



Jordan

Welcoming the sharing economy with open arms

Jordan has long been a destination for American and European tourists, thanks to the famed Nabatean temple carved into the sandstone cliffs of Petra. As befits its reputation, Jordan permits short-term rentals with no limitations other than the tourist visa restrictions under the Law of Residence. This policy helped the Modest Innovator country earn one of its best grades on the Innovation Scorecard.

Ridesharing is also immensely popular in Jordan, although it is subject to sudden and sometimes harsh crackdowns. In late 2016, the director of the country's Land Transport Regulatory Commission accused Uber of operating illegally.

In the months since, the government approved regulations that allow rideshare services to operate as long as companies obtain a license from the commission and register with the Companies Control Department.

Jordan's per capita income is roughly one-fifth that of the United States, so the special fees it adds to innovative tech take a bigger toll on its citizens. In February 2017, the country's Cabinet imposed a tax of 2.6 Jordanian dinar (\$3.66, as of February 2018) on the purchase of prepaid and post-paid mobile SIM cards.

Worse, the country doubled its tax rates on fixed and mobile internet services to 16 percent, saddling nearly 90 percent of its population with significantly higher costs for these critical services.

Sources: (Al-Monitor) (Jordan Times) (LTRC) (Jordan Times) (CIA World Factbook) (Jordan Times) (Jordan Times)

WHAT DID WE DO RIGHT?

Jordan has maintained a corporate tax rate of 20 percent, and has in recent years supported a quickly developing class of investment firms in the capital city targeting domestic and international startups.

WHAT CAN WE DO BETTER NEXT YEAR?

Jordan can remove barriers for drone users, who require prior written permission from the Ministry of Interior or Civic Aviation Regulatory Commission for recreational flights; clarify ridesharing rules; promote self-driving vehicle testing; and improve personal and political freedom.

Diversity	C
Freedom	D
Broadband	B-
Human Capital	C-
Tax Friendliness	B
R&D Investment	D
Entrepreneurial Activity	C-
Drones	D
Ridesharing	D
Short-Term Rentals	B
Self-Driving Vehicles	F
Environment	D+



Diversity

Jordan has among the highest proportions of immigrants in its population of any country in the region, but its low levels of gender parity leave room for improvement.



Tax Friendliness

Jordan's 20 percent corporate tax rate is among the lowest on the Scorecard.



Entrepreneurial Activity

With a new business entry rate of less than one for every 1,000 people, Jordan lags behind most other countries.



Human Capital

Roughly a third of Jordanian workers are highly-skilled, a share that exceeds that of many other countries. However, less than 10 percent of degrees in the country are in STEM programs.

AMMAN

Jordan has been a rising center for entrepreneurship in the Middle East, and a developing class of investment firms based in Amman are making that possible.

Venture capital firm Silicon Badia runs the Badia Impact Fund, a pool fueled by contributions from the European Investment Bank, European Bank for Reconstruction Development and Cisco, among others. The Impact Fund funnels money to startups in the Arab world, with a portfolio that includes a dozen ventures.

One of the members of that portfolio is ecommerce site ShopGo, which in 2013 joined with Google, PayPal and courier service Aramex to launch EZStore.me. The site caters to small businesses looking to boost their online presence.

Silicon Badia is also the first Arab capital firm with a fund dedicated solely to investing in U.S. startups, known as the Badia Outreach Fund, which has offered capital to 31 American startups since it was launched.

The company is part of BeyondCapital, a three-organization partnership that connects Jordanian startups with investors through a two-year program, that provides mentorship and other avenues of support.

Sources: (Forbes) (Wired) (The Next Web) (Wamda) (Gulf News)



A growing class of investment firms in Amman have made Jordan a rising hub of entrepreneurial activity. One of those, venture capital firm Silicon Badio, has thrown its funds behind domestic and international startups and takes part in BeyondCapital to connect Jordanian startups with investors.