

Captives		
Sector: ICT	Project Value: JD15-20M	Location: Amman, Zarqa, Irbid
<p>Potential Opportunity</p> <p>Captive operations are those where the Parent company (investor) conducts core activities offshore, providing advantages such as: reduced fees, tax benefits, lower operating costs, maintaining control and reduced risk. Captive business process outsourcing (BPO) operations constitute the majority of operations in the shared services space (65% of all BPO assets in Asia are captive operations). This trend will continue and deepen in niche areas for reasons of skill availability, intellectual property and information security issues. For many years offshore captives have traditionally been led by the financial and insurance sector and these still dominate the captives market. However, 'Parent Captives' now span a wide range of sectors; retail, telecommunications, oil, automobiles, travel, financial services, Hi-Tech manufacturing and IT software. The later three being the most active.</p> <p>The logistics, sales and marketing functions, which are the most mature BPO segments among the seven, are also the biggest in size and market share. However, the five-year CAGRs for these functions are on the low side relative to the others. Mature BPO segments are expected to continue dominating in market share over the forecast period. The new and emerging BPO segments, such as HR, procurement and training, are likely to experience strong growth.</p> <p>Jordan has the opportunity to attract international captives to invest here. Previously, only companies with T/O in excess of US\$1B have been able to justify setting up a captive. Protected Cell Companies (PCC) have operated for the last nine years, these allow a number of smaller organizations <US\$250M T/O to be included within one captive. The main opportunity is to attract small and medium sized operations of OECD corporations to locate in Jordan.</p>		
<p>I. Description of the Business</p> <p>Parent wholly owned or majority owned subsidiary, with the ability to control and manage assets effectively. Likely to specialize in software or business processing and communication activities. Investment will be needed for premises, staffing, training and equipment. ICT hardware, software and communications infrastructure will be at the core of the facility.</p>		