

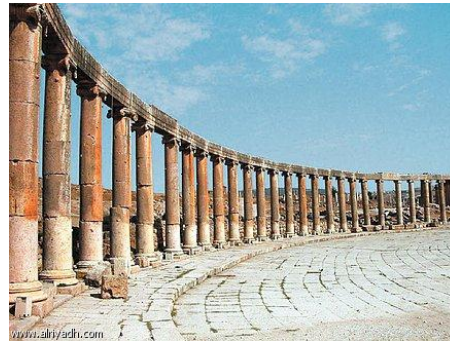
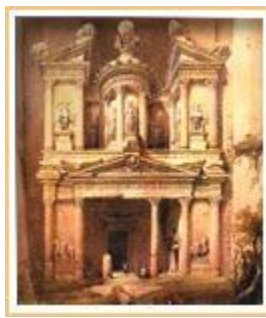
Mining Sector in Jordan....

Current Situation and Investment Opportunities

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Outline

- Economic Indicators –Jordan
 - Competitive Advantages of Mining Sector in Jordan
 - Investment Opportunities in Mining and Processing Sector in Jordan
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Ministry of Industry and Trade

The Vision ▶

A distinguished ministry which plays a pioneering and initiative role and boosting its competitiveness to achieve the national objectives taking it up to global distinguished levels reflecting its traces on improving the citizen standard of living and welfare

The Mission ▶

- Contributing in achieving a continuous economic growth through:

- Proficient and effective administration of Jordan economic and commercial dual, regional and international multiple parties relations.

- Developing and implementing the policies, legislations and programs aiming to boost business and investment environment in a form that increases Jordan economic attraction and insures the consumers and business sector rights and benefits.



Economic Indicators– Real Sectors

	Q1 2012	2011	2010
GDP AT current prices (JD MN)	10,122.2	20,477.6	18,762.0
Real GDP Growth Prices (JD)at market prices	3.0	2.6	2.3
GDP per Capita at market Prices (JD)	N/A	3,277	3,069
Inflation (%)	3.9*	4.4	5.0

* First 6 months in 2012

- In the first quarter of 2012, real GDP at market prices grew by 3.0 percent compared to 2.3 percent in the same quarter of 2011
- Inflation, measured by the Consumer Price Index (CPI), slowed down to 4.0 percent during the first seven months of 2012 compared to 4.7 percent during the same period of 2011

Economic Indicators–Industrial Production

Indicator	Q1–2012	2011	2010
Industrial Production Quantity Index	148	148.7	149.7
It shares from GDP (%)	23.2	24.9	24.4
Manufacturing sector (%)	18.9	20.4	20.2
Mining and Quarrying (%)	2.2	2.1	1.8
Electricity and Water (%)	2.1	2.4	2.4

- The real economy registered a growth rate of 3.0 percent during the first quarter of 2012 against 2.3 percent during the same quarter in 2011.
- Industrial production quantity index improved by 1.8 percent during the first half of 2012 against a slight decline amounting to 0.7 percent during the same period of 2011

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- The Manufacturing production quantity index grew by 2.5 percent against a decline amounting to 3.0 percent during the same period of 2011, *This came as a result of the improvement in the production of some items, particularly; “refined petroleum products” (8.5 percent), and “iron and steel” (0.8 percent)*
- “Mining and quarrying” production quantity index decreased by 15.1 percent against a growth by 25.0 percent during the same period of 2011, as the production of phosphate contracted by 16.4 percent and the production of potash by 14.2 percent.

Economic Indicators–Labor, Firms in Industrial Sectors

Indicator	2011	2010	2009
Number of Firms	17,376	15,566	15,383
Growth in number of firms (%)	11.6	1.2	3.1
Total employees	231,772	190,015	198,562
Growth in Total employees (%)	21.9	-6.2	-0.2
Firms capital (JD million)	3,557	5,135	3,208

Economic Indicators–Labor, Firms in Industrial Sectors

Sector	Handicraft		Industrial Firms	
	No. labor	No. Firms	No. labor	No. Firms
Mining	169	57	10,339	506
Manufacturing	63,942	14,990	157,322	3,115

Economic Indicators–Industrial Exports –MJD

	2012 *	2011
Mining	193,6	266,9
Manufacturing	1302,1	1174,4

* First four months in 2012

Mineral resources



- ▶ **Mineral resources** are considered one of the most important pillars on which the mining industries depend on, and which constitutes a key and important tributary to the national economy.
- ▶ Jordan possesses a lot of natural resources, many of which are metal such as copper and iron and non-metallic as clay and its different derivatives, such as kaolin, pure limestone, silica sand and gypsum and construction materials produced by various quarries in various regions of the Kingdom, such as building stone, marble and granite slabs, etc
- ▶ in addition to the exploitation of the wealth of the Dead Sea as salts or mud, which are used in the production of medical and cosmetic products.

The Mining Sector



- ▶ The Mining Sector consists of the Mineral Extraction Industries and Mineral Manufacturing Industries.
- ▶ **Mineral Extraction Industries:**
- ▶ These are Phosphate, Potash, Salt, Calcium Carbonate, Treated Zeolite, Treated Silica, Travertine, Other Quarries and Mines products.
- ▶ **Mineral Manufacturing Industries:**
- ▶ These are composed of two branches: the chemical industries(Fertilizers, Chemical Acids, Aluminum fluoride, Quick and Quenched lime.) and the construction materials industries(Cement, White Cement, Rock Wool, Building Materials, China Ceramic Tiles and Sanitary ware.)

The Mining Sector In Jordan

► Mineral Extraction Industries:

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► Mineral Manufacturing Industries:

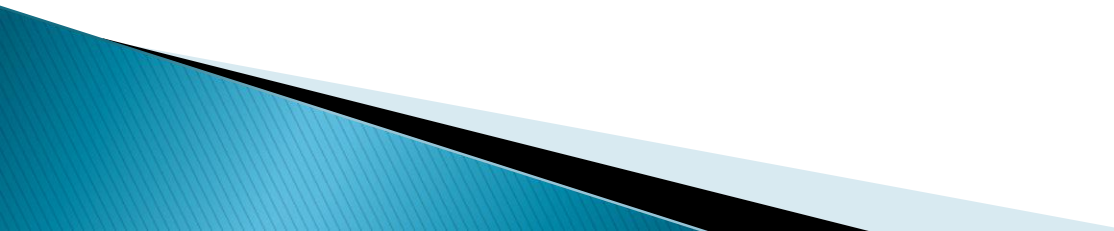
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1– *the chemical industries:*
(Fertilizers, Chemical Acids, Aluminum fluoride, Quick and Quenched lime.)

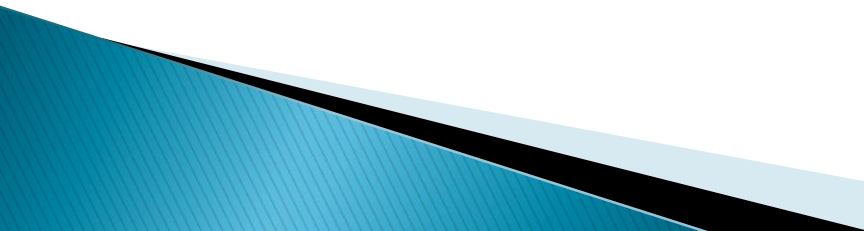
2–*the construction materials industries:*

(Cement, White Cement, Rock Wool, Building Materials, China Ceramic Tiles and Sanitary ware.)

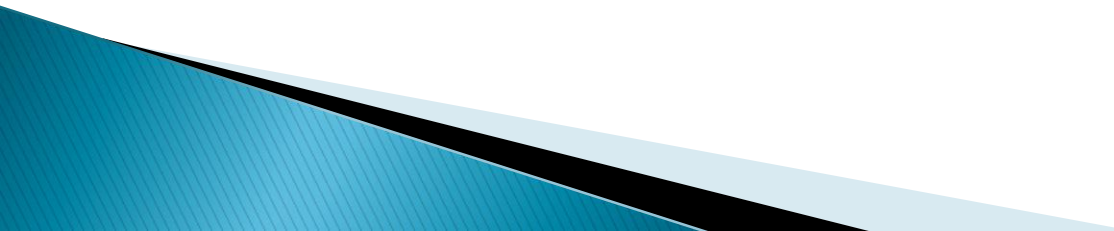
Competitive Advantages of Mining sector in Jordan

- ▶ **Abundance of natural resources:**
 - ▶ Mining and processing in Jordan is mainly non-metallic minerals of which phosphate and potash are internationally significant industries. The products from extraction of potash and mining of phosphate are increasingly being transformed into chemicals and exported.
 - ▶ Jordan possesses significant mineral resources that are or could be the basis for several downstream chemical industry clusters: phosphate, potash, silica, and uranium, and copper among others.
 - ▶ Mineral extraction industries also include calcium carbonate (for cement manufacture), building stones (e.g. traventine) and ornamental stones such as granite and marble, silica (for glass making etc...) and many more. Numerous minerals have been found in Jordan. Some are abundant (oil shale and basalt), while others pose a huge market potential for finding commercial reserves.
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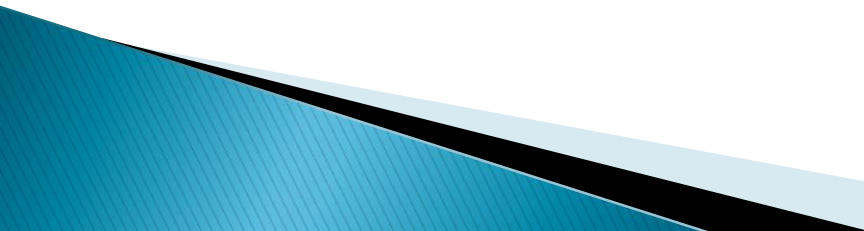
Competitive Advantages of Mining sector in Jordan

- ▶ Mineral manufacturing industries include: fertilizers, chemical acids, cement, ceramic, cosmetics, rock wool and lime and silicate bricks. The main industries within this part are: fertilizers and chemical acids.
 - ▶ Several high value metals have high market potential— notably: uranium, tin, copper, & nickel. When both market and resource considerations are combined, the most likely minerals for investment and development are uranium and copper. Others, such as zircon are considered to have some commercial potential while others such as tin have only been discovered as trace amounts.
 - ▶ Oil shale is one of the most abundant resources in Jordan (over 50 billion tons of geological reserves).
 - ▶ Several of the mineral deposits have high levels of purity that facilitate processing to high value added products.
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Competitive Advantages of Mining sector in Jordan

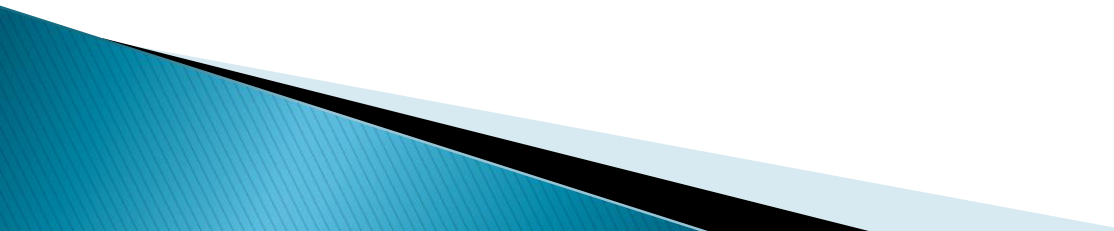
- ▶ **Cost-Competitive location for mineral extraction and manufacturing**
 - ▶ **Proximity to markets especially to Asia and GCC**
 - ▶ **Improving internal transport and port facilities strengthens Jordan's cost competitiveness.**
 - ▶ **Strong and rapidly developing sector in Jordan**
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Competitive Advantages of Mining sector in Jordan

- ▶ **Strong Regulatory Environment**
 - ▶ Foreigners can invest in mineral resources under special agreements and own up to 100% of mining projects. Investors receive legal title and rights for exploration, mining, and commercial exploitation for the duration of their projects.
 - ▶ Companies are free to assign their interests and assets in projects for financing purposes; free to market the products mined without restriction.
 - ▶ Companies are free to conduct their commercial operations according to development plans, subject only to normal environmental and safety regulations.
 - ▶ Environmental Regulations are comparable to international best practice.
 - ▶ **Supportive structures**
 - ▶ Ministry of Energy and Natural Resources (www.memr.gov.jo/)
 - ▶ Natural Resources Authority (www.nra.gov.jo)
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Mineral Resources in Jordan

▶ Mineral Resources

- ▶ Jordan's mineral resources include phosphate, potash, calcium carbonates, volcanic tuff, zeolite, silica, quarries for granite, Basalt, Bentonite, chalk, copper, Diatomite, feldspar, Gold, Gypsum, Pure limestone, Kaolin, marble and travertine, in addition to Dead Sea mud and salts such as bromine, magnesia, and table salt. Phosphate and potash, however, comprise Jordan's major mineral wealth.
 - ▶ There are three deposits containing different types of granite located in the south of Jordan. The reserves within these areas are unlimited and are used for building materials.
 - ▶ South of Amman, there are reserves of marble estimated at 1.7 cubic meter. Marble is used in the exterior and interior of buildings as well as in tiles, mosaics and plates.
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Mineral Resources in Jordan

- ▶ **Phosphate**–bearing deposits were first discovered in Jordan in 1908 in the Al–Ruseifa region during the construction of the Al–Hijazi Railroad approximately 15 km north of Amman. It is estimated that more than 60% of Jordan has phosphate–bearing deposits at varying depths.
- ▶ Jordan Phosphate Mines Company's (JPMC) the company was able to make a profit of 93 million Jordanian Dinars. With total sales of 5.2 million tons of rock phosphate for 2009, this compared to 5.9 million tons for 2008.
- ▶ **Potash**, the other major component of Jordan's mineral resources, is extracted from the Dead Sea by the Arab Potash Company (APC), the world's ninth largest potash producer, producing approximately 2 million tons per year.
- ▶ http://www.arabpotash.com/pdf/2007_Annual_English.pdf

Mineral Resources in Jordan

- ▶ The year 2010 was distinguished compared to the previous year in terms of production and sales indicators at both, the international and domestic fronts. Globally, potash production increased by 65% and domestically it increased by (73.5%) from 1.12 MMT in 2009 to 1.94 MMT in 2010. APC sales more than doubled, it climbed to (2.08) Million MT compared to (975.2) thousand MT in 2009 or increased by (113.5%), registering a record level since the beginning of the production. Also, consolidated sales reached a record level of JOD (559) Million in 2010 compared to JOD (373.7) Million in 2009.
- ▶ Also, as a result of the rise in revenues, consolidated profits increased from JOD (131.8) M in 2009 to JOD (162.7) Million in 2010, which next to 2008, is considered the best year ever throughout the company's history

Investment Opportunities in Mining and Processing sector in Jordan

- ▶ Many Jordanian companies seek joint ventures for technology transfer Expansion of building stones (travertine)
- ▶ Further processing of already established mineral extraction products.
- ▶ Glass manufacture and silicon manufacture from silica.
- ▶ Processes to make high value metals.
- ▶ Copper and uranium.
- ▶ Mineral exploration projects – phosphate, copper, uranium
- ▶ Phosphate mining industry replication
- ▶ Oil Shale extraction for direct combustion power plants
- ▶ Copper mining and processing
- ▶ Uranium exploration / proving and processing
- ▶ Basalt extraction for fibre to use as insulating wool
- ▶ Zeolite mining for specialist light weight cement
- ▶ Magnesium plant restructuring project
- ▶ Silica production expansion initiatives
- ▶ Glass production
- ▶ Silicon production

Links : investment opportunities:

<http://jordaninvestment.com/InvestmentOpportunities/tabid/66/language/en-US/Default.aspx>

- Invest in Jordan :

http://jordaninvestment.com/Portals/0/mediacenter/brochures/jib_english_brochure_2009New.pdf



Thank you