



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

Transportation & Logistics Sector

Jordan's Economic Vision Roadmap



منتدى الاستراتيجيات الأردني JORDAN STRATEGY FORUM

The Jordan Strategy Forum (JSF) is a not-for-profit organization, which represents a group of Jordanian private sector companies that are active in corporate and social responsibility (CSR) and in promoting Jordan's economic growth. JSF's members are active private sector institutions, who demonstrate a genuine will to be part of a dialogue on economic and social issues that concern Jordanian citizens. The Jordan Strategy Forum promotes a strong Jordanian private sector that is profitable, employs Jordanians, pays taxes and supports comprehensive economic growth in Jordan.

The JSF also offers a rare opportunity and space for the private sector to have evidence-based debate with the public sector and decision-makers with the aim to increase awareness, strengthening the future of the Jordanian economy and applying best practices.

For more information about the Jordan Strategy Forum, please visit our website at www.jsf.org or contact us via email at info@jsf.org. Please visit our Facebook page at [Facebook.com/Jordan Strategy Forum JSF](https://www.facebook.com/JordanStrategyForumJSF) or our Twitter account [@JSFJordan](https://twitter.com/SFJordan) for continuous updates about Jordan Strategy Forum.

-  #JSFJo
-  @JSFJordan
-  /JordanStrategyForumJSF
-  Jordan Strategy Forum

Amman, Jordan
 T: +962 6 566 6476
 F: +962 6 566 6376

This is an expert opinion report based on discussions and focus group meetings held by the Jordan Strategy Forum (JSF). The overall objective of this effort is to analyze different sectors (14) of the Jordanian economy and their respective challenges, and come-up with practical solutions and initiatives to enhance their competitiveness. Throughout this exercise, the JSF facilitated the focus group meetings, and supported the work-stream managers with any needed research and logistics.

Acknowledgment:

The JSF would like to extend its appreciation to the following work-stream members of the **Transportation & Logistics sector**, who contributed to the focus group meetings, and in editing the proposed initiatives and sectoral report:

Work Stream Manager:

1. Dr. Rana Imam

Work Stream Members (In Alphabetical Order):

2. Dr. Ayman Smadi
3. Eng. Bashar Rihani
4. Mr. Eyad Kamal
5. Eng. Hazem Zureikat
6. H.E. Mr. Jameel Mjahed
7. H.E. Dr. Lina Shbeeb
8. Mr. Mohammed Abdul Hadi
9. Ms. Noura Mihyar
10. Mr. Osama Fattaleh,
11. Mr. Rakan Madi
12. Mr. Samir Talhouni
13. Eng. Walid Abu Ghosh

Table of Contents

Introduction	5
Performance of the Sector During the Past 5 Years & COVID-19 Impact	8
Stakeholders' Mapping for the Sector: Linkages & Overlaps	12
SWOT Analysis	13
Strategic Objectives	14
Initiatives (projects)	15
General Recommendations	18
Annex	20

1. Introduction

Sector Trends and Forecasts:

Jordan should leverage its central location between the Levant and the GCC, which witnessed an exceptional growth in air and land transport, and the logistics sector in recent years. It is an important regional transport hub between the GCC countries, Turkey, and Europe, and between Iraq, Red Sea, and the Mediterranean. On the other hand, improved overall infrastructure, rehabilitating departure and arrival centers across all governorates, restructuring public transport routes and networks, as well as employing modern technologies and smart systems, could solve for inefficiencies, increase overall productivity, and help reduce operational and management costs. Furthermore, institutional governance and technical capacity, technology solutions and financing are paramount to realizing the untapped potential of this sector.

- Currently, the Ministry of Transport (MoT) is working on enhancing urban mobility, developing corridors and regional integration, ensuring road maintenance and safety, shifting towards green transport and integrating new technologies and smart systems through the following strategic projects: King Hussein International Airport; Ma'an Dry Port; Amman-Zarqa Bus Rapid Transit (BRT); Permanent Logistics Centre in Giza /Al Qastal Area.
- In addition, the proposed National Railway Project seeks to enhance both domestic and regional transport connections for both by increasing cargo handling capacity as well as making transport connections faster, cheaper, and more competitive.
- Similarly, Greater Amman Municipality (GAM) is completing modern public transport systems, such as Amman Bus restricting and expansion and the Amman BRT project. The Amman BRT running way is segregated, dedicated, two-lane in the median of right-of-way with lateral platforms to ensure BRT operations are not affected by general traffic flows. The planned system consists of three lines. The first phase of Amman BRT began operation after the infrastructure was completed. The first line (green line) is 16 km and runs from Sweileh to Ras Al Ain via Sports City with major service at the University of Jordan and is comprised of 19 bus stops. Line 2 (Red Line) is 9 km and connects Sports City with Ras El-Ain via Princess Basma Street and 5th Circle and is comprised of 18 bus stops. Line 3 (Blue Line) is 7 km line connects Customs Square with Mahatta via Yarmouk Street and Middle East Square; however, this line has been deferred. The municipality is also coordinating with the Ministry of Transport to

integrate the Amman BRT with the planned Amman-Zarqa BRT. The Amman Bus project aims to improve public transportation in the capital by operating 135 buses throughout 27 routes in central Amman, the first phase of the project covers 11 out of 22 areas affiliated with the GAM, including Al Madina, Abdali, Basman, Tareq, Abu Nuseir, Shafa Badran, Sweileh, Jubeiha, Tla'a Al Ali, Al Naser and Marka through 135 buses 52 of which will be able to accommodate 59 passengers while the remaining 83 buses can fit 42 passengers¹.

The transportation industry has been gradually liberalized, allowing private operators and investors to invest in the market. The road network has witnessed significant investments in recent years. The Queen Alia International Airport in Amman and the seaport in Aqaba have both experienced significant development². The national railway network project connecting Jordan's north and south is included in the Government's Economic Priorities Program for 2021-2023. Increasing the size and quality of public transportation infrastructure is one of the vision 2025 targets.³

The transportation industry has significant impacts on the country's economic growth as well as contributing to the labor force by about 126,000 jobs. A total of 325 licensed transportation and logistics companies are currently operating in Jordan⁴. The demand for transportation and logistics is expected to rise at a rate of 5% to 6% until 2030⁵. The following are the main activities of this vital sector: Land (including rail network transport) Transport, Water Transport, Air Transport, Supporting and Auxiliary Transport Activities, and Post Activities. The total fixed capital formation for these activities is presented in Table 1⁶.

Table 1: Gross Output Total Fixed Capital Formation by Economic Activity (2015)		
Economic activity	Gross output (JDs 000)	Total fixed capital formation (JDs 000)
Land Transport; including pipelines	1,872,458	83,340
Water Transport	72,609	35,522
Air Transport	739,742	17,320
Supporting and Auxiliary Transport Activities	503,409	15,124
Post Activities	16,329	269

¹ Amman Bus, 2020

² A National Green Growth Plan for Jordan

³ Government of Jordan. 'Jordan 2025

⁴ Department of Statistics, 2016, Ministry of Transportation 2016, Ministry of Labor 2016, JIC Website

⁵ Ministry of Transport Studies

⁶ Department of Statistics, Transport, Storage & Post Survey 2015.

The number of vehicles registered in Jordan reached 1.729 million in 2020, the number of road accidents is 23.3 accidents/day, when compared to the population, vehicle ownership has grown from one vehicle for every 58 persons in 1971 to one vehicle for every six people in 2020⁷. Outside Amman, the governorates' dependency on public transportation is higher due to low vehicle ownership (86% of public transport riders do not own a car)⁸.

The transport sector is a major contributor to the emissions of greenhouse gases (GHG) with a percentage of 38% of emissions share to the bulk GHGs of Jordan⁹. Energy industries ranks the second source of GHG after the transport sector energy sector, which is responsible for emitting 37% of GHG. Transport is the largest consumer of energy (49% in 2018) while energy consumes about 20% of the country's GDP. The annual mean of PM_{2.5} concentrations in Amman was 28 µg/m³ in 2017, which is double the national limit of 15 µg/m³. Likewise, air quality monitoring stations in downtown Amman measured NO₂ concentration of 118 µg/m³; which on its own exceeds the national limit of 100 µg/m³ for total nitrogen oxides (NO_x). Therefore, as outlined in the Intended Nationally Determined Contribution (INDC), investments in energy-efficient transport would improve air quality indicators in urban areas. Amman Climate Plan 2019 mentioned enhanced and expanded urban services as one of the identified economic benefits (e.g. public transportation)¹⁰. The actions of the plans are to plan and build the first rapid bus transit system and enhance the transportation and mobility network.

Public transport in Jordan comprises mainly of three services: buses, minibuses (coasters), and white taxis (jitneys) ¹¹. The vehicle fleet composition of Jordan's public transport network is summarized in Table 2¹².

Table 2: The Vehicle Fleet Composition in Jordan's Public Transportation System	
Type	Vehicles
Buses	1020
Minibuses (Coasters)	3723
Jitneys (White Taxis)	4018

⁷ Jordan Traffic Institute, Annual report on traffic accidents in Jordan for the year 2020

⁸ Shbeeb, L. (2018), A Review of Public Transport Service in Jordan: Challenges and Opportunities, Al-Balqa for Research and Studies, 12(1).

⁹ Ministry of Environment, Jordan's Second Biennial Update Report (SBUR) to the United Nations Framework Convention on Climate Change (UNFCCC) 2020.

¹⁰ The Amman Climate Plan, A Vision For 2050 Amman https://www.amman.jo/site_doc/climate.pdf

¹¹ Imam, R. (2014), Measuring Public Transport Satisfaction from User Surveys, International Journal of Business and Management; 9(6). <https://www.ccsenet.org/journal/index.php/ijbm/article/view/35062>

¹² Imam, R. (2014), Measuring Public Transport Satisfaction from User Surveys, International Journal of Business and Management; 9(6). <https://www.ccsenet.org/journal/index.php/ijbm/article/view/35062>

2. Performance of the Sector During the Past 5 Years & COVID-19

Impact

Jordan's logistics and transportation infrastructure is among the key sectors that contribute to boosting the economy and accelerating economic recovery, improving productivity, raising living standards, and improving access to quality public services. The transport sector is vital for the Kingdom's economic development as it comprises more than 9% of Jordan's GDP and is expected to grow 5-6%¹³ annually until 2030. Land Transport accounts for 70% of the transport sector's GDP. In addition, it employs about 7.2 percent of the workforce¹⁴. Moreover, there is an opportunity for this sector to become a major creator of growth, and employment opportunities, particularly given Jordan's geostrategic location.

Status quo of the Jordanian Transport Sector: with the exponential growth in population and the consequent rise of urbanization and congestion as a result of the Syrian Crisis, Jordan's physical infrastructure expansion has not been able to keep pace with the increasing demand. The kingdom's road network and other infrastructure have progressively degraded rendering the network inadequate to support the country's competitiveness. Moreover, increasing congestion, reliability and safety concerns constitute major challenges that require concrete policy frameworks and immediate actions. Sector income losses—that have been attributed to the crisis— have been estimated to amount to approximately USD 57 M per year, with land losses reaching USD 44 M, and aviation losses estimated at USD 13 M. Below are some figures:

A. According to the Green Growth National Action Plan 2021-2025:

- The total national emissions (GHG) from the transportation sector equal to 16.4%.
- The number of unserved people of public transit services is 59%.
- The transport sector is the second largest contributor to emissions in the cities of Jordan, with on-road vehicles contributing the most transportation emissions.
- In the 2017-18 period, the average annual household transportation expenditure in Amman was JOD 2,301.50, equivalent to 18% of the average household income.
- The average waiting time of passengers for public transport is from 12 to 23 minutes (below the global average).
- 12 to 23 minutes vs a recommended 10 to 20 minutes.

¹³ Green Growth National Action Plan 2021-2025

¹⁴ Jordan: Road Sector Assessment 2019- The World Bank Group

- There are over 1m and 600 registered vehicles in Jordan (1 car for every 6 persons), showing a yearly average increase of 4.5% (since 2015).
- Over 16 k road accidents were reported in Jordan in 2019, of which 10.8 k resulted in human casualties. These accidents showed a 4% increase from 2018 and were the highest since 2016.
- In the year, 2019 road accidents resulted in over 600 deaths and 17 k injuries. Despite that increase in numbers, the number of injuries and deaths in traffic accidents in Jordan per 10 k vehicles decreased during the years (2015-2019) at an annual rate of 2.8 and 1.7, respectively.

In 2018, Jordan's Ranking in Logistics Performance Index- WB Group is 84th/160 with LPI score value of 2.69¹⁵. In general, the LPI for Jordan has been fluctuating during 2010-2018¹⁶. The total cargo imports are 649056 tons and cargo exports are 417931 tons in 2021, the total arrivals of passengers traffic via Aqaba port (Nuwaibe) is 1026 and the departures is 3942 in 2021¹⁷. The transport services as a percentage of commercial services export is 21.4%. Procedures for importing and exporting are among the most efficient and cost-effective in the region; Border and documentary compliance for exporting from Jordan takes 38 hours, whereas clearing imports takes around 17 days at a lower cost among countries, as shown in Table 3¹⁸.

Table 3: The Cost of Exports and Imports of Border Compliance and Documentary Compliance

	Export		Import	
	Border Compliance US\$	Documentary Compliance US\$	Border Compliance US\$	Documentary Compliance US\$
Jordan	\$131	\$16	\$181	\$30
Cyprus	\$300	\$50	\$335	\$50
Egypt	\$258	\$100	\$554	\$1,000
Lebanon	\$410	\$100	\$695	\$135
Saudi Arabia	\$363	\$105	\$779	\$390
Tunisia	\$469	\$200	\$596	\$144
Turkey	\$376	\$87	\$655	\$142

¹⁵ The latest version of the index was issued in 2018 <https://lpi.worldbank.org/international/global>

¹⁶ Hamed, M.M. (2019), Logistics Performance and Freight Sector in Jordan, European Journal of Scientific Research https://www.europeanjournalofscientificresearch.com/issues/PDF/EJSR_152_4_10.pdf

¹⁷ Land Transport Regulatory commission

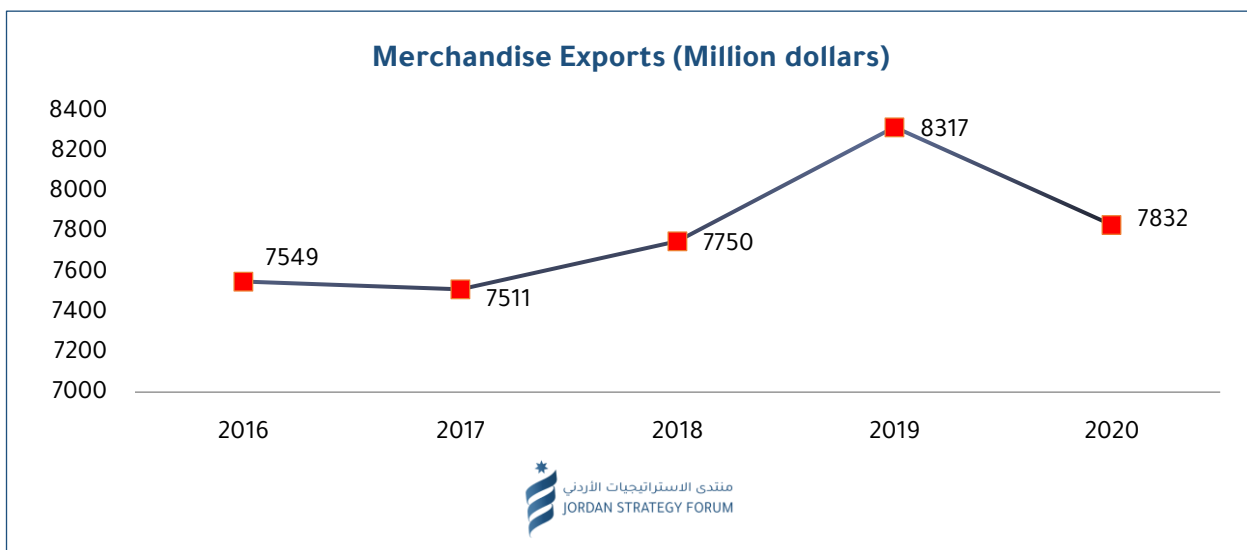
¹⁸ World Bank, 2018, "Doing Business 2018"

Air transport in Jordan is contributing to the transformation of the ASEZA into a logistics and transportation hub; Queen Alia International Airport (QAIA) has been awarded the ‘‘ Best Airport by Size and Region: Middle East’ for airports serving 5 to 15 million passengers based on the 2020 Airport Service Quality (ASQ) Survey’’. Furthermore, the ACI World initiative honored the QAIA as a ‘‘The Voice of the Customer’’ for continuing to communicate with and listen to passengers during COVID-19¹⁹.

Many issues have impacted the logistic sector over the last decade, including stagnant economic development, closed trade routes, and a limited domestic market. The significant drop in trade began in 2014, because of wars in adjacent countries. For the past decade, the value of exported goods has varied about US\$8 billion. Trucks transport domestic goods, whereas rail transport is restricted to phosphate export. There are around 10,000 tractor-trailers registered with an average age of 17 years. Tractor-trailers service a variety of markets in Jordan, including container shipments, oil and grain imports, transit cargo, and other freight.

The economic ramifications of COVID-19 in Jordan are rapidly expanding. The merchandise exports are noticeably decreased during the pandemic period in the world as well as the Middle East. Figure 1 depicts the rise in commodity exports in Jordan from 2016 to 2019 before declining in 2020²⁰.

Figure 1: Merchandise Exports in Jordan (2016 - 2020)



¹⁹ <https://www.aig.aero/en/content/queen-alia-international-airport-awarded-first-place-best-airport-size-and-region-middle>

²⁰ World Trade Statistical Review 2021 https://www.wto.org/english/res_e/statis_e/wts2021_e/wts2021_e.pdf

Jordan's trade deficit is reflected by the growth rate of transport services exports, which is estimated to be -63.7% in 2020. Figure 2 represents the transport services exports growth rate in Jordan between 2016-2019²¹. In addition, the Jordan Liner shipping connectivity index (peaking at 100 in 2006 for China) was 37.800 in Q2 2018 then it began to decline in the Q2 2019, then surged in the Q3 2020, before progressively falling in the Q3 and Q4 2021, reaching 33.86²². The sum of imports and exports as a percentage of GDP is shown in Figure 3, with the lowest value in 2020²³.

Figure 2: Transport Services Exports Growth Rate (2016 - 2020)

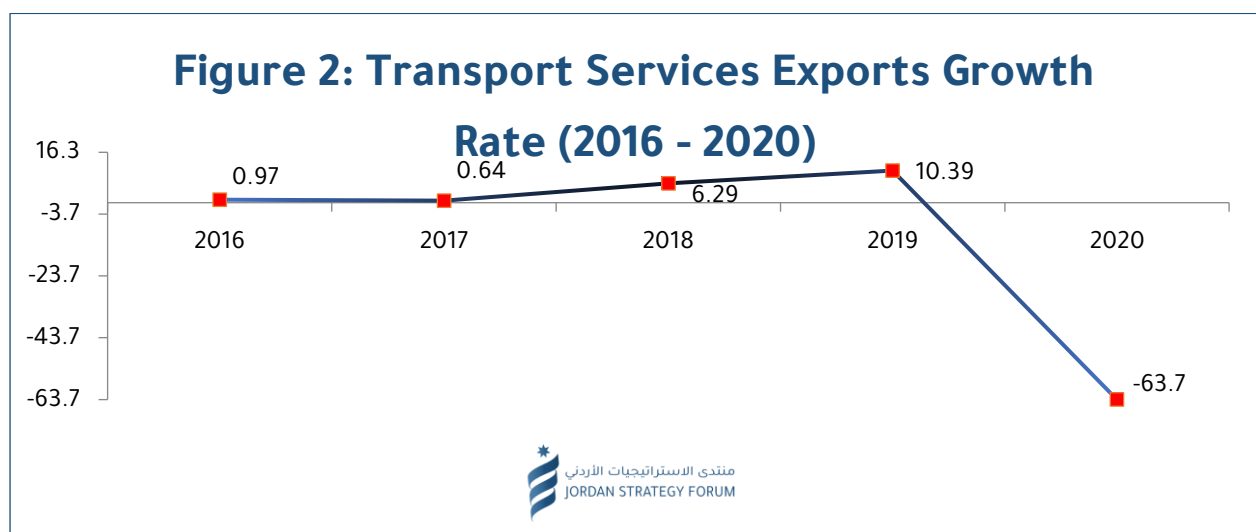
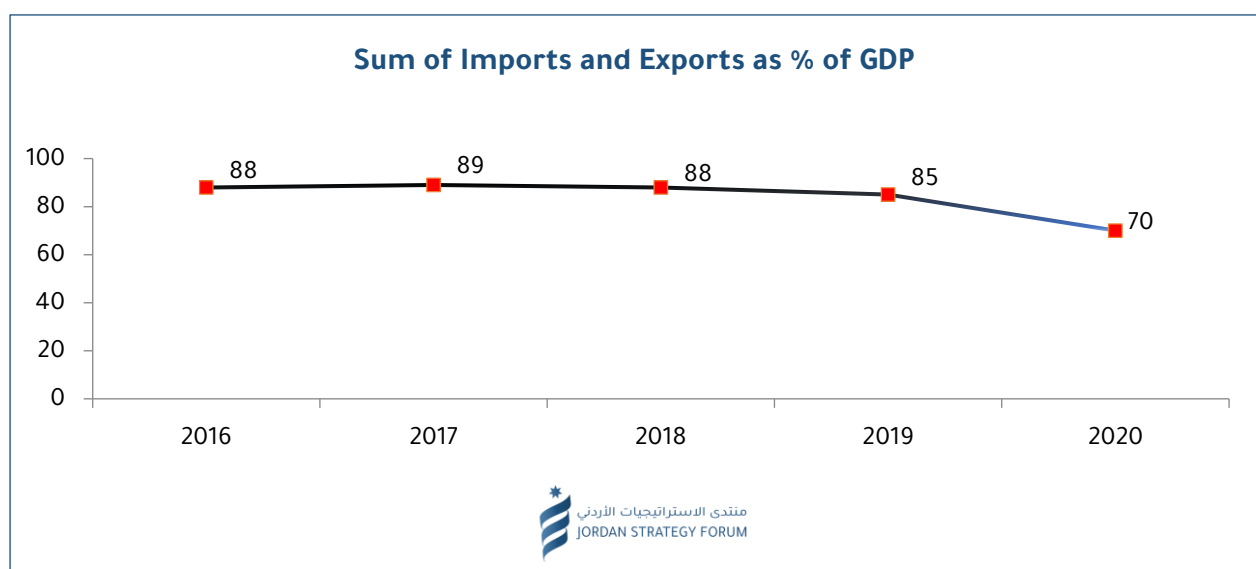


Figure 3: Sum of Imports and Exports as % of GDP (2016 - 2020)



²¹ UNCTAD - WTO in cooperation with ITC and UNSD

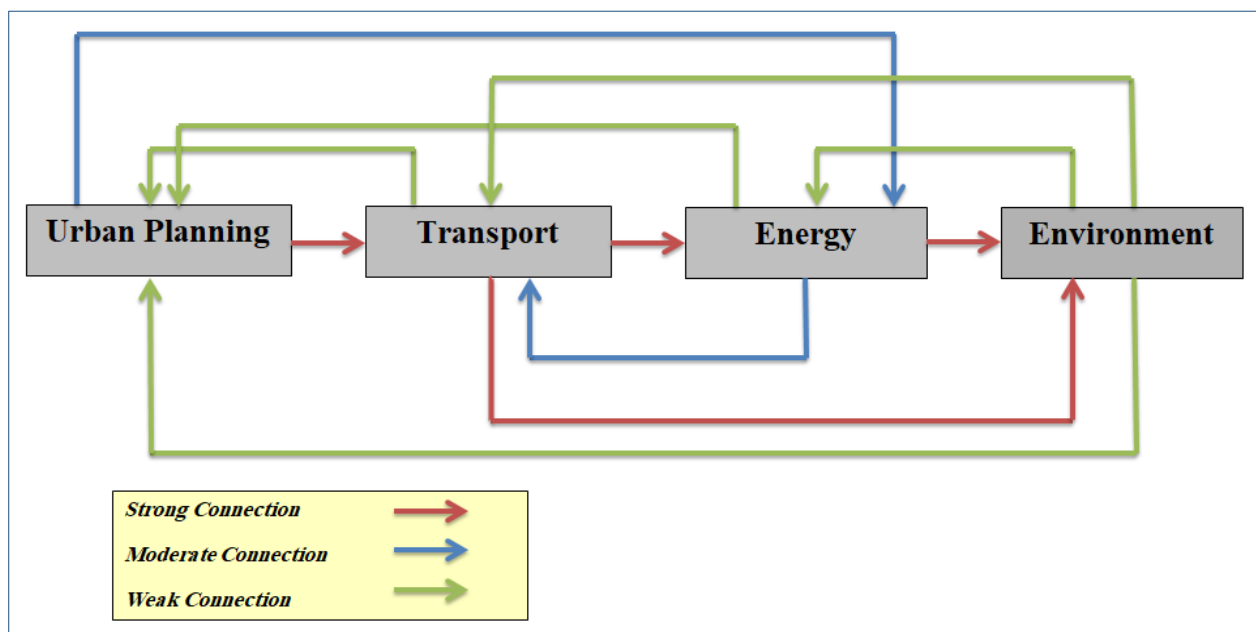
²² UNCTAD, Division on Technology and Logistics, based on MDS Transmodal (<https://www.mdst.co.uk/>).

²³ Statistics presented correspond to the 6th edition of the IMF Balance of Payments and International Investment Position Manual (BPM6, 2009) <https://unctadstat.unctad.org/countryprofile/generalprofile/en-gb/400/index.html>

3. Stakeholders' Mapping for the Sector: Linkages & Overlaps

As demonstrated in Figure 4, urban planning, energy, and the environmental sectors are all strongly interconnected with the transportation sector. These sectors are fundamentally linked in a linear way²⁴. These sectors are interconnected and therefore form a nexus. Analyzing this nexus requires identifying the magnitude and quality of these links and relevant secondary data as well as synergistic efforts to enhance the strategies towards mutual co-benefits.

Figure 4: Connections between the Transport Sector and Other Sectors



²⁴ Permana, A., Perera, R., Abd. Aziz, N., Siong, H. (2015). Creating the Synergy of Land Use, Transport, Energy and Environment Elements towards Climate Change Cobenefits, *International Journal of Built Environment And Sustainability*, 2(1), 17-28.

4. SWOT Analysis

The transport and logistics work stream members completed the SWOT Analysis exercise and their findings are summarized in the Table 5.

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. The availability of a long-term transportation development strategy. 2. Transportation contributes to GDP growth. 3. Jordan's transportation and logistics sector have a lot of potential for investment. 4. Established Legal Framework. 5. The growth of the transportation sector results in the development of other industries. 6. Talented & Skilled Labour Force. 	<ol style="list-style-type: none"> 1. Lack of implementation and monitoring of the available transportation development strategy. 2. Lack of policy dialogue and the alignment of strategies between sectors and institutions related to transport. 3. Lack of an integrated public transport (PT) system. 4. Inadequate public & private-sector investment. 5. Poor transport infrastructure and inefficient processes. 6. Informal and fragmented / (disconnected public & private) sector. 7. Lack of qualified specialized staff in public department for planning, developing, and implementing strategies. 8. Oversupply in the trucking sector and high costs in the supply chain. 9. Talented labor migration. 10. Lack of data/ data collection/ technology. 11. Lack of an addressing system and autonomous infrastructure.
Opportunities	Threats
<ol style="list-style-type: none"> 1. Geographic Location. 2. International and regional interest in developing the sector (specifically railway projects) and government's appetite to attract investors. 3. Utilize the capabilities of the strong tech sector - limit bureaucracy and corruption. 4. Logistics integration with NEOM. 	<ol style="list-style-type: none"> 1. Regional instability and political conflicts in neighboring countries. 2. Finance and investment are insufficient. 3. No coordination between Urban Planning & Development and Transport Strategies and Planning. 4. Financial and Regulatory Issues pertaining to fuel prices, trade restrictions and demand, the emergence of logistics centers in neighboring countries and new trade routes, and actions related to the COVID pandemic. 5. Government decisions due to political and social pressures negatively affect the sector.

5. Strategic Objectives

The following strategic objectives for the sector were shortlisted:

Strategic Objectives
1. Enhance the competitiveness of the Jordan logistics industry.
2. Increase the public transport mode share and accessibility across the kingdom.
3. Reduce the environmental impact of the transport sector.
4. Improve the international accessibility and connectivity of Jordan.
5. Ensure proper and aligned policy and regulatory framework.

6. Initiatives (projects)

In order to achieve these strategic objectives, several initiatives addressing each objective were identified by the team members as described below.

Table 7: Strategic Objectives and Associated Initiatives

Strategic Objective #1: Enhance the competitiveness of the Jordan logistics industry
<p>Initiative Name: Implementing intelligent transportation systems in operating transportation and logistics services.</p>
<p>Short Description: Modernize the transportation and logistics sector through the digitization of services, platforms to streamline operations and enhance communication between stakeholders in the supply chain (custom tariffs, warehousing, clearance brokers, transporters...)</p>
<p>Expected Outcome:</p> <ul style="list-style-type: none"> ▪ Enhance truck utilization and efficiency. ▪ Streamline and automate border crossing procedures and logistics. ▪ Reduce time for processing. ▪ Eliminate extra layer of agents/forwarders. ▪ Ensure consistent and competitive pricing. ▪ Develop ecommerce opportunities and IT-based logistics services. ▪ Provide the government with needed data. ▪ Managing the supply of road transport. ▪ Achieve trucking Demand/Supply equilibrium based on actionable insights & progressive reforms ▪ Smart payment and tracking system.

Strategic Objective #2: Increase the public transport mode share and accessibility across the kingdom

Initiative Name: Review (and simplify) transport regulations to allow for mobility-as-a-service (MaaS) models of operation and integration among various types/modes of transport services.

Short Description: This initiative aims to expand accessibility of transportation services across Jordan.

Expected Outcome:

- Well-regulated service with well-defined timetables including proper frequency and timing.
- Provide opportunities for operator consolidation.
- Better access to employment for youth and women.
- Enhance service reliability.

Strategic Objective #3: Reduce the environmental impact of the transport sector

Initiative Name: Promote low emission means of transportation.

Short Description: This initiative aims to encourage the use of sustainable and environmentally friendly means of transportation.

Expected Outcome:

- Job opportunities and training in EV sector and green transport.
- Provide financing channels for a cleaner, more environmentally friendly fleet.
- Renewing PT fleet.

Strategic Objective #4: Improve the international accessibility and connectivity of Jordan

Initiative Name: Exploit Jordan's geostrategic location.

Short Description: This initiative aims to enhance the connectivity of Jordan, through several implementations. The primary goal of this initiative is to accomplish a more efficient supply chain, reduce logistics cost, and enhance Jordan's international connectedness.

Expected Outcome:

- Enhances tourist experience.
- Better utilization of available vehicle fleet.
- Improved security and accountability.
- Provides proof of concept for Jordan tech companies that could be applied across the region.
- Increased supply chain efficiency and Lower operational costs.

Strategic Objective #5: Ensure proper and aligned policy and regulatory framework

Initiative Name: Improve the regulatory framework to make it more attractive to foreign and local investors.

Short Description: This initiative aims to improve the PPP Regulatory Framework to make it more attractive to foreign and local investors by allowing the Public sector to shoulder some of the risks. This can be achieved in view of the past failing results and analyzing why such past opportunities failed, also by learning from the success experiences of other countries in the region.

Expected Outcome: Enhance the possibility of implementing vital and strategic public transport projects, in addition to the national rail network to connect with the neighboring countries.

7. General Recommendations

1. Shifting to a more sustainable transport and logistics sector requires the combination of three key actions: (i) reducing travel demand; (ii) shifting to energy-efficient transport modes, such as public transport; and (iii) introducing zero-emission vehicles. In addition to climate change mitigation, such measures would generate environmental co-benefits such as improved air quality, reduced noise pollution, and economic benefits such as reduced fossil fuel dependency, and reduced transportation costs.
2. Uncoordinated and insufficient transportation policy is witnessed amongst the ministries of transport, energy, environment and finance which has led to a lack of integrated strategic planning between these sectors, whereas the lack of coordination between policy making entities at national and local levels has led to inconsistent policy signals. Inter-ministerial coordination needs to be strengthened, and the public-private dialogue enhanced to respond to discrete gaps in Jordan's transport and logistics strategies
3. Weak, inconsistent planning and application of incentives, excess generation of electricity prolonging national debt/fiscal crisis, lack of adequate public transport services and infrastructure in urban areas, and private sector exclusion in the transport policy make progress weak. There should be serious unified efforts to create enabling conditions for private sector participation.
4. Women²⁵ and youth²⁶ identified the need for public transportation as their top priority request, given the link between transportation and job accessibility. The current transportation systems and plans continue to ignore gender needs and gaps that lead to unequal access to transportation services. This inability to provide quality services is preventing fuller returns on investment and even impacting the country's economy by negatively affecting women's labor market participation.
5. Leverage the impacts of the by actively engaging with the relevant institutions in order to avoid duplication of efforts and encourage synergies.
6. Trade and transportation facilitation, as well as government procedures and processes, must all be evaluated in order to enhance logistics performance. The border crossing facilities must comprise a cargo station, a passenger terminal, marshalling sites, parking areas, and storage facilities. This

²⁵ https://seepnetwork.org/files/galleries/TPP_WE_LEAD_Feb_2019.pdf

²⁶ Energy in Jordan - a Youth Perspective Position Paper, Friedrich Ebert Stiftung, Germanwatch and the Green Generation Foundation, October 2018.

should be accomplished by implementing a well-planned transportation and logistics strategy. In order to become a regional transportation and logistics center, Jordan also need the following:²⁷

- Reduce transportation times for delivery.
- Minimize transport and transit taxes and expenses.
- Develop inland ports in strategic areas.
- Streamline and standardize all administrative documents and customs processes for transit traffic.
- Provide assistance to employees of shipping and logistics firms.
- Integrate IT more deeply into the logistics and maritime transportation industries.

²⁷ Hamed, M. (2019), Logistics Performance and Freight Sector in Jordan, European Journal of Scientific Research, 152(4).
https://www.europeanjournalofscientificresearch.com/issues/PDF/EJSR_152_4_10.pdf

8. Annex

Annex1:

Objective 1: Enhance the competitiveness of the Jordan logistics industry

Initiative Name: Implementing intelligent transportation systems in operating transportation and logistics services.

Type: PPP & Restructuring

Short Description: The purpose of this initiative is to modernize the transportation and logistics sector through the digitization of services, platforms to streamline operations and enhance communication between stakeholders in the supply chain (custom tariffs, warehousing, clearance brokers, transporters)

A digital freight transportation platform would help remedy the current fragmented environment of shipping which has impeded efficiency and the level of service in the sector, including small/individual operators and forwarders. The initiative also involves devising the proper regulations to ensure that the trucking fleet in Jordan is proportionate to demand trends, thereby limiting sector boom/bust scenarios.

Expected Outcome:

would accomplish the following:

- Enhance truck utilization and efficiency
- Streamline and automate border crossing procedures and logistics.
- Reduce time for processing
- Eliminate extra layer of agents/forwarders
- Ensure consistent and competitive pricing
- Develop ecommerce opportunities and IT-based logistics services.
- Provide the government with needed data
- Managing the supply of road transport
- Achieve trucking Demand/Supply equilibrium based on actionable insights & progressive reforms
- Smart payment and tracking system.
- Frictionless transactions between stakeholders, which enhances transparency, reduces costs and increases efficiency.

Initiative Owner: Ministry of Transport/LTRC

Enablers: MoDEE, the ICT Sector

Success Factors:

- The platform should be run a by a third party to be licensed by the government and take care of the investment in return for a small commission on transactions.
- Deploy an open-source digital platform for public transport tracking/payment to enhance service reliability at a wide scale and to at least partly resolve the challenge of fragmentation in the sector.

Key Performance Indicators (KPI's): Number of operators in the system in the initial phase. Later on tracking of cost/ton-km, shipment ordered/delivered, etc.

How will this Initiative attract Foreign Direct Investment (FDI) & Promote Investment?

Good business case worldwide. It's an effective method to cut the middleman and ensure transparency and accountability in the land freight sector. Will support industry and business environment and reduce shipping costs/time.

Objective 2: Increase the public transport mode share and accessibility across the kingdom

Initiative Name: Review (and simplify) transport regulations to allow for mobility-as-a-service (MaaS) models of operation and integration among various types/modes of transport services.

Type: PPP

Short Description: This initiative aims to expand accessibility of transportation services across Jordan.

Success Factors:

- Secure sufficient support for PT including fare subsidy.
- Improve the quality of infrastructure, including terminal and bus stops.

Expected Outcome:

- Well-regulated service with well-defined timetables including proper frequency and timing.

Initiative Owner: Private sector

Enablers: Ministry of Transportation

Private Sector's Role in Implementation: Investment, Funding

Objective 3: Reduce the environmental impact of the transport sector.

Initiative Name: Promote low emission means of transportation

Short Description: this initiative aims to encourage the use of sustainable and environmentally friendly means of transportation.

To accomplish this, it is important to review relevant regulations at the national (customs, import duties, etc.) and municipal level (parking, potential congestion charging, etc.) to encourage the adoption of low-emission vehicles.

Type: Restructuring

Expected Outcome:

- Enhance service reliability
- Provide opportunities for operator consolidation
- Provide financing channels for a cleaner, more environmentally friendly fleet.
- Renewing PT fleet.

Success Factors:

- Develop the infrastructure for e-vehicle, including the legal framework.
- Develop structures and environment-oriented quality standards for public transport.

Initiative Owner: Private and Public Sectors

Enablers: Ministry of Transportation, Ministry of Finance (Customs)

Private Sectors Role in Implementation: the provision of financing channels

Objective 4: Improve the international accessibility and connectivity of Jordan.

Initiative Name: Exploit Jordan's geostrategic location

Type: Infrastructure Project, PPP

Short Description: This initiative aims to enhance the connectivity of Jordan, through several implementations. The primary goal of this initiative is to accomplish a more efficient supply chain, reduce logistics cost, and enhance Jordan's international connectedness.

1. Setup a regional return hub for e-commerce in Aqaba port

2. Expanding and equipping Queen Alia Airport with a courier hub that will act as a feeder for the Levant region

3. Establish the Levant Logistics Syndicate, headquartered in Aqaba

- The Levant Logistics Syndicate combines the interests of Levant stakeholders for stronger representation/liaison with the GCC nations and captures cross-border opportunities (regional e-commerce, NEOM, etc.)

4. Making Jordan a tourism transport hub

- Mobility is often a critical component of the tourist experience., which makes the first impression from landing at the airport and throughout the journey in the country.
- Current offer in Jordan relies on a haphazard mix of private and public transport services that leave the tourist a prey most often to hiked prices, bad experiences, and no accountability. There is also a security dimension.
- The initiative would create an online platform licensed by the government to provide mobility service information, planning, booking, and payment. By implementing a seamless and cashless system, many of the issue faced by tourists today could be resolved.
- Involves relatively simply technology to link licensed vehicles into a platform that would ask as a clearing house.

Expected Outcome:

- Enhances tourist experience
- Better utilization of available vehicle fleet
- Improved security and accountability
- Provides proof of concept for Jordan tech companies that could be applied across the region
- Increased supply chain efficiency and Lower operational costs

Success Factors:

- Reviewing bilateral transport agreements
- Joining international transport agreements and conventions.
- Increase the number of shipping companies and liner services serving port of Aqaba.
- Increase the number of liberalization agreements of international air service.

Initiative Owner: Public & Private Sectors

Enablers: ASEZA, Ministry of Transport, Ministry of Tourism, Ministry of Trade , Ministry of Investment, Ministry of Finance , Ministry of Planning

Key Performance Indicators (KPI's): Number of vehicles registered, number of users of the hub, user satisfaction

Objective 5: Ensure proper and aligned policy and regulatory framework

Initiative Name: Improve the regulatory framework to make it more attractive to foreign and local investors.

Type: Regulatory Reform

Short Description: This initiative aims to improve the PPP Regulatory Framework to make it more attractive for foreign and local investors by allowing the Public sector to shoulder some of the risks. This can be achieved in view of the past failing results and analyzing why such past opportunities failed, also by learning from the success experiences of other countries in the region.

Expected Outcome: Enhance the possibility of implementing vital and strategic public transport projects, in addition to the national rail network to connect with the neighboring countries.

Initiative Owner: Ministry of Transportation

Enablers: Prime Ministry, MOF, PPP Unit, GTD, LTRC

Private Sector's Role in Implementation: More active role of local investors and local banks

Key Performance Indicators (KPI's): Number of potential investors for a certain project

Estimated Budget: JOD 150,000



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

www.jsf.org

www.jsf.org  /JordanStrategyForumJSF  @JSFJordan