# JORDAN

## TRADE SUMMARY

The U.S. goods trade surplus with Jordan was $200.9 million in 2010, down $66.9 million from 2009. U.S. goods exports in 2010 were $1.2 billion, down 1.4 percent from the previous year. Corresponding U.S. imports from Jordan were $974 million, up 5.4 percent. Jordan is currently the 74th largest export market for U.S. goods.

The stock of U.S. foreign direct investment (FDI) in Jordan was $57 million in 2009 (latest data available), down from $114 million in 2008.

## IMPORT POLICIES

### Tariffs and other Charges

Jordan is a member of the WTO and is in the process of reducing its tariffs to comply with 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 imported 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 License

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, and is in the process of acceding to the WTO Agreement on Government Procurement (GPA). In 2002, Jordan initiated the process for joining the GPA with the submission of its initial entry offer. It has submitted several revised offers, in responses to requests by the United States and other GPA Parties for improvements. Jordan's accession continued to move forward in 2010.

## EXPORT SUBSIDIES

Net profits generated from most export revenue will remain fully exempt from income tax until new regulations are enacted in 2011, 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, the WTO extended this deadline 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 (IPR) PROTECTION

The Jordanian government continues to take steps to provide more comprehensive protection of 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

Current 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 manage 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.