment “veiled women”. We usually export using agents; we would like the study to identify prospective agents.
<b>Professional services</b>	
Research and consultancy services	Very much needed.

*Table 7: Interviews, international market research*

## 6.4 INFORMATION ABOUT FINANCIAL PRODUCTS FOR EXPORT OPERATIONS

### 6.4.1 Description of Service

**Information about financial products for export operations (E.g. export loans, letters of credit, guarantees) provided by financial institutions that allow you to finance your exports and settle invoices**

Awareness of “**Information about financial products for export operations**” was rather low. Only 15 out of 532 respondents answered that they are aware of such a service. Seen in this context, only a small number of companies (8.6%) seem to have problems in this area. This may change if the export focus is enlarged, as African and some

Asian countries require specific financial products. While there is no immediate need to increase awareness here, the issue cannot be neglected.

Answers to the open question indicated an awareness of services provided by certain banks; there was also one mention of MoITS.

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	15	2.8	4.1	4.1
	No	348	65.4	95.9	100.0
	Total	363	68.2	100.0	
Missing		169	31.8		
Total		532	100.0		

Table 8: Financial products for export operations – Are you aware of such a service being provided?

The question “**How satisfied are you with the availability or accessibility of this service?**” scored 0.7, showing an extremely low satisfaction rate. Although no large number of companies see this as a main challenge, the satisfaction level needs to be improved. The indicator for usefulness (indicating the potential) is high (3.7), as is the indicator for demand (3.2); this suggests the service would be very likely to be used. The positive gap between these two values (0.5) indicates that awareness could be increased –

this is also seen in responses to “Are you aware of such a service being provided?”. Considering all the information, the project team believes that financial services are currently neglected until they are needed.

This assumption is supported by the potential to monetise the service: 69.7% of respondents would be willing to pay for such a service. It can therefore be assumed that **willingness to pay increases with the urgency of the need for the service.**

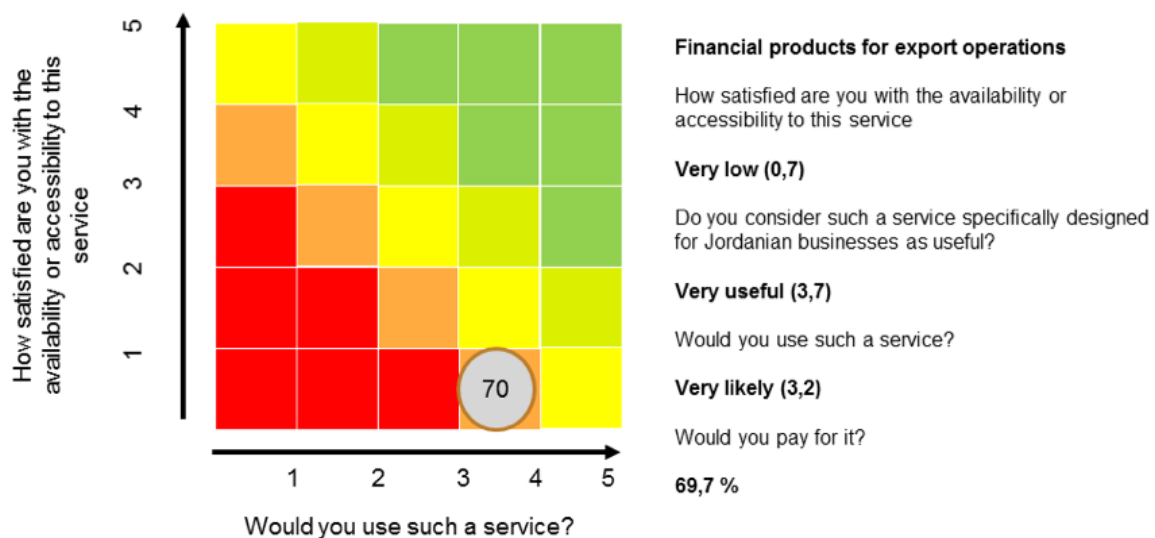


Figure 11: Results of the question on financial products for export operations



Information gathered in face-to-face interviews supported the quantitative results. The most relevant answers, sorted by sector, are:

Industry/topics	Financing
<b>Pharmaceuticals</b>	
Human medicine	Financing is not an issue for us; we obtain financing from Jordanian banks at a reduced interest rate below %5.
Human medicine/cosmeceuticals	OPEC was very helpful in starting our business.
<b>Chemicals</b>	
Fertilisers	We do not have financing problems, but payment risk. Due to the complexity of our industry, if a farmer faces a problem such as frost he will not pay our agent and our agent will not pay us.
Ferric chloride (liquid form) for water treatment and desalination plants	We initially applied to JEDCO for start-up financing in 2014, but the project did not materialise.
Chemical bonding material	Support in providing third-party guarantees for payment.
<b>Textiles and garments</b>	
Garments/tricot knitting	Local banks only offer financing facilities at competitive interest rates to large companies. SMEs in the industrial sector face challenges in acquiring financing.
Garments apparel/ veiled women apparel	Usually, banks and the Loan Guarantee Corporation provide us with financing facilities; but such finances do not cover invoice payment guarantees or currency fluctuation, especially for difficult markets such as Libya.
<b>Professional services</b>	
Research and consultancy services	Very much needed to support growth.

*Table 9: Interviews, financing*

## 6.5 MATCHMAKING SERVICES

### 6.5.1 Description of the Service

#### **Matchmaking services**

***Providing a platform where international buyers can meet Jordanian sellers and see their products and characteristics***

Awareness of available “Matchmaking services” is relatively high. 195 of 532 respondents answered that they are aware of such a service. Due to the unexpectedly high awareness, the research team collected additional information which showed

that many companies connected matchmaking to governmental trade protocols.

Answers to the open question mentioned MoITS, JEA and exhibitions.

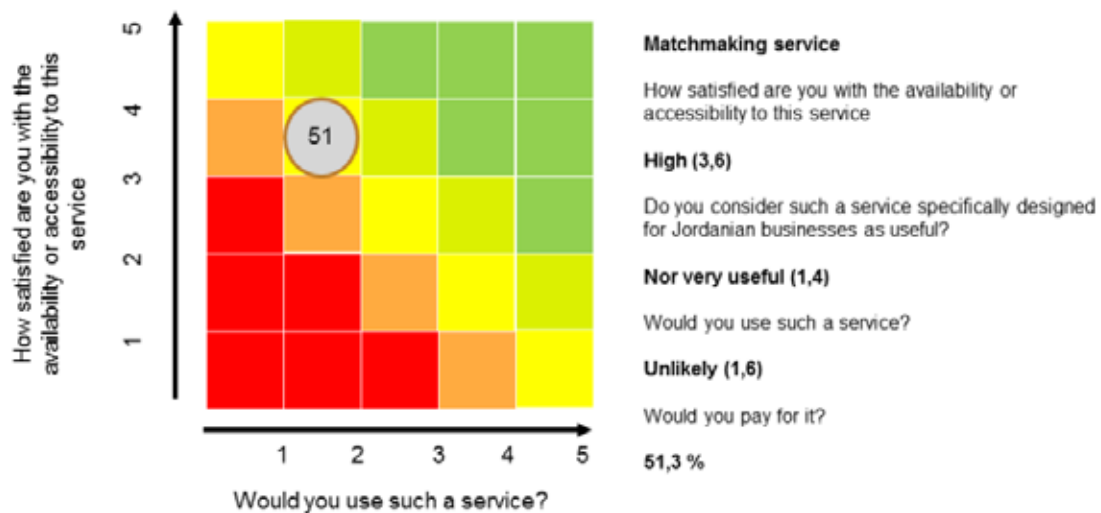
		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	195	36.7	54.0	54.0
	No	166	31.2	46.0	100.0
	Total	361	67.9	100.0	
Missing		171	32.1		
Total		532	100.0		

*Table 10: Matchmaking services – Are you aware of such a service being provided?*

The question “**How satisfied are you with the availability or accessibility of this service?**” scored the highest satisfaction rate in the survey of 3.6. As mentioned above, matchmaking is related to governmental trade protocols. The indicator for usefulness (indicating the potential) scored low (1.6), as is the indicator for demand (1.6) (indication of demand). The service is therefore unlikely to be used.

It is not recommended to pursue this direction at present: in addition to the effort of redesigning matchmaking services, major communication efforts would have to be undertaken to convince companies to use them.

The potential to monetise the service is relatively high compared to more popular services: 51.3% of respondents would be willing to pay. This may be because companies are already used to paying for such services.



*Figure 12: Results of the question about matchmaking services*

Information gathered in face-to-face interviews shows that contacts are needed to develop new markets. The most relevant answers, sorted by sector, are:

Industry/topics	Matchmaking
<b>Pharmaceuticals</b>	
Human medicine	We are investigating eastern European markets – Uzbekistan, Ukraine, and Russia. We have not yet entered these markets.
Human medicine/cosmeceuticals	We participated in an exhibition organised by AmCham in the US without achieving any results, because the exhibition was organised for Jordanian manufacturers only.
<b>Chemicals</b>	
Packaging material for paint and food industries	We would like to enter the EU market.
Chemical bonding material	Great potential to export to the eastern African market.
<b>Processed food</b>	
Boiling, sorting, cracking, and toasting of cashew nuts	We do not know if we can export to the EU (we need help).
Various Arabic food products; pickles and ready-mix	The US is a very promising market for us.
<b>Textiles and garments</b>	
Garments/tricot knitting	JIC organised participation in the Magic Show three years ago and established a Jordanian Pavilion. Though successful, this was not repeated.  CBI, working with JCI and in collaboration with the Jordan Garment Alliance, will provide matchmaking and export market assessment services for garment factories.
<b>Professional services</b>	
Professional services using Business Process Outsourcing (BPO)	We wish to enter English-speaking countries: North America, UK, and Europe.  Establish a process for qualifying buyers/sellers coordinated with the sector association. It needs to be specific to our business (BPO).

*Table 11: Interviews, matchmaking*

## 6.6 INFORMATION ABOUT CERTIFICATES AND STANDARDS REQUIREMENTS FOR EXPORT MARKETS

### 6.6.1 Description of Service

*Information about certificates and standards requirements for export markets, description of standards and documents, where to obtain them, and costs*

Awareness of available **“Information about certificates and standards”** is rather low. Out of 532 respondents, only 16 answered that they are aware of such a service. Only a small number of companies (5.6%) seem to have problems in this area. This may be because companies that are active in the pharmaceutical and chemical industry are often forced to sell products abroad due to the nature of their business, and are therefore already aware of the requirements (this was confirmed in the face-to-face interviews). However, a second group

of companies are not yet aware what kind of certificates and standards they need (they do not know what they do not know). This may change if the focus of the export market changes to more severely regulated markets such as the EU and United States. Here, certificates and standards would be complementary to market information services.

Answers to the open question mentioned the Amman Chamber of Commerce (ACC), ACI and importers from other countries.

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	16	3.0	4.4	4.4
	No	347	65.2	95.6	100.0
	Total	363	68.2	100.0	
Missing		169	31.8		
Total			100.0		

*Table 12: Information about certificates and standards - Are you aware of such a service being provided?*

The question **“How satisfied are you with the availability or accessibility of this service?”** scored an extremely low satisfaction rate of 0.3. Although no large number of companies saw this as a main challenge the satisfaction level needs to be improved, especially concerning target markets other than neighbouring and MENA countries. The indicator for usefulness (indicating the potential) scored very highly (4.0), as does the indicator for demand (3.9), which suggests it is very likely that the service would be used. The positive gap between these two values (0.1) indicates that

companies are aware of the importance of the service. The apparent contradiction in the results may be because companies know that the service is needed and useful, but already know most of the regulations or believe that it is unnecessary for their product to meet the relevant certificate and standard requirements.

This assumption is supported by the potential to monetise the service: 42.7% of respondents would be willing to pay for such a service, which is in the lower range of the survey results.

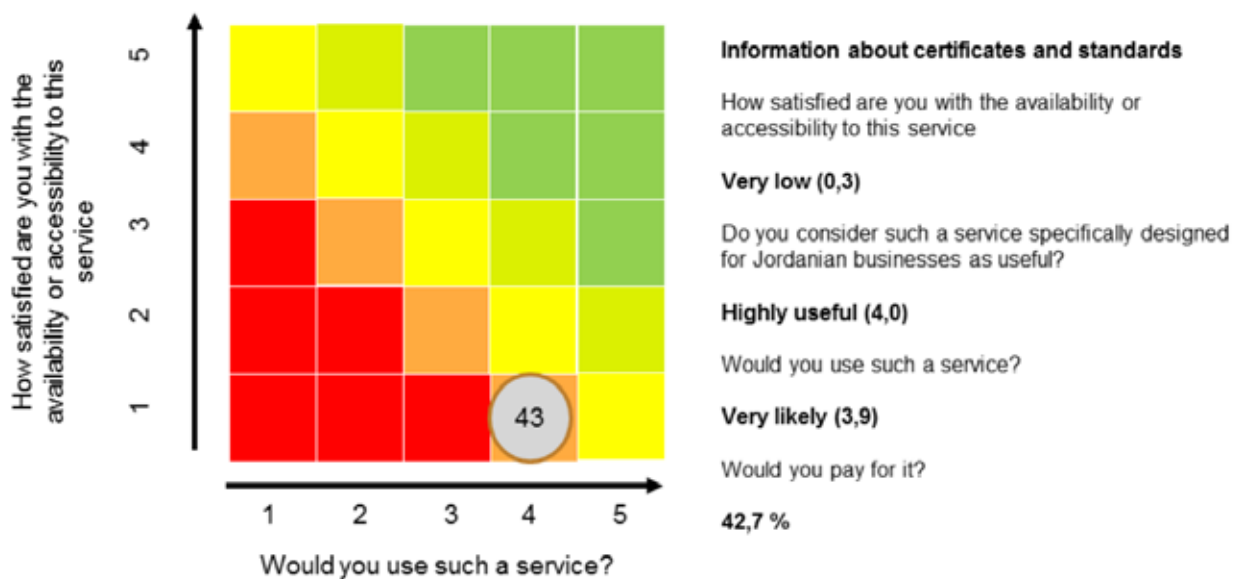


Figure 13: Results of question on information about certificates and standards

Information gathered in the face-to-face interviews confirms the desk research and assumptions that companies are aware what standards have to be fulfilled where required. The most relevant answers, sorted by sector, are:

Industry/topics	Certification and market access
<b>Pharmaceuticals</b>	
Human medicine	It takes around two years to register a medicine in a new country; acquiring relevant certification to enter new markets is therefore a long process.
Human medicine/cosmeceuticals	If a generic product is not registered in Jordan, JFDA requests “clinical trials”, which are costly and unnecessary; moreover, such trials have already been developed by the originator (prior to expiry of patent). We had to resort to the Egyptian Embassy in Algeria to obtain market access requirements. The Jordanian Embassy/commercial attaché was not useful.
<b>Chemicals</b>	
Fertilisers	Our products must be registered in target markets. Our agent usually assumes this responsibility.
Ferric chloride (liquid form) for water treatment and desalination plants	We need support to adopt REACH certification. Cost is JD 20,000 per 1,000 tonnes per year. Arcerion could assist us in complying with European chemical control legislation.
Chemical bonding material	JISM must apply similar standards on imported products.
<b>Processed food</b>	
Boiling, sorting, cracking, and toasting of cashew nuts	We have no certification; we need help.

Various Arabic food products; pickles and ready-mix	We need to establish a laboratory using ISO 1722.
Biscuits and wafers stuffed/not stuffed, food flavourings	Financing for HACCP accreditation.
<b>Textiles and garments</b>	
Garments/tricot knitting	International Labour Organization (ILO)/Better Work is conducting a social compliance assessment of 30 garment factories. Chambers should provide this service for free; we already pay them annual membership fees.
Garments apparel/veiled women apparel	Third-party inspection is usually required, a very costly process (around JD 1,700–1,500). We would like this service to be covered on a cost-share basis.
<b>Professional services</b>	
Professional services using BPO	We already have ISO 27001, but we need EU GDPR data protection certification.

*Table 13: Interviews, certification and market access*

## 6.7 NETWORKS RELATED TO EXPORT

### 6.7.1 Description of Service:

#### **Networks related to export**

**Overview of networks and description of their activities (e.g. network of buyers in automotive industry) to provide information about buyers and events, and where to get in contact with them**

Awareness of available “Networks related to export” is rather low. Out of 532 respondents, only 35 answered that they are aware of such a service. Since these services are actually provided by a rather large number of institutions, communication should be improved, as for other services. Answers to the open question show

that the Chamber is associated with this service, as well as industry associations and trade fairs. It was surprising to see that one usually well-known EU service provider – the Enterprise Europe Network (EEN) – was not mentioned at all, either in the open questions or in the face-to-face interviews.

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	35	6.6	9.6	9.6
	No	328	61.7	90.4	100.0
	Total	363	68.2	100.0	
Missing		169	31.8		
Total		532	100.0		

*Table 14: Networks related to export – Are you aware of such a service being provided?*

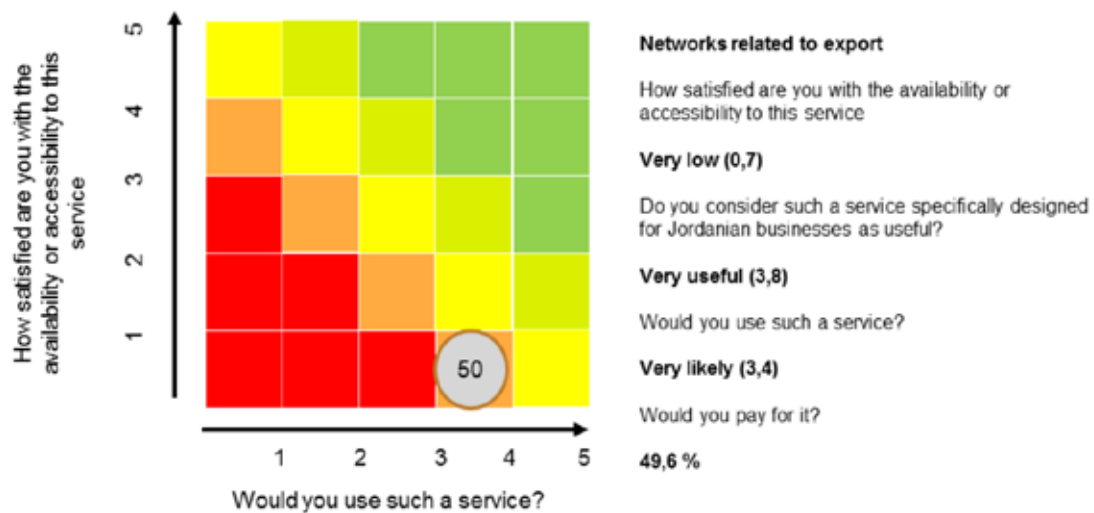


Figure 14: Results for question on networks related to export

The question “How satisfied are you with the availability or accessibility of this service?” scored 0.7, which shows a very low satisfaction rate. The indicator for usefulness (indicating the potential) scored highly (3.8), as does the indicator for demand (3.4), suggesting that the service would certainly be used. The positive gap between these two values (0.4) indicates that awareness of this service could be increased. Although potential and demand are both relatively high, they are still around average for the services analysed in the study. It seems unclear whether a new service could be

developed. Neither the survey, secondary data, or face-to-face interviews indicated that respondents consider popular web-based networks like Facebook, LinkedIn, or the EEN (web-based and supported by offices). If a new networking tool is to be developed, it would be necessary to consider interactions with these networks. The potential to monetise the service is very good, with 49.2% of respondents willing to pay.

Face-to-face interviews yielded no additional information.

## 6.8 TRADE-FAIR INFORMATION

### 6.8.1 Description of Service

#### *Trade-fair calendar*

#### *Including costs and deadlines related to participation in specific trade fairs*

While awareness of available “Trade-fair information” services is low, it appears in the upper segment of the survey. Only 43 of 532 respondents answered that they were aware of such services. Related statements such as We are lacking information about the market situation: Who are our competitors? What is there demand for? What are the price points? What are the product requirements? reveal

more specific challenges. The Chambers and MoITS are more clearly associated with this service than any other, which shows that trade fairs still play an important role in companies’ marketing strategies.

Answers to the open question mentioned the Chamber of Commerce and Industry, ACI and MoITS.

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	43	8.1	11.8	11.8
	No	320	60.2	88.2	100.0
	Total	363	68.2	100.0	
Missing		169	31.8		
Total		532	100.0		

Table 15: Trade-fair information – Are you aware of such a service being provided?

The question “**How satisfied are you with the availability or accessibility of this service?**” scored 0.9, which shows a very low satisfaction rate. The indicator for usefulness (indicating the potential) scored highly (3.7), as does the indicator for demand (3.3), which suggests that the service would certainly be used (3.3). The positive gap between these two values (0.4) indicates that awareness could be increased. Both potential and demand are relatively high, but still around average for the study. This may be due to the free availability of this information on

the internet. The question of whether a new service might be developed for trade-fair information seems somewhat complex. On- and off-line services would certainly have to be combined and developed further to create a USP.

The potential to monetise the service is the lowest of all the services analysed, with only 40.1% of respondents willing to pay. This suggests that the free tools currently available are largely sufficient.

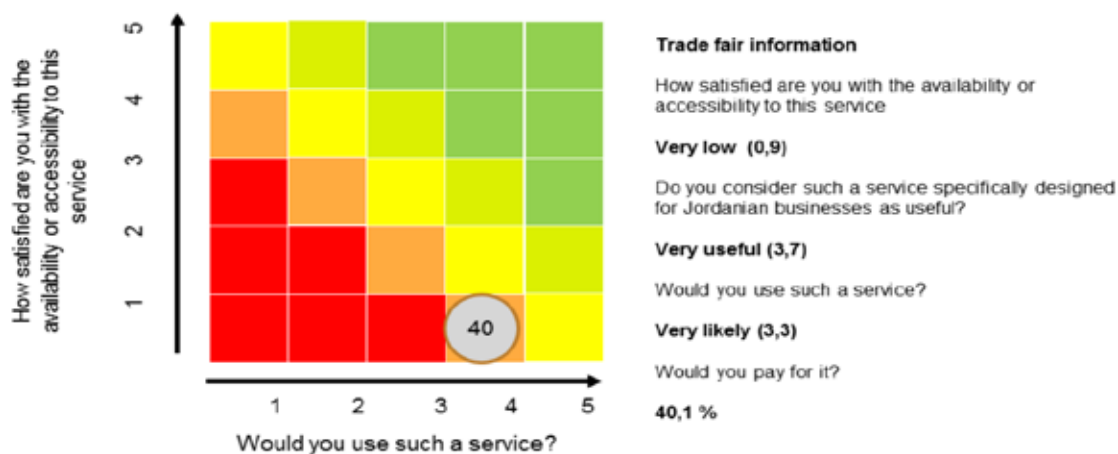


Figure 15: Results for question trade-fair information

Face-to-face interviews yielded no additional information.

## 6.9 ONLINE TEST THAT INDICATES YOUR READINESS TO EXPORT

### 6.9.1 Description of Service

#### Online test of readiness to export

Awareness of available “Export-readiness testing” is the lowest in the survey. Only 4 of 532 respondents answered that they are aware of

such services, suggesting that they are virtually unknown. The service does not align with any of the export challenge statements. Rather, its



intention is to determine a companies’ readiness for a potential export endeavour. Companies may then use the results to plan future steps towards closing knowledge gaps.

Answers to the open question were – not surprisingly – very limited. USAID was mentioned as one provider.

		Frequency	Percent	Valid percent	Cumulative percent
Valid	Yes	4	0.8	1.1	1.1
	No	359	67.5	98.9	100.0
	Total	363	68.2	100.0	
Missing		169	31.8		
Total		532	100.0		

Table 16: Export-readiness test – Are you aware of such a service being provided?

The question “How satisfied are you with the availability or accessibility of this service?” scored 0.1, which shows the lowest satisfaction rate of all services and suggests that the service is practically invisible to the respondents. The indicator for usefulness (indicating the potential) scored highly (4.1), as does the indicator for demand (3.3), which suggests the service would be very likely to be used (3.3). The positive gap between these two values (0.4) indicates that awareness could be increased. Both potential and demand are high, and are in the upper segment of the survey.

The potential to monetise the service is the lowest of all the analysed services. Only 42.1% of the respondents would be willing to pay. Combined with the other findings of the study, this suggests that Jordanian companies would support the development of a teaser service (a relatively simple test that can be done online), alongside a more comprehensive test done by a consultant on-site.

Face-to-face interviews yielded no additional information.

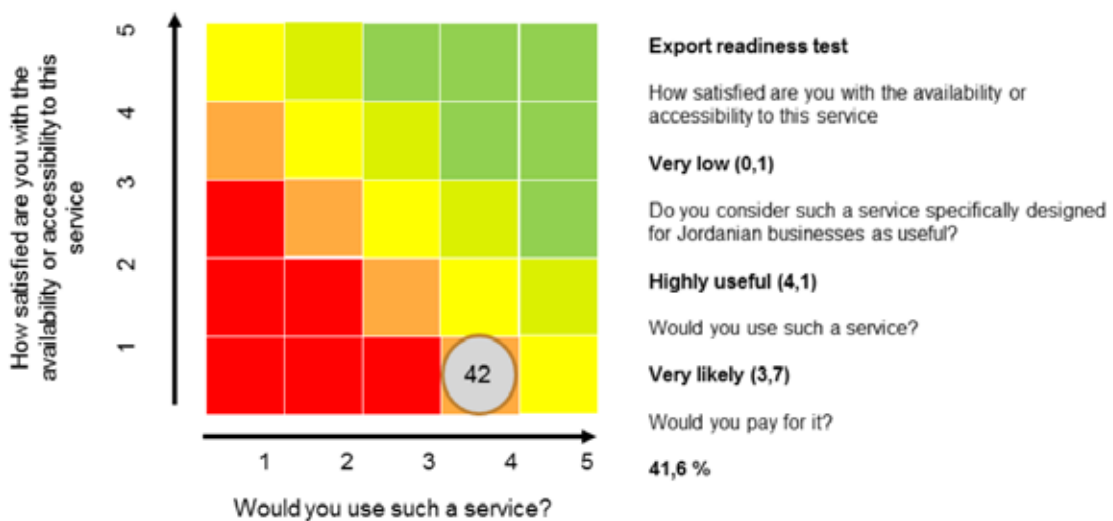


Figure 16: Results of question on “Export-readiness test”

## 6.10 TRADE-RELATED SERVICES DEMANDED BUT NOT AVAILABLE IN THE JORDANIAN MARKET

The survey analysed demand for additional services not identified in the desk research phase via the inclusion of an open question at the end of the questionnaire. A total of 37 companies provided responses, which do not reveal any need for additional e-services. Most comments were

related to consultancy services (15), followed by networks related to export (6), international market research (5), financial services (2), legal changes (2), trade fairs (2), and information about certificates and standards requirements for export markets (1). Four comments were unclear. The majority of comments related to services analysed in the study. No specific new demands were identified.

### Answers to open question

We need someone to assist us in exporting, such as a Jordanian not-for-profit company which has experts who help companies to enter export markets and export their products	Consulting services
How to develop the industry	Consulting services
Support the local market. People with experience	Consulting services
Studies of specific local markets	Consulting services
Scientific studies	Consulting services
Placing the company's name at the top of Google search results	Consulting services
Service to facilitate shipping and exporting	Consulting services
A service which clarifies the tax burden and information on it	Consulting services
A service which documents the legal procedures/operations which importers go through to ensure that our rights are protected	Consulting services
A service which helps us reach regional markets which are closed due to warfare more easily.	Consulting services
A service which improves the services available in Jordan's free zones	Consulting services
International/global advertising service for Jordanian products	Consulting services
Finding assistance and information regarding export approvals to European markets	Consulting services
The opportunity to assist small companies/projects	Consulting services
Facilitating sales operations	Consulting services
Provide financial assistance or support through providing new machines and equipment	Financial services
Financial assistance	Financial services
Quality certificates	Information about certificates and standards requirements for export market

Answers to open question	
Export information on every country and details on import requirements, taxes, and the quality requirements of the product	International market research
Sources and studies	International market research
Requirements of export markets and market linkages	International market research
Requirements for the Arab market	International market research
New markets/new suppliers	International market research
Making documentation procedures easier	Legal changes
Eliminating favouritism in selecting qualified companies to support in exhibitions	Legal changes
Communication/linkage opportunities between Jordan and other countries	Networks related to export
Service which assists in communicating/reaching designers outside of Jordan	Networks related to export
Promoting local industries to export markets and connecting buyers with producers	Networks related to export
Focusing on local industries and connecting them with foreign importers marketing local products in external markets	Networks related to export
An increase in the number of networking events/workshops	Networks related to export
Application for networking for products	Networks related to export
Organised exhibitions	Trade fairs
Exhibitions	Trade fairs
Does not exist	Unclear comment
No	Unclear comment
No	Unclear comment
No	Unclear comment

*Table 17: Results of open question No. 14*

## 7. GAP ANALYSIS AND BASELINE DATA



The survey revealed that there is a high demand for almost all trade-related services, with the exception of matchmaking services – but they are not associated with existing service providers. The services demanded most often relate to market studies/market intelligence, followed by information about certificates and standards, and export audits.

The table below combines the findings extracted during the face-to-face interviews with the results of the survey. It is clear that only a small number of respondents are aware that these services are provided. The open questions revealed that only ACI and ACC are associated with the most-demanded service, namely the provision of information about certificates and standards.

		No. of persons aware that service is provided	Valid %	MoITS	JEA	JIC	JCI	ACI	Banks	ACC	USAID
Top-three services from the survey	International market research (studies, etc.)	11	3								
	Information about certificates and standards	16	4.4					x		x	
	Export-readiness testing/audit	4	1.1								x
Other services from the survey	Financial products			x					x		
	Matchmaking services			x	x	x	x				
	Networks related to export						x	x			
	Trade-fair information			x			x	x			

Table 18: Overview of service providers providing the demanded services

### 7.1 GAP ANALYSIS

The survey revealed the three most demanded services. It is important to look at the service providers in Jordan and evaluate which ones are

already providing these three (conventional and e-) services. Having mapped the service providers, the following table shows the outcomes of our analysis:

	MoITS	ACI	JCI	JEDCO	JIC	JAPM	A/E Business Council	Int@j	Jordan SMEs	JEA
Certificates/standards										
Market studies/market intelligence										
Export audit										

■ Conventional (non-digital)
 ■ E-services

Table 19: The three most demanded services offered by service providers (conventional and e-services)

The only provider currently offering the full conventional suite is ACI. However, ACI has not delivered services in any of these three domains for the last year. According to ACI, this is because the services have not had the desired impact, so the organisation is in the process of redesigning its offer. Providers other than ACI are very limited, especially for certificates and standards. E-services, and in particular e-platforms, are only in the planning stages.

The next-most-prominent provider is JCI, which provides two out of the three most-demanded trade services. JCI seems to have made a significant investment in market studies and market intelligence, and has just started offering export audits as a service.

JEDCO only offers export audits to its beneficiaries. JIC, the A/E Business Council, and JEA also offer only one of the three services, namely market studies. Int@j only offers certificates/standards services.

As mentioned above, while the MoITS has a main role in trade policy development it is not an implementation body, and therefore does not offer any of the three services. JAPM and Jordan SMEs are not currently offering any of these services either.

As the survey revealed, there is a substantial need among SMEs for trade services; no existing service provider in Jordan is currently able to fully meet this need. This gap should be closed. The figure above shows that ACI and JCI do provide most of the most most-demanded services. Since these bodies, along with JEDCO and JIC, have the official mandate for providing trade-related services, the next chapter will examine these four institutions more closely.

The next chapter will describe the analysis of these four institutions in regard to the three most demanded services (analysis of service providers after survey results).

## 7.2 BASELINE DATA

Requests for more detailed information were emailed to some service providers.

		Service providers		
		JCI <sup>4</sup>	JEDCO <sup>5</sup>	ACI <sup>6</sup>
Top-three services from the survey	Studies (e.g. market studies)	60 per company 100 market research for the targeted company	Seven export market identification studies	No reliable data available
	Information about certificates and standards	Facing daily more than three requests	Provided answers to 10 requests for the requirements to export to USA	No reliable data available; according to mapping interview, provided some services in this field
	Export-readiness testing/audit	2018: 80 export audits By April 2019: 200 export audits	2018: 20 export audits Export coaching to 16 SMEs	None

Table 20: Baseline data on service providers on top-three most-demanded services

It should be noted that the information gathered from face-to-face interviews before the survey did not always match the data collected afterwards. This was especially true for the number of services provided to micro, small, and medium enterprises (MSMEs) in 2018. There

appears to be no reliable database or body of statistics in place to obtain accurate data.

For this reason, it is highly recommended that all service providers apply a standard methodology in order to provide reliable and exact data.

4 Email request to the JCI SME Technical Support Unit, answered on 21.11.2018.

5 Email request to JEDCO, answered on 21.11.2018.

6 Email request to ACI Industrial Development Department, answered on 27.11.2018.

### Summary of selected service providers

From the meetings and interactions with the different service providers during this project, and from the diversity of the trade services offered to the beneficiaries, it appears that **ACI and JCI are the most active service providers** in trade development in Jordan.

A close examination of the ACI proposal on the “Interactive Market Space Platform”, which was mentioned during the face-to-face meetings and communicated to GIZ, reveals that ACI did not invest much time in reflecting on the project or researching its feasibility and sustainability. At the same time, a certain reluctance was observed on the part of ACI to invest its own funds into the project – there may have been internal reasons for this that were not disclosed during our meetings.

During two meetings with JCI before the company survey, the information received was that no export audits had yet been undertaken (as of mid-September 2018). However, it was mentioned that plans were in place to do so. At the end of November 2018, JCI informed us that

they had already completed 80 export audits. This number seems very high. It was observed that there are no established standards defining the provision of a service (e.g. the criteria by which a study may be considered a study).

It is recommended that the T4E project should define a standard for the services provided (e.g. minimum quality of services, time spent on provision of service, minimum content of a market study) to ensure that figures can be compared. At present, service providers have different understandings of service depth. Providers should therefore be assisted in setting up the means of tracking and recording their services. The current lack of an acceptable level of standardisation has contributed to the uneven nature of the results.

The research team believes that the best way for Jordan to reach its trade and export targets is to combine the efforts of all (or most, but definitely including the main players mentioned above) of Jordan’s service providers. If this cannot be achieved, it might be an option to include one of the Chambers.



## 8. MAPPING OF INTERNATIONAL BEST PRACTICES



This section provides a summary of the trade-related best practices document that was developed as part of this study.

This chapter discusses three examples of trading portals introduced by economic leaders or rising stars in export over the last few years which we consider to be models of best practice. They were assessed by the project experts against the following three criteria

- Fit to the economy
- Functionalities
- User-friendliness.

**Fit to the economy:** related to the overall growth of the respective country's economy over the past eight years and its overall ranking in global trade.

**Functionalities:** the functionalities offered by the trade platform, and ease of access to them.

**User-friendliness:** related to the user interface design of the platform and its mobile-device-friendliness.

The portals were then ranked on a scorecard following a points system from 1 to 5 (1 being the lowest and 5 the highest possible score).

### 8.1 UNITED STATES: EXPORT.GOV PORTAL

Export.gov helps US companies to plan, develop, and execute the international sales strategies necessary to succeed in the global marketplace. Developed by international trade specialists and economists, it provides trusted market intelligence, practical advice, and business tools to help exporters understand how to export, connect with foreign buyers, and expand their operations in new markets.



Figure 17: US portal screenshot



- Supported languages: English
- Major services offered:
  - » How to export (export education, finding foreign markets, legal considerations, logistics ...)
  - » Customised services (planning and assessment, promoting and expansion...)
  - » Market intelligence (export guides, industry info, trade leads, trade data and analysis...)
  - » Events (trade missions, webinars ...)
  - » Trade problems (getting help, reports, remedies...)
  - » List of importing markets for products exported by the United States (Source: ITC).

List of importing markets for a product exported by United States of America  
Product: TOTAL All products

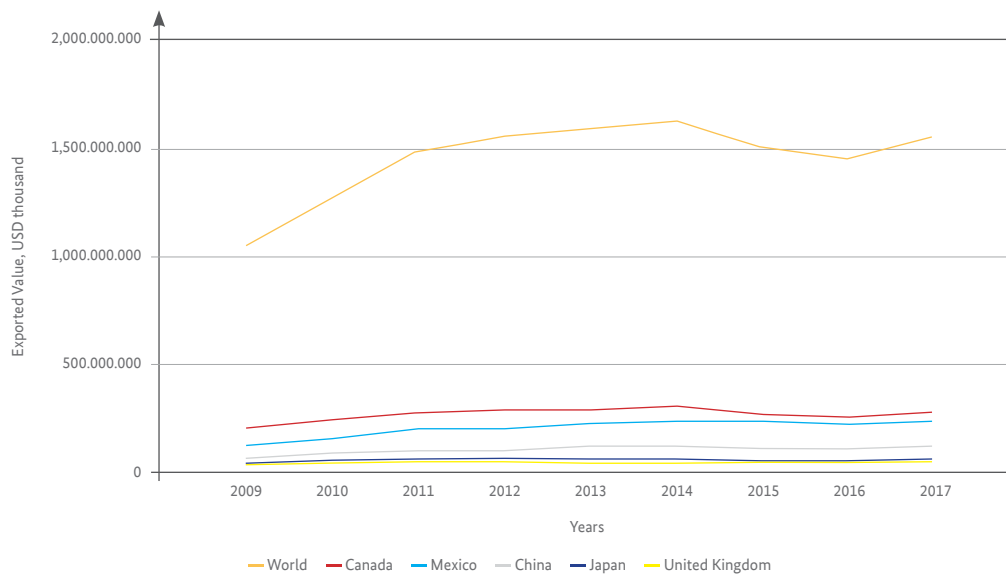


Figure 18: List of importing markets for products exported by USA (Source ITC)

### • Portal scorecard

United states	
Fit to the economy	5
Functionalities	5
User-friendliness	5

## 8.2 SINGAPORE PORTAL: NETWORKED TRADE PLATFORM

The Networked Trade Platform (NTP) is a national trade information management platform that provided the foundation for Singapore to become the world's leading trade, supply chain, and trade financing hub. It essentially represents a concerted effort to drive an industry-wide digital transformation to create a trade and logistics IT ecosystem which connects businesses, community systems and platforms, and government systems.

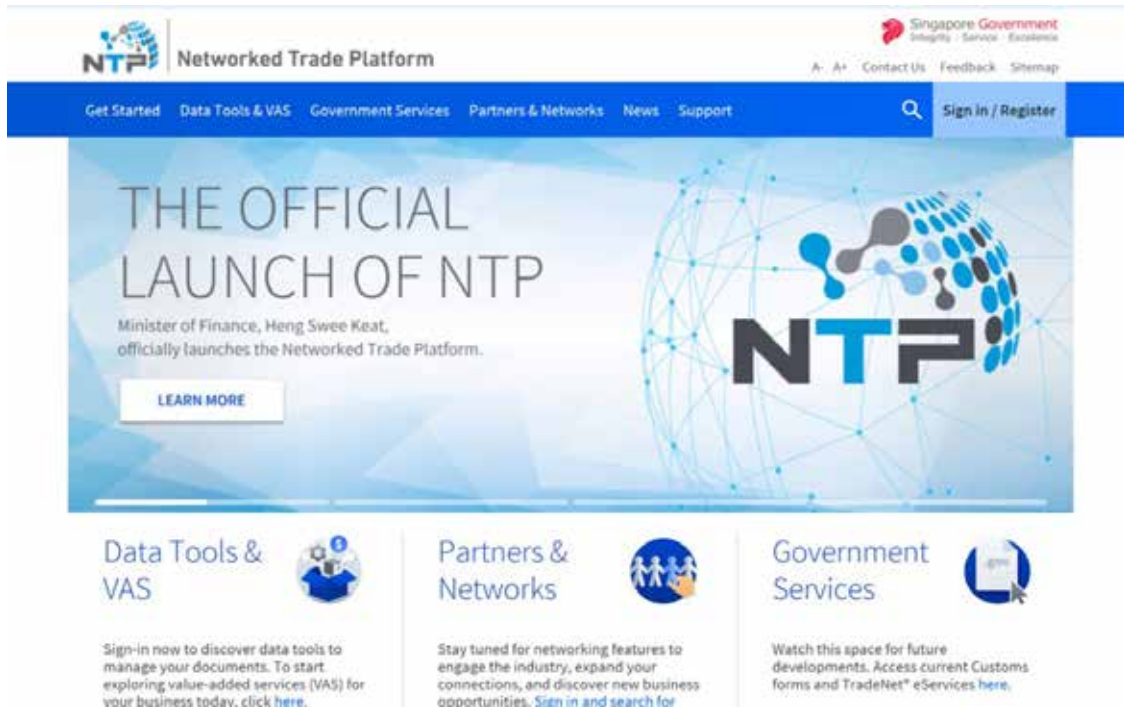


Figure 19: Singapore portal screenshot

- Supported languages: English
- Major services offered:
  - » Data tools and VAS (data repository, arranging shipment, declaring customs, financing trade, international connectivity, market insights, permit preparation, reports and payments, sourcing customers, tracking shipments...)
  - » Government services (registration, personal effects, customs e-services...)
  - » Partners and networks (search businesses)
  - » News, events, and publications
  - » List of importing markets for products exported by Singapore (Source: ITC).

List of importing markets for a product exported by Singapore  
Product: TOTAL All products

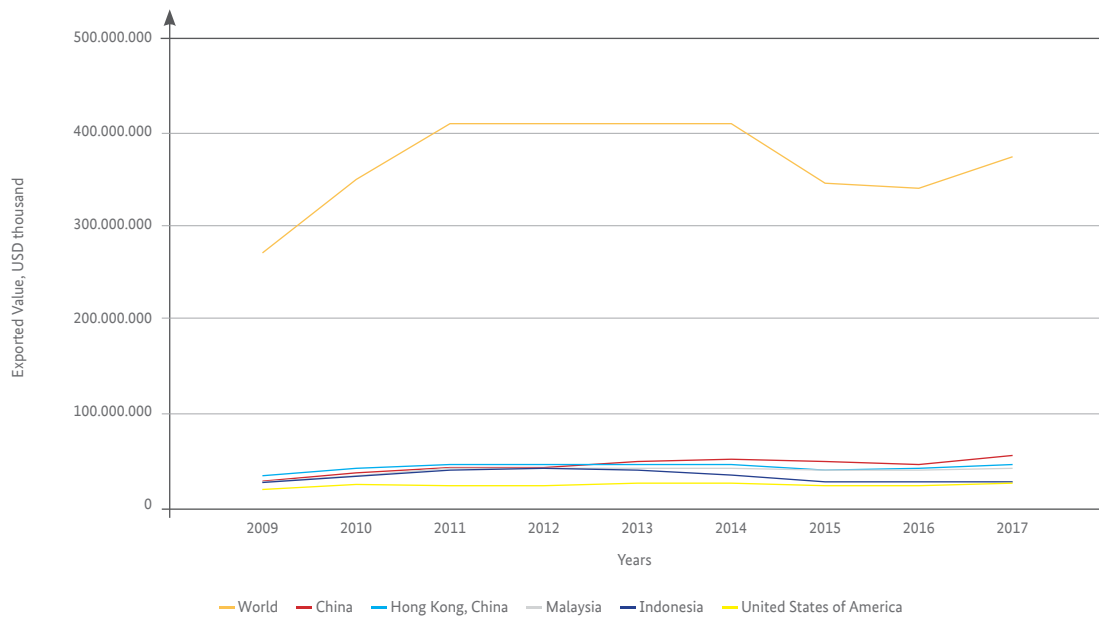


Figure 20: List of importing markets for products exported by Singapore (Source: ITC)

- **Portal scorecard:**

Singapore	
Fit to the economy	4.5
Functionalities	4
User-friendliness	4.5

### 8.3 INDIAN PORTAL: INDIAN TRADE PORTAL

The Indian Government has been taking various steps towards boosting the country's trade with the

rest of the world, and has developed policies and procedures to increase and facilitate both exports and imports. In this context, the Department of Commerce has created a web portal.



Figure 21: Indian portal screenshot

- Supported languages: English
- Major services offered:
  - » Trade agreements
  - » Top-25 countries (export, import)
  - » Foreign buyers (tariffs, Indian suppliers...)
  - » Resources (export promotion bodies, int. trade bodies, acts, publications...)
  - » How to export
  - » Trade/tender queries
  - » Trade statistics
  - » Certifications
  - » List of importing markets for products exported by India (Source: ITC).

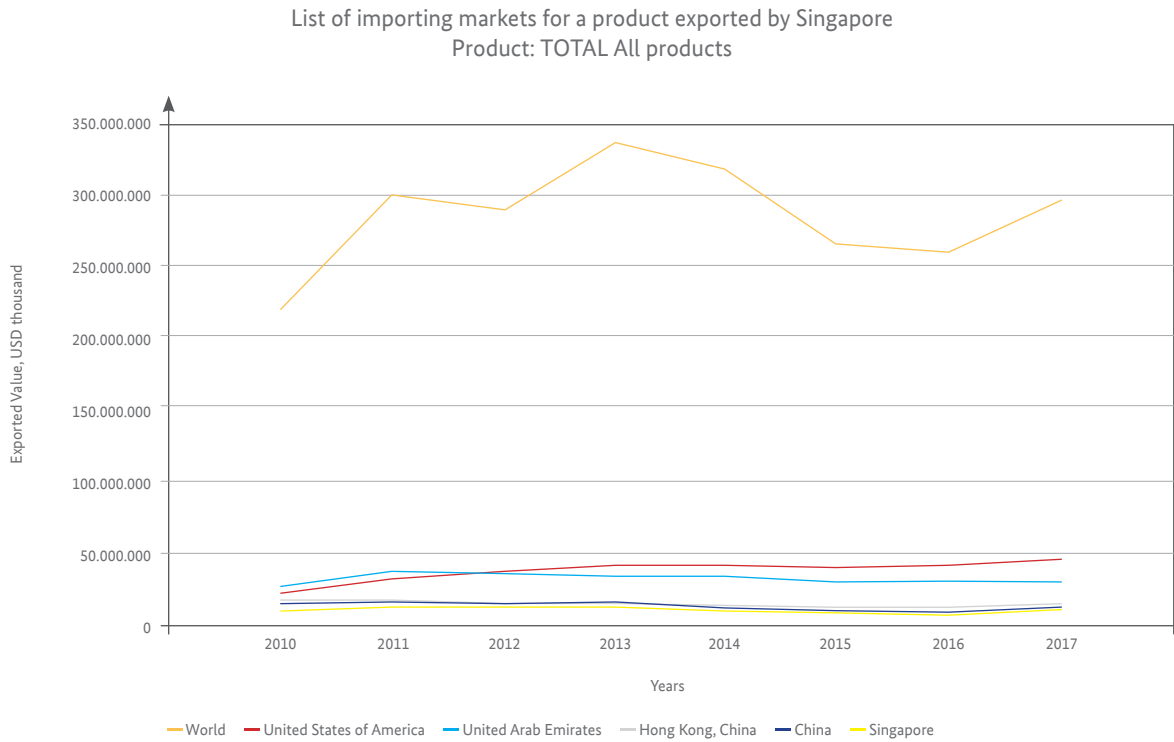


Figure 22: List of importing markets for products exported by India (Source: ITC)

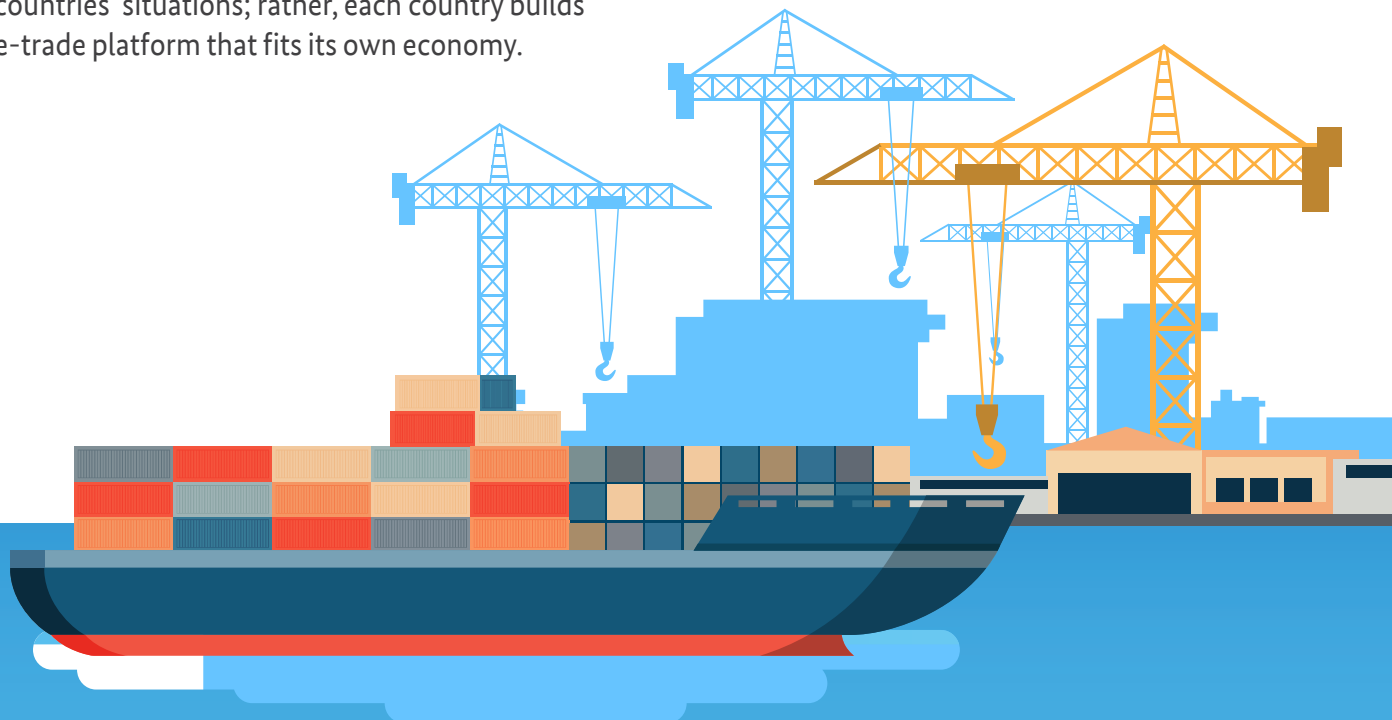
• **Portal scorecard:**

India	
Fit to the economy	4.5
Functionalities	4
User-friendliness	2.5

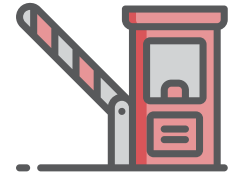
However, the following services can be identified as common to the platforms analysed:

- International market research
- Financial products
- Matchmaking services
- Certificates and standards
- Networks
- Trade-fair participation support
- Export audits.

As one can see from the three different examples of trade platforms, no e-services fit all economies and all countries' situations; rather, each country builds an e-trade platform that fits its own economy.



## 9. CHALLENGES AND OPPORTUNITIES



### 9.1 CHALLENGES FOR THE TRADE-RELATED SERVICES MARKET IN JORDAN

We did not find any relevant e-platforms for trade in the Jordanian market. Existing portals or websites offer at most a directory of their members and undertake no marketing efforts or SEO strategies, which ensures that their number of visitors is extremely low. At the same time, the information provided by these websites is incomplete or insufficient; few details are given about particular products or certification and standards. Many associations are providing the exact same (non-digital) services, which leads to a loss of focus and a reduction in available time, resources and opportunities. While many service providers want to establish an e-commerce site, none is considering the market requirements per country of import, for example, or the huge marketing and investment in both financial and human resources that is required.

Few of the relevant companies and associations have an export strategy. They focus mainly on sales, and so lack a long-term perspective. A shift in orientation is needed to develop exports. While IT platforms can help businesses to reach their goals, such platforms will remain inadequate without a clear strategy.

Given that so few companies are ready to undertake the required efforts for export, there is very little demand for export services. As a result, most businesses seem unaware of export and market requirements, although the associations do have this information. Language is a big barrier (businesses in Jordan generally do not speak English): the study revealed that 74% of Jordanian businesses export to neighbouring and MENA countries, where communication is possible in Arabic.

Strikingly, none of the institutions we spoke to was able to tell us the most interesting sectors for export in Jordan.

It was noticed that there are three types of Jordanian exporter:

- Professional (fewest)
- Counting on protocols and trade agreements between countries (few)
- Random (no continuity in their work, one-off deals) (most).

One reason for this distribution is that a lot of company owners in Jordan are engineers and are more interested in production than in sales, marketing, and business development. Supply continuity is also an issue, especially for small companies.

		If you are not exporting, would you like to export?		Total
		Yes	No	
1–4 employees	Number	104	83	187
	% in size of companies	55.6%	44.4%	100.0%
5–20 employees	Number	155	65	220
	% in size of companies	70.5%	29.5%	100.0%
21–100 employees	Number	82	18	100
	% in size of companies	82.0%	18.0%	100.0%
101–500 employees	Number	15	3	18
	% in size of companies	83.3%	16.7%	100.0%
501 and more employees	Number	7	0	7
	% in size of companies	100.0%	0.0%	100.0%
Total	Number	363	169	532
	% in size of companies	68.2%	31.8%	100.0%

Table 21: If you are not exporting, would you like to export?

## 9.2 OPPORTUNITIES FOR THE TRADE-RELATED SERVICES MARKET IN JORDAN

One promising opportunity is the creation of an export house. This entity could play the role of a customer, buying and consolidating the products according to present norms and then taking care of sales and marketing. It could also consolidate the efforts of all service providers. However, it will be important to develop an exit strategy, since companies that work with an export house tend not to evolve and develop their own capacity, and may become dependent on this entity.

Motivation to promote trade and exports is a big advantage: most of the relevant institutions in Jordan have exports as a key objective. The same enthusiasm is seen from companies: Question 4 of the survey revealed most companies of

all sizes are interested in exporting. The more employees a company has, the more interested it is likely to be. However, a large number (259) of companies of size 1–20 employees, representing 48.68% of the total, are interested in exporting. MSMEs account for a majority of exports in many countries, and they represent a promising opportunity to boost exports in Jordan.

Currently, 74% of Jordanian exporters focus on neighbouring and MENA for various reasons. Only a very small number export to Europe (9.1%), the United States (5.9%), Africa (2.9%), or others (8.4%). While it is not easy to develop markets, untapped opportunities do exist for Jordanian companies, especially considering that only a small number (2.2%) indicated that they have problems with quality.



## 10. RECOMMENDATIONS, INCLUDING STRATEGIC OPTIONS



### 10.1 OVERALL RECOMMENDATIONS

According to the results of the survey, as shown in chapter 7, the recommended platform should include services relating to international market research, information about certificates and standards, and export-readiness testing. The results also show that companies are unaware of the services available, as described in chapter 9. Institutionalised awareness metrics are therefore recommended, which should be updated on a yearly basis. No new platform will meet expectations unless it is accompanied by a fully-fledged awareness campaign. Another clear finding of the study is that companies are willing to pay for or co-finance services to ensure better quality. To get the platform off the ground, sound financial resources should therefore be considered (please refer to budget sub-section below).

A limited number of excellent quality services should be provided to launch the platform. We recommend focusing on one potential import country and providing sector and sub-sector studies (e.g. the retail food market in Germany – sub-sector dried fruits). Our key message here is that content and quality are of central importance. The platform should therefore be structured around them and allowed to develop accordingly, rather than merely being a clone of existing platforms. It must be understood that any new platform will only have one chance to make a good first impression.

The contents of the package must be developed step by step, always keeping in mind the importance of excellent quality. Packages may have a geographic or thematic focus.

### 10.2 PROPOSED INTERVENTION SCHEME FOR THE DEVELOPMENT OF NON-DIGITAL SERVICES

The proposed non-digital services include consultations, round tables, workshops, and other similar formats. As mentioned above, market data and studies (section 8.3), certification and standards (8.5), and export-readiness testing (8.9) are the most commonly-demanded services. Non-digital services will also include analogue versions of these services, and e-services should be developed in parallel with non-digital services.

#### 10.2.1 Developing Markets and Companies (Strategic Option 1)

It seems crucially important to develop a suitable and reliable approach for identifying and selecting Jordanian products or services with the most promising potential to contribute to the economic diversification of Jordan's exports. A methodology should be developed and rolled out to product/market combinations, along with a subsequent assessment of companies' export readiness and certification requirements.

This methodology may include upgrading the products that Jordan currently exports (goods and/or services), or finding new products (in terms of presence in the current export structure) which may possess a competitive edge when exported.

A number of methodologies exist to identify products with high export potential. Furthermore, specialisation in exports can evolve over time. Changes depend on general framework conditions such as labour costs, resource availability, climatic



conditions, juridical system, etc. Since a medium- or long-term approach is essential, analysis may lead to new directions in Jordan's production structure. A number of reports have assessed Jordan's export structure in recent years and identified sectors with a high expected market potential. The proposed market analysis should focus on concrete product/market combinations in connection with companies that will later provide best practice models. The proposed intervention scheme (see figure below) foresees a broad analysis of opportunities suitable for Jordanian companies – for each product market scheme, a shortlist should be created of companies that may be able to meet both the demand and the requirements. A company development programme should then be put in place to assist the companies that are identified as most suitable.

At a concrete product level, attempts to identify demand for products/markets/companies and services in the selected country should take into account the total products imported to these markets, demand trends, the current market share of Jordan's products/services, and the main importing competitors. The identification of companies with the highest potential for export will be based on a high demand for products currently produced in and exported from Jordan. Technical barriers to trade for the products/services will include mandatory and non-mandatory requirements, standards, import processes, etc. The final demand identification should also be made available via e-platforms.

As mentioned above, potential exporters should be identified here as well. Depending on the selection of the product/market combination, a certain number of companies should be identified for development. A good mix is recommended, for example developing new markets for already-existing exporters as well as developing the capacities of companies that are not yet exporting.

The figure below outlines a step-by-step intervention scheme:

<b>Step 1: Analyse the current situation of a six-digit HS level</b>
Analysing the current situation of Jordan's export products/market at product level
<b>Step 2: Develop product cards</b>
Assess whether products already being exported can be upgraded to meet the requirements of other markets, given current conditions and capacities in Jordan, and whether these conditions can be changed to respond to market requirements (quality, certification, type of product/agricultural variety, etc.)
<b>Step 3: Identify potential and potential competition</b>
Analyse the potential for new export products and markets and identify countries that have been, are, or might become, competitors.
<b>Step 4: Select first milestone product/market combinations</b>
Select up to five product/market combinations (depending on results)
<b>Step 5: Upgrade/adaption plan for selected products/markets</b>
Analyse standards for each product and develop a plan for meeting them.
<b>Step 6: Analyse distribution channels</b>
Based on the top-five products (depending on results), assess market entry points and possible distribution partners
<b>Step 7: Rank prospective market combinations</b>
Evaluate the market attractiveness matrix, including market potential/volume and required standards, and identify the final product/market combinations according to attractiveness
<b>Step 8: Create a longlist of companies</b>
Create a longlist of companies that produce the product (see strategic option 4)
<b>Step 9 Export-readiness test and development of recommendations</b>
Run company diagnostics and select companies to be supported
<b>Step 10 Implement recommendations</b>
Implement upgrades (e.g. packaging, specifications, sales material, staff training)
<b>Step 11 Assist in the process</b>
Support the export process – this should be provided by an expert based in the selected market together with a local expert with knowledge of the product

Figure 23: Intervention scheme

### 10.2.2 Capacity-Building of Relevant Jordanian BSO Stakeholder Staff (Strategic Option 2)

Making the capacities of key stakeholders more sustainable will require more than merely providing training after the selection, screening and support scheme has been implemented for the product/market combinations. Companies and their staff must be involved from the beginning. Training on-the-job by working together with international specialists will enhance local capacities much more than simply providing manuals and an explanatory seminar. A number of measures are therefore recommended to build the capacities of key stakeholder staff, including:

- Training and learning on-the-job – building internal resource capabilities
- Developing demand-driven market analysis documents
- Provision of training workshops, including coaching, to generate a sustainable resource of staff who are able to apply the methodology and train other staff members
- Close coordination with the responsible person(s) within businesses.

The staff of Jordan's BSOs should be involved in all discussions, and should work directly with external experts when selecting the methodology, which should be adapted to the Jordanian context. Thus, they will first assist the experts, and then conduct the analysis themselves with the experts' supervision and mentoring. Through this approach, staff will become familiar with the relevant theories and how to apply them within the Jordanian context. After gaining greater knowledge of the background information, they will work with the international expert to apply these insights for one selected product/market combination.

Finally, responsibility for the methodology, manuals, templates for analysis, and company support should be handed over to the Jordanian staff. Training courses must then be implemented to train further staff members, with those who have already undergone training functioning as co-trainers and acting as knowledge resources within the institution. To ensure sustainability, the training should also be conducted in Arabic.

### 10.2.3 Developing an HR Base for Export Companies (Strategic Option 3)

As noted above, Jordanian export companies, particularly MSMEs, lack qualified staff. A "Junior Professionals" (JP) approach is recommended to overcome this bottleneck and encourage students to become specialists in the export domain.

In this approach, students in the last year of their studies would be required to develop a thesis based around a concrete problem and company, focusing on a particular product. The student will work part-time in the company to obtain the data required and learn first-hand about export challenges. In parallel, the JP will attend training sessions alongside his or her studies which are related to specific export topics. The student should ideally have a mentor to guide and assist them in addressing complex questions. After completing the training, the student should be granted a certificate that recognises his/her additional qualification. Such a programme should follow an incentivising grant scheme, through which the company will cover part of the costs of employing the JP.

The following figure shows the steps to be taken for developing HR:

<b>Step 1 Develop programme with stakeholders (companies, universities, chambers)</b>
Develop programme for JPs (salary rate, grant scheme, application forms, selection procedures for students and companies)
<b>Step 2 Create a list of topics relevant to businesses for practical Master's theses</b>
Agree on topics for students' Master's theses and select students willing and able to work on these topics (e.g. the export of high-quality dates for retail in Switzerland)
<b>Step 3 Design training programme for students</b>
Develop training programme for students by a conducting a TNA on specific topics (e.g. EN standards for food industry, labelling requirements for natural cosmetics in EU countries)
<b>Step 4 Assign a mentor</b>
Assign a competent mentor for each student to act as quality control – evidence from Austria has shown that two days a month is sufficient contact time
<b>Step 5 Implementation phase</b>
Implement agreed measures – this may be done during the thesis development phase (where projects are more operational in nature) or after the thesis completion (for more strategic topics such as market selection)
<b>Step 6 Monitoring</b>
The mentor monitors on a monthly basis that the thesis is practical and is more than a scientific exercise.

*Figure 24 Steps for developing HR*

#### 10.2.4 Company Support (Strategic Option 4)

It is also important to bear in mind that the platform alone will not solve the problem, and e-services should be developed alongside the targeted consulting services. A concrete intervention scheme to launch an export-readiness test that includes e-services as well as classical consulting (based on the programme “Export Offensive” launched by the WKO) is laid out below:

<b>Step 1 Visit to company</b>
The platform-hosting consortium should present a visit plan. For example, in Austria each employee of the WKO had to visit at least five companies a month to obtain feedback on existing services as well as ideas for new services. Where the company is a potential exporter, the online test should be recommended.
<b>Step 2 Basic “export-readiness test” on the platform</b>
The basic readiness test should consist of a maximum of 15 questions that can be answered without preparation. The result should indicate areas that are problematic and where improvements should take place. Depending on the outcome (perspective exporter or not), a consultant should carry out a more comprehensive test.
<b>Step 3 Comprehensive test on-site</b>
The comprehensive test includes a site visit to the factory and collection of qualitative information in the form of a structured interview. The test will lead to the recommendation of a consulting programme that should identify and improve weaknesses and ready the company for export. It also marks the end of free services – further steps will require a cost contribution from the company.
<b>Step 4 Consultancy package to ready company to export</b>
Depending on the requirements identified during the on-site test, an improvement programme will be implemented. This may include the identification of markets and customers, preparation of documents needed for certification and import/export requirements, preparation of job profiles, etc. It is recommended to find a donor organisation that will support the programme.
<b>Step 5 Coaching programme</b>
The final stage is to support the company on the go. The company may purchase a package that allows consultants to be contacted to solve problems occurring during the export process.

*Figure 25: Concrete intervention scheme*

### 10.2.5 Additional Recommendations

1. Education of specialists: The problem of obtaining employees with specific export knowledge also needs to be tackled. The development of an accredited training course is recommended in addition to the JP programme to upgrade university graduate's skills to meet the demands. It is crucial that such a course has a practical orientation. This can be delivered alongside e-learning.
2. There is no single formula for "best practice" functionalities that match every country's needs and requirements for trade and export. Each country has its own particularities, and best practices should be developed accordingly. This should be done, and services delivered, on the basis of the products/verticals that are currently strong in a country, and the respective target audience. At a more advanced stage, other interesting sectors and audiences, and their respective needs, may also be considered.
3. Technology is one ingredient in the success of trading e-platforms, but it is not the only one required. Other key elements include updated content, updated functionalities, user aspirations, services offered in different languages, marketing and promotion, and core trade expertise.
4. It is also important to consider using several formats for content delivery. The use of videos, graphs, images, etc., will help end-users to gain greater benefit from the platform.
5. Mobility is a key area to consider: the developed portal should be at least mobile-friendly. The development of an application that runs on mobile phones should be seriously considered.
6. Social media has created a shift in the way we communicate. The question is no longer "Should I integrate social media?", but rather "How can social media help me boost trade?". B2B professionals now use social media, and the trade portal should recognise this fact. This must be seen in the context of networking/matchmaking.
7. User experience (UX) will also be a key aspect of the portal. It may be possible to integrate the best data and services; however, if the platform has low usability and is non-intuitive, it will not achieve the expected results.
8. Content syndication is the process of sharing content with third-party websites. This helps boost traffic and gain further exposure (when transmitting); it is also an effective way of adding greater depth and immediacy of information (when receiving). Content syndication in both directions (push and pull) should be applied.
9. A trade portal will not emerge from the efforts of an IT or any other department alone, but rather from a whole organisation, from management to technical and operations, perhaps even from several organisations working together. All members of participating organisations must have ownership and commitment from the top down.
10. Policies, processes and procedures for operations, updating content, and transmitting information via social media must be clearly defined.
11. A system of good governance and clear and effective decision-making should be implemented, as well as an accountability system.
12. Monitoring and evaluation should be a core component, defining the right KPIs to measure the effectiveness of the services offered. These should go beyond the basic level (i.e. not only how many visitors per month, but how much time each visitor spent, what functionalities he or she used, etc.).
13. Continuous promotion of the portal should include:
  - a. Search Engine Optimization (SEO): friendly domain name, title tag portal pages, description tagging, image tagging, sitemap...
  - b. Customized e-mail newsletters
  - c. Social media
  - d. Offline channels.

14. Sustainability: Trade portals very often expire a year or two after they are launched, especially once donor involvement ends. This is usually the result of poor planning and inadequate commitment to sustaining the financial and human resources required to keep the portal going, which is connected to the fact that Trade Portals are usually seen as stand-alone projects. Revenues need to be secured, or at least carefully planned, at an early stage. The study has shown that a large number of companies are willing to pay for excellent service.

15. Various financial models can be considered:
- a. Selling information/data
  - b. Selling services and not just data (such as analytics)
  - c. Advertisement (with enough traffic)
  - d. Membership services (e.g. free membership with access to some data, premium-plus membership with access to all trade data and advanced analytics)
  - e. Teaming up with financial institutions is a new, fast-rising trend in the market. Financial institutions are becoming increasingly interested in trade and exports since exports require many financial products, such as letters of credit, transfers, etc.
  - f. Teaming up with other Jordanian institutions (consolidated HR, financial resources, data...)
  - g. Securing funding support (donors). One way to secure donor support is by ensuring and demonstrating successful implementation of consecutive projects.

### 10.3 RECOMMENDATIONS FOR HOSTING AN E-PLATFORM

There are multiple, competing service providers (institutions) working in export-based data and information in Jordan. As such, available resources are democratically distributed among several players. This structure guarantees that no single

institution provides all the required information. Nevertheless, it is important that a single institution should exist that can be held accountable for providing timely, relevant, and necessary data and information to Jordanian enterprises who wish to export.

This institution may be either a newly-created or an existing entity which is currently fulfilling some of the required roles. In either case, the institution must be tasked with the responsibility and accountability for providing the necessary information. Since several existing institutions in Jordan already provide partial data and information, it is strongly suggested that one of these existing institutions take the national responsibility and accountability for delivering these services

The appointment of such an institution should be the responsibility of the Jordanian stakeholders, particularly the existing service providers, to ensure the role is collectively supported at a national level.

Once an institution has been identified it is important that a technical arm be developed to support private-sector institutions seeking to export. Jordanian research indicates that substantial technical assistance is required for companies to become export-ready and to sustain their efforts once they decide to begin exporting. As such, the selected institution needs to either establish a technical delivery arm, which can provide enterprise development services as well as export-readiness and development services, or sub-contract one or more existing technical service providers to deliver these services.

The following steps are recommended once the Jordanian entity which will assume responsibility and accountability for the provision of export data and information has been identified:

1. Obtain broad buy-in from all existing stakeholders regarding the choice of institution.



2. Identify one or more business development service providers to supply a wide range of enterprise development services and assist existing Jordanian institutions through export-readiness audits and export sustainability services.
3. It is also suggested that the responsible enterprise should start by selecting two to three sectors and one export market per sector:
  - a. Focusing efforts on a few sectors and a few markets will enable the institution to develop its service provision capabilities (export data and information and enterprise development capability) for companies in the identified sectors in relation to the selected export markets.
  - b. This is important to establish the efficacy of the institution’s interactions with Jordanian businesses.

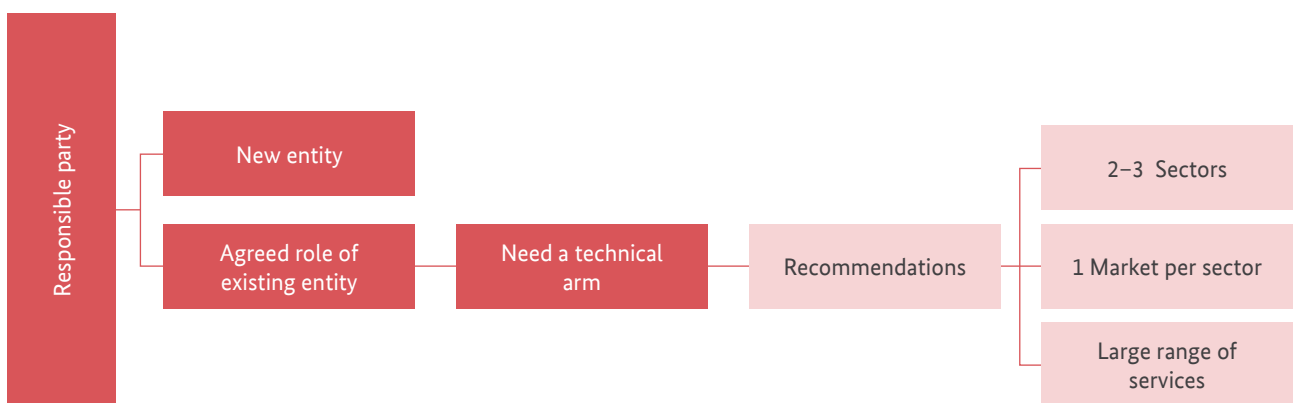


Figure 26: Steps for hosting an e-platform

### 10.4 BUDGET AND TIMELINE FOR PLATFORM DEVELOPMENT

Without clear user requirement specifications (URS), it is practically impossible to draw up a budget for the establishment of an e-platform. A proposed timeline should be based on similar projects and on the personal experience of relevant experts.

An e-trade platform budget depends on the delivery technology, services, and content that the platform offers.

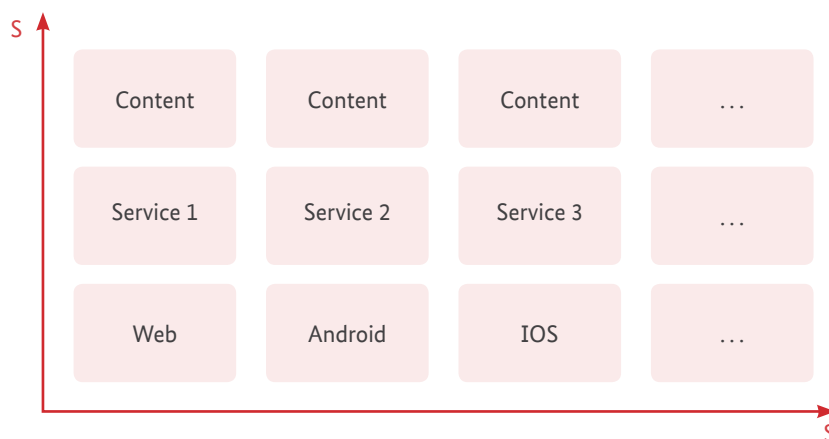


Figure 27: Budget timeline

Budgets may range from a few million US dollars to the 108 million US dollars that Singapore spent on its platform.

- The new platform will only offer reasonable services for two to three sectors and for one market per sector.

Based on the team’s experience in other projects in and outside the region, the following hypotheses can be established:

- The new platform will need to answer TFA requirements

**10.4.1 Draft Cost Estimate, E-Trade Platform**

It should be stressed that this is a draft cost estimate which does not take user requirements into account, and a great deal more information would be required to make it realistic.

Description	Rough budget
URS, RFP preparation, bidder selection	EUR 1,042,000
Wireframes, development	EUR 938,000
User acceptance testing and stabilisation	EUR 520,000
<b>Total draft budget in EUR (excl. taxes)</b>	<b>EUR 2,500,000</b>

Table 22: Draft cost estimate

**10.4.2 Draft Time Plan**

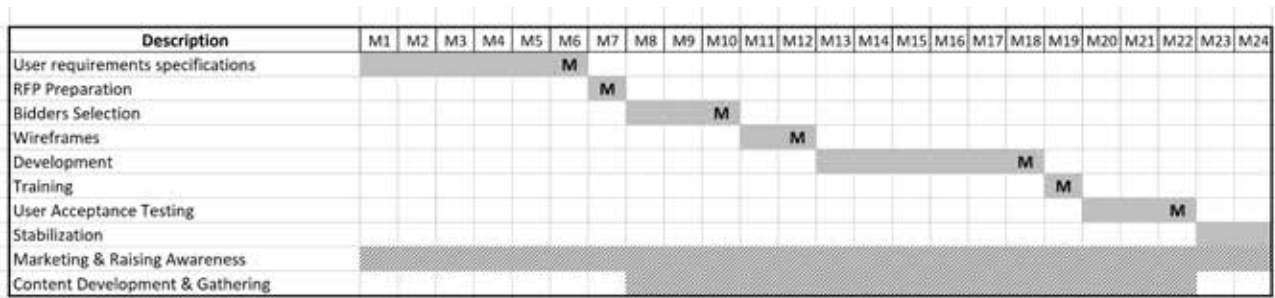


Figure 28: Draft time plan

**10.5 Conclusion After Debriefing Workshop**

The participants at the debriefing workshop verified and endorsed the findings of the survey and analysis and stressed the following points:

- Sustainability of e-platforms is very important
- Accountability and governance are paramount for the selected host; a cross-institution approach with one lead institution should therefore be implemented
- There should be a focus on the services demanded (pull approach), as identified in the study
- The project team stresses the importance of engaging sector-specific experts from target

markets to provide first-hand information.

- ACC recommended that a meeting should take place between all relevant institutions to follow up on the recommendations for hosting the platform
- Content syndication should be emphasised to consolidate widely scattered information
- Awareness-raising and special training courses to develop an HR base should be considered as important secondary measures
- Inclusion and empowerment of woman entrepreneurs should be considered.



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