

VISION STATEMENT

"The Aqaba Special Economic Zone is a world class Red Sea business hub and leisure destination enhancing the quality of life and prosperity of the community through sustainable development and a driving force for the economic growth of Jordan"

THE AQABA SPECIAL ECONOMIC ZONE (ASEZ) YOUR GATEWAY TO THE GLOBAL ECONOMY

The Aqaba Special Economic Zone is a major duty-free economic development node for tourism, recreational services, professional services, multi-modal transportation, and value-added industries in the Middle East. Aqaba offers global business opportunities in a competitive location with a high-quality lifestyle.

The Government of Jordan has embarked on an aggressive strategy to position Jordan within the global economy. A key initiative within this strategy is the establishment of the Aqaba Special Economic Zone (ASEZ) as a liberalized, low-tax, duty-free, and multi-sector development area. A simplified business environment has been designed with streamlined administrative systems to attract investment and maximize private sector participation in all aspects of the Zone operations and development.

The historic city of Aqaba – Jordan's sole seaport – is located on the Red Sea. The ASEZ covers approximately 375km² and includes the land borders of Saudi Arabia and Israel, extending to the territorial waters of Egypt. The ASEZ, which incorporates the City of Aqaba with a population of approximately 90,000 people, has all the physical and social infrastructure and utilities required to serve a flourishing city.

A STRATEGIC CHOICE FOR YOUR INVESTMENT

Strategically situated at the crossroads of four countries and three continents and encompassing Jordan's entire coastline, the ASEZ is served by both a deep-water seaport and an International Airport (one of three airports in Jordan) accommodating all classes of commercial and passenger aircrafts.

A network of modern highways connects Aqaba to the surrounding region. Jordan's internal highway system also allows for fast, safe, and reliable freight and passenger transport throughout the country. Planned and existing road and rail networks further enhance accessibility, creating a true multi-modal transport hub.

Aqaba is nestled at the base of dramatic mountains expressing the contrast between the sea and the desert. Moreover, the coastal landscape shelters the extraordinary coral reefs of the Red Sea. This unique environment necessitated the adoption of a comprehensive Master Plan that includes zoning and building regulations to ensure environmentally sustainable development while preserving Aqaba's distinguishing character as a town of historic importance.

Aqaba offers unique tourism and cultural experiences to the visitor, investor, and resident alike. It is the only "living City" on the Red Sea with more than 5,500 years of history. Aqaba also forms an integral part of Jordan's Golden Tourism Triangle, highlighting the natural and man-made wonders of Petra, the magnificent desert and cliffs of Wadi Rum, and the stunning beaches and coral reefs of Aqaba. In short, Aqaba's natural endowments make it an attractive destination for tourism, thus an ideal location for investment in this sector.

The ASEZ offers businesses and residents a planned environment consisting of high-quality core infrastructure, facilities, and support services—all to international standards. Well-developed utility services are readily available in the ASEZ. Electricity is provided from a 600 MW thermal power station and a national grid. Water is abundantly supplied from nearby aquifers, with expansion plans for desalination plants to meet future demands. Additionally, the Aqaba wastewater treatment plant is currently being expanded, and treated water is available for industrial uses, in addition to landscaping purposes.

Natural gas is currently being supplied to Aqaba through a 278 Kilometer pipeline from El-Arish, Egypt to Aqaba, Jordan. The pipeline will carry 10 billion cubic meters of gas annually to Jordan, Syria, and Lebanon. This will meet the ASEZA's domestic and industrial demand.

Businesses locating in Aqaba will have access to the Fiber-Optic Link around the Globe (FLAG) that passes through the ASEZ. Furthermore, advanced telecommunication services are available at regionally competitive rates.

ASEZA Communications: High-Tech Wireless Network. As part of its world-class infrastructure and services to investors, ASEZA has deployed a highly flexible Internet and telecommunications connectivity solution for its various business units across the Zone. This network provides timely access to business applications and information systems supporting effective intra-departmental communications that enable the efficient provision of one-stop-shop services to clients and businesses operating in the Zone.

Land in Aqaba remains available for development and plans to rehabilitate the existing nodes will provide property developers with opportunities for technology parks, tourism developments, residential complexes, logistics and warehousing facilities, commercial centers, and industrial parks.

Industries located in Aqaba benefit from Jordan's preferential access, for products of Jordanian origin, to WTO member states and numerous Arab Countries. Products manufactured in Jordan enjoy duty-and quota-free access to the US market through the Free Trade Agreement (FTA) and the Qualifying Industrial Zones (QIZ), and to the European Union through the Euro-Jordanian Association Agreement.

Locating in Aqaba offers businesses the distinct competitive advantage of having access to one of the region's most skilled, productive, and competitively paid labor forces.

Overall, Aqaba's strategic location, infrastructure, unique natural and human assets, broad market access, and business-friendly environment offers investors a springboard to a variety of regional markets and the global economy.

THE AQABA SPECIAL ECONOMIC ZONE AUTHORITY

The Aqaba Special Economic Zone Authority (ASEZA) is the statutory institution empowered with regulatory, administrative, fiscal, and economic responsibilities for the ASEZ.

The ASEZ is governed by six ministerial-level Commissioners each responsible for a major area of regulatory or operational activity. The Aqaba Special Economic Zone Law simplifies all procedures, licenses, and approvals enabling the Authority to provide a business-friendly environment from one single location in Aqaba.

ASEZA is deeply committed to maintaining Aqaba at the competitive forefront as an international investment hub. ASEZA offers investors a streamlined investment environment and encourages private sector participation in all aspects of the Zone's development and operations. This ensures the provision of world-class infrastructure and services to Aqaba's investors, residents, and visitors alike.

ASEZA is Committed To Providing:

- A one-stop investment center that serves as single point of decision making in order to facilitate business start-up and smooth operations.
- A world-class business environment that maximizes private sector participation in a duty-free, tax advantaged, and continuously improving investment climate.
- A model approach to governance and environmentally sustainable development.

ATTRACTIVE BUSINESS INCENTIVES

Taxes:

- 5% flat tax on net business income, except banking, insurance, and land transport services which are subject to prevailing Jordanian income tax.

- Exemption from sales tax on final consumption of goods and services, except for:
 - A 7% sales tax limited to the final consumption of selected goods.
 - A 7% sales tax on hotel, restaurant and car rental services.
 - A special tax on alcohol and tobacco.
- No social services tax.
- No taxes on distribution of dividends and profits.
- No annual land and building taxes on utilized property.

Duty-Free Imports:

- Exemption from custom duties and sales tax/VAT on all imports to the ASEZ (except for motor vehicles, which will be exempted subject to a special regulation).

Market Access:

- Duty-free and quota-free access to manufactured products of Jordanian origin to the largest consumer markets in the world- the United States and the European Union.
- Preferential market access for products of Jordanian origin owing to:
 - WTO membership and other trade agreements.
 - Free trade protocols with numerous Arab countries.
- No restrictions on sales to the Jordanian customs territory, other than payments of regular Jordanian national duties and taxes.

Mission Statement

- To improve the quality of life for all community members
- To create, regulate and sustain a globally competitive investor friendly environment
- To optimize the efficient utilization of entrusted resources in harmony with the Master Plan to internationally recognized practices
- To effect a transparent and accountable corporate structure, governance and culture that synergizes the activities of the ASEZA team

Business Environment:

- Streamlined and simplified business registration and licensing procedures, through the ASEZA Investor One-Stop-Shop.
- No foreign equity restrictions on investment in tourism, industries, retail and other commercial services.
- No restrictions on repatriation of capital and profits.
- No foreign currency restrictions.

Labor and Immigration:

Through the ASEZA Investor One-Stop-Shop

- Simplified and liberal foreign work permits and visa regime.
- A project may employ up to 70% foreign workers.

Land:

- Land may be leased for a period of up to 50 years, renewable in special circumstances.
- Land may be purchased for hotels, health, educational, residential, and commercial buildings, including multi-use tourism complexes, warehouses and public service facilities. In this case, a Land Transfer tax will be collected, 4% is paid by seller and 6% is paid by buyer.
- Land may be also purchased for industrial uses only in the Aqaba International Industrial Estate (AIIE)

MASTER PLAN AND VISION

The Aqaba of the future is envisioned as an oasis for commerce, a premium destination for tourism, an incubator for modern technology, and a center for environmental research and protection.

Aqaba's unique attributes necessitated the adoption of a comprehensive master plan by a distinguished consortium of international experts to make this vision a reality. The plan includes measures to ensure environmentally sustainable development and the preservation of Aqaba's distinguishing character as a town of historic importance.

The master plan is built around five development zones to ensure a predictable and competitive environment for business ventures, quality lifestyle, and unspoiled natural surroundings.

MAIN DEVELOPMENT ZONES

1.Aqaba Town

The town of Aqaba will retain its presence as a coastal enclave-blending traditional and contemporary forms. Development in the town will center around the corniche—a continuous pedestrian promenade along the waterfront. A traditional Middle Eastern Souk filled with local handicrafts, textiles, and the aromas of spices and incense will provide enjoyable shopping for residents and tourists alike. The corniche - a destination in and of itself - of the Main Port will include a lagoon resort community, beach hotel district, and a public beach area in the palm grove.

2.The Port Areas

A retail and entertainment complex will center around Aqaba's Inner Harbor - where cruise ships and ferries will dock, and diners can enjoy a café on the waterfront. The remainder of the Main Port will be transformed into a new urban, mixed-use waterfront district.

Port operations of the Main Port will be relocated to the Southern Industrial Zone, and the container Port will be expanded as needed.

3.Coastal Zone

Private sector-led development is transforming Aqaba's southern coast into a tourist haven of long sandy beaches. Hotels and residential villas will stand at the base of the mountains with the sea at their doorstep. SCUBA divers can submerge to the coral gardens below the surface of the sea, with a marine science center helping protect the beach and coastal areas.

A continuous pedestrian and bicycle trail will run the length of the coast for morning rides or afternoon sunset strolls.

4.Southern Industrial Zone

A natural mountain buffer separates the coastal tourist area from the Southern Industrial Zone. Port terminals will be expanded, and an emphasis will be placed on clean operations of the power station and factory sites.

5. Airport Industrial Zone

The King Hussein International Airport, which is operating under the Open Sky policy as of May 2003, lies on a large expanse of flat land north of the main town. The airport will soon provide direct runway access to cargo, warehousing, and logistics operations.

The airport sits astride the Aqaba International Industrial Estate (AIIE), designated as Qualifying Industrial Zone with duty-free and quota-free access to the U.S. market. The AIIE is a privately managed initiative offering interested firms world class infrastructure and amenities within a streamlined operating environment.

Land uses in the Zone include warehousing, logistics, distribution, light manufacturing, hi-tech industries, showrooms, and smart-office complexes.

INVESTMENT OPPORTUNITIES

Tourism:

- Three, four and five star hotels and resorts
- Timeshare condominiums
- Apartels
- Theme and leisure parks
- Golf courses, marinas, and cruises
- Duty-free shopping malls and Souks
- Retirement villages
- Exhibitions and convention centers

Industries:

- Agricultural chemicals and fertilizers
- Dead Sea cosmetics
- Electronics and electrical appliances
- Engineering workshops
- Pharmaceuticals
- Automotive assembly
- Textiles and garments
- Food related industries

Services:

1. Location-Based Services

- Cargo handling
- Aircraft overhaul and conversions
- Equipment storage and auctions
- Freight forwarding and integrated logistics
- Warehousing, cold storage, and transshipment

2. Professional Services:

- Engineering consulting
- Information Technology: software development data conversion, remote processing, CAD/GIS digitizing, vectorizing, and medical transcription
- Call centers and claims processing
- Medical centers for long-term recovery and rehabilitation
- Conversion and repair of small vessels
- Printing and publishing: Arabic translation and offshore English production
- Internet service providers

3. Infrastructure and Land Development

- Real Estate development: industrial parks, technology parks, warehousing parks, business incubators, and residential complexes
- Independent power providers
- Water desalination

4. Privatization Opportunities:

- Municipal services
- Selected port and airport operations

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