

JORDAN

TRADE SUMMARY

The U.S. goods trade surplus with Jordan was \$394 million in 2011, up \$194 million from 2010. U.S. goods exports in 2011 were \$1.5 billion, up 23.9 percent from the previous year. Corresponding U.S. imports from Jordan were \$1.1 billion, up 8.9 percent. Jordan is currently the 71st largest export market for U.S. goods.

The stock of U.S. foreign direct investment (FDI) in Jordan was \$211 million in 2010 (latest data available), up from \$172 million in 2009.

THE UNITED STATES-JORDAN FREE TRADE AGREEMENT

Under the terms of the United States-Jordan Free Trade Area Agreement (FTA), which entered into force on December 17, 2001, the United States and Jordan completed the final phase of tariff reductions on January 1, 2010. There are now zero duties on nearly all products, except for alcoholic beverages and mature subject materials.

IMPORT POLICIES

Tariffs and Other Charges

Jordan is a member of the WTO and is in the process of reducing its tariffs as called for by its WTO accession commitments. Currently, Jordan's simple average applied tariff is 9.15 percent, with a maximum rate of 30 percent on certain products. Most raw materials and intermediate goods used in industry face zero duties.

Jordan's General Sales Tax law allows the government to impose a "Special Tax" at the time of importation or local production. For example, the government currently imposes a 17.5 percent tax on automobiles and trucks.

Agriculture

Import licenses, or advance approvals to import goods, are required for specific food and agricultural goods. The authorities granting such licenses and approvals are the Ministry of Agriculture and the Ministry of Health.

Import Licenses

In addition to the special requirements for certain agricultural products, Jordan requires that importers of commercial goods be registered traders or commercial entities. The Ministry of Industry and Trade occasionally issues directives requiring import licenses for certain goods or categories of goods and products in newly emerging or protected sectors. On October 6, 2010, the government of Jordan issued directives requiring a special import license prior to the importation of telecommunications and security equipment.

GOVERNMENT PROCUREMENT

Jordan is an observer to the WTO Committee on Government Procurement. In 2002, it commenced the process of acceding to the WTO Agreement on Government Procurement (GPA), with the submission of its initial entry offer. Subsequently, it has submitted several revised offers, in response to requests by the United States and other GPA Parties for improvements. Negotiations on Jordan's accession continued in 2011.

EXPORT SUBSIDIES

Net profits generated from most export revenue will remain fully exempt from income tax except for net profits from exports in the mining sector, exports governed by specific trade protocols, and foreign debt repayment schemes, which are subject to income tax. Under WTO rules, the tax exemption was initially set to expire on January 1, 2008. At the request of Jordan, WTO Members extended the waiver through December 2015, subject to an annual review.

In addition, 98 percent of foreign inputs used in the production of exports are exempt from customs duties; all additional import fees are assessed on a reimbursable basis.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

The Jordanian government continues to take steps to provide more comprehensive protection of intellectual property rights (IPR). It recently appointed a special prosecutor for IPR and is working to enforce existing laws more effectively. The government also promulgated new regulations, based on existing laws, to improve enforcement and to strengthen penalties. However, enforcement in certain areas (especially digital media) remains weak. Jordanian agencies responsible for IPR enforcement lack resources and capacity. Prosecution efforts should be strengthened, particularly with respect to utilizing *ex officio* authority to bring charges in criminal cases.

INVESTMENT BARRIERS

Jordanian laws set limitations on foreign ownership in certain sectors, subject to exceptions where the government deems appropriate. This exceptions policy is viewed as too selective by some potential U.S. investors.

ELECTRONIC COMMERCE

Jordan has adopted some legislation to direct electronic commerce, although there is no composite body of regulations and tax laws covering electronic commerce transactions. Specifically, there is an immediate need for regulations on electronic signatures. No tariffs are collected on electronic transactions.