



ICT SECTOR PROFILE



Invest Jordan

ICT Sector Overview

A Digital Oasis of Opportunity

Jordan's Information and Communication Technology (ICT) sector is highly competitive, rapidly growing, and already attracting some of the world's biggest ICT powerhouses. Leveraging Jordan's wellspring of young ICT talent, its exceptional investment environment, and its world-class infrastructure and resources, the Jordanian government plays an active role in facilitating and encouraging investments in the country's ICT sector, including the outsourcing of IT and business process functions—helping companies around the world tap into unrivaled business potential.

Highlights of Jordan's ICT Sector

• A Thriving ICT Industry

– Jordan's information and communication technology (ICT) industry comprises an array of diverse sub-sectors, including software engineering, telecom services, e-commerce, mobile app development, and digital advertising. Each of these sub-sectors has shown remarkable growth in recent years, drawing the attention of both local and international businesses and investors. This growth can be witnessed across all relevant measurements and indicators, including domestic revenues, export revenues, sub-sector diversity, and number of employees. The number of operational ICT companies in the nation has been on a steady upward trajectory, with many of these businesses focusing on lucrative areas like software creation, mobile app development, and digital promotion.

• A Supportive Startup Ecosystem

– The startup ecosystem in Jordan has played a pivotal role in the rapid expansion of the ICT sector. With a supportive business environment that encourages innovation, an abundance of local talent, and a wealth of access to funding, Jordan's startup scene has become a hotbed for budding entrepreneurs and investors. The emergence of incubators and accelerators in Jordan has provided startups with essential resources to kickstart their businesses. As a result of this strong ICT ecosystem, 27 of the MENA region's top 100 tech entrepreneurs are Jordanian, despite the fact that Jordan's population accounts for only 3% of the region's population.

– A large number of incubators and accelerators are active in Jordan, offering a wide range of services and support, including mentorship, office facilities, networking opportunities, and access to funding.

– In 2021, the Ministry of Digital Economy and Entrepreneurship launched the National Entrepreneurship Policy, this policy has supported the implementation of more than 20 projects designed to further strengthen the entrepreneurial ecosystem and empower local entrepreneurs.

• Robust Infrastructure

– Jordan has made substantial investments to advance its ICT infrastructure, ensuring uninterrupted connectivity, high-speed internet access, and dependable services. The government has prioritized the growth of high-speed internet access nationwide, with ongoing projects underway to extend fiber-optic coverage and 4G LTE services. The recent introduction of 5G services in Jordan has further improved connectivity, delivering ultra-fast internet speeds and minimal latency that can readily accommodate the latest cutting-edge applications and technologies. Additionally, Jordan has established an expanding network of data centers, providing secure and dependable hosting solutions for businesses and organizations.

• Attracting Global Technology Giants

– Jordan's thriving ICT sector has attracted the attention of major global technology leaders, who have chosen to establish their regional offices and research centers in the country. High-profile multinational companies like Microsoft, Expedia, Amazon, Cisco, Oracle, Webhelp, APG, Auto-Desk, BIGO, Juniper, and Huawei have already set up operations in Jordan, further elevating the country's status as a regional and

global ICT hub. These multinational firms not only contribute to the growth of the sector, but also help transfer knowledge and expertise to local ICT companies and entrepreneurs.

• Collaborative Networking

- The success of Jordan's ICT sector can be partly attributed to the country's highly collaborative ecosystem, which actively encourages and facilitates knowledge exchange and cooperation among stakeholders. This ecosystem consists of government entities, academic institutions, research centers, and private-sector organizations, all working together to drive the growth and development of the sector as a whole. Jordan also hosts a number of high-profile tech events, conferences, and workshops, which bring together entrepreneurs, investors, and industry professionals from across the globe. These include the MENA ICT Forum, Amman Startup Week, and TechWadi, among many others.

Sub-sectors

• IT Infrastructure

- Jordan's ICT infrastructure provides a robust backbone for the sector. High-speed internet access is widely available, and the country's internet penetration rate stood at 88.2% as of 2021. The government has been proactive in strengthening its IT infrastructure, launching initiatives like Digital Jordan 2025, which is focused on upgrading the country's telecommunications networks and expanding broadband coverage.

• Software

- With an emphasis on innovation and a highly skilled workforce, the IT software landscape in Jordan is among the most competitive in the region. Jordanian IT software companies have demonstrated their expertise by achieving both regional and global success. These firms have developed world-class solutions for various industries, including healthcare, education, finance, and telecommunications.

• Gaming

- Recognizing the immense potential of this industry, Jordanian game development studios are actively engaged in developing gaming titles for a variety of platforms, and are increasingly investing in new technologies, such as virtual and augmented reality, in order to develop more immersive gaming experiences.

• Business Process Outsourcing

- Over the last few years, Jordan has affirmed its claim of being an undiscovered gem for business process outsourcing (BPO)—and, now, global industry leaders have taken note. The country's BPO industry doubled its revenues in the last 2 years, reaching more than USD110 million. In the same period, Jordan's BPO industry created more than 10,000 new jobs, with plans to double that figure within the next two years. The key strength of the country's BPO industry rests in its highly skilled, multilingual workforce, with over 80% of the population demonstrating proficiency in English.

Why Invest in Jordan's ICT Sector?

• Tax Incentives

- In addition to the incentives already in place for all industries, Jordan provides a specialized range of incentives and offerings for businesses investing in the local ICT sector. This includes software development companies, mobile app creators, call center operators, and many others operating in the ICT space. Special tax incentives for the ICT sector include:
 - 0% customs duties
 - 0% export income tax
 - 0% tax on ICT services
 - 5% income tax on profits generated in Jordan

• Grants and Subsidies

- Furthermore, the following additional grants and subsidies are available for the sector:
- Employment and Salary Subsidies: For digital or digitally enabled businesses, employment subsidies will cover up to 50% of new employee salaries for the first six months of their employment.
- Market Expansion Grants: For digital or digitally enabled businesses looking to expand their operations in Jordan, grants are available to cover up to 50% of the cost of their business development plans.
- Upskilling Grants: To enhance the knowledge, skills, and capacities of the local workforce and increase the cadre of digitally enabled youth, businesses have access to upskilling grants that will allow them to enhance the digital skills of their workforce, with training programs readily available from qualified service providers.
- Graduate Internship Program (GIP): Through the Graduate Internship Program, ICT graduates are connected to 12-month internship opportunities in private-sector companies. The Jordanian government supports these opportunities by subsidizing 50% of the trainees' monthly salaries.

• Exceptional Business Facilities and Resources

- Outsourcing Parks: Jordan offers numerous plug-and-play facilities equipped with top-notch infrastructure and furnishings, all accessible via excellent transportation options and benefitting from superb on-site security and support.
- Shared Services: Investors in Jordan's ICT sector have access to a wide range of added-value services, including accounting and legal services, training service providers, and recruitment platforms.
- Robust National ICT Infrastructure: Regional and international internet connectivity is provided via robust land and submarine cable networks. The country enjoys a mobile and internet coverage rate of 99 percent.

• A World-class Workforce

- Jordan is home to a great deal of young, digitally savvy talent, with more than 70% of the population under the age of 34 and wide-reaching fluency in both Arabic and English. Twenty-two percent of local youth hold degrees in IT, computer science, and engineering fields. Jordan's geographic location ensures that its workforce is operational during the standard working hours of Asia, Europe, North and South America, and Africa. The Jordanian Arabic dialect is universally understood among Arabic speakers, opening up opportunities to serve an Arabic-speaking market of around 400 million consumers.

Insights

- 75% of Arabic internet content is generated by Jordan's ICT sector.
- 27% of the region's top startups are led by Jordanians.
- 40% of the top visited Arabic websites in the Middle East are Jordanian.



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