

JORDAN

TRADE SUMMARY

U.S. goods exports in 2013 were \$2.1 billion, up 18.2 percent from the previous year. Corresponding U.S. imports from Jordan were \$1.2 billion, up 3.6 percent. The U.S. goods trade surplus with Jordan was \$890 million in 2013, up \$279 million from 2012. Jordan is currently the 59th largest export market for U.S. goods.

The stock of U.S. foreign direct investment (FDI) in Jordan was \$189 million in 2012 (latest data available), up from \$182 million in 2011.

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, with exceptions for alcoholic beverages and mature subject materials. Following consultations under the U.S.-Jordan Joint Committee, Jordan endorsed the U.S.-Jordan Joint Principles on International Investment and Joint Principles for Information and Communication Technology (ICT) Services.

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. As of 2012, Jordan's simple average applied tariff is 10.9 percent, with a maximum rate of 180 percent that applies to certain products. Most raw materials and intermediate goods used for manufacturing/production in the industrial sector face zero duties.

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 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. In 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 continue with no major breakthrough to date.

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 appointed a special prosecutor for IPR and is working to enforce existing laws more effectively. Despite recent 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.

INVESTMENT BARRIERS

Jordanian laws set limitations on foreign ownership in certain sectors, subject to exceptions where the government deems appropriate. Certain potential U.S. investors view the Jordanian government as being too selective in creating exceptions to the policy of limiting foreign ownership.