

# Jordan Economic Forum

## Reconstruction of Iraq - Investment in Jordan

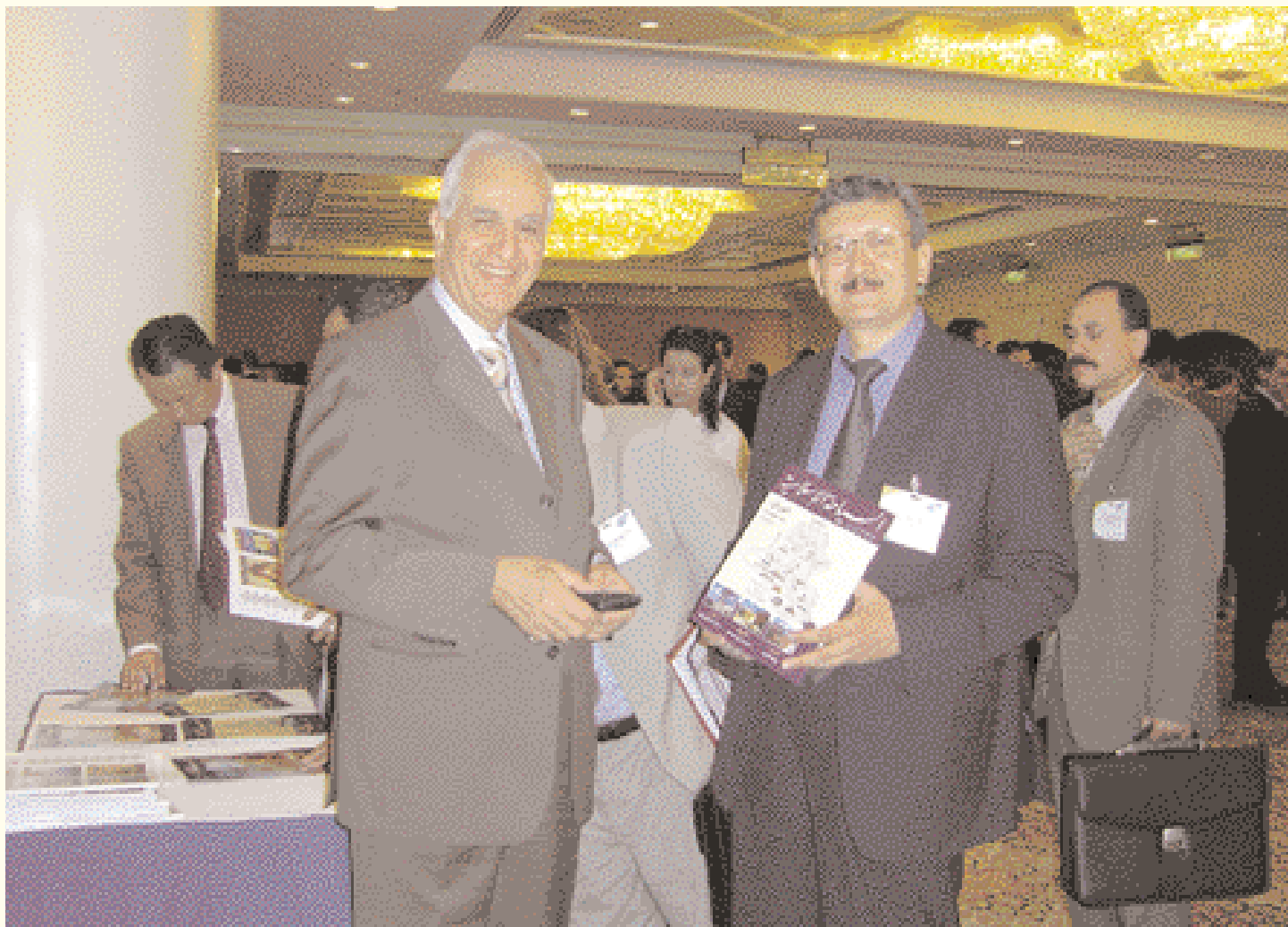
Amman-Islamic Tourism

Under the patronage of King Abdullah the 2nd the Jordan Economic Forum was held between 12-13 October, with the participation of the Lebanese Prime Minister Mr. Rafiq al-Hariry, the Ex-Prime Minister of Jordan Mr. Ali Abu al-Raghib and several ministers from Jordan, Syria and Lebanon, in addition of other officials, representatives of public and private companies, heads of banks, economic establishments and eminent business people from Arab countries. The meeting revolved around investment opportunities in Jordan and the reconstruction of Iraq. An economic exhibition was held in conjunction with the forum. The main exhibitors were banks and financial establishments from Jordan and other Arab countries. ➔

Group of Iraqi industrialists.

مجموعة من الصناعيين العراقيين.





Dr. Kamal Field Visits Islamic Tourism stand.

الدكتور كمال فيلد يزور جناح السياحة الإسلامية.

Several topics were discussed during the session including the future of the Jordanian economy, and the prospects for investment in the country's infra structure, industry, communication sector, information technology, financial and banking sectors. There was a special session dedicated to "Iraq and the opportunities for reconstruction and investment". Several businessmen were honoured, among them: Zuhir Khouri head of the board of management of the Bank of Buildings and Lending, Abdul-Hamid Shuman the Executive Director and the Deputy Head of the board of the Arab Bank and Ibrahim Dabdub the Executive Director of the Kuwaiti National Bank. The former Prime Minister of Jordan hosted a dinner at the recently opened Mariot Hotel.

## Reconstructing Iraq

The speakers were united in their call for accelerating the reconstruction of Iraq. They called on Arab countries to invest in the reconstruction through the Arab lending funds, and called on Arab businessmen to get involved in this process.

Mahdi Hafiz, the Minister of Planning and International Cooperation said that Iraq has numerous resources and countless opportunities which, if properly used, could push Iraq and the region towards integral economic growth. He also said that corruption and miss management by the previous regime led to militarization of the economy and accumulation of massive debts which had to be repaid. That is why real opportunities for investment were missed.

The World Bank's report put the reconstruction cost at \$55 billion. The reconstruction of Iraq depends on peace, security, the completion of the political process, achieving independence and bringing Iraq into the world economy through privatization.

Bayan Baqir al-Zubaidi, the Minister of Housing and Reconstruction, said that his ministry has made plans to build a million residential units in urban and agricultural regions. He also called for more participation and investment in the housing sector. The investment law will provide opportunities for Arab and foreign companies to invest and receive major tax concessions. Housing projects in agricultural and industrial regions are envisaged to limit the migration trend towards town centres. ➔

Dr. Sinan Shabibi, Governor of the Iraqi Central Bank, presented a plan for the reconstruction of the banking system and the conditions of operations of foreign banks. He referred to a new law that will be issued to guarantee the independence of the Central Bank from government. Dr. Shabibi put the cost of reconstruction at about \$400 billion.

Muhammad Dragh, the head of the Commercial Bank, criticized the occupying American forces for issuing a series of regulations without consultation with the Iraqis in an attempt to restrict the freedom of Iraqi individuals and reduce the Iraqi investor to the level of an underling instead of a leader while leaving the door open to foreign investors.

Ayham al-Samarai, the Minister of Electricity, said that the reconstruction of the electricity sector needs \$8 billion. He referred to the problems undermining electricity generation such as weak infrastructure for generating stations, secondary stations, lines and distribution grids.

Thamir al-Shaikhly, the head of the Association of Businessmen in Iraq, said that the biggest obstacle to reconstruction is the \$130 billion of debt incurred by the old regime. Tariq bin Halimah the deputy director of the office in charge of private sector development and Kamal Field, a consultant to the Trade Ministry explained the reconstruction plan, the required finance and the role of the private sector.

After the speeches, there were many questions and comments from the participants. Mr. Abdul-Sahib al-Shakiry, the publisher of Islamic Tourism and owner of many factories in Iraq, asked for support for the industrial sector. This sector is badly affected when financial support is needed for projects that require a large work force. He also referred to the wealth of Iraq that could be used for activating tourism and pointed out that there is tremendous potential for developing river tourism.

## Tourism investment in Jordan

Dr. Othman Aidi, President of the Inter Arab Union for Hotels & Tourism spoke about investment in tourism in general and Syria in



The publisher with the Iraqi Minister Bayan al-Zubaidi.

الناشر مع الوزير العراقي بيان الزبيدي.

particular. Mr. Micheal Nazzal, President of the Jordan Hotel Association described investment in the tourism sector in Jordan. Tourism has grown by 10 percent during the last few years. This growth is not matched by any other (tourist?) sector in the world. He believes that tourism will be the biggest industry in the world by 2010. The Middle East is the cradle of civilization and history and has the largest percentage of the world's heritage and archaeological sites - yet only 24 million tourists from a total of about 714 million tourists visit the region. The Middle East and Jordan receive tourist revenue of \$463 billion but financially speaking this is still a small amount.

By comparing the tourism sector with the pharmaceutical industry and the technological sector, tourism is about 5-10 times the size of these two sectors in terms of profits for the national economy. Tourism is still the pillar of economic activity.

Mr. Nazzal said that tourists (mainly Europeans) are attracted to Jordan because of its culture. Religious tourism is another attraction as is health tourism (especially the waters of the Dead Sea) and recently developed environmental tourism.

He praised the professionalism of the hotel sector which has maintained its standards even though the number of employees have fallen by between 500 – 1,000. Many have gone to work in the Gulf. They are being replaced by graduates from special courses run by the Hotel Association and the College of Hotel Education.

The speaker mentioned several regions that need investment, such as the Ajlun Mountains, the Red Sea and The Dead Sea. The forum also dealt with investment in the communication and banking sectors, as well as free trade zones and business opportunities in Iraq. ■