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Jordan's Manufacturing Sector

**Edging into More Complex Products** 

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## Jordan's Manufacturing Sector Edging into More Complex Products

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### 1 Please see the introduction for a detailed methodology. http://www.lcps-lebanon.org/publication.php?id=294&category=900&year=2017

#### An overview of Jordan

Jordan's future path for development should focus on new opportunities in the machinery, electrical, chemical, and textile clusters. Table 1 lists target sectors that the methodology identifies as strategic for Jordan's future development.<sup>1</sup>

The community with the greatest number of target products is the machinery and electrical cluster, with 20 products (HS2:84-85). The cluster with the second-highest number of target products is textiles, with a total of eight products (HS2:50-63), followed by the plastics/rubbers community with six target products. The methodology also identifies five products in the foodstuff community and four in the chemical & allied cluster. While products in the textile community are probably closer in distance in terms of productive knowledge and capabilities of the country, the products in the machinery and electrical community have a higher product complexity index (PCI) ranking. Therefore, developing them would have a larger impact on Jordan's average complexity. It can be seen in table 1 that Jordan currently has a presence in all except one of the product categories of the target communities.

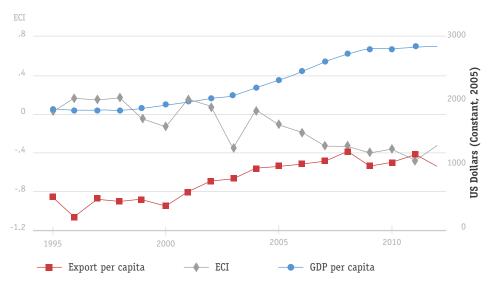
Table 1 Summary of target sectors

1100			Product World
HS2	Product name	Targets	Exports (\$)
84	Machinery and Mechanical Appliances, Computers,	15	1815 B
	Boilers, Nuclear Reactors		
85	Electrial Machinery	8	1803 B
39	Plastic and Articles Thereof	4	200 B
40	Rubbers and Articles Thereof	2	206 B
63	Made-Up Text. Articles Nesoi, Needlecraft Sets, Worn	2	25 B
	Clothing, Rags		
94	Furniture, Bedding, Lighting, Prefabricated Buildings	2	49 B
61	Articles of Apparel and Clothing Accessories	2	26 B
	Knitted/Crocheted		
62	Articles of Apparel and Clothing Accessories-Not	2	27 B
	Knitted/Crocheted		
90	Optical, Photo/Cinematographic, Medical Instruments	2	481 B
	and Accessories		
87	Vehicles other than Rail/Tramway Rolling Stock	2	1216 B
28	Inorganic Chem, Precious Metal Compounds, Isotopes	1	92 B
59	Impregnated, Coated, Covered, or Laminated	1	21 B
	Text. Prod		
38	Misc. Chemical Prods.	1	85 B
22	Beverages, Spirits and Vinegar	1	44 B

HS2	P. 1.	Product	Product World
ПЭС	Product name	Targets	Exports (\$)
24	Tobacco and Manuf. Tobacco Subs.	1	13 B
86	Rail/Tramway Locomotives, Rolling Stock, Track	1	34 B
	Fixtures		
23	Food Industries Residue and Animal Feed	1	49 B
64	Footwear/Gaiters and Such	1	107 B
33	Oils and Resinoids, Perfumery, Cosmetics	1	42 B
20	Preps. of Vegs, Fruits, Nuts, Etc.	1	22 B
17	Sugars and Confectionery	1	43 B
16	Ed. Prep of Meat, Fish, Crustaceans, Etc.	1	25 B
58	Special Woven Fabrics, Tufted Text. Lace	1	11 B
55	Man-Made Staple Fibers, Inc. Yarns Etc.	1	34 B
30	Pharmaceutical Products	1	121 B

K = thousand, M = million, B = billion

Figure 1 Evolution of Jordan's complexity, GDP and exports



Note Own calculation using HS4-level trade data from United Nations COMTRADE, and the World Development Indicators from the World Bank Database.

Jordan's GDP per capita has steadily increased, particularly after the year 2000 (figure 1). Its exports per capita followed the same trajectory until 2008, and has since stagnated. Despite the increases in GDP and exports, Jordan's Economic Complexity Index (ECI) has deteriorated since 1995. This fall in the country's ECI indicates that the increase in Jordan's exports has not been associated with moving into more complex products.

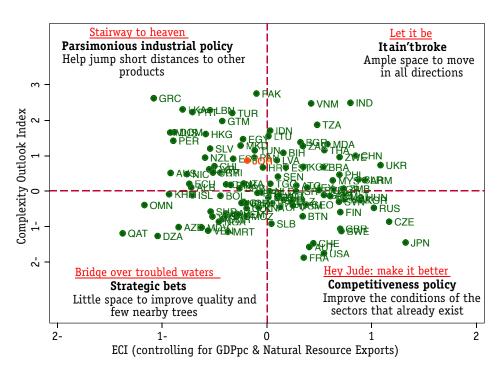


Figure 2 Summary of Jordan in the product space

Note Own calculation using HS4-level trade data from United Nations COMTRADE, and the World Development Indicators from the World Bank Database.

Jordan's ECI level is in line with its GDP per capita, therefore there is little to exploit from its current economic structure. However, Jordan is relatively close to some complex products. This is reflected in the figure above (figure 2) that shows the position of countries in terms of ECI (after controlling for the effect of income and natural resources) and the country's position relative to complex products on the product space. Despite Jordan's average low complexity, nearby complex products (captured by the complexity outlook index) likely could be developed using—to a large extent—productive knowledge that already exists within the country. Hence, with a parsimonious industrial policy, Jordan can move up the 'Stairway to Heaven' by jumping short distances to complex products. Nevertheless, Jordan's Complexity Outlook Index is not very high, so it may also need to make some strategic bets, calling for a more active industrial policy.

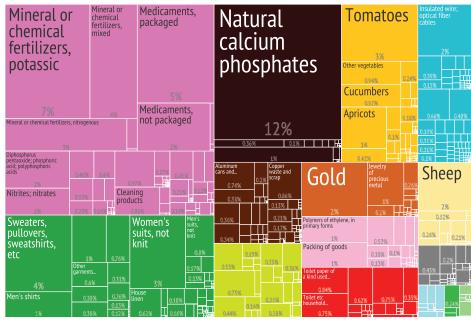
#### Jordan's productive structure

The figures above show Jordan's trade structure for the year 2012. While the export basket is considerably diversified, Jordan's economy relies mostly on chemicals, textiles, some mineral products, and agricultural exports. Two products have an important share of net exports: Natural calcium phosphates, which account for 20%, and mineral or chemical fertilizers with 11%.

Figure 3a shows that Jordan has built both a chemicals and allied and textiles industry in recent years. The large textile industry might explain why Jordan's ECI has not improved despite an increase in exports, as its products have low complexity.

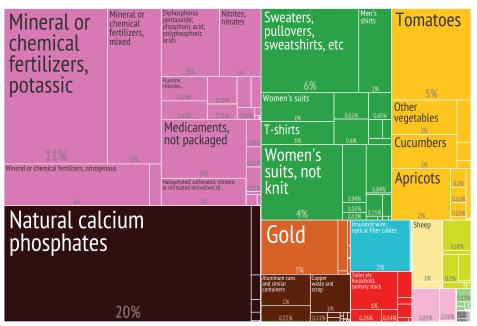
Figure 3 Jordan's trade structure 2012

#### a Exports of Jordan



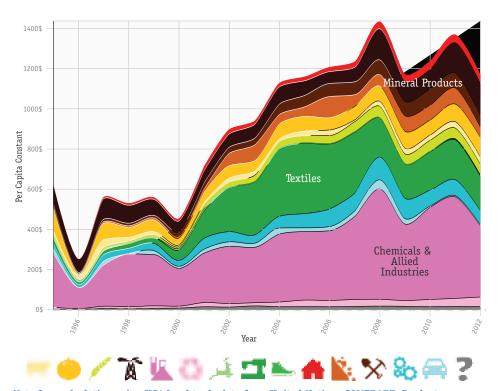
Jordanian exports totaling approximately \$8.1 billion

#### b Net exports of Jordan



Jordanian net exports totaling approximately \$4.9 billion

#### C Evolution of exports

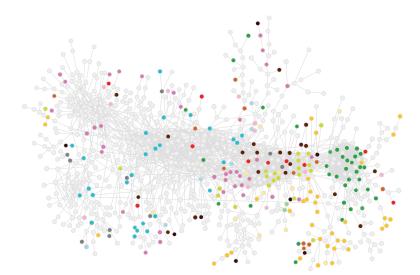


Note Own calculation using HS4-level trade data from United Nations COMTRADE. Products are colored according to the communities that they belong according to the above legend.

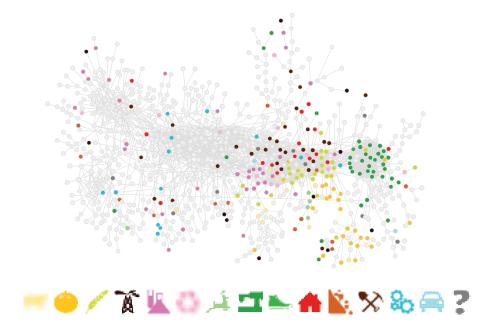
As done with other countries in the report, Jordan's product space is analyzed in order to get a sense of the type of productive knowledge that is present, how it has changed from 1995 to 2012, and what may be nearby (figures 4a and 4b). From the figures above, it is possible to see that Jordan's product space has diversified into more textile products since 1995, but lost its competitiveness in more complex parts (left and center) of the product space. Nevertheless, it continues to have a competitive presence in many products (particularly in the machinery and electrical cluster) located in the complex part of the product space that can be used as an anchor for diversification. As will be shown, these communities can serve as a bridge to more complex products and may be key to the country's future development.

Figure 4 Jordan on the product space

#### a 1995



b 2012



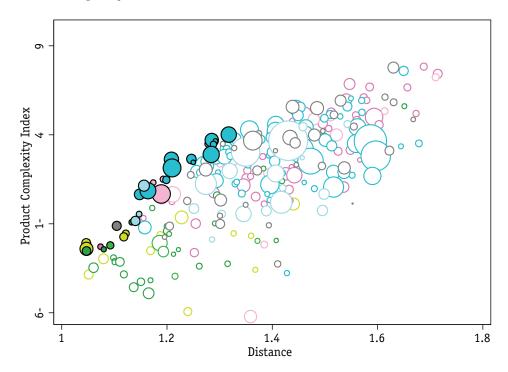
Note Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. Solid colored nodes indicate the products in which Jordan is competitive in world markets (i.e. RCA> 1). The nodes are colored according to the communities that they belong to.

Figures 5a and 5b highlight the products that are attractive for Jordan based on PCI and Complexity Outlook Index (COG), respectively. According to this view, countries need to find a balance between the attractiveness of a product versus the ease of conquering a product. Therefore, the most attractive corner is the northwest section of the graphs. Using these criteria, frontier products can be identified that Jordan can target with its industrial policy. A detailed description of products on our target list is provided in table 2. These products signal to strategic clusters in Jordan for which a parsimonious industrial policy should aim to provide support and public inputs to improve their productivity and ability to jump to new opportunities.

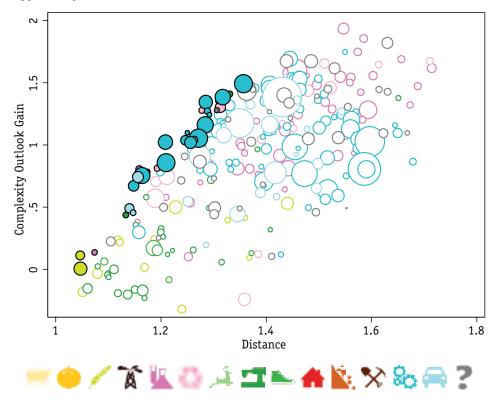
From these figures it is possible to see that target products are mainly in the machinery and electrical cluster, with some opportunities in the foodstuff and textile industries. As a group, the textile and foodstuff clusters are relatively close when considering productive knowledge or capabilities in Jordan. Nevertheless, as mentioned before, these products tend to have lower PCI or COG, making them less desirable. On the other hand, the machinery cluster is farther in distance and therefore harder to develop based on present productive knowledge in the country, but has higher values of PCI (figure 5a) and COG (figure 5b). New products belonging to this community would increase the average complexity of Jordan's export basket, compensating for the cost of developing them.

Figure 5 Strategic bets for Jordan

#### a Product Complexity Index



#### b Opportunity Gain Index



Note Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. Solid colored nodes indicate the strategic bets. The nodes are colored according to the communities that they belong to.

A few products in the machinery and electrical communities stand out in the figures above given the world trade in those product categories. Seven products are considered to have world trade valued at over \$50 billion. Nevertheless, although the level of world trade of a product category is an important aspect to be considered, the distance and PCI or COG are the driving variables that are used in order to identify strategic opportunities. By considering the tradeoff between existing productive knowledge (distance), complexity of a new product, and future diversification possibilities that the new productive knowledge will bring, a country is more likely to be successful in diversifying its product space. Some of the closest opportunities are in cotton and raw textile products. Developing them would allow Jordan to fill in upstream products in textile production. Additionally, opportunities in machinery products need to be exploited to move into more complex parts of the product space.

When looking at the table it is interesting to note that in most of the recommended products, Jordan already has some presence, reflected in its RCA values. Specifically, machinery for working earth, stone, and other mineral substances (8474); industrial or laboratory furnaces and ovens, including incinerators (8417); parts for use with hoists and excavation machinery (8431); electrical transformers (8504); and polymers of vinyl chloride or of other halogenated olefins, in primary forms (3904) all have an RCA value in 2012 of either 0.8 or 0.9.

Table 2 Recommendations for Jordan

		RCA-			Target	World		
HS4	Product name	2012	Distance	PCI	rank	Trade(\$)	Top Importers	Top Exporters
8419	Machinery, plant or laboratory equipment involving a change of temperature such as heating, cooking, roasting	0.2	1.3	3.7	1	37 B	USA CHN DEU	DEU USA CHN
8537	Electrical Boards and panels for protecting electrical circuits	0.6	1.2	2.6	2	44 B	USA CHN DEU	DEU CHN JPN
8716	Trailers and semi-trailers	0.2	1.2	1.1	3	22 B	CAN USA DEU	DEU USA CHN
4008	Plates, sheets, strip, rods and profile shapes, of vulcanized rubber	0.0	1.3	3.5	4	4 B	USA DEU NLD	DEU USA CHN
3005	Wadding, gauze and bandages	0.3	1.2	1.1	6	7 B	USA DEU FRA	CHN USA DEU
8416	Furnace burners for liquid fuel	0.1	1.3	4.0	6	2 B	CHN RUS FRA	DEU ITA CHN
8474	Machinery for working earth, stone, and other mineral substances	0.9	1.1	0.7	6	19 B	RUS USA CHN	DEU CHN USA
8504	Electrical transformers	0.9	1.2	2.1	8	79 B	USA HKG DEU	CHN DEU JPN
8530	Electric signal, safety and traffic controls, railways, waterways, parking or airfields	0.1	1.3	3.7	8	2 B	USA CHN DEU	DEU SWE ESP
8531	Electric sound or visual signaling apparatus	0.2	1.2	2.6	10	15 B	USA DEU HKG	CHN USA DEU
3922	Baths, shower baths, sinks, washbasins, bidets, lava tory pans, seats and covers	0.4	1.2	1.3	11	3 B	DEU FRA GBR	CHN DEU ITA
2008	Fruit, nuts and edible plants preserved with sugar	0.3	1.0	-2.1	12	13 B	USA DEU JPN	CHN USA THA
3916	Monofilament	0.2	1.2	1.5	13	5 B	FRA DEU USA	DEU TUR CHN
8421	Centrifuges	0.6	1.3	4.0	14	53 B	USA DEU CHN	DEU USA CHN
8431	Parts for use with hoists and excavation machinery	0.8	1.2	0.9	14	59 B	USA DEU CHN	CHN DEU USA
8417	Industrial or laboratory furnaces and ovens, including incinerators	0.8	1.3	3.5	16	5 B	RUS CHN IND	DEU CHN ITA
1701	Raw sugar, cane	0.2	1.0	-2.4	17	35 B	USA CHN IDN	BRA THA IND
9404	Mattress supports; articles of bedding	0.4	1.1	-1.1	17	13 B	USA JPN DEU	CHN POL DEU
8434	Milking and dairy machines	0.2	1.2	2.5	19	2 B	DEU FRA BLR	DEU NLD SWE
8432	Agricultural, forestry machinery for soil preparation	0.0	1.2	1.5	20	8 B	USA FRA RUS	DEU USA ITA
6309	Used clothes and textiles	0.7	1.1	-0.9	21	4 B	PAK RUS UKR	USA GBR DEU
8609	Containers for carriage by one or more modes of trans port	0.1	1.1	-0.5	22	4 B	USA DEU AUS	CHN USA DEU
6115	Panty hose, tights, stockings, socks and other hosiery	0.0	1.0	-2.5	22	11 B	USA JPN DEU	CHN ITA TUR
3301	Essential oils	0.2	1.1	-2.3	24	4 B	USA FRA GBR	IND USA CHN

		RCA-			Target	World		
HS4	Product name	2012	Distance	PCI	rank	Trade(\$)	Top Importers	Top Exporters
8705	Special purpose motor vehicles	0.0	1.1	-0.8	25	14 B	CAN RUS USA	DEU USA CHN
6406	Parts of footwear	0.0	1.1	-2.2	26	7 B	ITA DEU RUS	CHN ITA IND
6306	Tarpaulins, awnings and sunblinds	0.1	1.1	-2.4	27	3 B	USA DEU FRA	CHN DEU PAK
4011	New pneumatic tires, of rubber	0.5	1.2	0.7	29	86 B	USA DEU FRA	CHN JPN DEU
2306	Cotton seed oilcake	0.0	1.1	-1.6	29	7 B	USA NLD ESP	CAN UKR IDN
2207	Ethyl alcohol > 80% by volume	0.1	1.1	-1.7	29	10 B	USA DEU NLD	BRA USA NLD
8413	Pumps for liquids	0.4	1.3	2.9	29	62 B	USA DEU CHN	DEU USA CHN
2833	Sulfates; alums; peroxosulfates (persulfates)	0.2	1.2	-0.7	32	3 B	USA BRA JPN	CHN DEU ESP
1604	Prepared or preserved fish	0.3	1.1	-3.0	32	16 B	USA JPN ITA	THA CHN ECU
9402	Medical, surgical, dental or veterinary furniture	0.3	1.3	3.5	34	3 B	USA DEU RUS	CHN DEU USA
8480	Molding boxes for metal foundry	0.2	1.3	2.1	36	16 B	MEX USA CHN	CHN JPN KOR
8536	Apparatus protecting electrical circuits for < 1k volts	0.2	1.3	2.3	36	84 B	USA CHN HKG	CHN DEU JPN
6205	Men's shirts, not knit	0.7	1.1	-3.5	36	15 B	USA DEU JPN	CHN BGD IND
9028	Gas, liquid or electricity supply or production meters	0.2	1.2	1.7	38	6 B	USA DEU GBR	CHN USA MEX
2401	Tobacco, raw	0.3	1.1	-3.9	40	13 B	CHN USA DEU	BRA USA IND
5911	Textile fabric for card clothing, technical use	0.1	1.3	3.8	40	4 B	USA DEU CHN	DEU USA CHN
6112	Active wear	0.3	1.1	-2.9	40	4 B	USA DEU ITA	CHN IDN DEU
3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms	1.0	1.2	0.4	42	19 B	CHN DEU IND	USA DEU FRA
5512	Woven fabrics of > 85% synthetic staple fibers	0.1	1.2	-1.2	42	3 B	HKG CHN DEU	CHN TWN KOR
8481	Appliances for thermostatically controlled valves	0.2	1.4	4.3	45	82 B	USA CHN DEU	CHN DEU USA
5806	Narrow woven fabrics	0.4	1.2	-0.1	45	3 B	USA MEX HKG	CHN USA TWN
8503	Parts for use with electric generators or converters	0.0	1.3	2.5	45	19 B	DEU USA ITA	DEU CHN JPN
8502	Electric generating sets and rotary converters	0.0	1.3	1.9	45	27 B	USA RUS GBR	CHN USA DEU
6208	Women's undergarments, not knit	0.5	1.1	-3.1	48	2 B	USA JPN GBR	CHN TUR IND
8433	Harvesting or agricultural machinery	0.3	1.3	3.8	48	20 B	FRA DEU USA	USA DEU CHN
8437	Machines for cleaning, sorting or grad- ing seed; machinery used in the milling industry or for the working of cereals or dried leguminous vegetables	0.3	1.2	-1.4	50	2 B	IND RUS USA	CHN CHE ITA

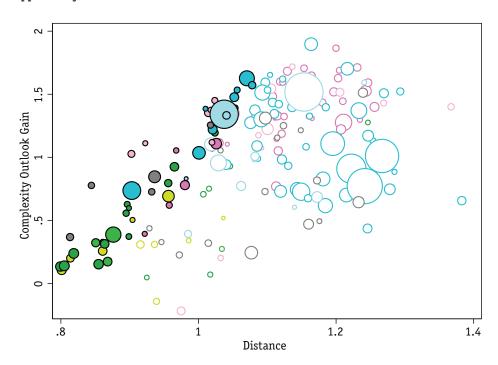
The previous exercise is now repeated for the year 2000 to identify target products given a hybrid rank that combines the ease and attractiveness of the product, and to look at the 2010 data to analyze whether they were developed. Those products, which according to our methodology should have been conquered by Jordan but failed to be developed over time, may hint at potential market failures or constraints. In figures 6a and 6c the nodes of the target products are colored according to the product communities.

Similar to what is found for 2012, the methodology identified opportunities in the machinery and electrical cluster. Interestingly, in the year 2000, several target products belonging to the textile community that were near to one another in the product space are no longer selected for the year 2012. By the year 2010, Jordan successfully achieved the benchmark of RCA>1 for five products (red): Plastic builders' ware (3925); prefabricated buildings (9406); refractory cements, mortars (3816); house linen (6302); surveying, hydrographic, oceanographic, hydrological, meteorological, or geophysical instruments and appliances (9015); and brassieres and parts thereof, not knit (6212). Nevertheless, most of the target products that have high attractiveness and are also relatively easy to conquer were not developed in Jordan by 2010 and hence are highlighted in blue. These are interpreted as missed opportunities. These blue products warrant special attention as they might also hint to the presence of market failures in the country. As can be seen in figure 6, while there are products from the textile and chemical communities, most of them are in the machinery cluster. A detailed description of these products is provided in table 3.

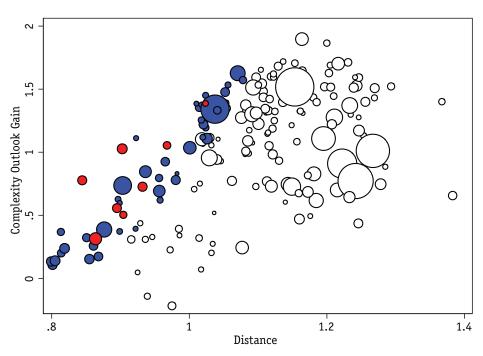
Finally, from the table it is possible to see that in most of the higher ranking products, Jordan reduced its RCA, meaning that it lost competitiveness. In 32 of the 50 products on the target list, Jordan either made no improvement or lost competitiveness. Footwear with leather body (6403), cotton seed oilcake (2306), conveyor or transmission belts of vulcanized rubber (4010), woven fabrics of cotton of (85% weighing) 200g/m2 (5208) and fruit, nuts, and edible plants preserved with sugar (2008) all had RCA values 0.7 or more in 2000, but for 2010 their RCA value was below 0.2.

Figure 6 Strategic bets for Jordan in year 2000

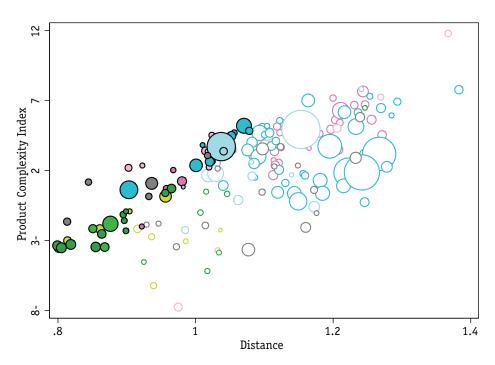
#### a Opportunity Gain Index 2000



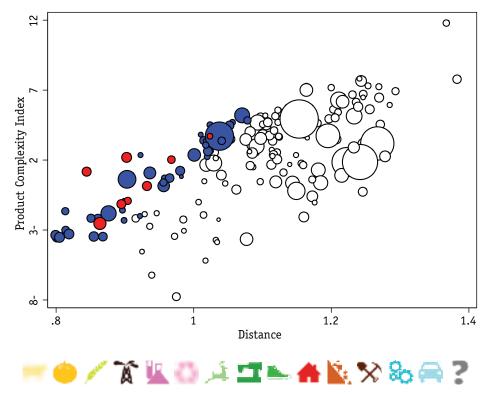
#### b Opportunity Gain Index 2010



#### C Product Complexity Index 2000



#### d Product Complexity Index 2010



Note Own calculation using HS4-level trade data from United Nations COMTRADE. Node size is proportional to world trade. The nodes are colored according to the communities that they belong to in (a) and (c). In figures (b) and (d), Red nodes are conquered by Jordan and were also in our target list, Blue nodes are not conquered by Jordan and were in our target list. Finally, Yellow nodes are conquered but were not in the target list.

Table 3 Strategic bets for Jordan in year 2000

lable 3	Strategic bets for Jordan in year 2000							
HS4	Product name	RCA- 2000	RCA- 2010	Distance	PCI	COG	World Trade (\$)	Target rank
9406	Prefabricated buildings	0.7	2.2	0.8	1.2	0.8	3 B	1
3922	Baths, shower baths, sinks, washbasins, bidets, lavatory pans, seats and covers	0.5	0.1	0.9	2.4	1.1	1 B	2
3925	Plastic builders' ware	0.6	1.7	0.9	2.2	1.0	3 B	2
8546	Electrical insulators of any material	0.3	0.0	1.0	3.8	1.4	1 B	4
4010	Conveyor or transmission belts of vulcanized rubber	0.9	0.1	1.0	4.5	1.5	2 B	5
3909	Amino-resins, phenolic resins and polyurethanes, in primary forms	0.1	0.2	1.0	3.4	1.4	4 B	6
9404	Mattress supports; articles of bedding	0.5	0.2	0.8	-1.7	0.4	4 B	7
8504	Electrical transformers	8.0	0.4	0.9	0.6	0.7	39 B	8
3816	Refractory cements, mortars	0.3	2.5	1.0	3.7	1.4	791 M	9
2835	Phosphinates and phosphonates	0.6	1.7	1.0	2.0	1.1	2 B	10
6406	Parts of footwear	0.0	0.0	0.9	-2.2	0.3	5 B	11
6302	House linen	0.1	1.2	0.8	-3.4	0.1	7 B	12
4008	Plates, sheets, strip, rods and profile shapes, of vulcanized rubber	0.2	0.1	1.0	3.4	1.4	2 B	13
5512	Woven fabrics of > 85% synthetic staple fibers	0.9	1.3	0.9	-1.1	0.6	3 B	14
8481	Appliances for thermostatically controlled valves	0.3	0.3	1.1	5.2	1.6	25 B	15
5806	Narrow woven fabrics	0.1	0.5	0.9	-1.6	0.6	2 B	16
2008	Fruit, nuts and edible plants preserved with sugar	0.8	0.2	0.8	-3.0	0.2	4 B	18
2401	Tobacco, raw	0.0	0.6	0.8	-3.5	0.1	7 B	18
9405	Lamps and lighting fittings	0.3	0.2	0.9	1.1	0.8	14 B	18
2306	Cotton seed oilcake	0.7	0.0	0.9	-2.2	0.3	1 B	20
5208	Woven fabrics of cotton of > 85% weighing < 200 g/m2	0.8	0.1	0.8	-3.5	0.1	8 B	21
9306	Bombs, grenades, torpedoes, mines, missiles and similar munitions of war	0.0	0.0	1.0	3.1	1.3	2 B	22
5209	Woven fabrics of cotton of < 85% weighing > 200 g/m2	0.6	0.5	0.8	-3.3	0.2	8 B	23
8455	Metal-rolling mills	8.0	0.5	1.1	4.7	1.5	2 B	24
6403	Footwear, with leather body	0.7	0.1	0.9	-1.8	0.4	26 B	25
6303	Curtains drapes blinds valances, cotton, knit	0.4	0.2	0.9	-0.9	0.6	1 B	26
8433	Harvesting or agricultural machinery	0.0	0.0	1.1	4.5	1.5	6 B	27
1604	Prepared or preserved fish	0.9	0.4	0.9	-2.2	0.3	6 B	28
8516	Electric instantaneous or storage water heaters	0.2	0.5	1.0	2.4	1.0	16 B	29
6212	Brassieres and parts thereof, not knit	0.4	1.8	0.9	-2.5	0.3	6 B	30
8485	Ships or boats propellers and blades	0.5	0.1	1.1	4.8	1.6	4 B	31

HS4	Product name	RCA- 2000	RCA- 2010	Distance	PCI	COG	World Trade (\$)	Target rank
9015	Surveying, hydrographic, oceanographic,	0.9	1.3	0.9	0.1	0.7	3 B	32
	hydrological, meteorological or geophysical							
	instruments and appliances							
2201	Waters natural	0.8	1.3	0.9	-0.9	0.5	1 B	33
5903	Textile fabrics impregnated with plastics	0.1	0.1	1.0	0.7	0.9	6 B	34
5201	Cotton raw	0.0	0.0	0.9	-3.5	0.2	7 B	35
5703	Carpets, tufted	0.7	1.2	1.0	0.4	0.8	4 B	36
8708	Parts and accessories of the motor vehicles	0.4	0.7	1.0	3.7	1.3	137 B	37
5210	Woven fabrics of cotton of < 85% weighing	0.9	0.1	0.9	-2.3	0.4	2 B	38
	< 200 g/m2							
8502	Electric generating sets and rotary converters	0.3	0.2	1.0	2.6	1.2	6 B	39
6404	Footwear, with textile body	0.3	0.3	0.9	-3.5	0.2	6 B	40
2901	Acyclic hydrocarbons	0.0	0.0	1.0	1.2	0.8	7 B	40
5112	Woven fabrics of combed wool or combed fine	0.1	0.1	1.0	2.7	1.2	3 B	42
	animal hair							
3916	Monofilament	0.5	0.6	1.0	2.2	1.1	2 B	43
3406	Candles	0.0	0.0	0.9	-2.0	0.4	1 B	44
2814	Ammonia	0.3	0.6	1.0	0.7	0.6	2 B	45
8904	Tugs and pusher craft	0.0	0.0	1.0	0.8	0.8	696 M	46
8607	Parts of railway locomotives	0.3	0.0	1.0	3.4	1.3	4 B	47
2905	Acyclic alcohols	0.0	0.0	1.0	3.3	1.1	10 B	48
2204	Wine of fresh grapes	0.1	0.0	1.0	0.2	0.7	13 B	49
8406	Steam turbines and other vapor turbines	0.0	0.1	1.1	3.4	1.4	3 B	49

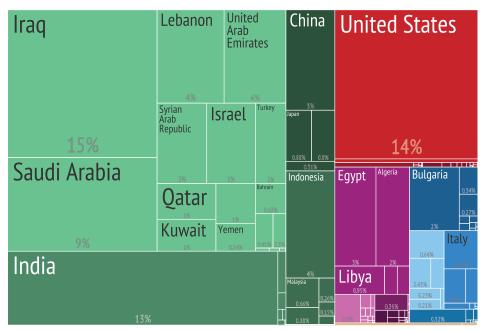
K = thousand, M = million, B = billion

#### Jordan's export destinations

As can be observed in figure 7, Jordan mainly exports to Western and Southern Asia. The two major destinations of Jordan's exports are Iraq and the United States (15% and 14%, respectively), followed by India and Saudi Arabia (13% and 9%). Figure 7 shows that exports to Western Asia have risen over time, while Jordan has lost its export share to North America. Given its geographical proximity to Europe, Jordan is conspicuously lacking in exports to Europe.

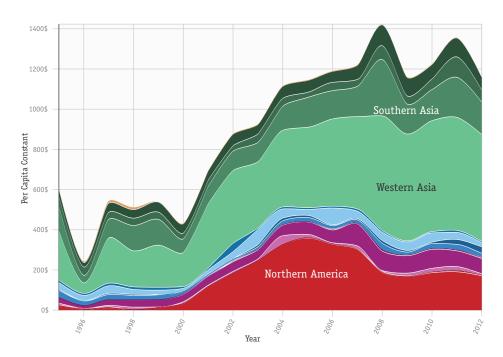
Figure 7 Jordan trade partners (2012)

#### a Export destinations



Jordanian exports totaling approximately \$8.1 billion

#### b Evolution of export destinations



Note Own calculation using HS4-level trade data from United Nations COMTRADE. Products are colored according to the communities that they belong according to the following legend:



When taking into account the current trade of countries in eligible products vs. potential, it is possible to identify top export destinations for the country. Table 4 presents potential trade with those export destination countries as well as the potential of other countries included in this report. From the table it follows that Jordan's trade health with other Middle Eastern and Arab countries is, in general, very good, while most of its highest potential trade partners are in Europe.

Table 4 Trade potential

Importer	Trade Health	Number of Eligible Products	Potential in Eligible Products (\$)	Current Trade in Eligible Products (\$)	Total Trade (\$)
ARE	1.1	41	7 M	87 M	161 M
BEL	0.0	14	119 M	14 M	18 M
CHL	0.0	4	2 M	67 K	654 K
CHN	0.2	3	7 M	178 M	179 M
DEU	0.0	19	99 M	3 M	19 M
DZA	1.1	20	1 M	132 M	143 M
EGY	3.5	33	735 K	52 M	82 M
FRA	0.0	24	161 M	6 M	9 M
GBR	0.1	22	102 M	14 M	19 M
IRQ	52.7	39	264 K	435 M	672 M
KWT	2.5	37	2 M	22 M	42 M
LBN	8.4	44	1 M	60 M	83 M
LBY	2.3	29	1 M	17 M	40 M
SAU	4.0	36	7 M	450 M	532 M
SYR	18.3	35	390 K	75 M	125 M
TUN	1.8	17	181 K	9 M	19 M
TUR	0.1	20	26 M	15 M	30 M
USA	3.9	18	230 M	963 M	1 B
YEM	9.6	33	307 K	38 M	45 M

K = thousand, M = million, B = billion

# LCPS SERIES

























