



PKF Jordan & PKF Iraq Newsletter

June 2024



PKF Accountants and Business Advisers

PKF Jordan and PKF Iraq are member firms of PKF Global, the network of member firms of PKF International Limited. We are a multidisciplinary auditing and consulting firm with industry-specific services. Since our establishment in Jordan in 1990, we have been assisting clients in solving their most demanding issues and overcoming their major challenges. We are committed to providing high-quality services and solutions that focus on establishing long-term partnerships with clients. Through our services, clients can be confident that in-depth assessment of their needs and thorough analysis, design, and implementation of solutions are carried out by teams of dedicated professionals.

Our experience, expertise, methodology, commitment, and partnership approach grant our clients improved business performance. We provide real solutions to real challenges in the form of customized services and advice to various clients within their business specialties.

PKF offers a wide range of services to small and medium-sized enterprises (SMEs), large enterprises, governmental bodies, and non-governmental organizations (NGOs) in the MENA region.

OUR SERVICES



Assurance and Advisory



Taxation



Financial Planning



(IT) Consultancy



Corporate Finance



Forensic Accounting



Project Management Consultancy



Insolvency



Business Agility Transformation



Data Analytics, Visualization and Management

PKF International

PKF International Limited is one of the top 15 largest global accounting and business advisory firms.

Established in 1969, PKF International is a network of 214 legally independent member firms and correspondents in 530 locations in 150 countries providing local expertise in accounting and international business advisory services.

Our Vision:

To be number one preference for companies in their selection of professional advisers.

Our Mission:

To assist our valuable clients in upgrading their business performance and efficiency and help them gain competitive advantage in order for their business to succeed and excel.

Our Philosophy:

Foresight, trust, responsiveness, commitment and technical excellence.

GLOBAL EXPERTISE LOCAL KNOWLEDGE



20+

Countries We Did Projects In



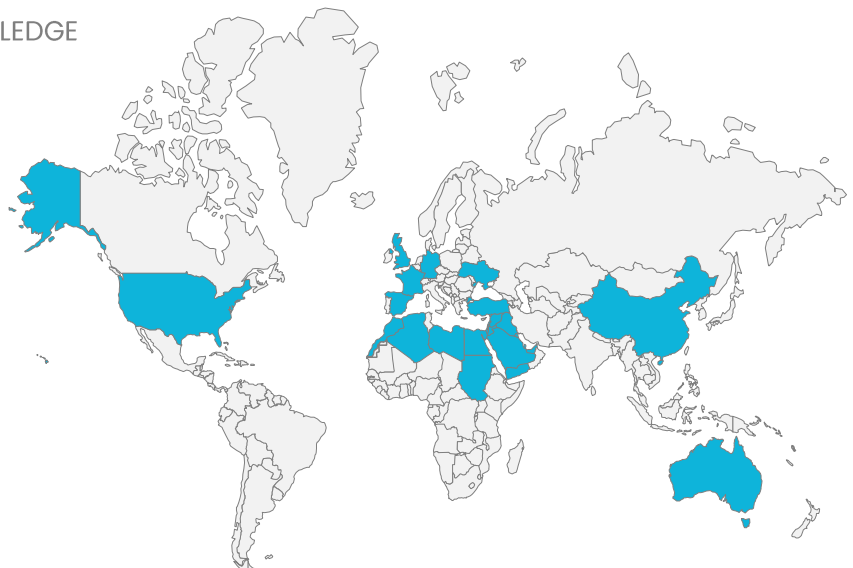
2000+

Business Value Generating Projects



650+

Satisfied Clients



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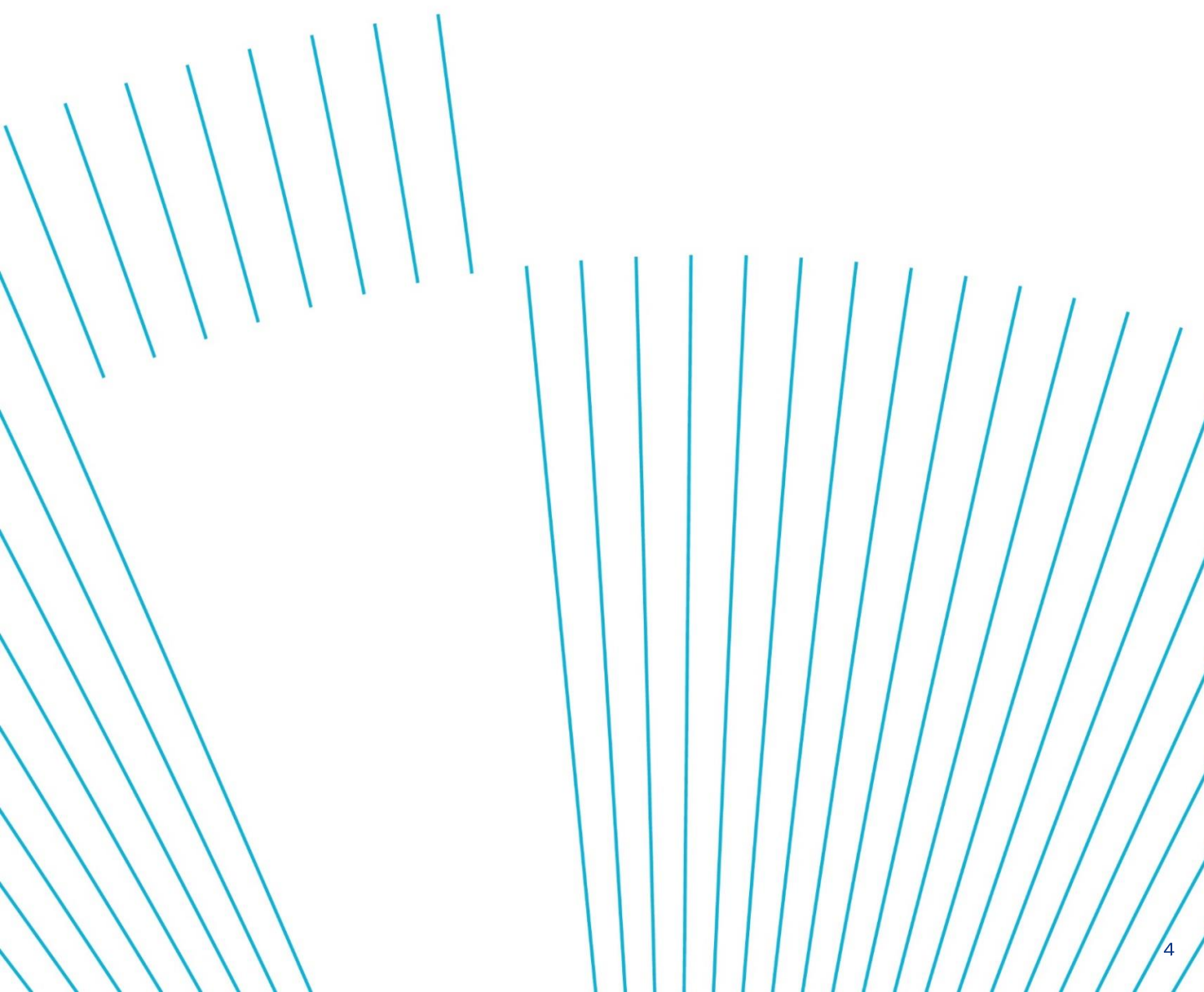
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Section 1: Breaking News Bulletin: Stay Informed with the Latest Updates!



Stay Informed with the Latest Updates!

Global News!

Adapting to the Evolving Global Economy in 2024

As we move through 2024, the global economy is witnessing significant transformations driven by technological advancements, shifting geopolitical landscapes, and evolving consumer behaviors. Here are some key economic trends shaping the global market:

Digital Transformation and Technology Integration

Digital transformation continues to be a critical driver of economic growth. Businesses worldwide are leveraging technologies such as artificial intelligence (AI), blockchain, and data analytics to enhance operational efficiency, drive innovation, and maintain a competitive edge. The rise of the Internet of Things (IoT) and 5G connectivity is further accelerating digital adoption, enabling real-time data analysis and smarter decision-making processes.

Sustainability and Green Investments

Sustainability has become a central focus for governments and businesses alike. There is a growing emphasis on green investments and renewable energy sources as countries strive to meet their climate goals. The transition to a low-carbon economy is driving innovation in sectors such as electric vehicles, sustainable agriculture, and green infrastructure. This shift is not only essential for environmental conservation but also opens up new economic opportunities and job creation.

Global Supply Chain Resilience

The COVID-19 pandemic and subsequent geopolitical tensions have highlighted the vulnerabilities in global supply chains. In 2024, businesses are increasingly focused on building resilient and flexible supply chains. Strategies include diversifying suppliers, increasing inventory buffers, and investing in supply chain technologies such as blockchain for enhanced transparency and traceability. These measures are crucial for mitigating risks and ensuring business continuity.

Workforce Evolution and Hybrid Work Models

The nature of work is evolving rapidly, with hybrid and remote work models becoming more prevalent. This trend is reshaping workforce dynamics, with businesses adapting to new ways of managing and engaging employees. There is a growing emphasis on work-life balance, employee well-being, and continuous upskilling to meet the demands of the digital economy. Companies are investing in technologies that facilitate remote collaboration and productivity, ensuring that they remain agile and adaptable.

Economic Recovery and Growth in Emerging Markets

Emerging markets are showing robust economic recovery post-pandemic, driven by strong domestic demand, favorable demographics, and increasing foreign investments. Countries in Asia, Latin America, and Africa are witnessing significant growth, offering attractive opportunities for global businesses. Investments in infrastructure, digitalization, and education are key drivers of this growth, helping these economies to integrate more deeply into the global market.

Geopolitical Shifts and Trade Policies

Geopolitical dynamics are influencing global trade and economic policies. The ongoing trade tensions between major economies, regional conflicts, and policy changes are reshaping global trade routes and alliances. Businesses need to stay informed about these shifts and adapt their strategies accordingly to navigate the complexities of international trade and regulatory environments.

Implications for Businesses

To thrive in the evolving global economy of 2024, businesses must stay agile and proactive. This involves embracing digital transformation, investing in sustainable practices, building resilient supply chains, and adapting to workforce changes. By understanding and leveraging these trends, companies can drive growth, enhance competitiveness, and ensure long-term success.

Sources:

- ❖ AlphaSense – Consulting Industry Trends
- ❖ Mordor Intelligence – Consulting Service Market Report
- ❖ Deltek – Consulting Industry Trends

Stay Informed with the Latest Updates!

Local News!

Jordan's Economic Resilience Amidst Regional Challenges

Jordan has demonstrated remarkable resilience in maintaining economic stability and growth despite facing numerous regional and global crises. Over the past decade, the country has achieved an average growth rate of 2.5%, a testament to its robust economic strategies. However, there is still significant work to be done in creating job opportunities, especially for the youth and women, who are disproportionately affected by unemployment.

Job Creation and Workforce Participation

One of the major challenges Jordan faces is its high unemployment rate, which stood at 22.3% in 2023, with youth unemployment at a staggering 46.1% and women's unemployment at 30.9%. To address this, the government has launched a comprehensive 10-year modernization agenda focusing on political, public sector, and economic reforms. This agenda aims to double the country's growth rate, create one million new jobs, and improve living conditions by empowering women and youth through various initiatives.

Combating Inflation and Economic Pressures

Inflation has been another critical issue for Jordan. However, in 2023, the country managed to significantly decelerate annual headline inflation to 1.4%, thanks to effective monetary policy tightening and a decrease in commodity prices. This stability is crucial for maintaining the purchasing power of Jordanian citizens and supporting economic growth.

Climate Resilience and Sustainability

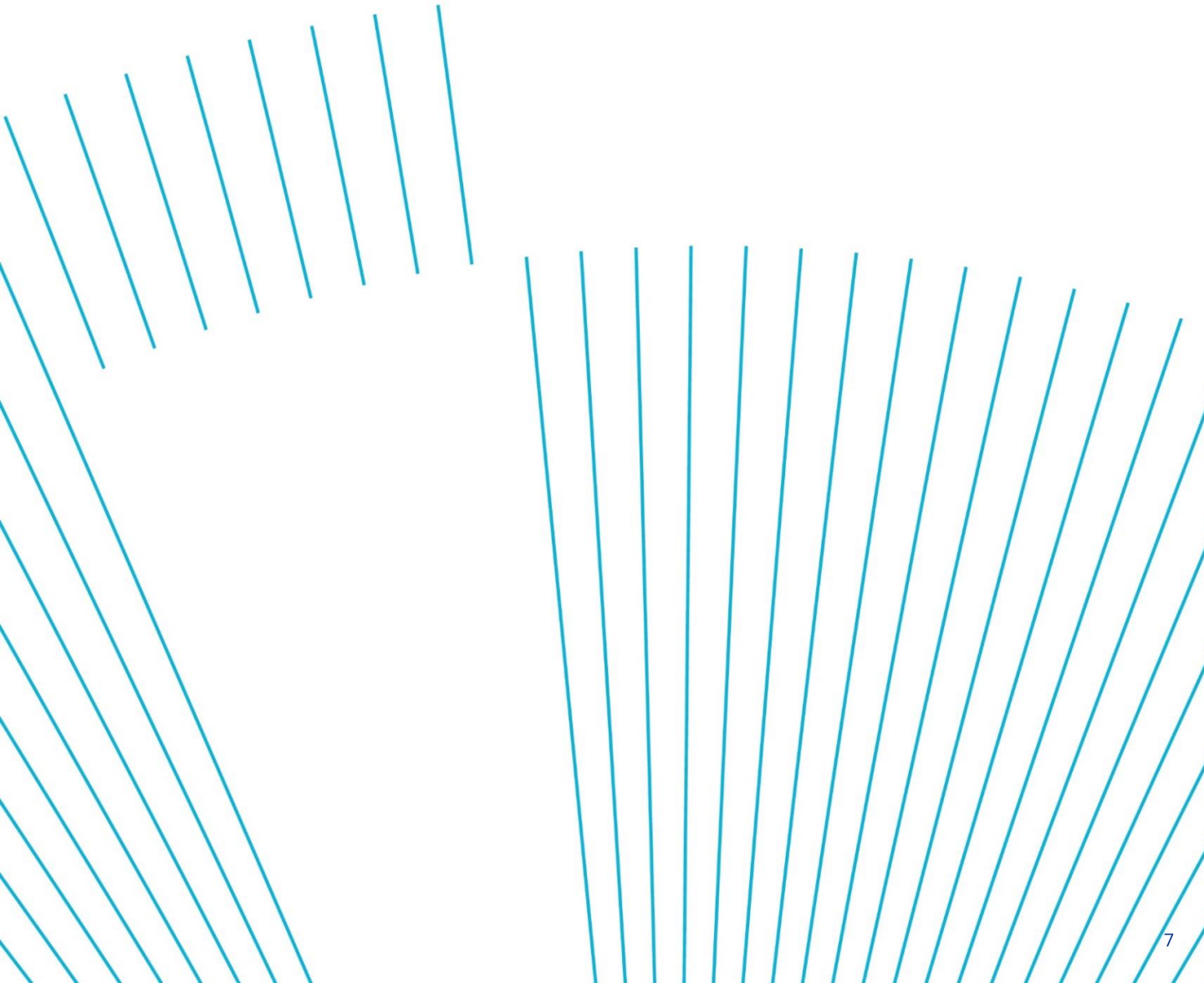
Jordan's vulnerability to climate shocks, particularly due to its status as one of the most water-scarce countries in the world, necessitates robust climate resilience strategies. The government has been proactive in addressing these challenges through its green growth strategy and efforts to modernize both public and private investment frameworks. These initiatives are essential for ensuring sustainable development in the face of climate change.

Strategic Partnerships and Support

The World Bank's new Country Partnership Framework (2024–2029) outlines a strategic collaboration with Jordan to create more private sector jobs, improve human capital outcomes, and increase resilience and sustainability. This partnership focuses on high-priority investment-enabling reforms and targets sectors with high potential for growth. Additionally, the framework includes themes of digitalization and support for Jordan as a host to a significant refugee population.

Jordan's commitment to economic reforms and strategic partnerships highlights its resilience and proactive approach to overcoming regional and global challenges. By focusing on job creation, inflation control, and sustainable development, Jordan continues to pave the way for a stable and prosperous future.

Section 2: Nurturing Growth Together!



Nurturing Growth Together!

Meet Our New Key Team Members!

We are pleased to introduce the latest additions to the PKF Jordan & Iraq team. Our new key team members bring a wealth of experience and fresh perspectives that will strengthen our organization. Join us in welcoming them and learn more about their roles and contributions to our team.

We would like to gladly introduce:

Mr. Waqar Mazhar

Senior Auditor

Mr. Waqar has over 4 years of extensive experience managing, leading, and executing various assignments ranging from statutory external audits, internal audits, interim reviews, compliance audits, and special assignments for a diversified portfolio of clients.

Mr. Waqar has provided risk advisory services to the clients by evaluating their internal control system at each departmental level. After analyzing the controls and on the basis of key audit operations, he was responsible for designing, implementing, and monitoring the recommended controls.



Mr. Bara Al-Said

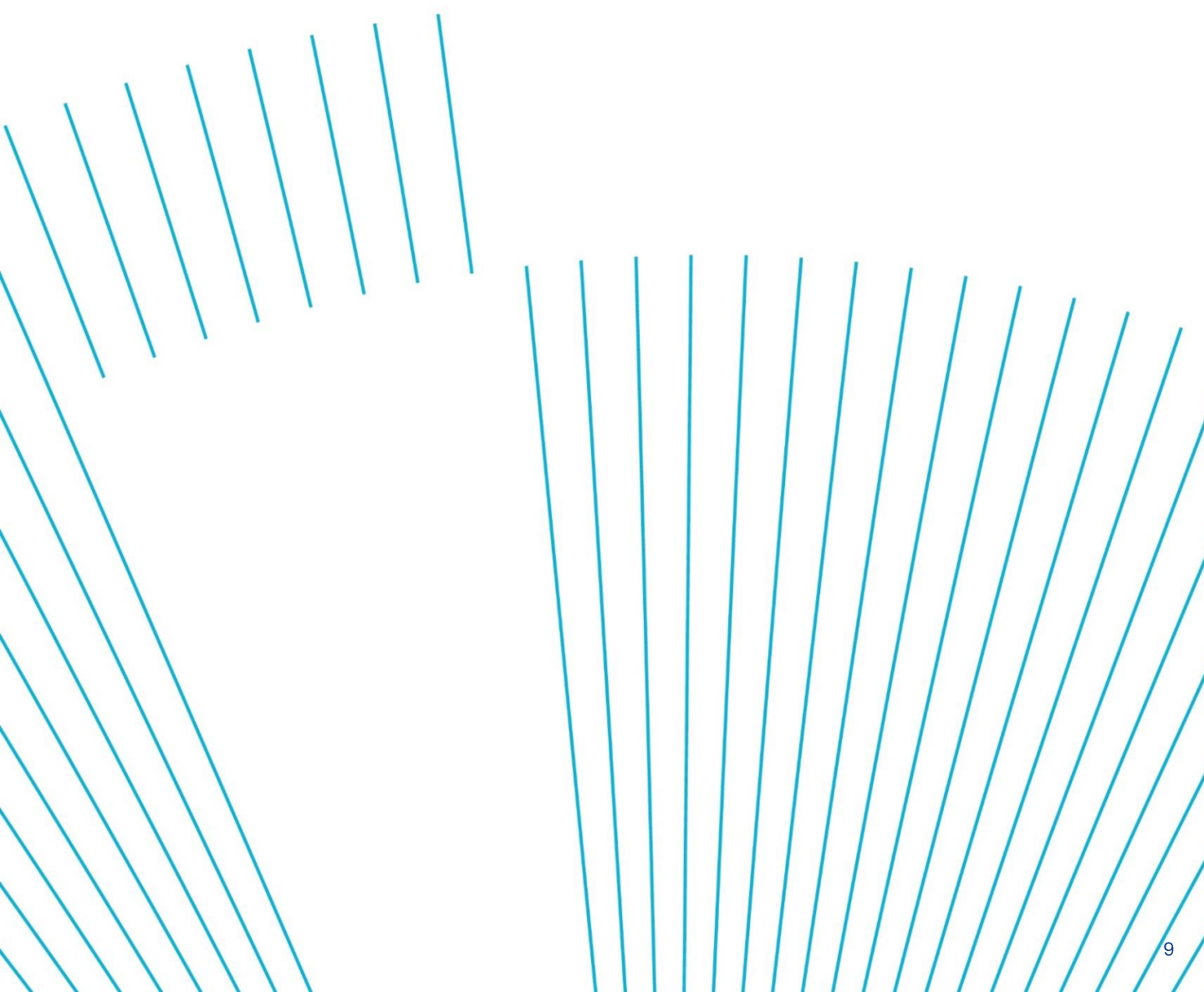
Semi-Senior Auditor

Mr. Bara Alsaïd holds a Bachelor's degree in Accounting from Applied Science Private University, Amman, Jordan. He has 10 years of experience in accounting, tax, and auditing, and has passed two papers of the Jordanian Association of Certified Public Accountants (JCPA) exams.

Mr. Alsaïd is licensed as a Tax Representative and holds certificates in International Financial Reporting (Cert IFR) and International Auditing from the Association of Chartered Certified Accountants (ACCA) in the UK.



Section 3: PKF Jordan & Iraq Major Contracts



PKF Jordan & Iraq Major Contracts

Recent Projects



Gulf Extrusions – UAE

PKF Jordan & Iraq signed an agreement to conduct a comprehensive assessment and provide a detailed report on the feasibility and risk analysis of establishing a new facility in Aqaba for Gulf Extrusions – UAE .

The scope of the assessment covers key areas such as trade agreements, regulatory and policy evaluation, risk assessment, operational compliance, and supporting data and documentation.

Key aspects include examining Aqaba's Free Trade Agreements with major markets, assessing policies on foreign ownership and taxation, evaluating regulatory requirements and potential risks, and reviewing compliance with local and international trade regulations. The final report will provide a comprehensive overview, supported by data, charts, and additional documentation, ensuring a well-informed decision-making process for Gulf Extrusions.

Gulf Extrusions is a leading aluminium extrusion company, member of the Al Ghurair Group of companies. The company is strategically located in Dubai alongside its main supplier, Dubai Aluminium, and the foremost gateway to the world.

Gulf Extrusions quality products can be seen in many of today's progressive structures. Right from the progressive stages of Gulf Extrusions, from its inception to expansion, the company not only has acquired a majority share in the local market, it has also made its presence felt globally throughout the Middle East, Europe, India, Australia, Africa, and Canada.

PKF Jordan & Iraq Major Contracts

Recent Projects

Central Bank of Yemen

PKF Jordan & Iraq has been awarded a contract to provide external audit services to the Central Bank of Yemen. The scope of services includes conducting an assessment of internal controls and preparing a compliance report for the Central Bank of Yemen. Additionally, we will audit the financial statements of the Central Bank in accordance with International Standards on Auditing (ISA), International Financial Reporting Standards (IFRS), and relevant local regulations.



As part of this engagement, our team will verify the effectiveness of the bank's internal control system and issue a report highlighting any identified weaknesses. We will also evaluate the overall presentation of the financial statements.

The Central Bank of Yemen was established in 1971. The Central Bank is fully independent to implement its functions in monetary policy. The Central Bank is managed by a Board of Directors and chaired by the Governor of the Central Bank of Yemen. The head office of the bank is in Sana'a and it has branches in all governorates of the Republic.

PKF Jordan & Iraq Major Contracts

Recent Projects



Aqaba Container Terminal

PKF Jordan & Iraq has been awarded an engagement to provide risk-based internal audit services for Aqaba Container Terminal (ACT).

Aqaba Container Terminal is the logistical and economic backbone of the Aqaba Special Economic Zone Authority (ASEZA), serving as the preferred gateway to the region for many active markets around the world. It is the premier transit hub in the Middle East, strategically positioned to serve Iraq, Syria, Saudi Arabia, West Bank and Lebanon.

Central Gas

PKF Jordan & Iraq signed a contract to provide external audit services as well as income and sales tax services for Central Gas.



Central Gas Company started its operations in 2006, becoming the first company to introduce liquefied natural gas technologies to Jordan. Since its establishment, the company has implemented numerous liquefied natural gas facilities, serving over 3,000 subscribers in Jordan, including villas, residential buildings, commercial shops, factories, hotels, and others.



Union of Medical Care and Relief Organization (UOSSM) – Gaziantep, Turkey

PKF Jordan & Iraq has signed an agreement with UOSSM to provide an audit according to the Audit Requirements for Federal Awards 2 CFR 200.514 IDA for two projects.

Founded in January 2012 in France, the Union of Medical Care and Relief Organizations (UOSSM) is a coalition of humanitarian, non-governmental, and medical organizations from the United States, Canada, United Kingdom, France, Switzerland, and Turkey. Member organizations pool their resources and coordinate joint projects to provide independent and impartial relief and medical care to victims of war in Syria. UOSSM chapters work under a unified strategic framework to increase the effectiveness of the humanitarian response in areas of crisis. UOSSM provides humanitarian and medical assistance to all Syrian victims of war regardless of their religion, ethnicity, or political affiliation.



PKF Jordan & Iraq Major Contracts

Recent Projects



Energy and Minerals Regulatory Commission

PKF Jordan & Iraq has been awarded a contract to provide audit services for the following electricity distribution companies in Jordan:

- Jordan Electric Power Co. (JEPCO)
- Electricity Distribution Co. (EDCO)
- Irbid District Electricity Distribution Company (IDECO)

The purpose of the audit is to ensure that the processing and accounting procedures adopted by electricity distribution companies align with international accounting standards, ministerial directives, and the licenses granted to the companies. Additionally, it aims to express an opinion on the impact of these procedures on tariff methodology.

The Energy and Mineral Resources Regulatory Commission is recognized as an official body possessing legal personality, characterized by financial and administrative independence. It is tasked with the supervision of entities licensed within the energy and minerals sectors. Under the Temporary Electricity Law and the Licensing System for Electricity Companies, and the licenses granted to electricity distribution companies, the Commission or any other entity delegated by it has the authority to access and audit any financial or technical data deemed important by the Commission to ensure the integrity of the financial or technical procedures of the licensed entities.

PKF Jordan & Iraq Major Contracts

Sample of Our Main Clients!



MINISTRY OF INDUSTRY,
TRADE AND SUPPLY
THE HASHEMITE KINGDOM OF JORDAN



الأردنية للمناطق الحرة والتنمية
نطور الأردن
DEVELOP JORDAN



Growth beyond boundaries

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