



MED MSMEs

Policies for inclusive growth

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Support to an Enabling Business Environment for
MSMEs Development & Financial Inclusion



**Digital support services for
exporting SMEs**

Regional meeting

Rome – June 20 & 21, 2023

Jordan



National export strategy in the light of the pandemic and GVCs reorganisation

To increase the export capacity of Jordanian businesses (Mainly MSMEs) and take advantage of the various trade and economic agreements Jordan has signed, the **Export Strategy for 2023–2025** was recently launched.

- The objectives of this strategy are to expand and diversify national exports, identify new markets, highlight the quality and competitiveness of Jordanian goods to enhance Jordan's presence in key export markets. And ensure the sustainability of exporting businesses.
- A number of markets were chosen in North America, the EU, Africa, North Asian countries and neighboring countries, to target them with attractive Jordanian products.
- The executive program of the Export strategy include activities emphasize on market information, marketing & promotion, quality & competitiveness, access to finance, legislative framework and promoting e- commerce.



National export strategy in the light of the pandemic and GVCs reorganisation

- The executive program of the export strategy will be implemented by related entities from the public and private sectors:
 - Ministry of Industry, Trade & Supply.
 - Ministry of agriculture
 - Ministry of Digital Economy and Entrepreneurship
 - Jordan Enterprise Development Corporation
 - Jordan Customs
 - Jordan Standards and Metrology Organization
 - Jordan Food and Drug Administration
 - Chambers of Industry
 - Chamber of Commerce
 - Jordan Exports
 - Jordan Loan Guarantee Corporation



National export strategy in the light of the pandemic and GVCs reorganisation

- Main interventions of the executive program are as follows:
 - **Quality - increasing the competitiveness of Jordanian exports:**
 - conformity of products to meet the requirements of the targeted markets
 - export readiness of companies to export to targeted markets.
 - **Providing information related to export:**
 - Providing the necessary information for current and new exporters
 - Building the capabilities of exporters / export plans.
 - **Growth - increasing exports of goods and services:**
 - Assisting exporters to access to finance.
 - Assisting export-supporting organizations to obtain financing



National export strategy in the light of the pandemic and GVCs reorganisation

- **Export diversification (Products & Markets):**
 - Training exporters on international marketing techniques.
 - Training exporters on how to effectively participate in exhibitions and trade missions
 - Promoting the participation in exhibitions and missions for current and new markets and current and new products
 - Providing exporters with contact information for potential international buyers
 - Promoting export-supporting organizations locally and internationally.
- **Strengthening the legal and regulatory framework:**
 - Promoting diversification of product markets (goods and services)
 - Maximizing benefit from trade agreements with target countries.
 - Establishing new trade partnerships with non-traditional markets (FTAs)
 - Promoting services exports



How is digitalisation integrated in export development policies / strategies?

- The **executive program of the Export strategy** include activities emphasize on market information, marketing & promotion, quality & competitiveness, access to finance, legislative framework and promoting e-commerce.
- The **Jordan National E-Commerce Strategy for 2023-2030** was launched aiming to create a favorable environment for e-commerce that attracts investment and business, provide better income opportunities for people, and enhances the competitiveness of micro, small, and medium-sized enterprises and entrepreneurs through e-commerce solutions and modern technologies for trading locally and globally.
- Establishing a web-based system for facilitating **electronic certificates of origin** issuance (end of 2023).
- **The Jordan Export Portal:** a gateway with key information and services offered to exporters and international buyers, a platform offering integrated international market information, expert advice, trade agreements, and marketing services for individual foreign markets.

<https://jordanexportportal.gov.jo/>



How is digitalisation integrated in export development policies / strategies?

- **The Jordan Trade Facilitation Portal:** an online platform where traders can access to trade-related information and detailed procedures on import, export and transit of more than 70 products, thereby enhancing their compliance and reducing transaction delays.

<https://tradeportal.customs.gov.jo/>



Recent initiatives supporting SME exports

Industry Development Fund:

- The fund aims to help companies in the industrial sector recover and rebuild after the Covid-19 pandemic. The fund serve as a catalyst to encourage investment led by the private sector, as well as modernizing, developing and growing exports.
- The main activities financed by the fund include industry development, export growth programs, the results-based incentive program, facilitating access to export credit insurance services.

The fund consist of the following components:

- **Industry upgrading:** support manufacturing firms to enhance their export-readiness and strengthen their competitiveness in export markets through modernization, product development, increased productivity, etc
- **Outcome-based incentives:** providing incentives to firms that achieve targets in areas critical to achieve sector's full potential (higher female employment; introduction of new exportable products; energy/water efficiency; emission reduction; etc.)
- **Export guarantees:** To ease access to export credits for manufacturing firms through financial intermediaries.



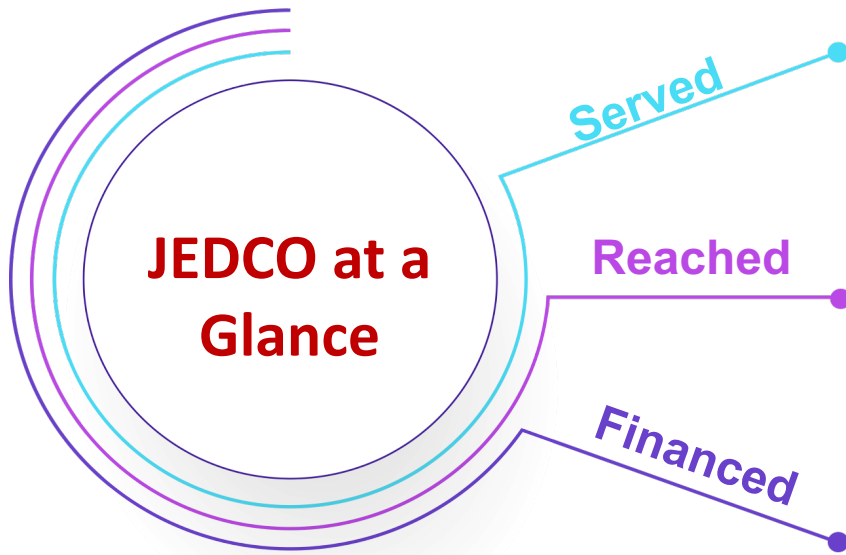
Institutions that support SMEs To Export in Jordan :

In Jordan, there is a number of public-private export and trade-support institutions , as well as some international and donor organisations whom play a vital role to support SMEs.

Jordan Enterprise Development Corporation (JEDCO) , the Jordan Exports Company (JE) , Chambers of Industry and Trade, Business Associations are key players in supporting SMEs sector in Jordan.

Jordanian SMEs are provided with some services such as : export training, coaching SMEs in value chains; enhancing services SMEs in export, cluster support, trade promotion, virtual marketplaces, business linkages.





**11000
SMEs**

**120
Countries**

**JOD 186
Million**





Industry Development Fund / Funded by world bank with a total budget (\$ 85) Million through the following national programs:

- **The Industrial Modernization Program:** is carried out by JEDCO through providing technical and financial support to industrial SMEs , the fund will cover the following development activities:
 - Expansion of production lines.
 - Quality certificates.
 - Modernization of the production processes to increase the added value.
 - Reduce energy costs and water demand.
 - Increase the efficiency of resources and waste reduction.



- **The Export Promotion Program:** will be implemented through **Jordan Exports** (JE) is a public-private export institution established to coordinate national export activities. The program will cover the costs of entering new markets or expanding into existing markets, such as registration fees, costs of establishing business development offices in target markets, marketing and promotion activities in target markets and participation in trade fairs, the company will bears 30-50% of the cost of these activities.



Increase access to export credit guarantee and supply chain finance products:

- The program aims to facilitate access to export credit insurance for SMEs through **the Jordan Loan Guarantee Corporation** with total Budget of 2 million USD. The export credit insurance protects export companies from non-payment of buyers and also includes protection from commercial risks such as non-payment or insolvency of the buyer, refusal to accept shipped goods in addition to political risks such as any government decision that prevents the entry of goods
- It will also support SMEs to open new markets by covering them without need to request cash payment in advance, it will also aims to request financing from banks on better terms, which will have a positive impact on increasing access to finance for SMEs.



Going forward: to fully leverage digitalization to boost SME exports

- Developing & implementing policies and programs in collaboration between relevant public and private sector stakeholders to improve MSMEs' capabilities to export and enhance competitiveness of small and medium-sized companies, and their participation in the global and regional value chains.
- **The National E-Commerce Strategy 2023-2030 main objectives:**
 - Creating an enabling environment for e-commerce in Jordan that attracts investment and facilitate doing business .
 - Increasing the competitiveness of micro, small, and medium-sized businesses and entrepreneurs through the use of e-commerce solutions and current technologies for local and global expansion.
 - Trade facilitation and competitiveness of the logistics sector



Going forward: to fully leverage digitalization to boost SME exports

- The main pillars for E-commerce Strategy and action plan:

| Pillar | Implementing entity | Related stakeholders and partners |
|---|--|---|
| Legal and regulatory frameworks | Ministry of Industry, Trade and supply | Custom Department , Chambers, Ministry of Digital Economy and Entrepreneurship, Income and Sales Tax Department, IT Business Association |
| Trade Logistics, Trade Facilitation & Payment Solutions | Custom Department | Chambers, Ministry of Digital Economy and Entrepreneurship, Income and Sales Tax Department, IT Business Association , Ministry of Industry, Trade and supply, Central Bank |
| ICT Infrastructure & Services | Ministry of Digital Economy and Entrepreneurship | Department of Statistics, Central bank |
| Skills development in e-commerce and access to finance | JEDCO | Jordan Export, Chambers, University of Jordan , Digital Skills Association, Ministry of Industry, Trade and supply. |



Going forward: to fully leverage digitalization to boost SME exports

Strengthen the digitalisation of trade-related ecosystem actors to boost export possibilities of SMEs:

The full implementation of digital systems for supporting exporting SMEs may involve the regulatory framework, development of digital services, and specific topics that could include, but not be limited to:

- E-payment solutions
- Digital trade facilitation, including and electronic single window
- Digitalization in transport and logistics
- Virtual export promotion (e-B2B, virtual showcasing of products through digital market places, etc.)



JEDCO's is preparing a specific Law for Governing and Supporting Small and Medium Enterprises in Jordan :

- Jordan Enterprise Development Corporation (JEDCO) will held soon public - private dialogues concerning the law for governing and supporting small and medium enterprises in Jordan.
- This Law will highlight the potential benefits of having a dedicated legal framework for MSMEs, including regulatory clarity, protection of rights, and access to specialized support programs.
- Emphasize the importance of collaboration between the government and MSMEs in shaping the law to address their specific needs and challenges.



