

JORDAN

TRADE SUMMARY

U.S. goods exports in 2014 were \$2.1 billion, down 1.5 percent from the previous year. Jordan is currently the 64th largest export market for U.S. goods. Corresponding U.S. imports from Jordan were \$1.4 billion, up 13.4 percent. The U.S. goods trade surplus with Jordan was \$695 million in 2014, a decrease of \$192 million from 2013.

The stock of U.S. foreign direct investment (FDI) in Jordan was \$217 million in 2013 (latest data available), up from \$189 million in 2012.

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. Jordan now imposes zero duties on nearly all U.S. products, with exceptions for alcoholic beverages and mature subject materials. Following consultations under the United States-Jordan Joint Committee, Jordan endorsed the United States-Jordan Joint Principles on International Investment and Joint Principles for Information and Communication Technology (ICT) Services.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Jordan recognizes and accepts U.S. standards and specifications. However, Jordan has required that imports meet additional product standards. On July 1, 2014, for example, Jordan applied a new energy-saving labeling requirement for household appliances above and beyond that required by international standards. Some measures with the potential to be viewed as barriers to trade are imposed on an infrequent basis, such as a recent restriction imposed on packaging sizes for poultry available for retail resale.

Sanitary and Phytosanitary Barriers

Jordan removed sanitary and phytosanitary (SPS) trade barriers and improved its border food safety inspection system over the last several years. Some SPS measures with the potential to be viewed as barriers to trade are imposed on an infrequent basis. Issues have been amicably resolved within a reasonable time frame with the concerned authorities.

IMPORT POLICIES

Other Charges

Jordan's General Sales Tax law allows the government to impose a "Special Tax" at the time of importation in addition to the general sales tax. Over the past several years, Jordan increased special taxes on certain goods. For example, the government applies a special tax on automobiles and trucks of 17.5 percent and on perfumes of 25 percent.

Agriculture

Import licenses, or advance approvals for importation, are required for specific food products and agricultural goods. The Ministry of Agriculture and the Ministry of Health are the authorities charged with granting these licenses and approvals.

Import Licenses

In addition to the special licensing and approval requirements for the importation of 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. The government of Jordan requires 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 continue with no major breakthrough to date.

EXPORT SUBSIDIES AND TAXES

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. Jordan has indicated that it intends to apply for an extension to this tax exemption waiver.

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.

Jordan imposes a \$50 per ton tax on exports of steel scrap, discouraging its exportation.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

Jordan was not listed in the 2014 Special 301 Report. The Jordanian government continues to take steps to provide more comprehensive protection of intellectual property rights (IPR). Despite past efforts by law enforcement officials to crack down on unauthorized products, enforcement in certain areas (especially digital media) generally 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.