



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

Jordan in the Doing Business Report

The Way Forward

November 2016

This study is the property of the Jordan Strategy Forum (JSF). For further information please contact the research department at: info@jsf.org or by phone at 06-566-6476.



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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.

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I. Introduction

The Doing Business Report is an annual report released by World Bank that ranks economies on their ease of doing business. The ease of doing business is measured through the assessment of the regulatory environment of each economy and its conduciveness to business. Each economy is ranked 1-190; the closer to one the economy is ranked the easier it is to start and operate a business. The ranking of each economy is derived through the aggregation of the Distance to Frontier (DTF) scores for the following topics:

- Starting a Business
- Dealing with Construction Permits
- Getting Electricity
- Registering Property
- Getting Credit
- Protecting Minority Investors
- Paying Taxes
- Trading Across Borders
- Enforcing Contracts
- Resolving Insolvency

The Distance to Frontier Score

The distance to frontier score measures the distance of each economy to the “frontier.” The frontier is the best performance by an economy for each of the indicators (listed above) since 2005. This allows for the comparison of an economy’s performance and the best performance at any point in time. The DTF is scored on a scale from 0-100, with 100 representing the best performance and 0 the worst.

II. Jordan in the Doing Business Report 2017

The Doing Business 2017 report was released in October, 2016. The Report ranked Jordan 118 out of 190 countries with a DTF score of 57.3%. The table below shows Jordan's ranking and scores for the ten indicators:

Indicator	2017	
	Rank	DTF (%)
Overall	118	57.3
Starting a business	106	84.62
Dealing with Construction Permits	109	67.19
Getting Electricity	48	80.93
Registering Property	96	62.18
Getting Credit	185	0
Protecting Minority Investors	165	35
Paying Taxes	79	73.94
Trading Across Borders	50	86.39
Enforcing Contracts	124	52.42
Resolving Insolvency	142	30.38

The indicators in which Jordan ranked best are 'Trading Across Borders' and 'Getting Electricity' with ranking of 50 and 48 respectively. However, the indicators in which Jordan achieved the highest DTF score were 'Trading Across Borders' and 'Starting a Business' with scores of 86.39% and 84.62% respectively. Jordan's lowest ranking and DTF score for any of the indicators was those of 'Getting Credit' with a rank of 185 and DTF score of 0. The following section will provide a breakdown of the indicators.

III. Breakdown of Indicators

The following section will provide a breakdown of the indicators to highlight where the problem areas are; the sub-indices and sub-indicators are benchmarked to an extent with those of the UAE due to it achieving the highest ranking among Arab countries with its global ranking of 26.

A. Starting a Business (Rank 106):

Starting a Business	
Overall DTF Score	84.62%
Number of Procedures – Men	7
Time – Men (days)	12
Cost – Men (% of income per capita)	22.4
Number of Procedures – Women	8
Time – Women (days)	13
Cost – Women (% of income per capita)	22.4
Paid-in min. capital (% of income per capita)	0.1

The overall DTF Score for this indicator was 84.62%. The sub-indicators are split into those for men and those for women; as according to the report, women are subject to one extra procedure, totaling 8, which adds one extra day in time. The report cites the Personal Status Law as stipulating that married women must gain the permission of her husband to leave her home and lists this as a procedure that takes an entire day. This however is a possible mistranslation or misunderstanding of the Personal Status Law and should be investigated. The inclusion of this clause has detrimental ramifications on Jordan's score in the Starting a Business Index due to the methodology utilized in determining the score. The sub-indices of Number of Procedures, Cost, and Time are each weighted at 25% of the total score for the index, with those applicable to women accounting for half of the weight (12.5%). Therefore, the score becomes skewed with this inclusion, whether true or false. Were it not for the additional procedure and day which the Report claims women are subject to, Jordan would have ranked 97 out of 190 with a DTF of 85.48% for this indicator.

In regards to the Time sub-indicator, eight days are allocated to obtaining a vocational license from the Greater Amman Municipality, accounting for 75% of the total time cited in the report to start a business. The number of days it takes to obtain the vocational license from GAM is almost the same as the number of days (8.5) it takes to complete all 4.5 procedures of the UAE. Furthermore, according to the report, in Jordan registering at the Ministry of Industry of Trade, Chamber of Commerce or Industry, and obtaining a tax identification number and registering for the VAT are all done simultaneously.

Recommendations:

- **Decrease the time it takes to obtain the vocational license.** The table below presents the changes in DTF score and ranking if the time required to obtain the vocational license, which takes 8 days, is reduced first by two days and then by four (without adjusting the number of procedures and time for women). Note that the original rank and DTF score are 106 and 84.62%:

Days	Rank	DTF
8	106	84.62%
6	101	85.12%
4	94	85.62%

- **Report the possible misinterpretation of the Personal Status Law to the DBR team.** The table below shows the Jordan's ranking and DTF score were the mistake rectified:

Change	Rank	DTF
Current	106	84.62%
Corrected	97	85.48%

- **Allow entrepreneurs to complete all procedures at the same venue and thereby minimize the total time required to start a business.**
- **Jordan's rank would be 87 with a DTF score of 86.48% were the days needed to obtain a vocational license decreased by four days and the law adding an extra day and procedure for women rectified.**

B. Dealing with Construction Permits (Rank 109):

Dealing with Construction Permits	
Overall DTF Score	67.19%
Procedures (number)	16
Time (days)	63
Cost (% of warehouse value)	10
Building quality control index (0-15)	11

The Dealing with Construction Permits indicator assesses all procedures required for a business in the construction industry to erect a warehouse and the time and cost associated with these procedures. Jordan is ranked 109 in the Report with a DTF score of 67.19% for this indicator. There are sixteen associated procedures, which require 63 days to complete at a cost equal to 10% of the warehouse value. However, in the UAE (ranked 4th globally in this Index), there are five less procedures, require 14 less days to complete, and at a cost of only 2.3% of the warehouse value. GAM procedures are the most costly in regards to time, with six procedures taking thirty-two days to complete. The Water Authority of Jordan procedures are the second most costly in regards to time with its three procedures taking seventeen days.

The Building Quality Control Index is derived from the quality of building regulations, quality control prior to construction, quality control during construction, quality control post construction, liability and insurance regimes, and professional certifications indices. In this index Jordan was given a rating of 11 from a maximum of 15, while the UAE was given a rating of 13.

Recommendations:

- **Decrease the number of procedures.** The table below shows the ranking and DTF score were the number of procedures to be decreased from sixteen to twelve, a decrease of 25%, without altering the number of days it takes to complete them:

Procedures	Rank	DTF
16	109	67.19%
12	104	67.76%

- **Increase the efficiency of the Municipality by decreasing the time required to complete procedures.** The table below presents the changes in DTF score and ranking if the time required to complete GAM procedures is reduced first by eight days (25%) and then by four days (50%). Note that the original rank and DTF score are 109 and 67.19%:

Days	Rank	DTF
32	109	67.19%
24	104	67.76%
16	99	68.34%

- **Jordan's rank and DTF score would become 66 and 72.34% respectively if the both of the previous recommendations were followed.**

C. Getting Electricity (Rank 48)

The Getting Electricity indicator assesses the challenges associated with obtaining a permanent electricity connection for a warehouse. The Doing Business Report only took information from JEPSCO, despite there also being two other electricity companies in Jordan and their inclusion could possibly change the score. The breakdown is shown in the table below:

Getting Electricity	
Overall DTF Score	80.93%
Procedures (number)	5
Time (days)	50
Cost (% of income per capita)	325.3
Reliability of supply and transparency of tariff index (0-8)	6

There are five procedures a business is subjected to in order to obtain a permanent electricity connection which take a cumulative 50 days to complete. The procedures and the number of days it takes to complete them is shown in the table below:

Procedure	Time to Complete
Submit application to JEPSCO and await estimate	14 Calendar Days
Receive external inspection	1 Calendar Day
Obtain excavation permit from municipality	7 Calendar Day
Hire registered electrical contractor to carry out external works	20 Calendar Day
Obtain meter installation and final connection from JEPSCO	9 Calendar Day

In comparison to the UAE, Jordan's procedures are both numerous and time consuming as in the UAE there are only 3 procedures completed over 28 days. Furthermore, the cost of getting electricity as percent of income per capita is 325.3% in Jordan according to the report, while in the UAE it was 24.7%.

In regards to the reliability of supply and transparency of tariff Jordan's rating was effected negatively by there being no compensation for customers or the electricity supplier facing fines if outages exceed a set limit, as well as the frequency of outages.

Recommendation:

- **Increase the efficiency of JEPCO in regards to the application submission.** The table below shows the change in ranking and DTF were the number of days required reduced from 14 to 10, and 14 to 7; note that the original rank is 48 and original DTF score is 80.93%:

Days	Rank	DTF
14	50	80.93%
10	46	81.37%
7	45	81.70%

- **Decrease the time required to obtain an excavation permit from the Municipality.** The following table shows the change in rank and DTF score affected by a decrease of one day and a decrease 3.5 days:

Days	Rank	DTF
7	50	80.93%
1	48	81.04%
3.5	47	81.31%

- **The Report should include EDCO, IDECO, and JEPCO data.**
- **Jordan's ranking would be 44 with a DTF score of 82.08% were both of the above recommendations implemented.**

D. Registering Property (Rank 96)

The Registering Property indicator assesses the number of procedures, the number of days, and the cost associated with registering property.

Registering Property	
Overall DTF Score	62.18%
Procedures (number)	7
Time (days)	21
Cost (% of property value)	9
Quality of land administration index (0-30)	20.5

There are seven procedures that are completed over a 21 day period. The seven procedures are split between three governmental institutions; the Land and Survey Directorate, the Municipality, and Land Registration Department. The one procedure of the Land and Survey Directorate takes 8-12 days to complete, while the two procedures at the municipality take four days, and finally the four procedures at the Land Registration Department take seven days to complete. Though there are small fees for the majority of the procedures, the main cost associated with registering property in Jordan is the 5% purchase registration fee and the 4% land sales tax. In regards to the quality of land administration Jordan's score was 20.5; this is mainly due to only scoring 4 out of 8 in 'Geographic Coverage', and 3.5 out of 6 in the transparency of information index.

The UAE only possesses two procedures that take only 1.5 days at a cost of 0.2% of the property value. However, the quality of land administration was given a score of 21, only 0.5 better than Jordan's.

Recommendation:

- **Reduce the number of procedures.** The following table shows the change in rank and DTF score were the procedures decreased by 2, from 7 to 5, (the closest whole number to the median (4.5) of the number of procedures of Jordan and those of the UAE) as well as if the number of procedures were decreased to 3 without altering the number of days required to complete them. Note the Jordan's original ranking is 96 and 62.18% respectively:

Procedures	Rank	DTF
7	96	62.18%
5	75	66.34%
3	60	70.51%

- **Allow all the procedures to take place at the same location, when possible, to decrease the time involved in registering property.** The table below shows the rank and DTF score were the days required, currently 21, decreased to 11, the closest whole number to the median (11.25 days) between the required days and Jordan and that of the UAE, Jordan's ranking would be 92 and DTF score would be 63.37%.

Days	Rank	DTF
21	96	62.18%
11	92	63.37%

- **Jordan would be ranked 56 with a DTF score of 71.71% if both of the above recommendations were implemented.**

E. Getting Credit (Rank 185)

Jordan has a DTF score of 0% in this indicator as shown in the table below:

Getting Credit	
Overall DTF Score	0%
Strength of legal rights index (0-12)	0
Depth of credit information index (0-8)	0
Credit registry coverage (% of adults)	2.5
Credit bureau coverage (% of adults)	0

Jordan has a zero score in the Report in all the sub-indices except for the credit registry coverage, in which only 2.5% of adults are registered.

F. Protecting Minority Investors (165)

The Report assesses the strength of minority investor protection, extent of conflict of interest regulation, and extent of shareholder governance. Each of the three categories is scored out of 10. The scores for Jordan are shown in the table below:

Protecting Minority Investors	
Overall DTF Score	35%
Strength of minority investor protection index	3.5
Extent of conflict of interest regulation index	3.3
Extent of shareholder governance index (0-10)	3.7

Jordan's score in each of three indices is low, with the highest score being 3.7; the UAE on the other hand is ranked 9th globally with a DTF score of 75. The UAE scored 7.5 in the strength of minority investor protection index, 7.7 in the extent of conflict of interest regulation index, and 7.3 in the extent of shareholder governance index.

G. Paying Taxes (Rank 79)

This indicator assesses the taxes and mandatory contributions (SSC etc.) that a medium-size company is required to pay or withhold. Furthermore, it measures the administrative burden of paying taxes and contributions and complying with post filing procedures.

Paying Taxes	
Overall DTF Score	73.94%
Payments (number per year)	25
Time (hours per year)	145
Total tax rate (% of profit)	27.6
Postfiling index (0-100)	49.3

The Report states that a medium sized business in Jordan makes 25 payments per year with it taking 145 hours to complete these payments. Furthermore, it states that 27.6% of profits go towards paying taxes and mandatory contributions. Jordan scored 49.3 out 100 in the post filing index which is based on the following four components:

- Time to comply with VAT or GST refund
- Time to obtain VAT or GST refund
- Time to comply with corporate income tax audit
- Time to complete a corporate income tax audit

In comparison, the UAE, which ranked 1st globally, only requires four payments, which take 12 hours to pay and with the total tax rate reaching 15.9% of profits.

Recommendations:

- **Decrease the number of payments per year.** Jordan currently has 25 payments that take 145 hours, entailing an average of 5.8 hours per payment. The following table shows the changes in rank and DTF score were the number of payments decreased to 20 while maintaining the 5.8 hour average, reducing the total hours to 116:

Payments	Rank	DTF
25	79	73.94%
20	68	77.14%

- **Decrease the time it takes to pay taxes.** The following table shows the change in ranking and DTF score if the same number of payments is maintained but the average hours taken to pay these taxes is decreased to match the average number of hours it takes in UAE, 5.8 hours to 3 hours:

Change	Rank	DTF
Original	79	73.94%
3 hours per payment	72	76.64%

- **If both recommendations were implemented, Jordan would be ranked 61 with a DTF score of 79.30%.**

H. Trading Across Borders (Rank 50)

Jordan achieved the highest ranking and DTF score, 86.39%, among Arab countries for the trading across borders indicator. The indicator regards the time and cost (excluding tariffs) associated with following three sets of procedures:

- **Documentary Compliance:** Documentary compliance is time and cost for associated with obtaining documents, preparing documents, processing documents, presenting documents, and submitting documents.
- **Border Compliance:** Border compliance is the time and cost associate in obtaining, preparing and submitting documents, customs clearance and inspection procedures.
- **Domestic Transport:** Domestic transport refers to the time and cost of transporting goods to the border.

Trading Across Borders	
Overall DTF Score	86.39%
Time to export: Border compliance (hours)	38
Cost to export: Border compliance (USD)	131
Time to export: Documentary compliance (hours)	2
Cost to export: Documentary compliance (USD)	16
Time to import: Border compliance (hours)	75
Cost to import: Border compliance (USD)	181
Time to import: Documentary compliance (hours)	55
Cost to import: Documentary compliance (USD)	30

I. Enforcing Contracts (Rank 124)

The DTF score for this indicator is derived through the assessment of the time in days, cost, and quality of the judicial process in regards to enforcing contracts. The scores for the sub-indicators are shown below:

Enforcing Contracts	
Overall DTF Score	52.42%
Time (days)	689
Cost (% of claim)	31.2
Quality of judicial processes index (0-18)	7

The Report states that it takes 689 days to complete the entire process, with the filing and service accounting for 37 days, trial and judgment accounting for 462 days, and enforcement accounting for 190 days. The cost associated with the trail is 31.2% of the claim with 8% going towards attorney fees, a further 8% going towards court fees, and 15% going towards enforcement fees.

The judicial process is scored according to the topics found in the table below:

Topic	Score
Court structure and proceedings	2/5
Case management	2/6
Court automation	0/4
Alternative dispute resolution	3/3
Total	7/18

In comparison, the UAE is ranked 25 in the 2017 Report with a DTF score of 71.14. The entire process in the UAE takes 495 days at a cost of 20.1% of the claim. Furthermore, the judicial process was rated as 12 from 18.

Kindly note that currently there are foreign funded programs and projects ongoing aimed at improving the judicial system as a whole.

Recommendations:

- **Reduce the time and cost of procedures.** The following table shows the effects on the rank and DTF score were the time required to and the cost reduced to 592 days at a cost of 25.65%, median of the time and cost in the UAE and Jordan:

Days	Cost	Rank	DTF
689	31.2%	124	52.42%
592	25.65%	95	57.15%

J. Resolving Insolvency

This indicator assesses the time and cost required to resolve bankruptcies. The sub-indicators and their scores are shown in the table below:

Resolving Insolvency	
Overall DTF Score	30.38%
Recovery rate (cents on the dollar)	27.4
Time (years)	3
Cost (% of estate)	20
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	5

According to the Report, the recovery rate (how many cents on the dollar creditors will be compensated in case of insolvency) is 27.4 cents on the dollar. The insolvency proceedings take 3 years with a cost of 20% of the value of the estate. The outcome of 0 entails that the businesses assets are sold piecemeal and cannot continue operating. The Strength of Insolvency Framework Index is based on four components with the highest cumulative score possible being 16. The breakdown of Jordan's score may be found in the table below:

Indicator	Score
Commencement of proceedings	2/3
Management of debtors assets	2/6
Reorganization proceedings	0/3
Creditor participation	1/4
Total	5/16

K. Jordan's Ranking and Score if the Recommendations are Implemented

The table below shows Jordan's rankings and score were all the recommendations implemented:

Indicator	2017		2017 Adjusted	
	Rank	DTF (%)	Rank	DTF (%)
Overall	118	57.3	102	60.08
Starting a business	106	84.62	87	86.48
Dealing with Construction Permits	109	67.19	66	72.34
Getting Electricity	48	80.93	44	82.08
Registering Property	96	62.18	56	71.71
Getting Credit	185	0	185	0
Protecting Minority Investors	165	35	165	35
Paying Taxes	79	73.94	61	79.30
Trading Across Borders	50	86.39	50	86.39
Enforcing Contracts	124	52.42	95	57.15
Resolving Insolvency	142	30.38	142	30.38

The recommendations proposed would increase Jordan's ranking by 16 places to reach 102, and increase the DTF score 2.78% from 57.3% to 60.08. However, the recommendations made are 'quick-fixes' for the most part and mainly deal with increasing the efficiency of institutions and do not address the quality and effectiveness of the relevant institutions, systems, and laws.

IV. Jordan in the Doing Business Report 2015-2017

Jordan ranked 118 out of 190 countries in the 2017 Doing Business Report, a marginal improvement on its ranking in the previous year of 119 out of 189 countries. However, this improvement did not compensate for the 12 rank plummet from 107 in 2015 to 119 in 2016. The table below shows the Kingdoms ranking and DTF score in the three most recent reports:

Indicator	2017		2016		2015	
	Rank	DTF (%)	Rank	DTF (%)	Rank	DTF (%)
Overall	118	57.3	119	57.02	107	57.81
Starting a Business	106	84.62	98	84.84	83	84.75
Dealing with Construction Permits	109	67.19	96	68.32	103	67.85
Getting Electricity	48	80.93	60	77.88	55	77.84
Registering Property	96	62.18	96	62.18	96	62.18
Getting Credit	185	0	185	0	185	0
Protecting Minority Investors	165	35	166	35	162	35.00
Paying Taxes	79	73.94	82	73.28	46	81.49
Trading Across Borders	50	86.39	50	86.06	49	86.06
Enforcing Contracts	124	52.42	124	52.42	122	54.27
Resolving Insolvency	142	30.38	142	30.17	146	30.17

There is a similar pattern in regards to the overall DTF score, as it increased by 0.28% to reach 57.3% in 2017 from 57.02% in 2016, after having dropped by 0.78% from 57.81% in 2015.

The following section will assess the changes in the ranking and DTF scores of the 10 major indices.

- **Starting a Business:** There was a significant fall of 23 places in the ranking over the course of the three reports, from 83 in the 2015 report to 106 in 2017. In the 2016 report, the DTF score increased by 0.09% to 84.84% from 84.75%, and then in the 2017 report it decreased 0.22%.
- **Dealing with Construction Permits:** Jordan is ranked 109 in the 2017 report, a fall of 13 places from the previous ranking of 96 in the 2016 report, which was an improvement of 7 ranks from the 103 ranking in the 2015 report. The DTF followed a similar pattern as that of the rankings with Jordan scoring 67.19% in the 2017 report, and 68.32% and 67.85% in the 2016 and 2015 reports respectively.
- **Getting Electricity:** Jordan's rank of 48 in the 2017 report is the second best rank achieved by Jordan in all three reports in all indicators. The ranking constituted a 12 place improvement in the rankings from 60 in the 2016 report which was a drop in the 2015 report ranking of 55.
- **Registering Property:** Both the ranking and DTF remained consistent across the three reports at 96 and 62.18% respectively.
- **Getting Credit:** Getting credit and access to finance is repeatedly cited as one of the main impediments to economic growth and doing business in Jordan; and this is fully reflected in both the ranking of 185 and a DTF of 0% in all three reports.
- **Protecting Minority Investors:** Jordan is ranked 165 in the 2017 report, a marginal improvement from the ranking of 166 in the 2016 report, but still a worse ranking than the 162 ranking in the 2015 report. Despite there being fluctuations in the ranking, the DTF score remained constant at 35% in all three reports.
- **Paying Taxes:** Jordan's ranking in regards to paying taxes has plummeted over the course of the three reports; in the 2017 report, Jordan ranked 79 out of 190 countries, which is an improvement of 3 places from the being 82 in the 2016 report. However, the rank in the 2016 report is a 36 place fall from the 46 ranking in the 2015 report. The pattern in the rankings is mirrored by the DTF score; as in the 2017 the ranking was 73.94%, slightly better than the 73.28 score in the 2016 report, which was an 8.21% decrease from the 81.49% of the 2015 report. This sharp decrease in the score may be partly attributed to the changes in the Tax Law that were ratified in late 2014 and came into effect in 2015.
- **Trading Across Borders:** In both the 2017 and 2016 reports Jordan maintained a rank of 50; a marginal decrease from the 2015 report ranking of 49. However, despite the ranking remaining the same in the 2017 and 2016 reports, the DTF score in the 2017 report of 86.39% is a 0.33% increase from the 86.06% score in both the 2016 and 2015 reports.
- **Resolving Insolvency:** Jordan is ranked 142 in both the 2017 and 2016 reports, a four place improvement from the 146 ranking in the 2015 report. The DTF score of 30.38% in

the 2017 report however was a slight improvement on the 30.17% from both previous reports.

V. Jordan and the Arab World

This section will address how Jordan compares to other Arab countries and assess in which areas Jordan is well off and in which it is lagging behind in comparison to the rest of the region. Jordan's overall ranking of 118 in the 2017 report was the ninth highest ranking among Arab countries. The table below provides the ranking and DTF score of Jordan in the ten indicators as well as the average ranking and DTF score of the Arab World:

Indicator	Jordan		Arab World Average	
	Rank	DTF (%)	Rank	DTF (%)
Starting a Business	106	84.62	119	79.72
Dealing with Construction Permits	109	67.19	91	63.73
Getting Electricity	48	80.93	97	65.04
Registering Property	96	62.18	92	61.28
Getting Credit	185	0	138	27.62
Protecting Minority Investors	165	35	128	43.33
Paying Taxes	79	73.94	83	72.28
Trading Across Borders	50	86.39	129	53.91
Enforcing Contracts	124	52.42	116	51.65
Resolving Insolvency	142	30.38	129	26.93

Jordan compared favorably to the Arab World Average in only four rankings. These rankings were as follows:

- **Starting a Business:** In this indicator, Jordan is ranked 106 while the average ranking for the Arab World is 119, a difference of 13.
- **Getting Electricity:** Jordan's ranking of 48 is significantly better than the average ranking for the Arab World of 97.
- **Paying Taxes:** Jordan's ranking of 79 is slightly better than average ranking for Arab world of 83.
- **Trading Across Borders:** Jordan attained of ranking 50 in this index, while the average ranking for the Arab World was 129, a 79 rank difference.

Jordan ranked below the average ranking for the Arab World in the remainder of the indices, the most notable of which were the following:

- **Getting Credit:** Jordan's ranking of 185 was 47 places lower than the average for the Arab World of 138.
- **Protecting Minority Investors:** Jordan is ranked 165 from 190 countries in the report, a figure 37 ranks lower than the average rank for the Arab World of 128.

However, it is important to note that despite Jordan ranking below the average Arab world ranking in the majority of indices, its DTF scores are better than the average DTF scores for the Arab World in all but two indices, which are the following:

- **Getting Credit:** Jordan earned a worrying score of 0, while the average score for the Arab World was 27.62.
- **Protecting Minority Investors:** In this Index, Jordan scored 35 while the average score for the Arab World was 43.33, a difference of 8.33.

VI. Jordan and the Top Five Arab Countries

This sub-section will compare the Jordan's rankings and scores in the 2017 report to those of the five highest ranked countries in the world. The following table shows the rankings and DTF of Jordan and the top ranked countries in Arab World:

Indicator	Jordan		UAE		Bahrain		Oman		Morocco		Tunisia	
	Rank	DTF %	Rank	DTF %	Rank	DTF %	Rank	DTF %	Rank	DTF %	Rank	DTF %
Overall	118	57.3	26	76.89	63	68.44	66	67.73	68	67.5	77	64.89
Starting a Business	106	84.62	53	91.21	73	87.82	32	92.85	40	92.34	103	85.01
Dealing with Construction Permits	109	67.19	4	86.15	19	79.56	52	74.64	18	79.77	59	73.34
Getting Electricity	48	80.93	4	98.84	72	74.8	69	76.22	57	79.71	40	82.32
Registering Property	96	62.18	11	90.04	25	81.07	35	76.95	87	63.94	92	63.22
Getting Credit	185	0	101	45	101	45	133	35	101	45	101	45
Protecting Minority Investors	165	35	9	75	106	50	118	46.67	87	53.33	118	46.67
Paying Taxes	79	73.94	1	99.44	4	94.44	12	90.6	41	83.51	106	68.96
Trading Across Borders	50	86.39	85	71.5	82	72.5	67	80.17	63	81.12	92	70.5
Enforcing Contracts	124	52.42	25	71.14	110	54.53	60	61.55	57	62.34	76	59.33
Resolving Insolvency	142	30.38	104	40.61	88	44.66	94	42.65	131	33.89	58	54.53

The United Arab Emirates is ranked 26 out of 190 countries with an overall DTF score of 76.89, making it the highest ranked Arab country in the 2017 Report and 92 places above Jordan.

Bahrain is the second highest ranked Arab country at 63, followed by Oman and Morocco at 66 and 68 respectively. Tunisia is the fifth highest ranked Arab country with a ranking 77.

- **Starting a Business:** The highest ranked Arab country for this indicator is Oman with a rank of 32, followed by Morocco with a rank of 40 and the UAE with a rank of 53. Jordan lags behind Oman by 73 places; however, the DTF score difference between the two is 6.72%. Tunisia is the country with a DTF score closest to that of Jordan, with it being higher than Jordan's by only 0.39%.
- **Dealing with Construction Permits:** The UAE achieved a ranking of 4 and DTF score of 86.15% in this indicator, a rank 105 places higher than Jordan's and a DTF score higher than Jordan's by 18.96%. Morocco with a rank of 18, and Bahrain with a ranking of 19, are the second and third highest ranked Arab countries respectively.
- **Getting Electricity:** Jordan is the third highest ranked Arab country in this indicator with a ranking of 48; this is 44 places below the UAE's ranking of 4, and eight places behind Tunisia's ranking of 40.
- **Registering Property:** The UAE ranked 11 out of 190 countries in this indicator, 85 places higher than Jordan's ranking of 96, with a DTF score of 90.04%. The second and third highest ranked Arab countries are Bahrain and Oman with rankings of 25 and 35 respectively.
- **Getting Credit:** None of the Arab countries except Saudi Arabia, with a ranking of 82 (not in the top 5 Arab countries in overall score or rank), are ranked in the top 100 in this index; the UAE, Bahrain, Morocco, and Tunisia were all ranked at 101. Each of the listed countries has a DTF score of 45%, a marked difference than Jordan's score of 0.
- **Protecting Minority Investors:** Jordan is ranked 165 with a DTF of score of 35, while the UAE is ranked 156 places higher at 9 with a DTF score of 75. Morocco is the only other country besides the UAE shown in table above with a rank in the top 100 countries with a ranking of 87 and DTF score of 53.33%.
- **Paying Taxes:** The two highest ranked Arab countries in the report, the UAE and Bahrain, are both in the top 10 global rankings in regards to paying taxes with ranks of 1 and 4 respectively. Jordan has a ranking of 79, which is higher only than that of Tunisia.
- **Trading Across Borders:** Jordan's ranking of 50 is the best among Arab countries with next highest ranking being the 63 of Morocco followed by Oman's ranking of 67. Furthermore, Jordan's DTF score of 86.39% is 5.27% higher than Morocco's and 6.22% higher than Oman's.
- **Enforcing Contracts:** All the countries shown in the table above ranked higher than Jordan (124) for this indicator. The highest ranked was the UAE with a rank of 25 and DTF score of 71.14%. The only other country with a rank above 100 was Bahrain at 110 and a DTF score 54.53%.
- **Resolving Insolvency:** Tunisia is the highest ranked country in regards to resolving insolvency with a rank of 58 and DTF score of 54.53%. Jordan is ranked 94 places lower



at 142 with a DTF score of 30.38%. The only other country listed in the table above with a rank above 100 is Morocco with a rank of 133 and DTF score of 33.89%.



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This study is the property of the Jordan Strategy Forum (JSF). For further information please contact the research department at: info@jsf.org or by phone at 06-566-6476.