

# **Business Services Sector: Printing and Publishing Sub Sector**

## **Trade In Services Benchmarking Study**

## Table of Contents

<b>1.0 RESEARCH</b> .....	<b>1</b>
1.1 PREVIOUS RESEARCH .....	1
1.2 CURRENT RESEARCH .....	1
<b>2.0 SECTOR ANALYSIS</b> .....	<b>1</b>
2.1 SECTOR CONTEXT .....	1
2.2 DRIVING FORCES AFFECTING THE SECTOR .....	8
2.3 IDENTIFICATION OF STAKEHOLDERS IN THE SECTOR .....	12
<b>3.0 GENERAL BUSINESS ENVIRONMENT</b> .....	<b>12</b>
3.1 EFFECT OF THE GENERAL ENVIRONMENT FOR BUSINESS ON THE DEVELOPMENT OF THE SECTOR .....	12
3.2 EFFECT OF BUSINESS ENVIRONMENT ON INVESTMENT .....	13
<b>4.0 LEGISLATIVE AND REGULATORY ENVIRONMENT</b> .....	<b>14</b>
4.1 MEASURES RELATED TO DOMESTIC REGULATION .....	14
<b>5.0 GATS/RESTRICTIVENESS MEASURES</b> .....	<b>15</b>
5.1 GATS COMMITMENTS ON THE SECTOR/SUB SECTOR.....	15
5.2 ANALYSIS OF LEGISLATIVE AND ADMINISTRATIVE RESTRICTIONS .....	17
<b>6.0 BENCHMARKING</b> .....	<b>17</b>
6.1 BENCHMARKING AGAINST INTERNATIONAL STANDARDS.....	17
6.2 BENCHMARK THE COMPETITION FROM NEIGHBORING COUNTRIES .....	18
<b>7. 0 SECTOR SWOT ANALYSIS</b> .....	<b>21</b>
7.1 STRENGTHS .....	21
7.2 WEAKNESSES .....	22
7.3 OPPORTUNITIES .....	23
7.4 THREATS .....	23
<b>8.0 OPPORTUNITY SCAN</b> .....	<b>23</b>
<b>9.0 CONSTRAINTS TO DEVELOPMENT</b> .....	<b>24</b>
9.1 CONSTRAINTS .....	24
9.2 SPECIFIC RECOMMENDATIONS FOR REMEDIAL .....	25

## List of Tables

TABLE 1: NUMBER OF PUBLISHING AND PRINTING AND SUB-SECTORS IN JORDAN (2006)	6
TABLE 2: NUMBER OF ENTERPRISES AND EMPLOYEES IN THE PUBLISHING SECTOR.....	7
TABLE 3: RELATIVE SHARE OF EXPORT BY PUBLISHER .....	11
TABLE 4: POSSIBLE STAKEHOLDERS IN THE PRINTING AND PUBLISHING SUB-SECTOR...	12
TABLE 5: REGULATIONS MANAGING THE PRINTING AND PUBLISHING SECTOR.....	16
TABLE 6: BOOK PRODUCTION (000) AND POPULATION OF SELECTED COUNTRIES.....	18
TABLE 7: BENCHMARKING OF THE PUBLISHING SUB SECTOR IN JORDAN .....	19

## Figures

FIGURE 1: BOOK PRODUCTION BY REGION .....	2
FIGURE 2: BOOK PRODUCTION PER MILLION PEOPLE .....	2
FIGURE 3: DEVELOPMENT OF PRINTING ENTERPRISES AND EMPLOYEES IN .....	5
FIGURE 4: DEVELOPMENT OF THE NUMBER OF ENTERPRISES AND EMPLOYEES .....	7
FIGURE 5: PRODUCTION VALUE OF PRINTING, EXPORT AND .....	9
FIGURE 6: VALUE OF EXPORT AND IMPORT OF BOOKS AND PRINTED .....	10
FIGURE 7: TRADE BALANCE OF BOOK TRADE.....	19

## Annexes

ANNEX 1: CPC CODE.....	26
ANNEX 2: QUESTIONNAIRE .....	27

## List of Acronyms

AA	Association Agreement
AED	Arab Emirates Dirham
ASYCUDA	Automated SYstem for CUstoms DAta
CPC	Central Product Classification
CTP	Computer to Plate
DOS	Department of Statistics
FTA	Free Trade Agreement
GATS	General Agreement on Trade in Services
GCC	Gulf Cooperation Council
KSA	Kingdom of Saudi Arabia
PPD	Press and Publication Department
QIZ	Qualifying Industrial Zone
SWOT	Strengths, Weaknesses, Opportunities, Threats
UAE	United Arab Emirates
WTO	World Trade Organization

## 1.0 Research

### 1.1 Previous research

The printing and publishing sector in Jordan has not been well researched previously. There are few studies available on the publishing sub-sector and even less on the printing sub-sector. Most of these studies sought to demonstrate the cultural development of Jordan and to specify the fields and volume of published books. They present more or less an inventory of activities related to publishing, but do not address publishing as an economic activity.

Publishing in Jordan started with 1 book in the 1920s, 4 in 1930s, 79 in the fifties, 158 in 1960s and 532 books in 1970 – 1976. Printing started in Jordan in 1920s with just one press and increased to 104 presses in 1964 and to 292 presses by the 1980s.

Mansour, F. 1992

Jaber, 1985<sup>1</sup> and Al Bess, 1995<sup>2</sup> analyzed the obstacles facing the development of the sector. The main obstacle referred to was reader behavior which socially leans toward a lack of interest in reading. Today the low motivation of people to read is compounded by the neglect and disregard of intellectual property rights that authors face. Other problems such as lack of foreign markets, moderate quality of the book industry and the greed of authors were noted. Publishers complain that authors ask for a high amount of money for their manuscripts, which in many cases could not be sold.

Elian, in 2003, studied the number of books published in Jordan during the period 1980 – 2000. The study revealed that yearly published books ranged between 221 in 1980 and 737 in 2000. The majority of these books were written in Arabic (96.4%). Less than 4% were published outside Jordan and only 5–6% of published books were translated. The primary topics of the books during this period were literature and social sciences (religion, history, geography).

### 1.2 Current research

The Association of Printing, Department of Statistics, Union of Publishers and Printing Presses were the main source of the data used in this analysis. To gain qualitative information on the sector, 10 in-depth interviews with owner-managers in printing and two interviews of equipment providers were undertaken. The rest of the printing enterprises interviewed in Amman were interviewed by telephone. The same procedures were applied to the Publishers.

The study encompasses the sub-sector of the business services sector as put forth in CPC Prov No. 88442 - publishing and printing, on a fee or contract basis, which did not provide delineation as to which services were covered in the sub-sector. As a result, CPC Ver. 1.1 Group: 869 - other manufacturing services, specifically No. 86921, printing services and services related to printing on a fee or contract basis, was used to define the sub sector.

## 2.0 Sector analysis

### 2.1 Sector Context

Printing and publishing activity in the Middle East can be considered low in comparison with developed nations. Out of 816,000 books produced worldwide in 2003, the Middle East's share was just 2.9 %. However, in book production per

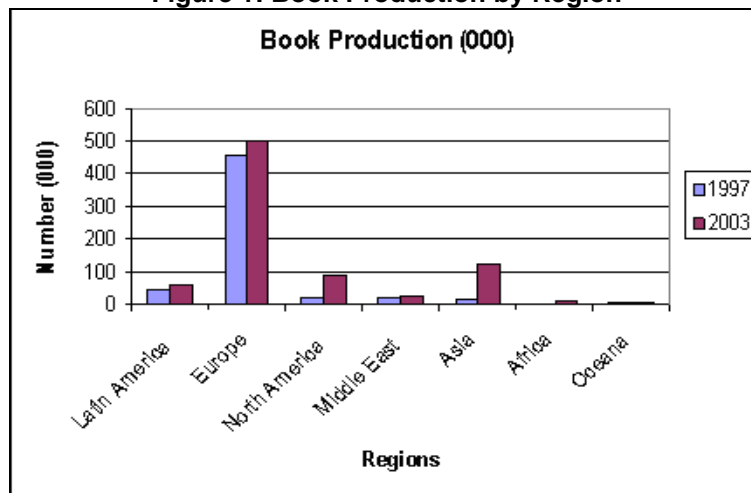
<sup>1</sup> Jaber, S., 1985, Publishing Crisis in the Arab World, Risalat Al-Maktaba, Vol. 25, p. 44-49

<sup>2</sup> Al-Bess, F. 1995, The Arabic Book, Problems and Opportunities, Al-Jadid, Vol. 7, p. 68-69

\* Mansour, F., 1992, Publishing, Presses, and Libraries in Jordan, Amman. p. 11 (Arabic)

million people, which amounted to 140 in 2003, the Middle East ranks first among developing regions such as Asia, Latin/South America and Africa. The following Figures (1&2) shed light on the position of the Middle East.

**Figure 1: Book Production by Region**

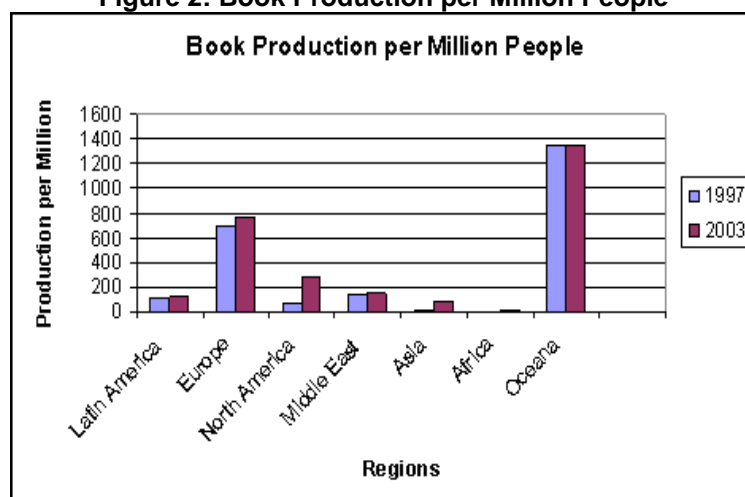


Source: World Bank Group, 2005

Figure 1 reveals that the growth rate in book production between the years 1997 and 2005 was 25% for Latin America and 23% for the Middle East while it was just 10% for Europe. For both Asia and Africa the rate was 725% and 579% respectively. Such a high rate for Asia reflects the increase from a low amount of 15,000 books produced in 1997 to 123,000 books produced in 2003. In the case of Africa, production of books increased from 1,000 to 10,000 books. For the Middle East the growth rate remains moderate.

More relevant is the rate of book production per million people (Fig.2). The Middle East is the leading region in the developing countries producing 140,000 books per million people. For Latin America, Asia and Africa the figures were 123,000, 73,000 and 17,000 respectively.

**Figure 2: Book Production per Million People**



Source: World Bank Group, 2005

Book production per million people in the Middle East increased between 1997 and 2003 by 11% while it reached 15% in Latin America. This means that production of books is relatively slow in comparison to other regions.

The printing and publishing industry in Jordan is currently witnessing unsurpassed development. Publications are flooding the market daily. It is not only the Jordanian market that fosters this development but also the markets of the neighboring countries, particularly Iraq and Syria. This development affected the quality and quantity of books and periodicals printed. Furthermore, countries like Libya, Sudan, Yemen and even Egypt are seeking Jordanian printing presses to have their own publications printed.

Managers of the printing department at Al Rai' and Al Dostour newspapers gave the following volume of printing in Jordan:

- 8 daily newspapers, 43 weeklies and 21 magazines.
- The largest newspapers are Al Rai' with 70,000 – 80,000 copies and 20,000 – 25,000 copies of Jordan Times. In addition, Al Rai' press prints 2 Jordanian weekly Newspapers (each 150,000 copies) and 4 Syrian weekly newspapers (each 100,000 – 150,000 copies) and also Syrian and Iraqi magazines.
- Al Dostour , the second largest newspaper in Jordan, prints daily around 60,000 copies and 29 weekly magazines ranging between 3000 - 10,000 copies, and prints for the Ministry of Education "Resalet Al Mo'alem, a teacher magazine (80,000 copies) every three months. Moreover, the press prints other newspapers for the private sector in a range of 3000 to 10,000 copies.
- Al Dostour prints 3 Syrian weekly newspapers (each 150, 000 – 250,000 copies), one magazine (6000 copies) and 5 other weekly newspapers for Saudi Arabia.

In the last few years, according to the publishers interviewed for this study, the development of this sector has drawn the interest of foreign Publishers. The experience of printing, application of modern technology and the relatively reasonable prices are some factors responsible for such development. National printing press, for instance, started to print books for publishing houses in the UK and USA.

On the domestic level, Jordan started in the late 1980s and 1990s to privatize its education institutions. Within a short time more than 15 private universities and a large number of colleges were established. Moreover, eleven public universities were opened in various locations through out the kingdom. Consequently, a large market for textbooks emerged and shortly thereafter, the Jordanian textbook gained a reputation for quality within the Arab World, which in turn pushed the domestic printing and publishing industry forward.

Due to high population growth rate, production of school books provides for a rapid steady growth of books production. In Jordan, for instance, there are 5517 schools with 1,567,856 students (2006). The Ministry of Education printed 18.3 million copies of school textbooks and had a budget of JOD 9.9 million for this purpose. All large printing presses benefit from such activity.

This development opened the door for the export of textbooks, followed by magazines and weekly newspapers to countries in the Middle East. Al Rai' press, for example, prints a Syrian weekly newspaper and Jordanian publishers draw clients from the Arab countries who they meet at annual international fairs. Jordanian publishing houses regularly attend annual Arab book fairs, such as the Cairo Book

Fair, as well as those taking place in Abu Dhabi, Dubai, Masqat, Jeddah, Algiers, Qatar, and Khartoum. In addition, they participate in the Jordan Book Fair which is held every two years. Few houses attend European fairs, such as the Frankfurter Buchmesse. Interviews with large and medium scale printing enterprises revealed that Jordan is a leading country in the Middle East in the use of modern fully automatic 8 color presses. For example, Jordanian printing firms were the first in the Middle East and the seventh worldwide to import the most advanced printing presses from "Heidelberger Druck" and "Roland" of Germany.

Other developments that contributed to the growth of the sector were:

- There was an increase in the number of private K-12 schools which enlarged the market for school material.
- The liberalization of the political climate in the late 1980s opened the door for the emergence of political parties. In a matter of 10 years around 32 political parties were created. Most parties issue newsletters and propaganda material on a weekly basis at the minimum.
- Returnees from Kuwait, Saudi Arabia and the Gulf States brought back advanced experience in the advertisement business.

In the late nineties, the whole sector entered a new phase characterized by a large domestic market, the establishment of small scale enterprises and the emergence of new demand from Arab neighboring countries such as Iraq, Syria, Yemen and Sudan due to the development efforts in the education sector in these countries, as well as the need for public awareness in countries burdened by conflict.

The number of enterprises operating in Jordan jumped to 322 in the year 2000 and reached 472 in 2006.<sup>3</sup> The lack of qualified employees forced businesses in the sector to invest more in modern technology and advanced presses that were imported primarily from Roland and Heidelberg, two well-known German firms. In addition to small scale enterprises, some entrepreneurs shifted to larger enterprises, which affected the quantity and quality of production and promoted the export of printing and publishing services beyond the borders to neighboring and even overseas countries.

Although almost none of the production inputs for the publishing sector are produced in Jordan and the sector depends entirely on imported products; nonetheless, the sector has experienced fast and competitive development because of the early introduction of technology such as fully automatic 8 color printing presses and the accompanying skills and know-how into the sector. In addition, the high level of education in Jordan is a primary engine for increases in both the demand and supply for sector products as well as pushing forward the development of both the publishing and printing services.

Printing and publishing together with their production facilities have been private from the beginning, and the sector, to a great extent, is exempted from customs and taxes in order to enhance cultural and educational activities. These positive regulations eased the entry of small enterprises into the sector, which, therefore, witnessed upgrades and increased imports of advanced technologies due to the elevated level of competition among enterprises.

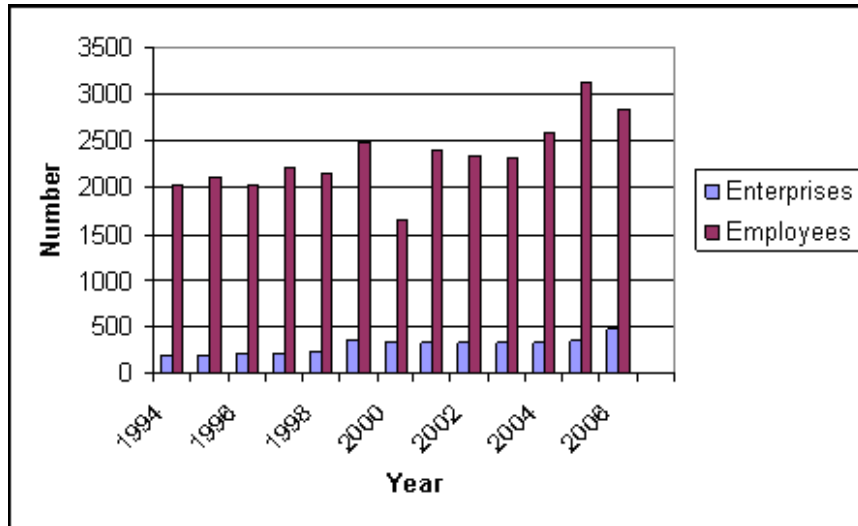
---

<sup>3</sup> Mansour, F., 1992, Publishing, Presses, and Libraries in Jordan, Amman. p. 11 (Arabic)



In general, enterprises in the sector traditionally take the form of a small family business. In 1994 there were 193 printing enterprises employing 10 workers each on average<sup>4</sup>. Some of the larger printing enterprises employ up to 200 people. In 2000, the average number of employees per industry was a slightly more than 5 and remained at around 6 in 2006 (see Fig. 3).

**Figure 3: Development of printing enterprises and Employees in Jordan 1994- 2006**



Source: Department of Statistics, unpublished data, 2007

The development of the printing sector in Jordan in terms of the number of enterprises witnessed an enormous increase in the 1990s. This could be referred to the domestic and regional circumstances. The return of Jordanian employees as a result of the first Gulf-War with their savings and their involvement in the service sector, especially in advertising and daily and weekly newspapers and magazines affected the printing sector positively. Printing enterprises increased between 1995 and 2000 from 193 to 322 enterprises, an increase of 65%. After that, the pace of development slowed down and the number of enterprises reached just 345 in 2005 (an increase of 7%) and jumped again to 467 in 2006; an increasing albeit irregular trend.

Concerning the employees of the sector, the development of the employees has been similar to that of enterprises. Their numbers grew between 1995 and 2000 by 35%, and by 8% between 2000 and 2005. As mentioned before, the new technologies replaced employees.

In the printing process, work is divided into 3 stages:

- Pre–printing services, which include design and processing matrices (plate making).
- Printing process, from computer to plate (CTP) in all medium and large enterprises.
- Post–Printing services, which include folding, cutting, stamping, punching, sticking, gluing and binding.

All three stages are finalized vertically with labor division. Most enterprises work independently, providing the complete servicing of all of the above mentioned stages. In printing language, managers divide the business into 2 sections: “tejari” which

<sup>4</sup> . Department of Statistics, unpublished Data, 2008

means "commercial" and includes printing services for firms (labels, posters, reclaims and the like), and printing web or roll which means printing of books and periodicals.

The largest enterprises print the Al Rai' and Al Dustour newspapers. Others, like Al Wataneyah (National), Al Markazeyah (Central) and Al Fanar, combine both services and are equipped with the latest printing presses. Digital presses are still rare because of their high price tag. Managers claimed diseconomy as a reason for not employing such presses in the Jordanian market. This kind of technology does not contribute to "economies of scale" yet, because of the high variable costs of quality digital printing.

Due to the space needed for modern presses, particularly the 8 color and web printing presses, the majority of the larger printing enterprises are located outside the old city of Amman. The largest of these is the Al Rai' Newspaper which is located on the road to Queen Alia Airport.

### Publishing and Printing Sub-sectors

The Department of Statistics undertook several surveys on the Publishing and Printing sector and divided the sector into 6 sub- sectors:

1. Publishing, Printing and Reproduction
2. Publishing of Musical Manuscripts of Recorded Media
3. Publishing of Newspapers, Journals and Periodicals
4. Published Material not elsewhere classified
5. Printing
6. Service Activities Related to Printing

The geographic distribution is given below:

**Table 1: Number of Publishing and Printing and Sub-sectors in Jordan (2006)**

Gov./Sub Sector	1	2	3	4	5	6
Amman	467	49	53	3	331	31
Balqa	13	-	2	-	11	-
Zarka	58	1	2	-	55	-
Madaba	3	-	-	-	3	-
Irbid	58	3	3	-	49	3
Mafraq	5	-	-	-	5	-
Jerash	5	1	1	-	3	-
Ajlun	4	-	1	-	3	-
Karak	9	-	1	-	7	1
Tafila	1	-	-	-	1	-
Ma'an	2	-	-	-	2	-
Aqaba	7	-	1	-	6	-
<b>Total</b>	<b>632</b>	<b>54</b>	<b>64</b>	<b>3</b>	<b>476</b>	<b>31</b>

Source: Department of Statistics 2006

Table (1) reveals that the majority of enterprises are concentrated in Amman followed by Zarka and Irbid because the large demand mirrors their respective populations. It is to be expected that a more balanced distribution of services would occur through the distribution of the universities throughout the country. This could be the case in the provinces of the south, Karak, Tafila, Ma'an and Aqaba. Aqaba is probably going to witness the establishment of new printing presses to meet the increasing needs caused by the new universities; American University and the new branch of the

University of Jordan, which are planned for the next few years. Furthermore, Aqaba has been designated since 2001 as a Free Zone, where enterprises are exempted from customs and subject to very low income taxes.

Most universities possess their own printing presses and started to establish own publishing houses. This has been the case of the University of Jordan since last year, 2008.

Weak or non-existent sub-sectors in some of the governorates, such as musical material or personal and custom made printing requests are restricted to the capital and larger cities. The festivals held in Jerash, for example, are a further incentive for such sub-sectors to develop. Service Activities Related to the Printing Sub-sector (6) are located mainly in Amman due to the representative agencies and the printing cluster there.

## Publishing

The publishing sector is less labor intensive than any other economic sector in Jordan. From the year 1995 up to 2006, the total number of employees has remained almost the same in spite of the tremendous growth in the sector.

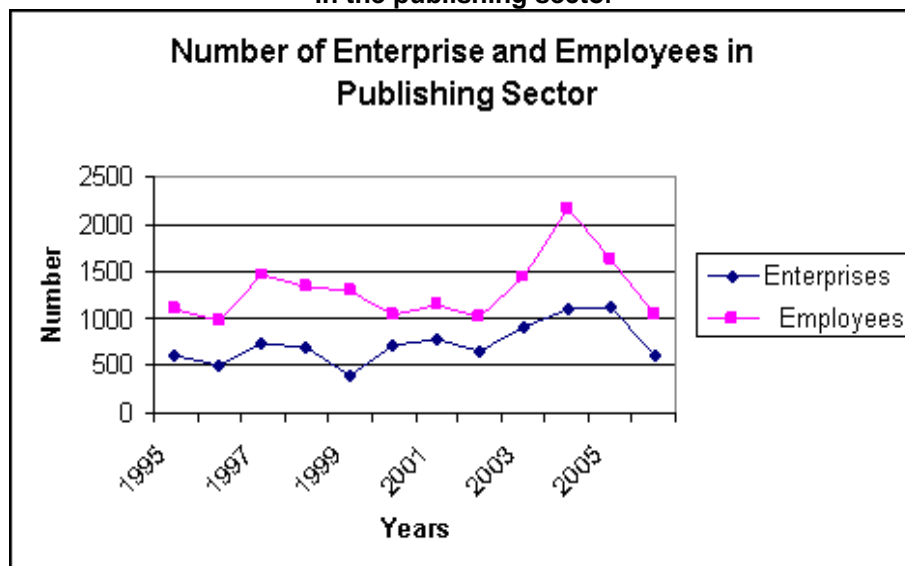
**Table 2: Number of enterprises and employees in the publishing sector**

Year	Number of Enterprises	Number of Employees	Average Number of Employees per Enterprise
1995	618	1107	1.8
1996	512	981	1.9
1997	731	1469	2.0
1998	705	1342	1.9
1999*	406	1293	3.2
2000	710	1039	1.5
2001	782	1153	1.5
2002	655	1015	1.5
2003	912	1444	1.6
2004	1102	2157	2.0
2005	1122	1631	1.5
2006	614	1031	1.7

Source: Department of Statistics, unpublished figures

\* Statistics of 1999 only included enterprises with 5+ employees.

**Figure 4: Development of the Number of Enterprises and Employees in the publishing sector**



Source: Department of Statistics, unpublished figures.

Internationally renowned printing firms have located their agencies in Amman starting with the Pride Printing Development Co. in 1952 representing Heidelberger Druck (40 Employees), Man Roland (4 employees), Konica Minolta( 11 employees) and Xerox (10 employees). Some of these are regional agencies and cover Jordan and the West Bank (Pride Printing Development), others are just a branch, Man Roland, whose main agency is located in Beirut. Interviewed printing presses highlighted the role of the agencies in fostering growth and development within the whole sector in terms of technology transfer, immediate solutions to production failures, training (in Jordan and abroad) and immediate provision of spare parts.

## **2.2 Driving forces affecting the sector**

As mentioned above, the spread of private and public universities, colleges and schools raised the need for textbooks and libraries. Instability, wars in and embargos on some Arab counties (Iraq, Libya and Sudan) provided the opportunity to Jordanian printing and publishing houses to enlarge their markets to fill the demand emerging in the neighboring countries, especially in Iraq. For many years, school books for Iraqi pupils have been printed in Jordan. Therefore, the leap in sector development occurred in the mid 1990s.

The privatization of the economy and the booming service sector in Jordan pushed the advertisement activities forward and caused a huge demand for printing. The political liberalization and its effect on mushrooming of political parties (32) led to print many daily and weekly newspapers to be their mouthpieces.

Printing presses in Jordan are primarily family businesses. The younger generation gained excellent relevant education and training in England and in Germany (as in the case of The National Press). The Ministry of Culture and the Greater Amman Municipality support authorship by printing and publishing books of authors that deal with Jordanian national issues at their own expense.

In general, recent developments such as the establishment of new universities and advertising enterprises could be noticed in most Arab counties, which enabled the Jordanian presses and publishing enterprises to make use of such progress. All large presses in Jordan print for Arab countries and almost all publishing houses depend mainly on Arab markets (see 2.2.2 Markets).

### **2.2.1 Trends in the market**

The sector is still predominantly comprised of small enterprises. Advertising businesses, especially those in Amman, tend to print small quantities of materials but with high frequency.

Digital presses are expensive (around US\$ 1 million) and produce high quality printing; the colors of the materials printed digitally are more precise than those printed the traditional way. One company has already imported such a press. However, managers of large presses who were interviewed for this study mentioned that digital presses were not profitable for the printing of large quantities. Small enterprises that are not financially capable of importing such relatively expensive large scale presses, buy small ones and rely on specialized printing assignments—wedding invitations, gift boxes, etc. Agencies representing Konica, Minolta and Xerox stated, during interviews, that small digital presses are sufficient for small to medium businesses and the prices of such machines are affordable, JD 37,000 – 40,000.

In the last two years, around 15 machines have been sold in Amman. It is expected that small and specialized enterprises will emerge parallel to the large ones to cover the increasing needs of small businesses. The use of advanced printing technology has fostered the improvement of graphic design in the whole country. Currently, 15 private universities and 4 colleges offer graphic design as a discipline.

In addition to print quality sophistication, the new printing technology applied by large firms in Amman offers high productivity. As expected, competition among printing enterprises raises the quality and attracts foreign consumers to print in Jordan at lower costs. The increase in non-domestic customers mitigates the affect of the limited domestic market as an obstacle for the development of the sector.

Jordan's printing industry is also leaning toward increased specialization. Printing presses tend more and more to specialize in a specific field.<sup>5</sup> For example:

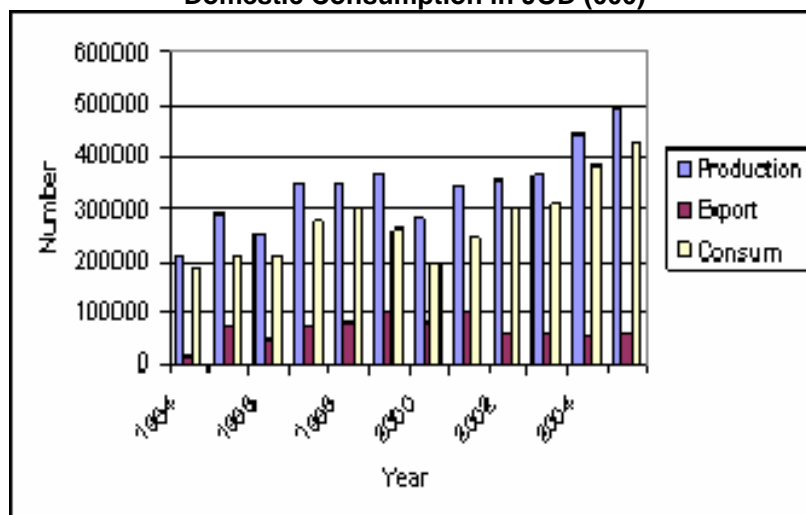
- Security printing (Super Star printing press )
- Newspaper printing ( Al Rai' and Al Dostour)
- Plastic printing (Dia'a)
- Textile Printing (Digital Printing Press S.A)
- Tinsplate printing (Jordan Tinsplate Printing and Canning Industry)

The same could be said of publishing enterprises. Publishers tend to specialize in university textbooks, children's books and theme books (religion, social sciences, and literature).

### 2.2.2 Markets

The qualitative and quantitative development of the printing and publishing sector and the tough competitiveness in the Jordanian market led to the export of printing outputs. As mentioned above, university textbooks were the primary items traded followed by religion books and, recently, children's books. On the other hand, many Arab countries print weekly newspapers, magazines and the like in Jordan and transport them beyond their borders. Interviews with publishers in Amman revealed that they print for public and private institutions and firms in many Arab countries.

**Figure 5: Production value of Printing, Export and Domestic Consumption in JOD (000)**

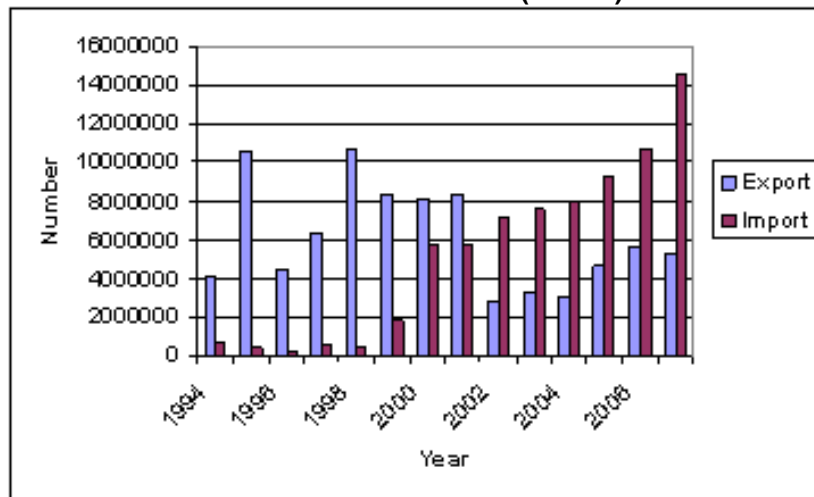


Source: Department of Statistics, Results of economic Survey, 2007.

<sup>5</sup> Printing in Jordan from A to Z, 2004.

The value of printing production more than doubled between 1994 and 2005 from JD 20.6 million to JD 49.2 in 2005; 12.8% of the production was exported.

**Figure 6: Value of Export and Import of Books and Printed Materials for 1994- 2007 (in JOD)**



Source: Department of Statistics, Results of Economic Survey, 2007

The strength of the printing and publishing sector in Jordan is referred -inter alia- to the solid basis of modern technology and the presence of agencies of internationally leading firms in Amman.<sup>6</sup> These provider agencies are equipped with spare parts, printing materials and sufficiently skilled technicians who solve emerging problems ad hoc. All interviewed firms acknowledged the high qualification. Agencies are informed up to date about technology developments and able to offer it to the agencies they deal with. Furthermore, the overwhelming activities of the private sector in Jordan and the huge number of distributed weekly advertising papers provide the printing presses with sufficient demand. The future of this sector is promising but it must work hard to gain an image and good reputation. Demand on digital printing in Jordan has doubled in 2007 and 2008<sup>7</sup>

For the publishing sector, the presence of a large number of universities promotes the writing of university textbooks by professors and their publication. According to the Publishers Union, Jordan publishes 1000 titles a year and exports 70% of total production. Interviews with publishers revealed that they print in general 1000 copies per title. In case of textbooks taught at universities, publishers print 2000 – 3000 copies of each title. The new trend is to offer more titles annually but with a limited number of copies (500). As shown in Table 3, publishers in Jordan gave the following export percentages over the past year.

<sup>6</sup> Such as Heidelberg Druck, Man Roland and HP.

<sup>7</sup> Dots Pro Press, [www.meprinter.com/EN/News/Show.asp?ID=1013](http://www.meprinter.com/EN/News/Show.asp?ID=1013)

**Table 3: Relative share of Export by Publisher**

Publishing house	Export Rate
Al Falah	60 %
Al Manaheg	75 – 80 % (specialized in textbooks)
Yazori	50 - 60 %
Al Thaqafah	75 – 80 %
Al Moa'sasah Al Arabeyah Al Dawleyah	55 - 60 %
Al Ahleyah	80 %
Al Jeel	0 %
Hanin	80%
Manhal	50 -60%
Al Manar	90%
Al Nafa'es	50 -60%

Source: Interviews, December, 2008

### 2.2.3 Investment trends

Only two large printing enterprises, Al Rai' and Al Dustor,<sup>8</sup> which are daily Arabic newspapers, have the Government of Jordan among their shareholders. Both firms invest in modern and large presses to cover their own domestic market needs. In addition to printing their own daily newspapers, they print other Jordanian daily newspapers Arab Al Yom, Al Ghad, Al sabeel, Al Deyar, Anbat and even a Syrian weekly newspaper.

Large private firms, such as Al Wataneyah, Al Markazeyah, Fanar, Feras and Al Iqtisadeyah have been investing in advanced presses since 1994. They are able to import the latest printing presses which cost approximately one million Euro per unit. One owner, who was interviewed for this study<sup>9</sup>, mentioned that he was the seventh printing press worldwide to import an advanced press that boasts 8 colors and operates at an extremely high speed.

With this kind of investment the owner overcame the problem of finding skilled laborers and was able to produce high quality materials and win contracts from the USA and Great Britain. It is worth noting that such developments are mainly limited to those who are well established in the market.<sup>10</sup>

Registered capital of enterprises publishing newspapers, journals and periodicals was about JD 26.6 million in 2006. The share of the government and foreigners in this amount was 4.9% and 2.7% respectively.<sup>11</sup>

In printing, nominal capital reached JD 15.6 million; in printing related services the figure totaled around JD 1.4 million.<sup>12</sup> These figures do not reflect real investment. Interviews with the owners or managers of large enterprises revealed that they have invested continuously in their presses. For example, Feras Press started in 1987 with JD 22,000. Its invested capital is currently JD 7 million. National Press started with JD 3 million and its capital grew to 16 million.<sup>13</sup>

8 The English daily, Jordan Times, is a large part of Al Rai' Publishing.

9 Interview with the owner of National Press, Hani Saman, November, 2008.

10 This is the case of the presses: National, Central, Feras, Fenar and Economic.

11 Department of Statistics, government of Jordan 2007, Unpublished Data.

12 Department of Statistics, Government of Jordan, 2006

13 Interviews with owners of different presses.

Growth in investment has naturally led to an expansion of the enterprises and an increase of employees within the large enterprises. Feras Press employed 17 people in 2000; the increase in capital investment led to a workforce of 35 in 2008.<sup>14</sup> Iqtasadeyah press increased its employees from 42 in 1995 to 55 in 2008.<sup>15</sup>

## 2.3 Identification of stakeholders in the sector

Stakeholders in printing and publishing sector who could be included in the establishment of long- term working groups include four types of entities:

**Table 4: Possible Stakeholders in the Printing and Publishing Sub-Sector**

<b>1. Public Institutions:</b>	
Jordan Higher Council of Information	
Press and Publication Department	
Jordan National Library	
<b>2. Civil Society Institutions:</b>	
Press Owners Syndicate	
Jordanian Publishers Union	
<b>3. Large Printing Presses:</b>	
National Press	Owner: Hani Saman 00962 6 4200021
Central Press	Eng. Maher Hammad 00962 6 4779179
Feras printing Press	Bader Al safadi 00962 6 5823749
Al- Fanar P. Press	Dr. Haidar I. Mustafa 00962 6 5150390
Economic Press	Eng. Suhail Zo'mot 00962 6 4623278
<b>4. Provider of Presses and related Items</b>	
Pride Company, Agent for Heidelberg Druck	GM: Rudy Habesch 00962 6 5606146

## 3.0 General Business Environment

### 3.1 Effect of the General Environment for Business on the Development of the Sector

As stated above, printing is fully dependant on the import of inputs. Therefore, import measures are very important for improving the business environment. Recently, the following measures have been applied:

1. The Jordanian government lowered the import tariff in 2000 on 3140 items to 30% and to a maximum of 10 % for items used as industrial inputs. Printing materials fall in the latter (10%) category. Furthermore, materials (494 items) needed directly in printing, such as paper, are fully exempt from customs.
2. Simplifying customs clearance. Jordan applies the so-called "Automated System of Customs Data Entry (ASYCUDA++)". Despite such measures, there are two comments: firstly, there is unnecessary delay in clearing imported

<sup>14</sup> Stakeholder interview

<sup>15</sup> Stakeholder Interview



- items; and secondly, customs officials are accused of being difficult to convince that imported machinery are equipment for industry (based on interviews with press owners).
3. Jordan applied Copyright Law since 1992 and its amendments (Law No 14 for 1998) to protect creative works including books, computer software and music works. Application of such laws is better than in the neighboring countries like Egypt and Lebanon but still insufficient. This is particularly evident in the informal sector in large cities such as Amman, Zarqa and Irbid.
  4. Jordan business people enjoy various agreements which eliminate trade barriers with the following countries:

USA: Free Trade Agreement (FTA) in 2001 that eliminate duties and trade barriers. Within 10 years, almost all exports and imports (except those items important for customs revenue like alcohol, cigarettes and cars). Furthermore, the agreement includes further provisions such as:

- Intellectual property rights protection.
- Rules of origin.
- Trade and environment.
- Trade and labor.
- Electronic commerce.
- Consultation and dispute settlement.

In addition to FTA, Qualified Industrial Zones (QIZ) gives Jordan free entry to American markets without taxes and without limitation of quantities.

EU: Association Agreement (AA) in 1997: the treaty granted duty free for industrial goods and reduction of tariffs for agricultural products.

Arab countries: Arab Free Trade Area which includes cut of tariffs

5. The Investment Promotion Law No 16 of 1995 and its amendments for the year 2000 give tax incentives to invest in Jordan. Printing machines are exempted from duties and taxes. Spare parts which do not exceed 15% of the value of fixed assets are also exempted within the first 10 years from the date of production.

### **3.2 Effect of business environment on investment**

The rapid development of printing enterprises from 193 in 1994 to 472 in 2006 is an indicator of the utility of the business environment. In both sub sectors, printing and publishing, few enterprises are medium to large.

The establishment of new enterprises is an important factor in the business environment. As aforementioned, the printing sector is subject to continuous new entries. Printing, publishing and allied industries employed in 1970 only 518 workers in 66 enterprises; 61 of them were commercial presses with a work force of 453 people.<sup>16</sup> Licensing of new presses stopped in the late 1980s and resumed in 1987, when the number of enterprises increased to 476 in 2006.

On the international level, printing and publishing is considered not viable for non-Arab investors due to language and cultural barriers. Arab investors tend to invest more in their home countries.

---

<sup>16</sup> Grolier, Ed. 1977, Development of the National Documentation Centre. Paris.

Furthermore, it is apparent that owners of early presses in Jordan are keen to enlarge and upgrade their businesses and invest steadily in new technology. The following example demonstrates the continuous development and upgrading that firms in the sub sector undertake.

Ferass Printing Press<sup>17</sup> was established in 1987 with a work area of 180 square meters and started its printing services with a simple letters press "Teebo." Since that time, the following technological improvements have been implemented:

- 1989 - addition of offset printing system with Heidelberg 46 – one color and pre print operation.
- 1994 - addition of new machine (Heidelberg -52)1998 addition of new machine (Qusar Lino type –hell
- 2000 - space enlargement to 800 square meters and addition of new machine (Heidelberg speed master 74 -4-H-P, the first in the country).
- 2004 - addition of 8 color printing machine
- 2008 - replacement of the paper cutter and addition of Primscan Drum Scanner

## **4.0 Legislative and Regulatory Environment**

### **4.1 Measures related to domestic regulation**

Most regulations are imposed on publications and less so on printing presses. Printing enterprises have to be licensed by the Ministry of Trade and Industry and from the municipality of the area where the press is located. In advertising enterprises, foreigners are allowed to own up to 50% of the enterprise. Foreign ownership in publishing is capped at 60 %.

The legislative and regulatory environment for publishing in Jordan is one of the most criticized aspects. The Press and Publication Law of 1998 give the government the power to confiscate foreign publications and control and restrict activities of both foreign and local research centers. Private publication establishments have to secure a minimum capital of JD 100,000 in order to publish. The law limits press freedom and in case of violation of the law, suspension of activities or even closure of the enterprise is possible.

Minimum required capital for weekly newspaper was raised from JD 15,000 in 1993 to JD 300,000 in 1997. This change also increased penalties for violations fifteen fold (from JD1, 000 to JD 15,000) and in extreme cases to JD 50,000.

The government continues to participate in the sector by ownership in two of the three largest Arabic dailies. The government owns 61% of shares in Al Ra'i newspaper and 35 % in Adustour.<sup>18</sup>

---

<sup>17</sup> .WWW.feraspres.com and interview with the owner/ Manager Bader all Safadi, December, 2008.

<sup>18</sup> Kilani, S. 1998, Black Year for Democracy in Jordan - the 1998 Press and Publication Law, Copenhagen

## **5.0 GATS/Restrictiveness Measures**

### **5.1 GATS commitments on the sector/sub sector**

According to WTO/GATS regulations, four modes of supply exist between countries. They are:

- 1) Cross-Border supply
- 2) Consumption abroad
- 3) Commercial presence
- 4) Presence of natural persons

#### **5.1.1 Horizontal Limitations**

All economic sectors in Jordan share unified regulations which are summarized in the following. Limitations are applied on market access and national treatment

##### **Limitations on market access**

Mode (4), the presence of natural persons, is unbound except for measures concerning the entry and temporary stay of a natural person who falls in one of the following categories.

##### *Business visitors*

A natural person who stays in Jordan without acquiring remuneration from within Jordan and without engaging in making direct sales to the general public or supplying services, for the purposes of participating in business meetings, business contacts including negotiations for the sale of services and/or other similar activities including those to prepare for establishing a commercial presence in Jordan. Entry and stay shall be for a period of 90 days.

##### *Intra-Corporate Transferees*

Natural persons employed by a juridical entity of another member for a period of not less than one year and who seek temporary stay in order to render services to (i) the same juridical entity which is engaged in substantive business operation in Jordan or (ii) a juridical entity constituted in Jordan and engaged in substantive business operation in Jordan which is owned by or controlled by or affiliated with the aforementioned juridical entity.

##### *Executives*

Natural persons who are senior employees of a juridical entity, who are responsible for the entire or a substantial part of the entity's operations in Jordan, receiving general supervision or direction principally from higher level executives, the board of directors or stock-holders of the business.

##### *Managers*

Natural persons who direct the juridical entity, or department or sub-division of the juridical entity, supervise and control the work of supervisory, professional or managerial employees, have the authority to hire and fire or recommend hiring, firing, or other personnel actions and exercise discretionary authority over day-to-day operations at a senior level.

##### *Specialists*

Natural persons employed by a juridical entity and possess knowledge at an advanced level of expertise and proprietary knowledge of a juridical entity product, service, research, equipment, techniques, or management.

### Professionals

Natural persons seeking to engage, as part of services contract granted by a juridical entity engaged in substantive business in Jordan and obtained by a juridical entity of another Member, (other than entities providing services as defined by CPC 872) which has no commercial presence in Jordan in the activity at a professional level. The person must possess the necessary academic credentials and professional qualifications, which have been duly recognized, where appropriate by the professional association in Jordan. The commitment relates only to the service activity which is the subject of the contract. Work permits for all categories are granted on the basis of an economic—needs test, i.e. to candidates whose qualifications are not available in Jordanians or those who are seeking work in fields in which Jordanians are in short supply. Intra-corporate transferees who are executives, managers and specialists (as defined above) are presumed to meet the economic needs test requirements Temporary work and residency—permits are required. Such permits are issued for a maximum period of one year, but are renewable.

### Limitations on national treatment

Regarding subsidies, modes (1), (2), (3) and (4) are unbound. Mode (3), foreign investments, may not be less than JD 50,000. This does not apply to investments in public share-holding companies.

Under Mode (3), all purchase of real estate by non-Jordanian firms must be related to the approved business activities and is subject to Cabinet authorization. The lease of real estate by non- Jordanian firms for more than three years is subject to Cabinet approval. All juridical entities are prohibited from engaging in real estate trading.

Under Mode (3) authorization for purchase or lease of state owned lands is restricted to Jordanian nationals.

Mode (4) is unbound, except for measures affecting the categories referred to under market access.

Printing and publishing sector has specific regulations which are included in the following schedule. Advertising commitments are included as a note, because advertisements make up a significant amount of printing activity

**Table 5: Regulations managing the printing and publishing sector**

Sector or sub-sector	Limitations on market access	Limitations on national treatment
Advertising services	(1) None (2) None (3) Access restricted to Jordanian natural persons and partnerships with majority Jordanian ownership, or limited liability companies with Jordanians as majority in board of directors. Director of advertising agency must be a Jordanian national. (4) Unbound, except as indicated in the horizontal section. Director of advertising agency must be a Jordanian national.	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section
Printing and Publishing	(1) None (2) None (3) Subject to 50% foreign equity limitation. However, ownership of periodical publications is restricted to Jordanian natural persons or Jordanian juridical entities wholly owned by Jordanians. Director of printing and publishing house must be a Jordanian national. (4) Unbound, except as indicated in the horizontal section. Director of printing and publishing house must be a Jordanian national	(1) None (2) None (3) None (4) Unbound, except as indicated in the horizontal section

Source: WTO, Working Report of the Working Party on the Accession of Jordan (WT/ACC/JOR/33 – WT/MIN(99)/9).

In regards to the printing and publishing specific commitments, there are none under national treatment, except under Mode (4) as indicated in the section above on horizontal limitations.

For Modes (3) and (4), several restrictions are noted under market access. As noted in Table 5 above, firms have the following restrictions place upon them. For Mode (3):

- Firms are subject to 50% foreign equity limitation.
- The ownership of periodical publications is restricted to Jordanian natural persons or Jordanian juridical entities that or wholly owned by Jordanians.

Mode (4) states that the Director of printing and publishing house must be a Jordanian national.

## **5.2 Analysis of legislative and administrative restrictions**

Despite the liberalization of the Jordanian economy, the printing and publishing sector still faces restrictions imposed by Press and Publication Department (PPD).

- According to the Law No. 30/1999 licensing of periodicals, special publications and study and research centers have to have minimum capital and deposit requirements. Minimum capital needed for daily newspapers is JD 500,000 and JD 50,000 for non-dailies. Enterprises in the mentioned fields are prohibited to receive aid from any foreign source.
- Director or editor of the mentioned publications has to be Jordanian residing permanently in Jordan.
- Publishers, bookshops and distribution agencies have to submit to the PPD two copies of any book two weeks prior to import. In the same vein, two copies of books submitted for printing must be provided to the PPD. After approval of import or printing of a book, distribution to the market or export is allowed.
- PPD is empowered to censor and prohibit any press publication. Such procedures apply mainly to newspapers and magazines. Books must be approved in advance. There are no exact figures on the scope of prohibited publications, Kilani 1998 reported 35 cases in which newspapers and journalists were subjected to sentences.<sup>19</sup>

## **6.0 Benchmarking**

### **6.1 Benchmarking against International Standards**

It is not easy to benchmark Jordan in terms of publishing and printing: Available data is controversial, dated, incomplete and unreliable. To give a brief benchmarking, statistics of the World Bank for the years, 1997, 1999 and 2003 were taken to assess the development in terms of book production. Population data (2008) is provided to make the comparison more realistic.

---

<sup>19</sup>. Kilani, S. 1998, Black Year for Democracy in Jordan - the 1998 Press and Publication Law ,Copenhagen

Jordan, in comparison with the neighboring countries, holds the "Amman International Book Fair" every two years. It is less important than other fairs held in the region annually.

Regarding printing and publishing, Jordan benchmarks against neighboring Arab countries in terms of competitive strengths and technological integration. On the regional and international scales, Jordan outranks Algeria, Morocco, Kuwait, Qatar and even Lebanon (2003). The following table illustrates the position of Jordan within the Arab and some developed and developing countries.

**Table 6: Book production (000) and population of selected countries**

Country	1997	1999	2003	Population in Million (2008)
Algeria	-	133	133	34.7
Cyprus	918	931	931	1.1
Denmark	13,450	14,455	14,455	5.5
Egypt	2,507	-	1,410	74.9
Germany	77,889	-	78,042	82.2
Iran	10,410	14,783	14,783	72.2
Israel	-	-	1,969	7.5
<i>Jordan</i>	-	-	511	5.8
Kuwait	460	219	219	2.7
<i>Lebanon</i>	516	-	289	4.0
Morocco	1,339	386	386	31.2
Oman		12	12	2.7
Portugal	8,331	-	2,186	10.6
Qatar	-	-	209	0.9
Saudi Arabia	3,780	-	3,780	28.1
Switzerland	16,241	18,273	18,273	7.6
Tunisia		1,260	1,260	10.3
Turkey	5,109	2,920	2,920	74.8

Source (for Book Production): World Bank, 2005, Population: World Population Data Sheet, 5, 2008

As note from Table 6 above, the number of books produced in Jordan was not even available before 2003 from official sources such as the World Bank, which data is used to compile the table above.

## 6.2 Benchmark the competition from neighboring countries

Although the data and analysis of the Frankfurter Buchmesse (Book fair) are not up to date, they provide a good background for benchmarking. Beirut and Cairo are well known for their annual book fairs. In 2004, for example, sales of the Beirut International Arab Book Fair reached US\$1.3 million. Sales of the International Book Fair in Cairo for the last few years are not known but it attracted more than 2 million visitors and 667 publishing companies.<sup>20</sup>

In Egypt, due to its population size, and cultural development, 7600 titles were published in 2004. Lebanon reached 3686 titles compared to 1100 titles in Jordan (2002) and 1138 in Syria, as shown in Table 7 below.

<sup>20</sup> Source: Frankfurter Buchmesse, 2009

Despite the beginning of printing for western publishers, Jordan remains still behind Lebanon and Egypt. Lebanon publishers accounted for 96 (40%) of licenses for German titles issued in Arab countries (total 238). Egypt, in comparison, had only 24 (10 %), Syria 30 and Saudi Arabia 56; and only 4.

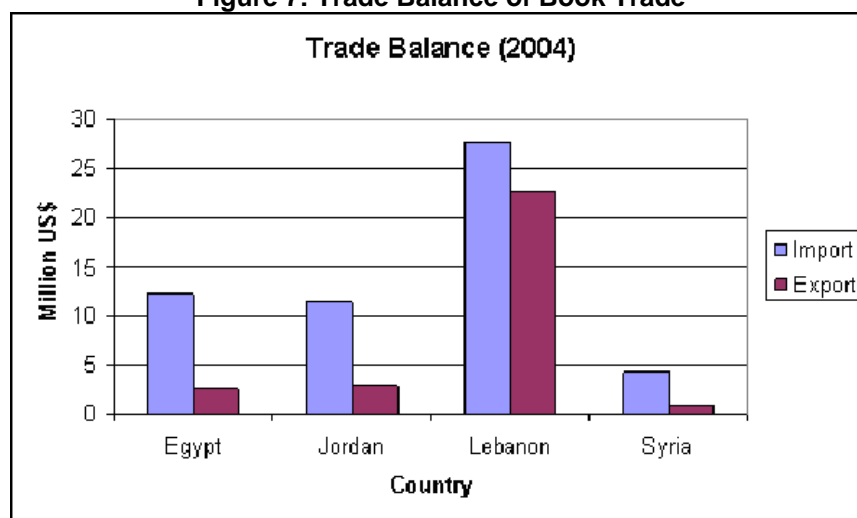
**Table 7: Benchmarking of the Publishing Sub Sector in Jordan**

Items / Countries	Jordan	Syria	Lebanon	Egypt
Publishing enterprises	525 (2005),	400		
Member in local associations	108	82	630	426
Annual number of published titles	1093	1138	3,686	7600
Subject of most published books				
• Social sciences	24%	15%	3.4%	17%
• Literature	24%	31%	8.3%	19%
• Computer Literature	17%	14%	1.5%	-
• Religion	13%	14%	35.9%	31%
Export in million US\$	5.9	0.9	22.6	2.5
Book Fair				
• Frequency	Every 2 years	Annually	Annually	Annually
• Participant firms	193	311	206	667
Average book price (\$)	5.7	6.0	-	8.1
Governmental fund for translation	Non	Very active	active	Very active

Source: Frankfurter Buchmesse, 2009

On average, the price of a book (all categories) in Syria is \$ 5.71, in Egypt \$8.10, in Lebanon \$6.0 and in Jordan \$ 8.5.<sup>21</sup> Jordan, as well as all Arab countries included in this report, suffers from a negative trade balance in terms of trade in books as shown in Figure 7.

**Figure 7: Trade Balance of Book Trade**



Source: Frankfurter Buchmesse, 2009

<sup>21</sup> Source: Frankfurter Buchmesse, 2009

## Lebanon

During the last century, Lebanon was known as the “Orient Printing House”. It supplied 75% of the editorial needs of Arab countries. Furthermore, Lebanon was a leading country in importing and distributing foreign books<sup>22</sup> The liberal environment of Lebanon and the freedom of opinion were the main factors for such a development.

The Civil War 1975 – 1990 and the physical damages to the printing presses and the concentration of the government of Lebanon on healing the humanitarian consequences of the war led to the neglect of the economic sectors including printing. Moreover, the circumstances prevailing after the end of the civil war decreased the propensity of Lebanese business people to invest. From 400 – 500 printing presses only 25 are sizable operations with modern technology. But Beirut remains a regional centre for international printing firms like Man Roland.

During this period, Jordan made enormous steps to replace Lebanon in the region. Lebanon, despite its losses in the civil war, remains a real competitor to Jordan. Lebanon had an estimated investment in the sector of around US\$ 250 million as far back as 1997, while Jordan had only US\$60 million in 2006. This means that the cumulative investment in printing in Jordan did not reach that of Lebanon 10 years ago.

Melki (2002) reported that Lebanon prints more than half of the periodicals and daily newspapers of all publications printed in Arab countries. Thus, 50% of Lebanese production is exported.<sup>23</sup>

In 2001 Lebanon exported printed material in value of \$36 million, while Jordan exported less than \$ 6 million in the same year.

Jordan had 614 publishing houses in 2006. In Lebanon 630 publishing companies were registered by the Lebanese Publishers’ Association in 2006. But the number of employees in Lebanon is 7 fold that of Jordan. Furthermore, Lebanon published in 2005, for instance, 3,686 titles and Jordan did not publish more than 1000 per year<sup>24</sup>.

Lebanon competes with Jordan in terms of labor salaries. Salaries of skilled laborers in both countries are around JD 300 – 350 per month. Highly qualified professional salaries in Lebanon are 50% lower in comparison to the salaries in Jordan.

The majority of publishing houses in Jordan still print in Lebanese presses. Interviews with the largest houses revealed the following: All of them stated that the cost of printing in Beirut is 25 - 30 % less than in Amman. Lebanese business people facilitate the payment better than in Jordan and produce a better quality product. Therefore, 6 publishers print entirely in Beirut, 3 in Beirut and Amman and 1 in Egypt. One of those who print in both cities, Amman and Beirut, stated that he prints in Beirut when the copies of a title exceed 2000. This is why the import of books in Jordan reached US\$4.5 million in 2004.<sup>25</sup> This is true even though copyright protection is considered better implemented in Jordan than in Lebanon.

---

<sup>22</sup> Melki, 2002

<sup>23</sup> Melki, 2002

<sup>24</sup> *Frankfurter Buchmesse, Lebanon*

<sup>25</sup> *Frankfurter Buchmesse, 2009*



## **Syria**

The printing and publishing sector in Syria can not compete with Jordan, because they are public and subject to greater censorship. The weakness of the sector is referred to the historical development as the French colonial power supported the printing sector in Lebanon instead of Syria. The reliance of Syria on Lebanon to print and publish their publications was the outcome of such a policy.

After the independence, Syria's printing and publishing sector became public and under strict censorship that continues to prevail today. Transfer of advanced technology was not a priority in the country. Syria faced for many years a shortage in printing paper. The single paper factory in the country was not able to cover the needs of printing presses. The black market with its opportunism was the only way to overcome this problem. The result of such development was the production of poor quality books to be sold at cheap prices. The low salaries paid led to the immigration of many technicians to Gulf countries and other countries: a leading printing firm in Jordan (Al Wataneyah) was established by a Syrian immigrant.

Syrian official institutions such as the Ministry of Culture and National Guidance, Union of Arab Writers and the Ministry of Education are the main players in the sector. They seek to cover the needs of the country and fall within "inward oriented industry" which is not directed at export. Therefore, Syrian private enterprises print their magazines and weekly newspapers in Amman. In addition, the purchasing power of the Syrians is low and neither publishers nor authors are motivated to develop their abilities due to low expectations of the market.

## **Egypt**

Printing and publishing in Egypt, on the other hand, faced and still faces severe regulatory problems. Informal presses, for instance, are as numerous as formal ones; they result in price dumping and stand as obstacles to the development of the sector.

## **UAE**

The boom in construction projects and mega development since the mid nineties in the UAE provides a strong foundation for the steady growth of the printing and publishing sector there. This accelerated development prevailed not only in Dubai and the rest of the UAE but also in Qatar, Oman, Kuwait, KSA and many of the GCC states. In addition, the government incentives offered to the sector, such as the Dubai Print Award, have an immense proactive impact on the development process.

The print media in the GCC relies mainly on advertisement, which recorded expenditures as high as AED 2.15 billion in 2005 with a growth rate of 70% in comparison to the previous year. Another factor is the huge increase in population as well as the demographic diversity which harbors a variety of needs to be covered by the sector. Furthermore, this proactive approach has expanded in the GCC to include the Bahrain Award, Kuwait Award, Oman Award, Qatar Award, KSA Award and UAE Award.

## **7. 0 Sector SWOT analysis**

### **7.1 Strengths**

- The political stability in Jordan in comparison to the neighboring countries, such as Iraq and Lebanon, provides the market with an advantage over those countries. This stability has been utilized in some sectors but not in printing and publishing. It should be considered as a capital to build on to attract foreign investors.

- The printing and publishing sector is well established and has been growing since the 1990s.
- The consolidation of the sector is backed by liberal economic policy and advanced providers.
- The Heidelberger Druck, which provides 80% of the needed services for the sector, is one of the leading firms world wide. Another provider, "Man Roland", provides services to large printing enterprises (mainly newspaper presses). Roland's market segment is around 15%.
- The domestic market is flourishing due to the expansion of universities.
- Jordan has gained a good market share in some Arab countries.
- Large number of universities using text books
- Long experience in printing and publishing in Jordan
- Consolidated provider with network to leading firms in Europe and Japan
- Large printing presses with advanced technology and capital intensive enterprises

## 7.2 Weaknesses

- The Arabic saying describes the dilemma in Jordan. *"If you need authors you have to go to Egypt, if you need to publish you have to go to Lebanon, and if you need readers you have to go to Iraq"*. Jordan was not mentioned and work should focus on changing the picture.
- Lack of skilled laborers is another weakness. Indeed technology is part of the solution but not all of it.
- Low salaries and weakness of worker unions leave the employees unprotected.
- Lack of business-to-business cooperation.
- Censorship and complicated red tape
- Weak institutions; members of syndicates or unions act individually in term of marketing, import of materials needed for printing, among others
- Jordanians are not avid readers. The weak motivation to read is embedded in the Jordanian society which hinders the rapid development of printing and publishing.
- Low level of global integration in terms of printing

### **7.3 Opportunities**

- The high level education obtained by the population and the emerging of young entrepreneurs are important factors.
- Jordan provides many Arab countries with school teachers and university professors.
- The good reputation of the Jordanian education system and university textbooks should contribute to achieving more advanced publishing and printing services.
- It is possible to encourage backward and forward linkages to support the sector and to create more jobs.
- Exemption from customs on imported materials
- Emergence of skilled young designers and content providers that possess excellent computer knowledge.
- Together with the Occupational Training Association, printing presses in Amman are planning to establish an academy to cover the needs of the sector for skilled labor.

### **7.4 Threats**

- The printing and publishing sector consists of individual enterprises and actors. There is little cooperation among managers/owners. Therefore, costs of printing and publishing are still high and the competitiveness of the sector vis a vis Lebanon and -possibly- Dubai is not in Jordan's favor.
- Jordan relies solely on the import of all related services, accessories and ingredients of printing.
- Migration of skilled and long experienced people could threaten the sector.
- Easy entry and high competition in low value added production
- Tough competition from Lebanon and Dubai
- Unstable currency exchange rates
- Insecure IPR in the region
- Unstable markets

## **8.0 Opportunity Scan**

The private sector carries the total burden of investment, technology transfer and marketing in the sub sector. The support of export possibilities is highly needed. Jordan does not utilise its free trade zones for diversification of its products. Aqaba and QIZs, for instance, could serve as good locations for printing. Joint ventures and direct investments could be invited through generous incentives to establish printing

presses and publishing houses. Such policy would create jobs and increase the value added of the sub sector.

Syria lacks printing and publishing know how, which is available in Jordan. The cooperation with Syria could be directed at joint ventures near the Syrian-Jordanian border. The same could be planned with Iraq, which has an enormous potential as their population is known regionally to be readers.

Jordan as member of the WTO, partner with European countries and member of the Arab Market should empower such agreements to lure Arab and international publishing houses to print books and magazines in the country. The integration regionally and globally is possible.

Manufacturing of needed inputs (Ink and colours, among others) is another possibility to secure the growth of the sub sector.

Jordan has human capital characterized through high education and good knowledge of the English language. Such capital is a prerequisite for developing the sector.

To bring all these possibilities and opportunities together, governance of the sector through state institutions and associations or unions related to the sector could enhance the sector.

## **9.0 Constraints to development**

### **9.1 Constraints**

Jordanian businesses operate in a somewhat unstable environment. In the late 1980s, for instance, Jordanian printing firms started to work for Iraq. The Iraqi market occupied 40 to 50% of the printing capacity of some companies. During the war in Iraq the market closed. To compensate the loss of the Iraqi market, new markets in Libya, Kuwait, Qatar, Sudan, Yemen, USA, and England were established but not on a continuous basis. The largest enterprises for example export 25 - 35 % of their production.

Another problem is the qualifications of the printing labor force. All interviewed establishments stress the shortage of skilled people and the constraints to foreign labor employment. The inter-firm mobility of labor and migration to Gulf Countries is very common. From the employees' point of view, salaries are still low (JD 300 – 400) and living costs are too high.

Due to the lack of local input materials, printing presses have to import their needs from abroad. Despite low customs (5–15%) on printing materials, firms consider it an obstacle to competing with Lebanon. Furthermore, printed articles like (calendars) are not exempted from customs and taxes, which encourages many firms in Jordan to print them abroad.

On the regulatory framework, all printing and publishing enterprises interviewed complained about Press and Publications Department procedures. Not only because of censorship, but also because of time consuming red tape involved when dealing with the Department.

On the regional level there are some threats facing the development of the printing and publishing sector. These could be summarized in the following:

The UAE has emerged as a real competitor for the whole region. They are equipped with very sophisticated and large-scale presses with advanced technology and able to attract highly skilled labor from all over the world. Moreover, the Emirates has turned into the centre of Middle East in various businesses; its role in printing has risen accordingly since advertising for these businesses represents a significant portion of printing.

Black markets and the failure of the protections of property rights (particularly in Lebanon and Egypt) affect the growth of the sector. Also, book fairs in the Arab world and book transport to them is still expensive, especially for smaller enterprises.

## **9.2 Specific recommendations for remedial**

The printing and publishing sub sector in Jordan, faces specific problems. Here are some recommendations to be considered to alleviate the impediments to growth of the sub sector:

1. Owners of large-scale printing presses and representatives of related services are working on establishing a printing academy to provide the sector with skilled labor. The government should facilitate such projects and the private sector has to manage it. Printing could be included in the academic curricula in the engineering and business management faculties.
2. Development of the sector occurs individually. The Association of printing presses should find the ground for cooperation and coordination in a cluster form. Such clusters could introduce knowledge, networking, reduction of transaction costs and collectiveness needed for marketing, purchasing and work division.
3. Reform the educational system so as to encourage reading and respect for intellectual property at the early levels of schooling.
4. Customs and import fees on printing equipment and material should be revised taking competing countries in the region into account.
5. Improve publishing regulations to facilitate the sub sector rather than control, inhibit and prevent.
6. Offering training courses to create entrepreneurs and provide effective incentives to back young entrepreneurs in the initial stage of their enterprises.

## Annex 1: CPC Code

### Printing and Publishing: CPCprov code 88442 88442 - Publishing and printing, on a fee or contract basis

No explanation or subclasses under CPCprov.

CPC Ver. 1.1 it is delineated as below:

#### Group: 869 - Other manufacturing services

- 86921 - Printing services and services related to printing, on a fee or contract basis

This subclass includes:

- newspaper printing services
- book printing services
- bookbinding, folding, assembling, stitching, gluing, collating, basting, adhesive, binding, trimming, gold stamping services
- other finishing services such as folding, cutting, stamping, drilling, punching, perforating, embossing, sticking, gluing and laminating
- services of processing matrices, films, bromide prints or electronic data in order to generate original texts to be reproduced (composition, photo composition)
- services of processing matrices, films, bromides prints or electronic data in order to generate original texts to be reproduced (plate-making)
- services combining text and image techniques for making a reproducible original
- production services of other reprographic products such as overhead projection foils, sketches, lay-outs, dummies
- preparation services of digital data, e.g. enhancement, selection, linkage of digital data stored on EDP data carriers
- other graphic service activities
- other printing services n.e.c.
- rebinding services

This subclass does not include: printing services of textiles, cf. 86321

## Annex 2: Questionnaire

### Printing and Publishing Sub Sector

**Note:** Unless specified, please give information for the latest year available and indicate which year. If insufficient space is provided, please attach additional information on separate sheets.

Please report all monetary values in their reported currencies.

Within this section of the questionnaire, two concepts will be frequently encountered: **commercial presence** and **cross-border supply**. They are alternative modes of supply and are defined by the WTO in the context of the GATS schedules of commitments. To avoid confusion, a preliminary discussion of the two concepts is necessary. Foreign suppliers provide services according to the “cross-border” mode if they operate from their own country without establishing a local branch or subsidiary or acquiring shares in a firm located in the country to which the service is destined. The “commercial presence” mode of supply means exactly the contrary, i.e. the foreign firms establish locally in the country where they want to supply the service and open a branch, subsidiary or participate to the capital of a local firm (the share can go up to 100%).

#### A. Market Access

##### *Commercial presence*

1. Are there policy restrictions to new entry (refer only to commercially-established <sup>26</sup> operators)?							
Service type	Entry by any firm	If yes, total number of firms allowed				Entry by firms with foreign participation <sup>27</sup>	If yes, number of firms with foreign participation allowed
---	<input type="checkbox"/> No <input type="checkbox"/> Yes					<input type="checkbox"/> No <input type="checkbox"/> Yes	
---	<input type="checkbox"/> No <input type="checkbox"/> Yes					<input type="checkbox"/> No <input type="checkbox"/> Yes	
---	<input type="checkbox"/> No <input type="checkbox"/> Yes					<input type="checkbox"/> No <input type="checkbox"/> Yes	
---	<input type="checkbox"/> No <input type="checkbox"/> Yes					<input type="checkbox"/> No <input type="checkbox"/> Yes	
---	<input type="checkbox"/> No <input type="checkbox"/> Yes					<input type="checkbox"/> No <input type="checkbox"/> Yes	

2. If entry is restricted, what are the reasons provided by the government?

Use the definitions below to fill in the table:

1—To give incumbent operators time to prepare for competition. If so, please specify time given.  
 2—To increase government revenue from privatization or license fees  
 3—Exclusive rights believed necessary to attract (strategic) investment. If so, please specify time given  
 4—It is believed that market can sustain only a limited number of operators  
 5—Strategic activity reserved to the state.  
 6—To protect the industry.

Service (Give reasons for each service or sub-sector)	Reasons						Other (describe in brief)
	1	2	3	4	5	6	
--							
--							
--							

<sup>26</sup> The term commercially-established refers to locally-established operators.

<sup>27</sup> This category also includes branches and subsidiaries of foreign suppliers.

**Cross-border supply**

3. Are there restrictions on cross-border entry of foreign service providers on the ----- market?		
<input type="checkbox"/> No <input type="checkbox"/> Yes		
If yes, what are the instruments used to implement restrictions?		
<input type="checkbox"/> Bilateral agreements specifically related to the sector or agreements where the sector is mentioned therein		
<input type="checkbox"/> Other: _____		
4. If entry is restricted, what are the reasons provided by the government?		
To prepare incumbent operator (s) for competition:	<input type="checkbox"/>	
Market is believed to sustain a limited number of operator (s)	<input type="checkbox"/>	
To protect the regulated rail industry	<input type="checkbox"/>	
Others (explain)		
5. Bilateral ..... Agreements		
Type of bilateral agreements	Number of signed bilateral agreements	Number of operational agreements
---		
---		
---		
---		
---		
Others (please elaborate)		
6. Please fill in the following information referring to clauses in <u>operational</u> bilateral agreements:		
a) Tariff clauses in bilateral agreements		
	Total number of bilateral road agreements	
--		
---		
--		
--		
Other mechanism of setting tariffs (please describe in brief)		
b) Capacity clauses imposed on foreign companies		
	Total number of bilateral agreements	
No capacity constraints		
Capacity constraints		
c) Number of foreign companies		
	Total number of bilateral agreements	
No number constraints		
Number constraints		
d) Modes of delivery specification for the foreign companies		
	Total number of bilateral agreements	
Routes not specified		
Routes specified		



## B. Ownership

7. Is private ownership in the provision of services through commercial establishment allowed?				
Services	Existing operators	Maximum private equity permitted (%)	New entrants	Maximum private equity permitted (%)
	<input type="checkbox"/> No <input type="checkbox"/> Yes		<input type="checkbox"/> No <input type="checkbox"/> Yes	
	<input type="checkbox"/> No <input type="checkbox"/> Yes		<input type="checkbox"/> No <input type="checkbox"/> Yes	
	<input type="checkbox"/> No <input type="checkbox"/> Yes		<input type="checkbox"/> No <input type="checkbox"/> Yes	
	<input type="checkbox"/> No <input type="checkbox"/> Yes		<input type="checkbox"/> No <input type="checkbox"/> Yes	
	<input type="checkbox"/> No <input type="checkbox"/> Yes		<input type="checkbox"/> No <input type="checkbox"/> Yes	

8. Does government (national, state or provincial) hold equity stakes in a national business company?			
Services	Government equity participation	Equity participation (%)	Name of company
	<input type="checkbox"/> No <input type="checkbox"/> Yes		
	<input type="checkbox"/> No <input type="checkbox"/> Yes		
	<input type="checkbox"/> No <input type="checkbox"/> Yes		
	<input type="checkbox"/> No <input type="checkbox"/> Yes		
	<input type="checkbox"/> No <input type="checkbox"/> Yes		

8.1 If yes, are there any statutory or other legal limits to the number or proportion of shares that can be acquired by foreign investors in those companies?

Services	Foreign equity participation	Foreign Equity participation (% or number)	Name of company
	<input type="checkbox"/> No <input type="checkbox"/> Yes		
	<input type="checkbox"/> No <input type="checkbox"/> Yes		
	<input type="checkbox"/> No <input type="checkbox"/> Yes		
	<input type="checkbox"/> No <input type="checkbox"/> Yes		
	<input type="checkbox"/> No <input type="checkbox"/> Yes		

8.2 If yes, are there any legal constraints to the sale of the equity held by the government in publicly controlled companies?

	Legal constraints
	<input type="checkbox"/> No <input type="checkbox"/> Yes
	<input type="checkbox"/> No <input type="checkbox"/> Yes
	<input type="checkbox"/> No <input type="checkbox"/> Yes
	<input type="checkbox"/> No <input type="checkbox"/> Yes
	<input type="checkbox"/> No <input type="checkbox"/> Yes

9. Is owner-operators allowed in the in any of the service markets?					
Name	Year first offered services	Designated to provide international services	Market share		Is the firm federal, state or provincial?
			National	International	
		<input type="checkbox"/> No <input type="checkbox"/> Yes			
		<input type="checkbox"/> No <input type="checkbox"/> Yes			
		<input type="checkbox"/> No <input type="checkbox"/> Yes			
		<input type="checkbox"/> No <input type="checkbox"/> Yes			
		<input type="checkbox"/> No <input type="checkbox"/> Yes			
		<input type="checkbox"/> No <input type="checkbox"/> Yes			

### **C. Market Structure**

10. Please list below the characteristics of all commercially-established companies operating in Jordan.

Name	Year company first offered services	Designated to provide international services	Market share		Is the firm federal, state or provincial?	Owners of capital and their respective shares (domestic/foreign)
			National	International		
		<input type="checkbox"/> No <input type="checkbox"/> Yes				
		<input type="checkbox"/> No <input type="checkbox"/> Yes				
		<input type="checkbox"/> No <input type="checkbox"/> Yes				
		<input type="checkbox"/> No <input type="checkbox"/> Yes				
		<input type="checkbox"/> No <input type="checkbox"/> Yes				
		<input type="checkbox"/> No <input type="checkbox"/> Yes				

11. Do providers participate in informal cartel?

No  Yes      If yes, please describe.

12. Please indicate the total number of foreign companies providing services cross-border:

Services

13. Please list the characteristics of the 6 most important commercially-established operators for the following services:

Name of firm	Year of service commencement	Market share	Owners of capital and their respective shares (domestic/foreign)

### **D. Regulation**

14. Institutional status of sector regulator

	For providers
When was the regulator established?	
Is the regulator an institutionally independent agency? <sup>28</sup>	<input type="checkbox"/> No <input type="checkbox"/> Yes
How is the sector regulator financed?	
License and other fees (%)	
State budget (%)	
Other _____ (%)	

<sup>28</sup> "Institutionally independent" means that the regulator is not part of the ministry and is not linked to the operating entity.

How many technical and economic professionals are employed?			
15. What are the main requirements of companies to operate in the sector?			
Type of service	Requirements		
16. Price regulation			
<p>a) Does the government or regulatory agency regulate tariffs?</p> <p>On ...            <input type="checkbox"/> No   <input type="checkbox"/> Yes</p> <p>On ....   <input type="checkbox"/> No   <input type="checkbox"/> Yes</p> <p>b) If yes to a), please explain</p> <p>c) If no to a) how are abuse of monopoly power (cartel) and/or predatory pricing dealt with?</p> <p>d) Does the government or regulatory agency provide pricing guidelines for some services?</p> <p>Service...            <input type="checkbox"/> No        <input type="checkbox"/> Yes</p> <p>Service ...            <input type="checkbox"/> No        <input type="checkbox"/> Yes</p> <p>etc</p> <p>e) Are professional bodies or representative of trade and commercial interests involved in specifying or enforcing pricing guidelines or regulations?</p> <p>On service tariff        <input type="checkbox"/> No        <input type="checkbox"/> Yes</p> <p>On service                <input type="checkbox"/> No        <input type="checkbox"/> Yes</p>			
17. Regulation on entry of new business			
17.1 Licenses			
a) If the number of providers is not restricted by policy, specify the main conditions new entrants must fulfill			
	Payment of license or permit fee (indicate amount in local currency)	Obtainment of concession, or franchise by a level of government	Other (describe in brief)
Service			


b) If the number of providers is limited by policy, through what mechanism are licenses or concessions allocated?

Service	Competitive tender	First come, first served	Public hearings	Other discretionary mechanism	Other (describe in brief)

c) Who does issue license?

Service	Government	Regulatory agency	Other (describe in brief)

d) Does the regulator, through licenses or otherwise, have any power to limit industry capacity?  No  Yes

**If the answer is "No",** are any of the following constraints in place?

- |  |                          |                          |
|--|--------------------------|--------------------------|
|  | <input type="checkbox"/> | <input type="checkbox"/> |
| a) complete prohibition                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| b) limitations   | <input type="checkbox"/> | <input type="checkbox"/> |
| c) domestic requirements for government (public procurement) | <input type="checkbox"/> | <input type="checkbox"/> |
| d) restrictions on foreign firms                             | <input type="checkbox"/> | <input type="checkbox"/> |
| e) other (please specify) _____                              |                          |                          |

17.2 Registration

a) Is registration in any register required in order to establish a new business?

No  Yes

b) In order to operate nationally, does an operator need to notify any level of government or regulatory agency and wait for approval before the operator start business?  No

Yes

If establishing a business in national services is subject to either of the procedures in a) or b) of the previous question, please answer the following questions:

a) are criteria other than technical and financial fitness and compliance with public safety requirements considered in decisions on entry of new operators?

b) does an authorisation to operate cover the entire country?

c) is the authorisation to operate limited in duration?

d) are authorisations to operate transferable?

17.3 Do above entry regulations apply to an owner-operator?  No  Yes

17.4 Does an authorization (license, permit, concession or franchise) to operate extent to the entire territory of the country?  No  Yes

17.5 Is the authorization transferable?  No  Yes

17.6 What is the average amount of time that the responsible agency may take to reach a decision about a complete authorization? \_\_\_\_\_

17.7 How many agencies are involved in examining the authorization?

18. Discrimination between foreign companies and domestic ones.

a) Do foreign firms have the same right to operate in the domestic market as domestic firms?

No  Yes

b) If no, are any of the following constraints in place:

i) complete prohibition  No  Yes

ii) limitations  No  Yes

iii) restrictions on the possibility for foreign firms to operate  No  Yes

iv) Others:

c) Do foreign companies have social obligations without adequate compensation?

No  Yes

d) Does the government provide subsidies to domestic companies?

i) Bus  No  Yes

ii) Truck  No  Yes

e) Are there any regulations setting conditions for operation periods?

f) Do regulations prevent or constrain any value added services: specify below

a) ....

b) .....

c) .....

d)

g) Within the last five years, have laws or regulations removed restrictions on certain services:

a) ...

b)

19. Public consultation and transparency

a) Which of the following are consulted in advance of regulatory decisions?

- Service providers
- Consumer groups
- User industries
- Other: \_\_\_\_\_

b) How are laws and regulatory decisions made public?

- Published on the regulator's website
- Published in an official gazette
- Other: \_\_\_\_\_

**E. Past and Future Changes in Policy**

22. Please indicate major changes in market access policies, ownership rules, and regulation since 1990. (e.g., domestic liberalization, implementation of free trade agreements, joining of regional trade agreements, privatization etc.) Please attach copies of laws and regulations, if possible.

Area of policy change (market access, ownership or regulation)	Year of change	Description of change

23. Please indicate announced or anticipated changes in the same areas.

Area of policy change (market access, ownership or regulation)	Anticipated date	Description of change

**F. Regional Integration Agreements**

24. Please indicate if there are any preferential arrangements affecting .... services, and list the preferential measures.

Name of agreement	Partner country(s) in agreement	Date of entry into force	Preferential measures

**G. Employment**

25. Main indicators (for the years 1990-2007).

How many people are employed by the main national companies?  
 How many people are directly employed in the provision of services? \_\_\_\_\_  
 What share of the total labor force is directly employed in the provision of services?

\_\_\_\_\_ What share of workers is employed by foreign-owned operators providing ... services? \_\_\_\_\_

What is the annual average wage in this sector? \_\_\_\_\_

If available, please attach time series data on these employment indicators them separately. If time-series data from 1990 to 2005 is not available, please collect indicators for the years 1990, 1995, 2000 and 2005.

## **H. Investment**

26. Investment indicators (for the years 1990-2005)

Service	Total amount of investment	Total amount of foreign direct investment	Total stock of foreign direct investment

If time-series data from 1990 to 2005 is not available, please collect indicators for the years 1990, 1995, 2000, 2005 and 2007.

## **I. Prices**

27. Please fill in the table below. If time series data are available, please attach them separately (preferably electronically).

Service	Price (in local currency)	Date	Comments

## **J. Quality and Access to Services**

28. Please fill in the following indicators of quality and access to services.

Indicator	Value	Date	Comments

## **K. Innovations**

29. Do ....companies adopt the following technological innovations?

Innovations	If yes, how many companies out of ten major ones adopt it?
<input type="checkbox"/> Technological ....related innovations.	
<input type="checkbox"/> Improved computer systems and administrative controls	
<input type="checkbox"/> Improved .... systems	
<input type="checkbox"/> Improved facilities	
<input type="checkbox"/> Internet	

Please, provide the name and contact information of the respondent of this questionnaire, or of a specialist from whom we can obtain clarifications if necessary.

Name \_\_\_\_\_  
 Telephone \_\_\_\_\_  
 Fax \_\_\_\_\_  
 E-mail  
 address: \_\_\_\_\_