

## COUNTRY PROFILE



## Jordan

GLOBAL RANK: 50th of 104



Jordan comes in at 50th. The country's comparative strength is in Economic Competitiveness indicators (42nd), most notably its education system, and the competitive strength of its domestic markets, rather than indicators of Comparative Liveability (63rd).

## ● BACKGROUND

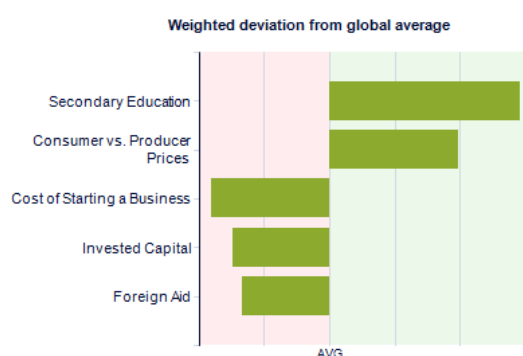
This predominantly desert nation lacks the oil supplies of its neighbours Saudi Arabia and Iraq, and water supplies and arable land are scarce. The educational infrastructure is also severely strained by an estimated two million Palestinian and Iraqi refugees. In 2001, Jordan became the first Arab country to enter into a free-trade agreement with the US. The current Jordanian monarch, King Abdullah, has placed particular emphasis on continuing market-based reforms and encouraging female participation in the economy and in politics.

## FAST FACTS

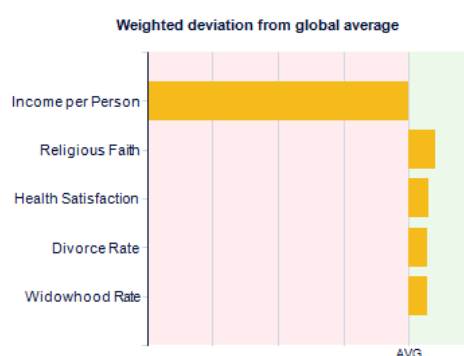
<b>Population:</b>	6.2 million (2008 est.)	<b>FDI (net inflow):</b>	9.02% (2006 est.)
<b>Life Today</b>	5.9 (2007 est.)	<b>Exports</b>	36.70% (2006 est.)
<b>GDP (PPP)</b>	\$27.99 billion (2007 est.)	<b>Imports</b>	81.18% (2006 est.)
<b>GDP (Growth)</b>	5.7% (2007 est.)	<b>Unemployment:</b>	13.5% official rate; unofficial rate is approximately 30% (2007 est.)
<b>GDP (per Capita)</b>	\$4,900 (2007 est.)	<b>Life Expectancy</b>	78.71 years (2008 est.)
<b>Political System:</b>	Constitutional Monarchy		
<b>Foreign Aid:</b>	3.80% (2006 est.)		

## ● KEY SCORE DRIVERS

## ECONOMIC COMPETITIVENESS



## COMPARATIVE LIVEABILITY



Instability within the region has undermined Jordan's economic prospects. The kingdom's natural resources are limited to phosphates and agricultural produce, and it is dependent on foreign aid, of which the United States is the main provider. Nevertheless, its domestic competitiveness is good, as measured by the movements in the relative price of consumer and wholesale goods, although this may reflect the favourable effects of trade shock.

The economy has been growing solidly, and broad economic reforms have been applied in an effort to improve living standards over the long term. Jordan joined the WTO in 2000, and exports have significantly increased under a free-trade accord with the US. The government also

Jordan is a middle-income country with incomes of around \$5,200 per capita, indicating that poverty likely remains a problem. It shares a high level of religious faith with other countries in the region, a factor which tends to correlate with higher levels of self-reported wellbeing.

While official unemployment figures stand at around 13.5%, unofficial estimates are more than twice as high. For those in the workforce, average working hours are estimated at more than 62 hours per week outside the agricultural sector. This is very high by regional standards, and suggests that Jordanians have only a limited amount of leisure time.

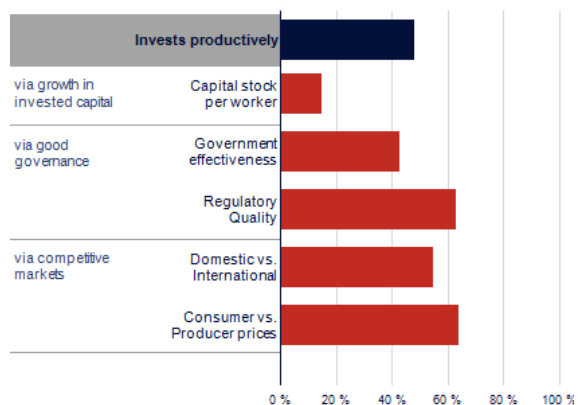
ended subsidies for petroleum and other consumer goods in 2008 in an effort to control the budget. This has made Jordan more attractive for foreign investment. Foreign trade and investment stands at 127% of GDP, significantly higher than Jordan's regional counterparts, and this is reflected in a strong openness score overall. However, these positive features are not continued by the low levels of capital investment, which will need to be tackled, and the costs of starting a business remain high, indicating another area on which to focus regulatory reform.

Jordan has a large potential reserve of human capital, at least in terms of mass education. It has by far the most highly educated population in the region, with its workers averaging 4.12 years of secondary schooling. However, it has one of the youngest populations among lower-middle income countries: 38% of the population is under the age of 14, according to World Bank figures, and the fundamental problems of poverty and high unemployment remain.

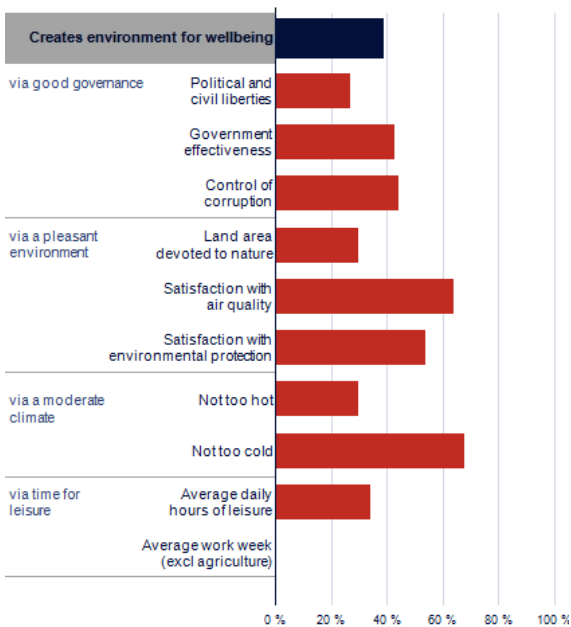
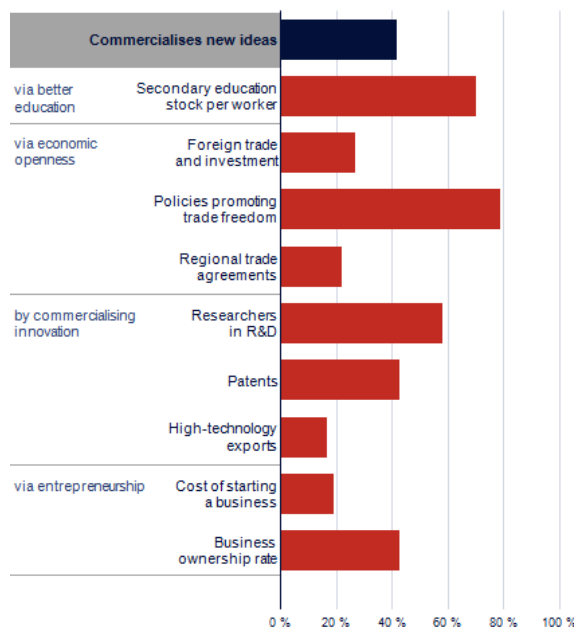
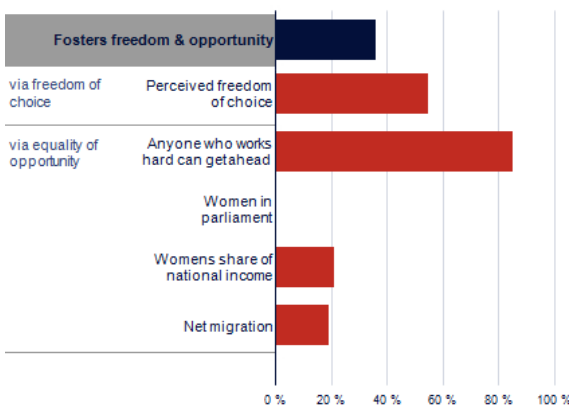
The health service achieves high personal satisfaction with health, and health-adjusted life expectancy stands at 61 years. This is the highest in the region, excluding the much wealthier Gulf nations, and can be attributed to consistent investment of more than 25% of GDP (according to World Bank figures) in human development expenditure such as education, health, and social security.

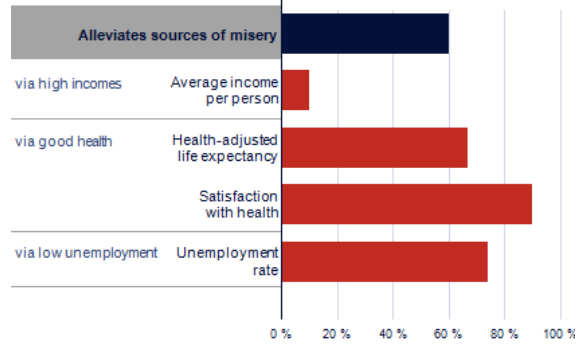
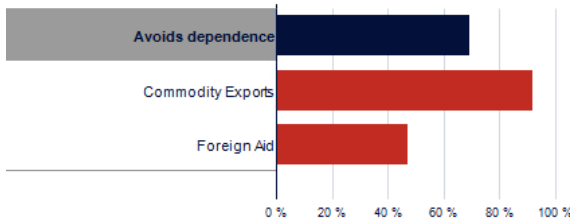
As with many nations in the region, limited natural fresh water resources, over-grazing, soil erosion and desertification take their toll on the environment. Competition for resources has been further heightened by the influx of large numbers of Iraqi refugees fleeing the war. . Perhaps as a result of such stresses, community life scores are below average in Jordan. However, family life scores are better, with the incidence of divorce remaining relatively low at 0.7%<sup>9</sup>, and widowhood at 2.9%<sup>9</sup>.

## ECONOMIC COMPETITIVENESS: SCORECARD

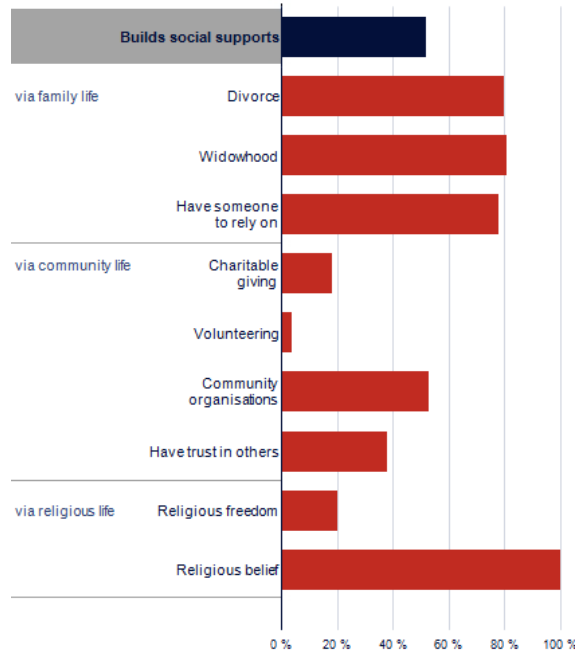


## COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



**References:**

<sup>9, w</sup> See [www.prosperity.com/references.aspx](http://www.prosperity.com/references.aspx) for further details including date of survey, sample size, and margin of error.