WHO: Established in 2004, Building Markets is a nonprofit organization registered in the US and Canada

WHAT: We catalyze job creation and inclusive, sustainable economic growth in crisis-affected countries

HOW: Using a data-driven approach, we find, build, and connect local small and medium-sized enterprises (SMEs) to supply chains and investment

WHERE: Our network of 24,000 SMEs spans 8 countries and 30 sectors

Building Markets has assisted SMEs in winning $1.3bn in contracts. This has helped create 70,000 jobs.
Jordan: Significant Challenges

- 1.4m Syrian refugees since 2011
- Strained infrastructure and social services
- Contributed to income disparity
- 2% growth
- 18.7% unemployment rate
- Labor market cannot supply jobs in demand
Addressing the Crisis

• Best way to create employment and stability are SMEs
• Labor intensive: SMEs create jobs and support income redistribution
• Contribute to Development: Generate tax revenue and increase skills
• **Refugee/migrant inflow creates an opportunity**. They have brought talents, businesses, and are already creating jobs and attracting new investment
• Jordanian-led SMEs are also employing refugees and providing goods and services that benefit refugee communities.
• However, while there is significant interest in supporting these entrepreneurs, little known about their unique challenges, needs, or capabilities
• This prevents opportunities and the development of meaningful strategies to enable SME growth
1. Market Assessment
Key Objectives of this Research

1. Shed light on Jordanian and refugee/migrant SME capabilities and their role and contributions in the local economy

2. Identify constraints to inform evidenced-based strategies that can enable their growth

3. Leverage business data to connect SMEs to business support services, supply chains, and investment
Our Approach & Sample: 309 Firms

- Firms operating in Jordan for 5+ years (overall), registered, and active
- Included Jordanian, refugee, and migrant-owned companies
- Located in Amman, Irbid, Zarqa, Mafraq, Sahab, Marka, Al Qastal, Al Balqa’, Madaba
- Key focus on small and medium-sized firms
- 88 women-owned businesses in full sample.

<table>
<thead>
<tr>
<th>Size</th>
<th>Employees</th>
<th>Sample</th>
<th>Refugee/Migrant</th>
<th>Jordanian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>1-4</td>
<td>67</td>
<td>17</td>
<td>50</td>
</tr>
<tr>
<td>Small</td>
<td>5-20</td>
<td>129</td>
<td>54</td>
<td>75</td>
</tr>
<tr>
<td>Medium</td>
<td>21-100</td>
<td>90</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Large</td>
<td>101-242</td>
<td>23</td>
<td>9</td>
<td>14</td>
</tr>
</tbody>
</table>
Findings
SMEs in Jordan: At a Glance

- Make-up 97% of enterprises in Jordan
- Employ 60% of the country’s labor force
- Contribute 24% of the country’s GDP
- Participate in low value-added services and activities
- Ability to scale may be limited by local ecosystem
- Lack access to customers and markets
Ownership & Management

• Jordanian-owned SMEs have higher rates of female ownership (20%) compared to refugee/migrant-owned (9%).

• 53% of SMEs include migrant owners and an additional 9% have refugee owners.

• Refugee and migrant-owned SMEs report having arrived in Jordan with significant experience. 72% report having previously owned a business with an average 86 employees.

• Women employ more female managers than male-owned (19% vs 12%) and hire more women than male-owned SMEs (32% vs 25%).
Contributions

• SMEs employ 16 full-time employees (on avg)

• SMEs bring a higher % of unemployed individuals into workforce compared to micro/ large firms.

• SMEs have significant interaction with the refugee/migrant community
Outlook is Positive (next 6 months)

- SMEs are the most optimistic market segment in our sample
- Overall, 62% expect their profits to increase
- And they plan to hire an average 14 employees
- 66% of Jordanian SMEs expect their profits to increase
- 57% of Refugee/Migrant SMEs expect their profits to increase
- 70% plan to purchase new assets or equipment
Key Growth Constraints

- **Government Laws/Policies (25%)**: Lack of clarity around procedures and criteria, including capital, partner, and work permit requirements.

- **Competition (11%)**: Foreign products entering the market make it difficult to compete.

- **High Operating Expenses (11%)**

- **Lack of Customers (9%)**: Trouble findings new clients and accessing new markets.

- **Access to Finance (9%)**: Overall, 63% of SMEs expressed a need for additional capital.
Spotlight on Refugee & Migrant Entrepreneurs

• **Deep Experience:** Refugee and migrant-owned SMEs report having arrived in Jordan with significant experience. 72% report having previously owned a business with an average 86 employees.

• **Significant Contributions:** Refugee/migrant-owned SMEs provide 18 full-time jobs (on avg) and 83% of refugee/migrant-owned businesses employ refugees or migrants. Whereas only 38 per cent of Jordanian businesses do the same.

• **Refugee/Migrant Management:** Forty-five per cent of refugee/migrant-owned businesses have at least one refugee or migrant manager while less than one per cent of Jordanian businesses do.

• **They Export More:** 65 per cent of refugee/migrant-owned SMEs export versus 49 per cent of Jordanian SMEs.
Recommendations
Recommendations

• Introduce, improve, and expand policies and regulations that enable the growth of refugee SMEs

• Highlight refugee/migrant success stories and encourage partnerships with Jordanian SMEs where there are mutually beneficial gains

• Improve access to information, tenders, markets and capital

• Ensure training services and technical assistance is evidence-based, sufficient in scope, and aligned with SME needs.
2. Building Markets

2.1 Services

In Jordan
Building Markets’ Work in Jordan
(Services and Products Launched Since August 2019)

• An extensive database of 350 Jordanian, refugee, and migrant micro, small, medium, and large-sized SMEs in Jordan.
• Launched online platform searchable by product, sector, business size, ownership (refugee, women), and location.
• Launched a tender distribution service to fast-track SME access to opportunities in Jordan and the region.
• Conducted a market assessment (published May 2019)
• Designed and launched 2 training modules on our online training platform
• Started linkages services between buyers in Jordan and verified SMEs in our network, including connections to more than 700 Syrian-led SMEs in Turkey.
• Designed and developed a Company Guide indexing 82 firms in our network, including their value propositions, operational data, and market/investment asks.
We Want to Support YOU

• Building Markets can identify local businesses, including firms that are led by, or employ refugees, that meet your procurement needs.

• You can contact us by email or telephone looking for any good or service, including your specifications, and we will tell you who in our network can meet that demand.

• We produce matchmaking reports, facilitate introductions, and hold events that bring buyers and suppliers together.

• 324 of our verified businesses are also featured on our online platform, which is searchable by sector, good/service, business size, and ownership (refugee/women): https://entrepreneurs.buildingmarkets.org

• Looking to diversify your vendor pools? You send us your tenders and we will disseminate them to our network.
Thank you!

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#AnotherSideToTheStory

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