

JORDANIAN-POLISH BUSINESS FORUM

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”Perspectives of strengthening business relations”

by

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Agenda

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1. Introduction

Tomasz Szuba

- MBA University of Minnesota,
- Managing Director of TSBA Business Advisory
- Previously worked for: World Bank, Andersen, Deloitte, Oracle
- Project management experience: Poland, Kyrgyzstan, Jordan, Romania, Macedonia, Bosnia
- New initiative: Venturis – developing international business relations (16 countries: POL, JOR, RO, CZ, SLO, SLA, ITA, CYP, GRE, RUS, UKR, DUB, KSA, LEB, CHI, SER)

My experience in Jordan

- 2005/2006: e-gov project for the MoICT
- 2009/2010: Jordan's 2nd Competitiveness Report

2. Ease of doing business comparison

	JORDAN (GNI 3,300 USD)	POLAND (GNI 11,883 USD)
Ease of doing business (overall ranking)	100	72
- starting a business (procedures, time, cost, min capital)	125	117
- construction permits (procedures, time, cost)	92	164
- employing workers (hiring, firing, redundancy cost)	51	76
- registering property (procedures, time, cost)	106	88
- getting credit (legal rights, credit info,)	127	15
- protecting investors (strength, suits, liability)	119	41
- paying taxes (no. of payments, time, total rate)	26	151
- trading across borders (doc to exp/imp, time, cost)	71	42
- enforcing contracts (procedures, time, cost)	124	75
- closing a business (time, cost, recovery rate)	96	85

3. General economic characteristics

JORDAN	POLAND
<ul style="list-style-type: none"> - Generally stable situation both politically and economically: growth of 3% GDP in 2009 - High level of security. Hub for Iraq. Gateway to the Middle East - In terms of level of income in MENA countries: ahead of Iraq, Egypt, Syria; below Iran, Lebanon and the Gulf - Sound and prudent economic policies but: current account deficit 11% of GDP in 2009, budget deficit 9% in 2009 - FDI ca. 2 bln USD per annum - Global financial crisis no real threat to financial system (strong competitive position of banks) 	<ul style="list-style-type: none"> - Immune to the global financial crisis (positive GDP growth) - Immune to tragic accidents (zero effect on stock exchange and exchange rate) - Strong and stable financial system (conservative policies applied by commercial banks) - Inflation rate and public spending under control, unemployment rate going down - Huge influx of EU structural funds: infrastructure development - Average Polish foreign investment after joining EU: average 3 bln EUR annually - What's ahead: EURO 2012, EURO zone 2015

4. Bilateral trade relations

JORDAN	POLAND
<p>EXPORT to Poland</p> <ul style="list-style-type: none"> - ca. 0,5 mln USD (2009) - ca. 20 mln USD (2008) - fresh fruits and vegetables (melons, watermelons, cucumbers, tomatoes): 0,33 mln - chemical products: 0,15 mln - textiles: 0,03 mln 	<p>EXPORT to Jordan</p> <ul style="list-style-type: none"> - ca. 27 mln USD (2009) - ca. 77 mln USD (2008) - mechanical and electrical tools: 5 mln USD - foodstuff: beverages, tobacco (18%), vinegar: 4,3 mln USD - meat and dairy: 3,5 mln USD - machines: tractors (6%), waterplanes: 2 mln USD - tires: 0,45 mln USD

Other characteristics:

- No Polish investment in Jordan so far: risk, unstable situation in the Middle East

5. Conclusions

1. **Both countries have potential**
 - Jordan: stable, modernizing, huge imports, growing income, gateway to Middle East (Iraq)
 - Poland: huge market, stable, EU, infrastructure, growing income, privatization
2. **Polish business FDI's growing significantly: 3 bln EUR annually**
3. **Low exports/imports to/from boh countries: dropped significantly in 2009**
4. **Business is not based on long term relations + commodities (fluctuations)**
6. **Present efforts (example): Aqaba – attract Polish tourists (web page in Polish)**
7. **Polish companies: long time to react, no participation in tenders**
8. **Jordanian business: interested but sometimes legal difficulties (multi-entry visas)**
9. **Limited knowledge on both countries: service, products, people, context**
10. **Present efforts (example): today's conference, Aqaba – attract Polish tourists (web page in Polish)**

6. Recommendations

1. **Strengthen promotion efforts:** convince Poles that Jordan is safe and stable
2. **Promote tourism, youth exchange, cultural events:** indirect business promotion
3. **Tighten political ties:** no Jordanian embassy in Warsaw, last King's visit in 2004
4. **Build long term business relations:** based on trust and understanding
5. **Use intermediaries:** Jordanians speaking Polish, Poles living in Jordan
6. **Organize road shows and business meetings not only in Jordan but in Poland as well**

7. Business opportunities identified by Venturis

JORDAN	POLAND
<ul style="list-style-type: none"> - ASEZA: construction (opportunity for construction firms) - tourism (company willing to attract more tourists from PL) - legal representation (of Polish businessmen) - market and sectoral studies (for foreign investors in Jordan) - finding a business partner (for Polish business people) - hospitals (willing to accept Polish patients) 	<ul style="list-style-type: none"> - furniture (producer willing to export) - steal (construction company ready to buy) - construction: one of biggest Polish cities ready to find an investor and construction companies - tourism (company ready to attract more tourists to Poland) - legal representation (of Jordanian businessmen in Poland) - business advisory (ready to serve Jordanian business) - distribution and sales (company ready to provide its sales network for Jordanian products) - real estate investment: land, commercial, etc. (ideas for Jordanian business people to invest in Poland)

8. Discussion: wrap up

How to revive and strengthen mutual economic ties?

THANK YOU!

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