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DEPARTMENT OF EXTERNAL AFFAIRS

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TRADE AND INVESTMENT PROMOTION PLANNING SYSTEM

89/90 TRADE AND ECONOMIC OVERVIEW

Mission: AMMAN

Country: JORDAN

CANADIAN TRADE AND INVESTMENT PRIORITIES IN JORDAN REFLECT A SECTORAL ORIENTATION PARALLELED BY OUR DEVELOPMENT ASSISTANCE PROGRAM. BUILDING ON THE INTRODUCTION OF THE AID PROGRAM IN 1986, WE NOW HAVE OUR BEST OPPORTUNITY YET TO CAPTURE A SIGNIFICANT MARKET SHARE OF JORDANIAN IMPORTS DESPITE PRESENT ECONOMIC RETRENCHMENT. SERVICES IN PARTICULAR PROVIDE A KEY TO IMPROVED MARKET PENETRATION. PROJECTS WHERE CANADIAN CONSULTING ENGINEERS HAVE PROVIDED PLANNING AND DESIGN SERVICES ARE NOW MOVING TO FRUITION, THEREBY ENHANCING POTENTIAL FOR OUR TECHNOLOGIES AND MANUFACTURED GOODS.

JORDAN REMAINS A VERY COMPETITIVE MARKET, SUBJECT TO HIGHLY VARIABLE PRICE SENSITIVITIES. PRIVATE SECTOR IMPORTERS HAVE ESTABLISHED SUPPLIER LINKAGES WHICH ARE DIFFICULT TO ALTER IN THE ABSENCE OF PRICE INCENTIVES OR CREATIVE FINANCING MECHANISMS. PUBLIC SECTOR TRANSACTIONS ARE ALMOST ALWAYS DEPENDENT ON COMPETITIVE BILATERAL FINANCING AGREEMENTS, WHICH HAVE BEEN CHARACTERIZED THROUGH THE YEARS BY HIGH CONCESSIONALITY. AT A TIME OF ECONOMIC RESTRAINT, TERMS AND CONDITIONS OF BILATERAL CREDITS WILL PLAY A SIGNIFICANTLY INCREASED ROLE IN PROCUREMENT. THE ACCRUED EXPERIENCE OF EDC AND CIDA'S INDUSTRIAL COOPERATION DIVISION (INC) IN SUPPORTING CANADIAN EXPORTERS WILL BE AN IMPORTANT ELEMENT OF FUTURE SUCCESS. DESPITE AUSTERITY WE WOULD EXPECT MERCHANDISE EXPORTS TO REACH A SUSTAINABLE LEVEL OF CDN \$ 20-25 MILLION PER YEAR BY 1990 AND, WHEN SERVICE EXPORTS ARE ADDED, REACH UP TO \$50 MILLION. THIS WOULD DRIVE A VERY REAL RETURN ON THE COMMITMENT MADE BY CANADA TO JORDANIAN ECONOMIC DEVELOPMENT, A FACTOR WHICH OUR LOCAL INTERLOCUTORS NOW RECOGNIZE WHEN CHOOSING AMONG EXPORTERS OF PRODUCTS AND SERVICES. CANADA'S SECTORAL FOCUS WILL REMAIN IN ITS FIVE TRADITIONAL SPHERES: ENERGY, TELECOMMUNICATIONS, TRANSPORTATION, AGRICULTURE AND FOOD PRODUCTS AND CONSULTING SERVICES: EFFORTS TO ENSURE LONG-TERM CANADIAN PRESENCE IN JORDAN'S OIL AND GAS SECTOR REMAIN A MAJOR PRIORITY. A CONCESSION FOR CANADIAN PETROLEUM EXPLORATION CONTRACTORS COULD WELL BE A REALITY IN 89/90: OUR PRESENCE IN TELECOMMUNICATIONS HAS A SOLID FOUNDATION IN NORTEL'S WORK, WITH GOOD IMMEDIATE PROSPECTS FOR ADDITIONAL CONTRACTS AND TECHNOLOGY TRANSFER PROJECTS. AGRICULTURAL EQUIPMENT FROM CANADA NOW BEING DEMONSTRATED IN JORDAN COULD CREATE SIZEABLE INTEREST IN OUR DRY-LAND FARMING TECHNOLOGY. WHEAT EXPORTS, CONTINGENT ON NON-SUBSIDIZED COMPETITION FROM EUROPE AND THE USA, REMAIN A GOAL, BUT IMPORTS OF CANADIAN BARLEY, OATS AND SPECIALTY SEEDS CONTINUE TO INCREASE BECAUSE WE ARE MORE COMPETITIVE. EDUCATIONAL AND MEDICAL SERVICES PROVIDE LONGER TERM GROWTH OPPORTUNITIES AND WE EXPECT THIS SECTOR, FOCUSING ON TRAINING REQUIREMENTS FOR TECHNICAL AND INDUSTRIAL PERSONNEL, TO PROVIDE SIGNIFICANT MARKET OPPORTUNITIES IN THE NEXT DECADE. SINCE 1986, CANADA HAS INCREASINGLY EMERGED AS A VIABLE TRADING PARTNER AND ECONOMIC INTERLOCUTOR, LARGELY AS A RESULT OF THE LEVEL OF INVESTMENT WE HAVE MADE IN THE KINGDOM'S ECONOMIC DEVELOPMENT. THIS CONTRIBUTION, PARTICULARLY IN THE ENERGY SECTOR, HAS SUBSTANTIALLY FACILITATED TRADE