

III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) INTRODUCTION

1. Jordan has bound its MFN tariffs on all products except electricity. The simple average of its final bound tariff is 16.3%, with some tariff reduction commitments ending in 2010. It has reduced its simple average applied MFN tariff rate from 14.7% in 2000 to 10.9% in 2008: the average rates are 17.1% for agricultural products (WTO definition) in 2008, and 9.9% for non-agricultural products. The applied MFN tariffs are generally within a range of 0-30%, with a peak of 180% on certain alcohol and alcoholic beverages. Non-*ad valorem* MFN customs duties are applied on seven agricultural tariff lines at the nine-digit level.

2. Customs procedures have been computerized, using UNCTAD's Automated System for Customs Data (ASYCUDA). An "importer card" is required for all imports (even by importers not eligible for the card); failure to present the card results in a 2.5% penalty. Jordan has never applied anti-dumping measures, nor countervailing duties; safeguard measures are in place on footwear and insecticides. Technical regulations in place at the time of Jordan's accession to the WTO have been reviewed, by some replaced with voluntary standards. Jordan has been negotiating its accession to the Agreement on Government Procurement since 2003 and is in the process of amending its public procurement legislation.

3. Export subsidies through income tax exemptions are to be phased out by 2015 at the latest. Exports are also promoted through free zones, and qualifying industrial zones, which allow designated industrial parks in Jordan to export duty-free and quota-free to the United States. Jordan levies export duties on mining and quarrying products. Prohibitions and controls are maintained on trade for TBT and SPS reasons, or under international conventions to which Jordan is a signatory. Jordan provides investment incentives through the Investment Promotion Law and additional incentives in designated industrial estates, development areas and free zones. The Aqaba Special Economic Zone has free-zone status and an investment regime of its own; it is governed by an authority with legal, regulatory, and administrative responsibilities within the zone.

4. Jordan adopted a competition law in 2002. The scope of price controls has been reduced since its accession to the WTO. Products remaining under governmental price control include bread, fuel, and a range of services. Jordan embarked on a privatization programme in the late 1990s; the process has been concluded or is advanced in some subsectors, notably telecommunications and air transport. The Jordan Phosphate Mines Company and the Jordan Petroleum Refinery Company have been notified as state-trading enterprises. Jordan's intellectual property regime was reformed prior to accession and the Government has further strengthened the protection and enforcement of intellectual property rights.

(2) MEASURES DIRECTLY AFFECTING IMPORTS

(i) Registration and documentation

5. Registered Jordanian companies, foreign companies registered in Jordan, and Jordanian sole proprietorships may import and export for commercial purposes, provided they are registered as commercial importers/exporters with the Ministry of Industry and Trade with the stated objective "engaging in trade activities". Otherwise they may import only for non-commercial purposes (own use). A registered company's objectives can be amended to include importation and exportation.¹

¹ WTO document WT/ACC/JOR/25, 4 October 1999, page 3.

Jordanian companies engaging in importation and exportation are subject to a foreign equity limit of 50% (Table II.3).

6. Registration in the Importers/Exporters Registry of the Ministry of Industry and Trade requires a municipal professional licence; this is issued to natural and legal persons registered in Jordan, who are members of the Chamber of Commerce or Chamber of Industry, and whose premises have been inspected and approved by the local municipality.²

7. Commercial import companies should hold a valid importer card, which provides a special number and file that facilitates customs clearance.³ Goods may be imported for commercial purposes without an importer card; however a penalty is payable equal to 2.5% of the value of the imported goods.

8. Importer cards are issued by the Trade Directorate of the Ministry of Industry and Trade, within 30 minutes at no cost, upon presentation of the certificate of registration from the Importers Registry. They are issued to registered Jordanian enterprises, foreign companies, and establishments (sole proprietorships), whose objectives are to carry out trading activities.

9. Imports for non-commercial (own use) purposes by Jordanian or foreign companies are limited to items relevant to the realization of the stated objectives of the entities concerned. An importer card is required for imports by individuals, although such importers are not eligible for a card; hence, they are always subject to the 2.5% penalty.

10. For customs clearance, the principal documents required are the customs declaration, commercial invoice, bill of lading (or air waybill), certificate of origin, and packing list. Depending on the nature of the product, a technical conformity/health/veterinary certificate and/or an import permit or licence are required.

(ii) Customs procedures

11. There are 40 customs centres in Jordan divided into three categories (clearance centres, border centres, and post centres). The services of a licensed customs clearance agent are required for all commercial imports. Customs declarations are lodged electronically, and contact between brokers and the operational customs staff has been minimized. Jordan has computerized almost all its customs centres, using UNCTAD's ASYCUDA (Automated System for Customs Data), with a risk-based inspection system that categorizes shipments into three levels of risk: green (low risk), yellow (moderate risk), and red (high risk). Goods assigned to the green channel are inspected for documentation, while goods in the yellow and red channels are also inspected for compliance with Jordan's requirements, including technical regulations. The Jordanian Institution of Standards and Metrology (the national standardization body), the Jordanian Food and Drug Administration, the Ministry and Agriculture, and other bodies are involved in implementing Jordan's border inspection system (section (vii)).

12. Imports of materials, equipment, and components used in the production of exports for ISO 9000 certified enterprises are cleared through the green channel.⁴ According to the authorities, release of goods via the green channel takes place without delay, while clearance through the yellow and red channels take a maximum of 60 and 300 minutes, respectively, provided all required documents are in

² WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 47.

³ Article 3A of the Import and Export Law No. 21 of 2001, as amended by Temporary Law No. 18 of 2003.

⁴ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 101.

order. In 2007, 119,000 consignments (15% of the total) were cleared through the green channel, 336,000 through the yellow channel (41%) and 359,000 through the red channel (44%).⁵ In 2005, Jordan Customs launched a Golden List programme to further facilitate customs procedures. The programme established a customs-business partnership relying on post-clearance audit, offering expedited procedures to its members, such as reduced frequency of cargo inspections and pre-arrival clearance of shipments.

13. Jordan's efforts to reform customs procedures were motivated by the Government's decision in 1998 to accelerate Jordan's accession to the WTO. The foremost priority of customs reform was to implement WTO rules on customs valuation and rules of origin, and on enforcement of intellectual property rights (section (4)(iv)). Customs Law No. 20 of 1998, effective since 1 January 1999, contains provisions on customs valuation based on the WTO Agreement on the Implementation of Article VII of the GATT 1994.⁶ Articles 28-32 of the law deal primarily with valuation matters. It is stipulated that the transaction value shall be the basis for customs valuation purposes, and provision is made for alternative valuation methods if the customs value cannot be determined on the basis of the price actually paid or payable on the goods. According to the authorities, reference prices (not published) are used as a last resort to provide guidance when an importer fails to submit the required transaction value or the customs administration has reason to doubt the accuracy of the declared price.

14. Decisions by the Director General of the Customs Department concerning the value, origin, characteristics or tariff classification of goods can be contested before the Customs Court, with the possibility of appeal to the Customs Court of Appeal. In 2007, 586 cases concerning customs matters were settled in court. According to the World Bank, Jordan is currently ranked 59th among 178 economies in terms of the ease of trading across borders; it was ranked 51st in 2007.⁷

15. Jordan has no laws or regulations relating to pre-shipment inspection.⁸ However, from 2003 Jordan operated the International Product Conformity Certification Programme, called Daman, which was terminated in August 2007.⁹

16. Jordan is a member of the World Customs Organization, and has ratified the United Nations Convention against Corruption (UNCAC).

(iii) Rules of origin

17. The legal framework for the application of non-preferential rules of origin is set out in Articles 24-26 of the 1998 Customs Law, as amended.¹⁰ The rules stipulate that, *inter alia*, goods must be wholly obtained in the exporting country, or undergo substantial transformation that results in a change of the six-digit tariff classification of the goods, or contain at least 40% domestic content

⁵ Excluding shipments destined for the Aqaba Special Economic Zone.

⁶ The Customs Law was last amended pursuant to Act No. 27 of 2000.

⁷ World Bank (2008). *Doing Business: Jordan*. Viewed at: <http://www.doingbusiness.org/ExploreEconomies/?economyid=99>. This analysis compares the costs and procedures involved in importing and exporting a standardized cargo of goods by ocean transport.

⁸ WTO document G/PSI/N/1/Add.9, 21 March 2001.

⁹ The programme was implemented by Bureau Veritas (Bivac) on behalf of the Jordanian Institution of Standards and Metrology. Imported goods were tested and certified in the country of origin, while domestic products were tested and certified at the site of manufacture. The products subject to mandatory (pre-shipment) inspection under this programme were toys, electrical and electronic equipment, used vehicles, tyres, and personal safety devices. Food was included in the programme but was not subject to mandatory inspection. See WTO documents G/TBT/N/JOR/1, 29 August 2003 and G/TBT/N/JOR/4, 17 March 2008.

¹⁰ WTO document G/RO/N/30, 13 February 2001.

(Article 24). A certificate of origin is required for imported products from all countries. The certificate should be issued by an authorized body in the exporting country.

18. Preferential rules of origin criteria under PAFTA are based on the principle of local Arab content, whereby the added value of any product must not be less than 40% of its value when produced in a member country. These rules are provisional; specific rules of origin are under discussion within the Arab Social and Economic Council.

19. Jordan's preferential rules of origin under the FTA with the United States have three major components: (i) the goods must be wholly obtained or produced, or substantially transformed in the territory of a party; (ii) they must contain at least 35% domestic content, i.e. no less than 35% of the customs value of the imported product must be attributed to domestic origin materials and/or domestic direct costs of processing; origin cumulation with the other party is permitted up to a ceiling of 15% of the customs value; and (iii) the imported product must be shipped directly between parties, subject to specified exceptions.¹¹

20. A certificate of origin is not required, as the origin rules under the FTA with the United States are implemented through "self-certification" based on importer declaration.¹² Special rules of origin apply to textiles and apparel.

21. The rules of origin under the FTA with Singapore stipulate that: (i) the good must be wholly obtained or produced in the territory of a party; or (ii) there must be at least 35% local content of the customs value, with the possibility of bilateral origin cumulation; and (iii) the good must be transported directly between parties.¹³ Textiles and apparel are subject to special rules of origin.

22. The Pan-Euromed rules of origin are applied to trade under the Jordan-EC Association Agreement, the Jordan-EFTA FTA, the Agadir Agreement, and Jordan-Israel Trade Agreement. The Pan-Euromed protocol allows for diagonal cumulation of origin among member countries.¹⁴

(iv) Tariffs and taxes

(a) Tariff bindings

23. Jordan bound its tariffs on all products with the exception of electricity upon accession (Table III.1). It has no tariff quota commitments in its schedule of concessions.¹⁵ The simple average of the final bound tariffs is 16.3%: 23.9% for agricultural products (WTO definition), and 15.2% for non-agricultural products (Table III.1). A large portion of the tariff commitments were to be implemented through staged reductions. For some tariff items, implementation of commitments is still under way and will end in 2010.

¹¹ Annex 2.2, paragraph 8 of the Jordan-US FTA. Viewed at: <http://www.jordanusfta.com/documents/rules.pdf>.

¹² O'Shea and Rosenow (2001).

¹³ See chapter 3 of the Jordan-Singapore FTA. Viewed at: www.jftp.gov.jo/pdf/Jordan%20Singapore%20FTA.pdf.

¹⁴ The Pan-Euro-Med protocol of origin between Jordan and its Euromed partners entered into force as follows: EC, 1 July 2006; Agadir, 6 July 2006; Israel, 9 July 2006; and EFTA, 17 July 2007.

¹⁵ Schedule CXLVIII - Hashemite Kingdom of Jordan.

Table III.1
Structure of MFN tariffs, 2006-08
(Per cent)

	2006	2007	2008	U.R. ^a
1. Bound tariff lines (% of all tariff lines)	100.0	100.0	100.0	100.0
2. Duty-free tariff lines (% of all tariff lines)	47.4	49.1	49.0	6.8
3. Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.1	0.1	0.1	0.1
4. Tariff quotas (% of all tariff lines)	0.0	0.0	0.0	0.0
5. Non- <i>ad valorem</i> tariffs with no AVEs (% of all tariff lines)	0.1	0.1	0.1	0.1
6. Simple average tariff rate	11.4	11.0	10.9	16.3
Agricultural products (WTO definition) ^b	17.7	17.5	17.1	23.9
Non-agricultural products (WTO definition) ^c	10.4	10.0	9.9	15.2
Agriculture, hunting, forestry and fishing (ISIC 1)	16.5	16.9	16.7	21.3
Mining and quarrying (ISIC 2)	7.9	7.3	7.3	15.6
Manufacturing (ISIC 3)	11.2	10.8	10.6	16.1
7. Domestic tariff "spikes" (% of all tariff lines) ^d	0.5	0.5	0.5	0.5
8. International tariff "peaks" (% of all tariff lines) ^e	36.1	35.9	35.7	47.0
9. Overall standard deviation of applied rates	15.1	14.8	14.7	14.9
10. "Nuisance" applied rates (% of all tariff lines) ^f	0.1	0.0	0.0	0.0

a Uruguay Round, based on 2002 tariff.

b WTO Agreement on Agriculture definitions.

c Excluding petroleum.

d Domestic tariff spikes are defined as those exceeding three times the overall simple average applied rate (indicator 6).

e International tariff peaks are defined as those exceeding 15%.

f Nuisance rates are those greater than zero, but less than or equal to 2%.

Source: WTO Secretariat calculations, based on data provided by the Jordanian authorities.

24. The final bound rates are generally within a range of 0-30%, with some exceptions. Almost half of the bindings are above 15% (international tariff "peaks"). The highest bound rates apply to certain alcohol and alcoholic beverages (180-200%), and tobacco and tobacco products (150-200%). Some agricultural products, including grapefruit, garlic, onions, potatoes, and peas are subject to bound rates of 50% in specific calendar months (seasonal tariffs). The bound tariffs for nine lines, mostly agricultural products, are in terms of compound duties (Table III.2). The imposition of *ad valorem* tariffs on two of these lines (HS items 961310000 and 961320100) creates a certain risk concerning compliance by Jordan with its tariff binding commitments on these products.

25. Other duties and charges are bound at zero.

Table III.2
Non-*ad valorem* MFN tariffs, 2008

Tariff line	Product description	Bindings	Applied MFN tariffs 2008
010210000	Bovine animals: pure-bred breeding animals	5% +10 JD/head	5% + 10 JD/head
010290000	Bovine animals: other	5% +10 JD/head	5% +10 JD/head
010410000	Sheep	5% +2 JD/head	5% + 2 JD/head
010420000	Goats	5% +2 JD/head	5% + 2 JD/head
080300100	Bananas	30% +250 JD/tonne	30% + 250 JD/tonne
080610100	Grapes from 1 May to 31 October	40% +250 JD/tonne	30% + 250 JD/tonne
080810100	Apples from 1 June to 31 October	30% +250 JD/tonne	30% + 250 JD/tonne
961310000	Pocket lighters, gas fuelled, non-refillable	35% + 30 Fils/lighter	66%
961320100	Lighters with plastic gas containers	35% + 30 Fils/lighter	50%

Note: 1,000 Fils = 1 Jordanian dinar.

Source: WTO CTS database.

(b) Applied MFN tariff

26. Customs duties are assessed on the basis of the c.i.f. value of imports on the registration date of the customs valuation form. Almost half of the 6,206 lines in Jordan's applied MFN tariff are duty-free (in 2008), a far greater share than Jordan committed to in its schedule of concessions (6.8%). Jordan applies no "nuisance" tariffs (i.e. rates between zero and 2%). Applied MFN tariffs are generally within a range of 0-30%, with over one third of lines carrying rates in excess of 15% (Charts III.1 and III.2 and Tables III.1 and AIII.1). Nonetheless, higher tariff rates apply to certain alcohol and alcoholic beverages (up to 180%), tobacco and tobacco products (up to 100%), and lighters (50-66%).¹⁶ Overall, the simple average applied MFN tariff rate decreased from 14.7% in 2000 to 10.9% in 2008.

27. The simple average MFN tariff rate for agricultural products (WTO definition) is 17.1%, compared to 9.9% for non-agricultural products (WTO definition). Using the ISIC definition, simple average applied MFN tariffs are highest in agriculture (16.7%)¹⁷, followed by the manufacturing sector (10.6%), and mining and quarrying (7.3%) (Table III.1).

28. The general structure of the applied MFN tariffs in 2008 shows mixed escalation, negative from raw materials (12.2%) to semi-processed goods (4.4%), and then positive at the final stage of processing (14.4%) (Table III.3). At a more disaggregated level, the applied MFN tariff shows positive tariff escalation for paper and printing products, for non-metallic mineral products and basic metal products and, to a certain degree, food and beverages (Chart III.3).

29. Total revenues from taxes on trade amounted to JD 312.1 million in 2007, an increase of 42% compared with 2002 (Table III.4). Jordan's duty collection ratio has effectively been considerably lower than the average applied MFN tariff, which reflects, amongst other things, the impact of Jordan's FTAs and other tariff exemptions.

Table III.3
Summary analysis of the MFN tariff, 2008

Analysis	No. of lines ^a	Applied MFN rates				CV	Imports 2007 ^b (US\$ million)
		No. of lines used	Simple avg. tariff (%)	Range tariff (%)	Std-dev (%)		
Total	6,206	6,205	10.9	0-180	14.7	1.3	13,531.1
By WTO definition^c							
Agriculture	846	846	17.1	0-180	24.6	1.4	2,012.6
Live animals and products thereof	98	98	12.3	0-30	9.2	0.7	203.7
Dairy products	26	26	13.2	0-30	10.7	0.8	132.4
Coffee and tea, cocoa, sugar, etc.	163	163	16.0	0-40	12.3	0.8	394.1
Cut flowers and plants	47	47	12.3	0-30	10.9	0.9	8.6
Fruit and vegetables	198	198	20.6	0-35	11.3	0.5	211.6
Grains	16	16	6.3	0-10	3.9	0.6	657.7
Oil seeds, fats, oils and their products	100	100	10.7	0-30	13.2	1.2	210.7
Beverages and spirits	56	56	53.2	0-180	71.5	1.3	72.2
Tobacco	15	15	49.7	5-100	35.1	0.7	68.0
Other agricultural products	127	127	6.0	0-30	9.8	1.6	53.6
Non-agriculture (excl. petroleum)	5,351	5,350	9.9	0-66	12.1	1.2	8,796.0
Fish and fishery products	129	129	19.5	0-30	5.3	0.3	56.9
Mineral products, precious stones and precious metals	388	388	14.6	0-30	12.9	0.9	800.8
Metals	746	746	10.9	0-30	12.5	1.1	1,142.2

Table III.3 (cont'd)

¹⁶ HS 961310000 and 961320100.

¹⁷ Including hunting, forestry and fishing.

Analysis	No. of lines ^a	Applied MFN rates				Imports 2007 ^b (US\$ million)	
		No. of lines used	Simple avg. tariff (%)	Range tariff (%)	Std-dev (%)		CV
Chemicals and photographic supplies	997	997	1.6	0-30	4.0	2.5	1,315.4
Leather, rubber, footwear and travel goods	181	181	14.9	0-30	13.0	0.9	119.6
Wood, pulp, paper and furniture	371	371	13.2	0-30	13.2	1.0	615.1
Textiles and clothing	846	846	9.6	0-30	10.9	1.1	1,006.3
Transport equipment	192	192	10.3	0-30	11.7	1.1	1,091.5
Non-electric machinery	661	661	7.2	0-30	11.5	1.6	1,194.2
Electric machinery	339	339	12.4	0-30	13.5	1.1	1,177.3
Non agricultural articles n.e.s.	501	500	17.0	0-66	13.3	0.8	276.7
By ISIC sector^d							
Agriculture, hunting, forestry and fishing	331	331	16.7	0-35	11.2	0.7	848.3
Mining	103	103	7.3	0-30	12.0	1.6	2,473.4
Manufacturing	5,772	5,771	10.6	0-180	14.8	1.4	10,002.9
By stage of processing							
Raw materials	704	704	12.2	0-35	11.7	1.0	3,586.8
Semi-processed products	2,011	2,011	4.4	0-30	8.9	2.0	2,797.4
Fully-processed products	3,491	3,490	14.4	0-180	16.5	1.1	6,961.1

a Total lines. Tariff rates are based on lines, since lines with no *ad valorem* equivalents may be excluded.

b The total of imports is higher than the sum of sub-items as US\$185.8 million are not classified in the Harmonized System.

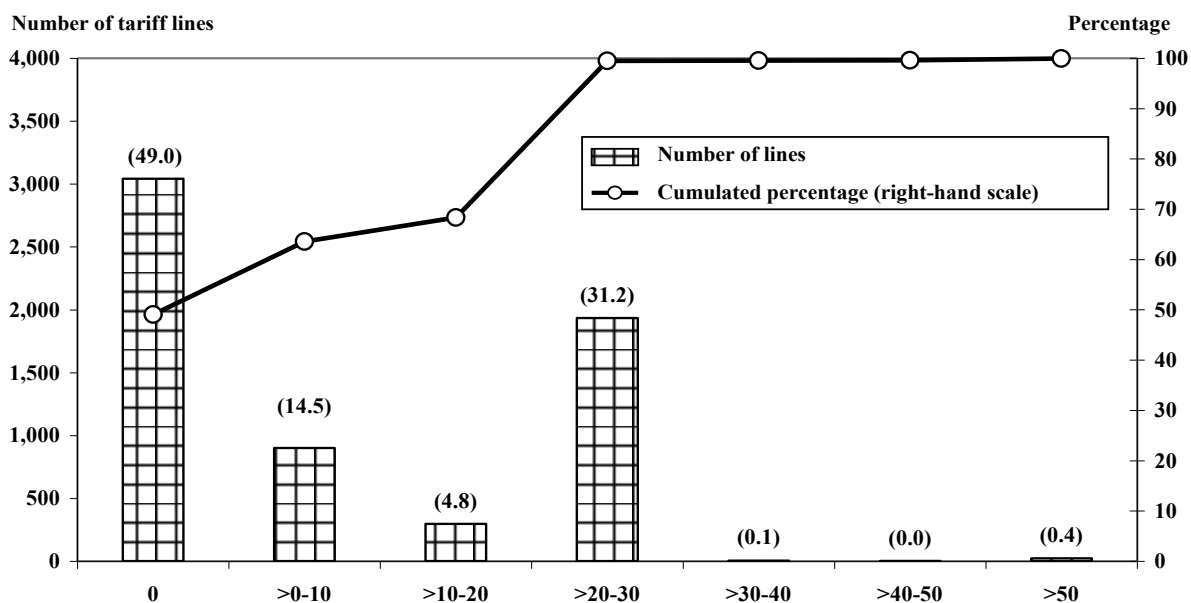
c Nine tariff lines on petroleum products are not taken into account.

d International Standard Industrial Classification (Rev.2). Electricity, gas and water are excluded (0 tariff line).

Note: CV = coefficient of variation.

Source: WTO Secretariat estimates, based on data provided by the Jordanian authorities. Imports 2007 from UNSD, Comtrade database.

Chart III.1
Breakdown of applied MFN tariff rates, 2008



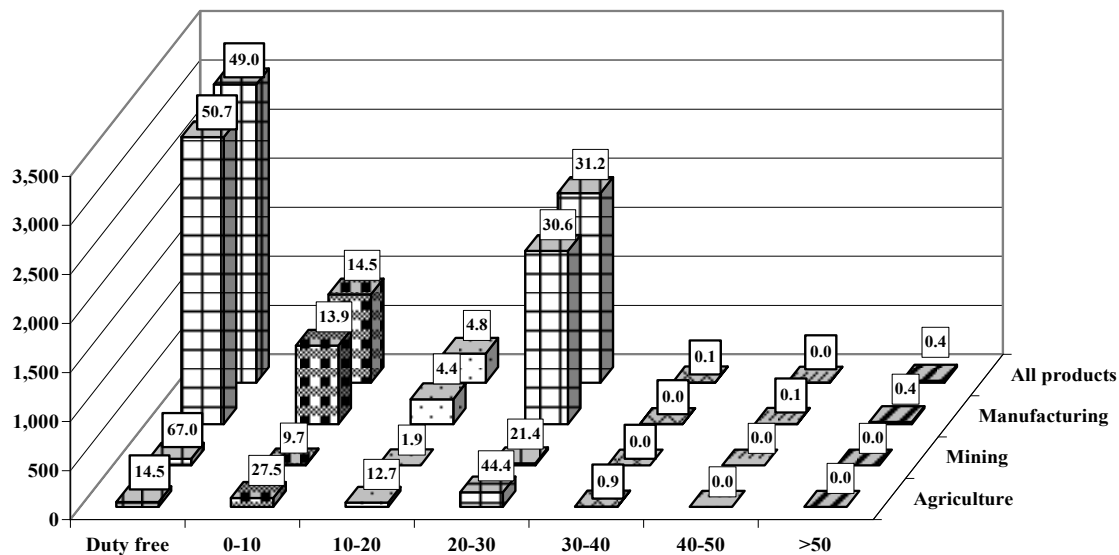
Note: The figures in brackets correspond to the percentage of total lines.

Source: WTO Secretariat calculations, based on data provided by the Jordanian authorities.

Chart III.2

MFN tariff distribution by ISIC sector^a, 2008

Number of lines



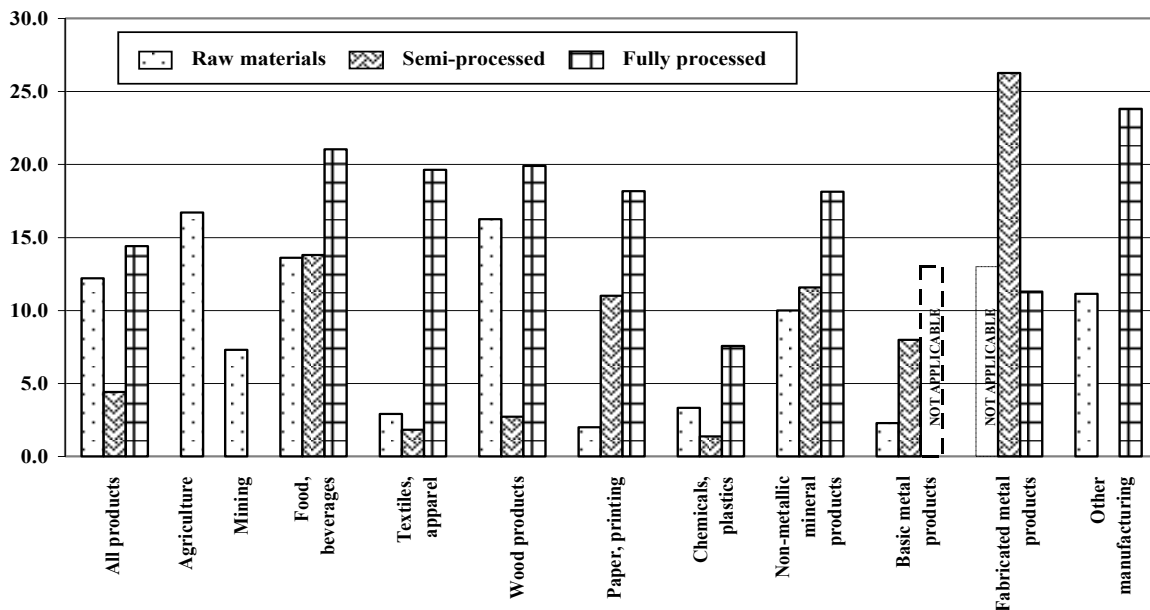
^a Labels indicate share of total tariff lines, by sector.

Source: WTO Secretariat calculations, based on data provided by the Jordanian authorities.

Chart III.3

Tariff escalation by ISIC 2-digit industry, 2008

Per cent



Source: WTO Secretariat estimates, based on data provided by the Jordanian authorities.

Table III.4
Revenue from taxes on trade, 2002-07
 (JD million)

	2002	2003	2004	2005	2006	2007
Revenues from taxes on trade	219.8	209.4	266.9	304.9	315.6	312.1
Import value (c.i.f.)	3,599.2	4,072.0	5,799.2	7,442.9	8,187.7	9,753.2
Simple average applied MFN tariff (%)	14.3	13.0	12.9	11.7	11.4	11.0
Revenues from taxes on trade/import value (%) ^a	6.1	5.1	4.6	4.1	3.9	3.2
General sales tax revenues	510.7	596.3	827.0	1,023.4	1,219.1	1,464.5
Total tax revenues	1,000.3	1,083.2	1,428.8	1,765.8	2,133.5	2,472.1
Total government revenues	1,644.1	1,675.6	2,147.2	2,561.8	3,164.5	3,628.1

a Separate data are not available for revenue from tariffs, nor for revenue from taxes on imports. In principle, the ratios of "revenues from taxes on trade to import value" overestimate the duty collection ratios on imports.

Source: Central Bank of Jordan (2008), *Annual Reports 2006 and 2007*, and WTO Secretariat.

(c) Tariff preferences

30. Since 1 January 2005, all goods from PAFTA members are free of customs duties and charges having similar effect. Under the FTA with the United States (in force since 17 December 2001), customs duties and charges having equivalent effect on all imports from the United States are subject to gradual reduction and elimination over a transitional period of ten years. Depending on the product, a shorter transition period applies. Tobacco is excluded from preferences. Under the FTA with the EC (in force since 1 May 2002), Jordan's transitional period for the elimination of customs duties and charges having equivalent effect is 12 years for all non-agricultural goods, except specified products. For agricultural products, the transitional period ends in 2013, or earlier, depending on the product. A number of agricultural products are excluded from preferential treatment.

31. Under Jordan's FTA with the EFTA states (in force since 1 September 2002), Jordan's transitional period for implementing the preferences ends after 4 years for specified goods that are not competing with Jordanian products; for other goods, the transition period is 12 years. Goods, such as textiles, clothing and carpets, are excluded from preferences, while preferential treatment for agricultural products is subject to bilateral agreements between Jordan and individual EFTA states. Under the FTA with Singapore (in force since 22 August 2005), Jordan's transition period for implementing preferences ends after ten years (or earlier, depending on the product). Specified goods are excluded from, or subject to partial, reduction of customs duties.

(d) Tariff exemptions

32. Exemptions from import duties have been granted by virtue of: company-specific exemptions for state-owned enterprises and non-profit organizations; the Free Zones Corporation Law (section (3)(v)); the Aqaba Special Economic Zone Authority Law; the Investment Promotion Law (section (4)(i)); and the Development Areas Law (Section (4)(i)).

33. At the time of Jordan's accession to the WTO, ten company-specific arrangements for duty exemption remained in force; the concessions were granted by the Government at the time of establishment of the beneficiary companies. While four of these arrangements have since expired, the following companies continue to benefit from import duty exemptions: Jordan Petroleum Refinery Company, Arab Bridge Maritime Company, Arab Potash Company, Jordanian Electric Power Company (JEPCO), Irbid District Electricity Company (IDECO), and the Arab Company for

Manufacturing White Cement. The eligible products must be used by the exempted companies for production and operations purposes.¹⁸

34. Charitable organizations are registered with the Ministry of Industry and Trade, and are exempt from payment of customs duties on certain imports, upon certification by the Ministry of Social Development that the goods are for charitable purposes. Exemptions from customs duties on certain imports are also granted to charitable organizations upon approval by the Ministry of Finance.

(e) Other duties, levies, and charges

Other border charges

35. An import processing fee is levied at the rate of 0.2% of the transaction value, with a minimum of JD 10 and maximum of JD 250 per declaration. Transit fees are JD 20 per transaction; re-export fees are JD 15 per transaction. According to the Customs Law, these fees (services allowances) are to be paid to "eligible officers" in a manner determined by the Minister of Finance; the remaining sum is deposited in a special fund for the Customs Department, to be used for improving customs houses, establishing housing compounds and housing loans for customs officials, as well as improving their living, sport, cultural, and social standards (Article 161D).

Internal taxes

36. Jordan applies a general sales tax (GST) and a Special Tax to imported and locally-produced goods.¹⁹ Internal taxes apply equally to the duty-inclusive customs value of imported goods, and to the sale price of locally-produced goods.

37. The standard GST rate is 16%; reduced rates of zero or 4% are applied to specified products. Revenues from GST amounted to nearly JD 1.5 billion in 2007, a large proportion of the Government's tax, and total revenues (59% and 40%, respectively) (Table III.4).

38. Special taxes are levied on certain types of cement, cars, tobacco and tobacco products, alcoholic beverages, and mobile phone and radio subscription services.

(v) Import prohibitions, restrictions, and licensing

39. Jordan's regime with respect to import prohibitions, restrictions and licensing is governed by Import and Export Law No. 21 of 2001, as amended by Temporary Law No. 18 of 2003.²⁰ The system of "prior approval" that was in place at the time of accession has been replaced by an import licensing regime. The law does not apply to the Aqaba Special Economic Zone and the free zones.

40. The law authorizes the Council of Ministers to issue decisions for the prohibition or the complete or partial restriction of imports of any good, taking into account Jordan's international commitments. Banned goods must be re-exported to the country of origin (Table III.5).

¹⁸ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 61.

¹⁹ Articles 4 and 6 of the General Sales Tax Law No. 6 of 1994.

²⁰ WTO documents G/LIC/N/1/JOR/2, 12 September 2001; and G/LIC/N/1/JOR/2/Add.1, 3 September 2003.

Table III.5
Goods subject to import prohibition, 2008

Products
Plastic waste
Passenger cars, using other than benzene as fuel ^a
Dumpers designed for off-highway use
Khat
Coral and similar materials
Chromium
Fireworks (certain kinds)
Toy guns with bead bullets, laser pens and laser medals
Holy water (Baptism water)
Additional installations on cars, including calling devices and flashers
Photo blocker spray
Alarm systems and high-light devices for cars, except when imported for the Ministry of Health, Armed forces, General Intelligence Department of Jordan, Public Security Directorate, the Jordanian Civil Defense, and Jordan Customs, and ambulances for private hospitals

a The ban is to remain in place until Jordan's refinery is modernized to produce diesel fuel with lower sulphur content.

Source: Information provided by the Jordanian authorities.

41. Import licences are issued by the Ministry of Industry and Trade, as well as other ministries and governmental entities. The issuing authority retains the right to cancel an import licence and refund the fees under certain conditions or in emergency situations, for example in case of a disease outbreak in the exporting country (Article 10 of the Import and Export Law). Cancellation of a licence may be appealed before the High Court of Justice.

42. According to the authorities, automatic licensing is applied for administrative and statistical purposes. However, the requirement was lifted in April 2005 on biscuits, mineral water, table salt, rice, wheat and other wheat products, sugar, barley, corn and cigarettes.²¹ In line with Jordan's commitments in its Protocol of Accession, imports of milk powder for industrial use are now subject to automatic licensing.²² Automatic licences are issued within seven working days after submission of all relevant documentation.

43. Non-automatic licences are used for the protection of health, safety, the environment, national security, public order and morals, and the conservation of natural resources. They may also be issued for goods subject to quantitative restrictions; no quantitative restrictions are currently in place. Non-automatic licences are issued within 15 working days of submission of documents. The licensee has the right to import the quantity specified in the licence during the period of its validity.

(vi) Contingency measures

44. National Production Protection Law No. 21, adopted in 2004 covers safeguards, anti-dumping, and countervailing duties, and replaces all previous trade remedy laws.²³ The relevant trade remedy regulations, which remain in force, are the Regulation on Safeguard of National Production No. 55 of 2000, and the Anti-dumping and Anti-Subsidies Regulation No. 26 of 2003. Jordan's legislation on trade remedies is broadly aligned with WTO provisions.

45. According to its Protocol of Accession, Jordan does not have the right to invoke the Special Agricultural Safeguard (Article 5 of the Agreement on Agriculture).

²¹ WTO document G/LIC/N/2/JOR/2, 10 June 2005.

²² WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 88.

²³ Notified in WTO document G/ADP/N/1/JOR/3, 13 January 2005. Law No. 21 of 2004 replaced Temporary Law No. 50 of 2002 and cancelled National Production Protection Law No. 4 of 1998.

46. Petitions for trade remedy measures may be submitted by domestic producers or their representatives, or in the case of agricultural products, by the Ministry of Agriculture (Article 5 of the National Production Protection Law). The National Production Protection Directorate of the Ministry of Industry and Trade may also initiate an investigation pursuant to Article 7 of the law. Investigations may be terminated or provisional measures may be imposed; final measures are subject to approval by the Council of Ministers and can be appealed to the High Court of Justice.

47. To date, Jordan has not taken any countervailing or anti-dumping actions. In 2006, an anti-dumping petition on imports of ceramic tiles from Egypt was withdrawn at the request of the petitioner.²⁴

48. A number of safeguard petitions have been submitted, including two involving ceramic tiles. Six files were closed without imposition of a safeguard measure²⁵, and one case concerning ceramic tiles was withdrawn at the request of the petitioners. In six cases, safeguard measures were imposed, four of which have since been phased out (Table III.6). Jordan held consultations with Turkey under the provisions of Article 12.3 of the Agreement on Safeguards prior to taking safeguard actions on pasta, and ceramic sinks and sanitary ware.²⁶ Safeguard measures remain in force on insecticides and on footwear. All safeguards have been implemented in the form of specific and digressive tariff surcharges.

Table III.6
Safeguard measures, 2000-08

Product	Type of definitive measure	Initiation date	Duration of measure
Biscuits	Specific surcharge	01/09/2001	3 years (terminated)
Magnetic tapes	Specific surcharge	01/05/2002	3 years (terminated)
Ceramic sinks and sanitary ware	Specific surcharge	25/02/2003	3 years (terminated)
Pasta	Specific surcharge	25/02/2003	3 years (terminated)
Insecticides	Specific surcharge	16/10/2005	3 years
Footwear	Specific surcharge	19/02/2007	3 years

Source: WTO documents, G/SG-series.

(vii) Standards and other technical requirements

49. Jordan is a member of the International Organization for Standardization (ISO), the Codex Alimentarius Commission, the World Organisation for Animal Health (OIE), the World Health Organization (WHO), the International Plant Protection Convention (IPPC), the International Atomic Energy Agency (IAEA), the Institute of Refrigeration (IOR), the International Organization of Legal Metrology (OIML), and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.

(a) Technical barriers to trade (TBT)

50. The Jordanian Institution for Standards and Metrology (JISM) is the national standardization body and acts as the TBT enquiry point. The JISM was established in 1995 pursuant to Standards and Metrology Law No. 15 of 1994. This law was replaced by Standards and Metrology Law No. 22 of 2000 to comply with the requirements of the TBT Agreement.²⁷ While the JISM is the only body

²⁴ WTO document G/ADP/N/153/JOR, 19 January 2007.

²⁵ Aerated water, ceramic tiles, chocolate, flat cooking appliances with ovens, and electric accumulators.

²⁶ WTO document G/C/29, 4 June 2003.

²⁷ A comprehensive notification by Jordan on implementation of the TBT Agreement is contained in WTO document G/TBT/2/Add.61, 18 October 2000. See also WTO document G/TBT/GEN/39/Rev.2, 7 March 2008.

authorized to issue national standards and technical regulations, technical regulations are also issued by other governmental bodies in their areas of responsibility (Ministry of Environment, Telecommunications Regulatory Commission, Ministry of Health, etc.).

51. The main TBT-related functions of the JISM include: preparation, adoption, and application of standards and technical regulations with regard to all services and products (with the exception of pharmaceutical products, medicines, veterinary medicines, sera, and vaccines); establishment and implementation of a national system of measurement; granting of conformity certificates, including the Jordanian Quality Mark; dissemination of information on approved standards and technical regulations issued by the JISM and other organizations; cooperation and coordination with regional and international organizations and bodies working in standardization, metrology, quality, conformity assessment, and accreditation; and accreditation of testing and calibration of laboratories and certification bodies.²⁸

52. The current Standards and Metrology Law is under review with the intention of incorporating provisions for market surveillance, to ensure compliance with product safety requirements (Draft Standards, Metrology, and Product Safety Law). It is envisaged to gradually reduce the JISM's border inspections on industrial products and replace them with a system of "proactive" surveillance on the domestic market.

53. The JISM is one of the agencies responsible for implementing Jordan's risk-based border inspection system. At Customs, samples are taken from the imported goods to carry out the required inspection; the samples are sent for testing, if necessary. The JISM also visits local factories to take samples. In case of non-compliance of test results with Jordanian technical regulations, the importer may have the goods re-tested, re-export, or destroyed. The JISM inspection fee is JD 20 (JD 10 for customs transactions of less than JD 1,000). Sampling procedures for food items are developed by the Jordan Food and Drug Administration (JFDA). The JISM has undertaken seizures of counterfeit goods (in relation to trademarks), in the domestic market (section (4)(iv)(i)).

54. At the time of Jordan's accession to the WTO, over 1,000 mandatory standards remained in force.²⁹ These have all been reviewed and some replaced by voluntary standards to conform with Article 2 of the TBT Agreement. The programme of conversion was completed in 2002.

55. The JISM accepted the TBT Code of Good Practice for the Preparation, Adoption and Application of Standards in April 2000.³⁰ Standards and technical regulations, or amendments thereto, may be proposed by any interested party, including industries, traders, government bodies, market surveillance authorities, conformity assessment bodies, or the consumer protection association. They are prepared by technical committees comprising experts from interested bodies in Jordan and are open for comment for a period of sixty days, before being submitted for approval by the JISM Board of Directors. They are made effective by legal instruments that indicate whether they are compulsory or voluntary. The JISM's work plan on draft standards and procedures for assessment of conformity is announced online.³¹ The titles of national standards, technical regulations, and instructions on conformity assessment procedures are published in the *Official Gazette*, while the texts are available upon request from the Information Center/TBT Enquiry Point.³²

²⁸ Jordanian Institution for Standards and Metrology (JISM) online information. Viewed at: <http://www.jism.gov.jo/>.

²⁹ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 137.

³⁰ WTO document G/TBT/CS/N/120, 7 August 2000.

³¹ JISM online information. Viewed at: <http://www.jism.gov.jo/>.

³² WTO document G/TBT/2/Add.61, 18 October 2000.

56. To date, the JISM has published 706 technical regulations. It has also published more than 1,350 voluntary standards dealing with rules, guidelines or characteristics of products or their related production methods and management systems, in addition to packaging, marking, and labelling requirements; these include testing methods for various products. The main products/product categories covered by technical regulations are: construction products, paints, paper and paper board, plastics, glass, ceramics, metals, minerals, petroleum products and petrochemicals, chemicals, wood, food and feedstuffs, agricultural products, textiles, clothes, leather products, vehicles, information technology products, electrical and electronic products, telecommunication and audio-video products, health care products, mechanical tools, pipeline components, energy systems, measuring equipment, and packaging materials.

57. Jordan is in the process of adapting six new technical regulations from relevant EC Directives within the framework of the Jordan-EC Association Agreement. The draft regulations concern general product safety, low voltage, toys, gas appliances, pressure equipment, and measuring equipment.

58. The Jordanian accreditation system of conformity assessment bodies operates under the umbrella of the JISM. The system is designed to fulfil the requirements of the ISO/IEC 17011 standard for accreditation bodies.³³ Implementation of this ISO standard would also pave the way for negotiation of mutual recognition agreements with foreign accreditation bodies. Currently, only testing and calibration laboratories, and medical laboratories are being accredited.³⁴ An independent accreditation body is to be established according to the draft accreditation law under consideration; and the scope of accreditation is to be expanded to include inspection and certification bodies. Pending the conclusion of mutual recognition agreements, all imports, including those accompanied by valid technical certificates of conformity issued by foreign bodies in exporting countries, are subject to the risk-based system of inspection.

59. The Jordan Quality Mark is a voluntary certificate issued by the Certification Department of the JISM.³⁵ The objectives of the certificate are to enhance consumer confidence that the certified products fulfil quality requirements, and to help open new export markets.³⁶ The programme covers, *inter alia*, foodstuffs, chemicals, soap, detergents, cosmetics, paints and varnishes, adhesives, pesticides, fertilizers, petroleum products, electrical and electronic appliances, batteries, cables, telecommunication equipment, and construction materials.

60. The Royal Crown logo is a mark for olive oil. To this end, a conformity certificate is granted by the Certification Department requiring compliance with the Jordanian standard for olive oil, which is harmonized with that of the International Olive Oil Council.

61. To date, the JISM has issued three technical regulations with respect to labelling requirements (general standard for labelling of pre-packaged foods; labelling of industrial products; labelling of chemical products). In addition, it has issued over ten voluntary standards concerning labelling and packaging of various goods.

³³ ISO online information. Viewed at: www.iso.org/iso/iso_catalogue/catalogue_ics/catalogue_detail_ics.htm?csnumber=29332&ICS1=03&ICS2=120&ICS3=20.

³⁴ Thirty-one public and private laboratories have been accredited against the requirements of ISO/IEC 17025 and ISO 15189.

³⁵ Instructions of the Quality Mark for Industry No. 4 of 2007, issued pursuant to Article No. 20 of the Law of Standards and Metrology No. 22 of 2000.

³⁶ Certification requires, amongst other things, that the quality management system of the applicant conform to the ISO 9001 standard and the ISO 22000 standard for food, and pass the on-site technical assessment.

(b) Sanitary and phytosanitary (SPS) measures

62. The Jordan Food and Drug Administration (JFDA) was established in 2003 to act as regulator for the safety and quality of food and drugs.³⁷ The JFDA's supervisory and inspection functions are provided for by Food Control Law No. 79 of 2001 and Drug and Pharmacy Law No. 80 of 2001. A new food law is under consideration. The Ministry of Agriculture is the sole authority responsible for SPS measures to protect animal and plant health against pests and diseases (Article 5.1 of the Law on Agriculture No. 44 of 2002). In addition, it is responsible for technical regulations concerning veterinary medicines, vaccines, pesticides, and fertilizers. The Ministry also acts as the SPS enquiry point.

63. The JFDA has applied a risk-based system for inspection of imported food consignments at Aqaba port since 2002, and at the Amman Customs Center since 2004 (section (ii)). All food consignments must be accompanied by health certificates. In addition to documentary check, each shipment of high-risk food items (Table AIII.2) is subject to physical inspection, sampling and laboratory testing. For medium-risk food, 50% of consignments are subject to documentary check, 25% to documentary check and physical inspection, and 25% to documentary check, physical inspection, and sampling and laboratory testing. For low-risk food, 90% of the consignments are subject to documentary check, and 10% to documentary check, sampling and testing.

64. The JFDA's inspections of food establishments in the domestic market are also based on risk analysis. Food establishments categorized as carrying a high health risk receive four inspections each year (medium-risk establishments, two and low-risk, one).³⁸

65. Prior to accession, Jordan's shelf-life requirements for food were a frequent cause of complaints.³⁹ The JISM has since issued a technical regulation, according to which producers are responsible for the shelf-life of their products.⁴⁰ The expiry date is expressed in terms of "use before", or "best before". Foodstuffs must arrive at Customs before their expiry date, to be released to the domestic market.⁴¹ Imported canned food and preserved food must be labelled in Arabic with the date of manufacture or expiry, and be covered by a certificate stating that the food items are sold in the country of origin as fit for human consumption. Shipments must also be accompanied by a certified laboratory analysis of the contents of the imported articles.⁴²

66. Imports (and exports) of agricultural products and inputs are prohibited unless accompanied by a veterinary certificate issued in the country of origin (Article 9.2 of the Law on Agriculture). Imports of live animals or their products are subject to quarantine procedures. Exceptions from quarantine requirements can be granted for shipments from exporting countries, or regions thereof, with disease-free status according to OIE. In this regard, the Law on Agriculture provides that subject to mutual recognition agreements, Jordan will recognize equivalent SPS measures in the exporting countries (Article 51). Jordan has mutual recognition agreements with respect to quarantine

³⁷ In addition, the JFDA's supervisory role covers: infant milk formula, food supplements, medicinal plants, natural products, disinfectants and detergents, medical equipment and supplies, pharmaceutical preparations containing vitamins and minerals, cosmetic preparations and any other substances related to treatment or cure of human beings.

³⁸ The JFDA, with the assistance from the European Communities and the Danish Food and Veterinary Administration, has issued an Inspection Manual which is used by all inspectors.

³⁹ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 142.

⁴⁰ Technical regulation No. 288 of 2004, based on the relevant Codex Alimentarius standard.

⁴¹ The requirements for frozen food are contained in Technical Regulation No. 1685 of 2005, based on the Codex Alimentarius standard CAC/RCP/8.

⁴² Don and Bradstreet (2006), p. 777.

procedures for live animals with, *inter alia*, Australia, New Zealand, Kuwait, Syria, Lebanon, Egypt, Algeria, Morocco, Sudan, and Yemen.

67. Halal Islamic procedures are required for meat products (Chapter IV(2)(iii)(b)).

68. In 2005, Jordan adopted instructions on the treatment of wood packaging material in international trade, based on International Standard of Phytosanitary Measures (ISPM) No. 15.⁴³ All wood packaging material entering Jordan, or in transit through Jordan, must be treated and certified under ISPM No. 15 by the national plant protection organization (NPPO) in the exporting country or by Jordan's NPPO (Ministry of Agriculture).

69. Jordan has made 18 notifications to the SPS Committee. Most are ex-post emergency notifications concerning animal health, notably to prevent an outbreak of Avian Influenza. Jordan's latest SPS notifications concern a ban on imports of live animals and their products from Turkey, Djibouti, Ethiopia, and Russia due to foot-and-mouth disease.⁴⁴ Jordan has also imposed a ban on imports of live birds and poultry meat and products from all countries affected by Avian Influenza. The ban was subsequently lifted for poultry meat and products that are fully cooked or heat-treated.⁴⁵ To date, no specific trade concerns have been raised in the SPS Committee with regard to Jordan.

70. If there are no international standards, or proposed SPS measures do not comply with the international standards but the trade effects of the measures are expected to be significant, an announcement is made in two local newspapers at an early stage of their preparation, and WTO Members are notified (Article 6.9 of the Law on Agriculture). Comments are taken into account when adopting SPS measures. SPS measures may be adopted without prior notification only in emergency cases. All SPS measures, except emergency measures, are published immediately after adoption in the *Official Gazette*. New or amended SPS measures enter into force not less than 45 days after the date of publication (Article 6.10).

(viii) Government procurement

71. In July 2000, Jordan applied for accession to the plurilateral Agreement on Government Procurement (GPA).⁴⁶ It is one of the few developing Members negotiating accession to this Agreement. New procurement legislation to bring the regime into compliance with the GPA is awaiting approval by Cabinet. Jordan does not have any trade agreements with other countries covering public procurement.

72. According to the authorities, the draft procurement legislation is aimed at: harmonizing procurement procedures in all ministries, government agencies, and institutions; harmonizing procurement procedures pertaining to public works, goods and services; strengthening decentralization; separating the regulatory activities from operational activities through establishment of the Higher Procurement Commission (Regulatory Commission); enhancing transparency, efficiency, fairness, equal opportunities, and competitiveness; introducing new methods of procurement, such as two-stage tendering, procurement on the basis of quality and price, and procurement on the basis of quality only; classifying suppliers, engineering consultants, and service providers; strengthening capacity-building in procuring entities; introducing bonds to replace

⁴³ Directive No. (Z/4) of 2005 "Instructions on Treatment of Wood Packaging Materials Used in Preparation of Consignments" (WTO document G/SPS/N/JOR/14, 12 January 2006).

⁴⁴ WTO document G/SPS/N/JOR/15, 24 January 2006.

⁴⁵ WTO documents G/SPS/N/JOR/16, 24 April 2006 and G/SPS/N/JOR/17, 20 June 2006.

⁴⁶ WTO document GPA/38, 19 July 2000.

guarantees; introducing mechanisms for remedies, complaints, and dispute resolution; and introducing e-procurement.

73. The government procurement regime, as it stands, rests on a wide body of legislation. The main legislation comprises Government Works By-Law No. 71 of 1986 and Supplies Act No. 32 of 1993. The two central government entities implementing these regulations are the Government Tenders Directorate of the Ministry of Public Works and Housing, and the General Supplies Department of the Ministry of Finance.⁴⁷

74. Sub-central government entities have their own special procurement legislation. The main sub-central entities in Jordan are the municipalities and the rural councils. Procurement by municipalities and rural councils is governed by Administration of Rural Councils' Law No. 5 of 1924 and Municipalities and Rural Council Supplies and Works Regulation No. 55 of 1989. The Greater Amman Municipality has its own supplies and public works regulations. Moreover, some government departments and corporations have special procurement legislation. For example, the Joint Procurement Department of the Ministry of Health is responsible for the procurement of drugs and medical devices. The Aqaba Special Economic Zone has its own procurement regulations.

Public works and engineering services

75. The Government Tenders Directorate (GTD) is responsible for the procurement of public works and engineering services (Table III.7). To participate in government works and engineering (technical) services tenders that are funded under the General Budget, local contractors must be "classified" and local consultants must be "qualified" by the GTD. Foreign contractors and consultants are not required to be classified or qualified. For all tenders, the GTD usually conducts a pre-qualification for the purpose of pre-selecting foreign contractors and consultants. It maintains lists of classified local contractors and qualified local consultants. The execution of public works and technical services is restricted to Jordanian contractors and consultants, provided they meet the required conditions. Direct bids by foreigners are permitted in some cases, for example in donor-financed projects (Article 6d of the Government Works By-Law of 1986). Foreign bidders are required to indicate their Jordanian partner or representative or submit their licence obtained in Jordan.

Table III.7
Government procurement of construction works, 2000-06
(JD million)

Year	Government procurement expenditure (construction works) through the Central Tenders Committee at GTD	Total government procurement expenditure (construction works)
2000	101	167
2001	171	257
2002	161	191
2003	147	194
2004	144	190.5
2005	114	154
2006	248	272

Source: Information provided by the Jordanian authorities.

76. The main procurement method is open tendering for public works and technical services exceeding a threshold value of JD 5,000. Selective tendering by special invitation may be used, provided there are a minimum of three offers. Direct awards through negotiations with one contractor are permitted under exceptional or urgent circumstances; in cases where the prices are fixed by the

⁴⁷ WTO document GPA/W/124, 5 December 2000.

authorities, and other circumstances specified in Article 20 of the Government Works By-Law of 1986.

77. The Central Tenders Committee is responsible for procurement above JD 500,000 for public works and above JD 30,000 for technical services; Departments Tenders Committee, up to JD 500,000 for public works, and up to JD 30,000 for technical services; Local Tenders Committee, up to JD 200,000 for public works, and up to JD 10,000 for technical services; Governorate Tenders Committee, up to JD 100,000 for public works only; Sub-Tenders Committee, up to JD 10,000 for public works only; and Special Tenders Committee (no threshold).

78. Tender awards are announced on the notice board at the GTD and on its website.⁴⁸ There are no preference margins for public works and engineering services. Contract award decisions are administrative; an aggrieved party must exhaust all administrative challenge procedures recourse before seeking at the High Court of Justice. Government Works Tenders Instructions No. 71 of 1987 do not provide for any challenge procedures, nor do they prohibit such challenges. In practice, an unsuccessful tenderer may challenge an award decision in the period between the issuance of the decision and the certification of the decision.⁴⁹

Supplies

79. The General Supplies Department (GSD) is responsible for procuring goods and services (Table III.8). Foreign suppliers may participate in GSD tenders through local presence, i.e. local agents or regional offices, or an established Jordanian company. Qualification procedures are set out in the tender document, and the central procuring entity (GSD) maintains a list of potential suppliers.

Table III.8
Government procurement of supplies through the General Supplies Department of the Ministry of Finance, 2002-07
(JD million)

	2002	2003	2004	2005	2006	2007
Pharmaceuticals and medical supplies	31,201	35,891	44,491	41,409	44,136	46,734
Electronic and medical equipment	6,801	5,791	6,701	17,226	5,748	13,144
Office supplies and regular contracts	26,801	17,101	16,701	23,973	25,780	18,445
Mechanical supplies	6,201	6,201	7,401	5,056	8,767	13,181
Total	71,004	64,984	75,294	87,664	84,431	91,504

Source: Information provided by the Jordanian authorities.

80. In government supplies tenders, local products currently benefit from a price preference margin of 15% over imported products.

81. The main procurement method is open tendering for contracts exceeding a threshold value of JD 5,000. Selective tendering may be applied, for example, in emergency situations or when there are three or less potential suppliers. Direct purchases, through negotiation with suppliers, are permitted in certain specified cases, for example, when the price of the supplies is fixed by the authorities (Article 15 of Supplies Act No. 32 of 1993).

82. Tender awards are posted on the notice board of the GSD and participants are notified by telephone. The announcement of the winning bid allows four days for objections; the tenders

⁴⁸ GTD online information. Viewed at: <http://www.gtd.gov.jo/english.php>.

⁴⁹ WTO document GPA/W/124, 5 December 2000, pp. 40-41.

committee considers objections and issues its decision. A bidder may seek redress against contract award decisions through national courts.

(ix) Other measures

83. Jordan notified the WTO in 2004 that it did not maintain trade-related investment measures (TRIMs).⁵⁰

84. According to the authorities, Jordan applies no trade sanctions, except those endorsed by the United Nations Security Council or other regional organizations of which it is a member. No official countertrade agreements designed to influence the quantity or value of goods and services exported to Jordan are in force, and the authorities are not aware of the existence of such arrangements between Jordanian and foreign companies. Jordan has not maintained any measures for balance-of-payment purposes.

(3) MEASURES DIRECTLY AFFECTING EXPORTS

(i) Registration and documentation

85. A certificate of registration is required for enterprises engaging in exportation; the certificate is issued by the Exporters Registry at the Ministry of Industry and Trade.⁵¹ Registration involves presentation of the professional licence, which is issued to natural and legal persons who are registered in Jordan are members of the Chamber of Commerce or Chamber of Industry, and whose premises have been inspected and approved by the local municipality.

86. Exports from Jordan must be accompanied by: a customs declaration, commercial invoice, bill of lading, certificate of origin, packing list, and technical conformity/health/veterinary certificate. Certificates of origin are issued to registered companies by the Jordan Chamber of Industry, and examined and authenticated by the Industrial Development Directorate at the Ministry of Industry and Trade. For agricultural products, certificates of origin are issued by Jordan Chamber of Commerce. Provision is made in the Import and Export Law for "exporter cards", but in practice these are not required for exportation.

87. According to the World Bank, document preparation for exports of a standardized cargo for ocean transport takes 12 days, plus 2 days for customs clearance and technical control.⁵²

(ii) Export taxes, charges, and levies

88. Mining and quarrying products are subject to export fees, which are collected by the Natural Resources Authority (Table III.9).⁵³ In 2006, these fees generated tax revenues of JD 0.4 million.⁵⁴

89. An export duty of JD 30 per tonne is collected by the Customs authorities on exports of scrap and waste of iron, brass, and aluminium, to secure the needs of the domestic industry.

⁵⁰ WTO document G/TRIMS/N/2/Rev.11/Add.3, 4 May 2004.

⁵¹ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 108.

⁵² World Bank (2008).

⁵³ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 111.

⁵⁴ Natural Resources Authority (2007a), p. 30.

Table III.9
Export fees on mining and quarrying products, 2008
(JD per tonne)

Product	Rate
Raw material	
Crushed stones	0.3
Silica sand (class sand)	2.0
Blocks (marble, basalt)	2.5
Conglomerate	3.0
Blocks (granite, travertine)	3.0
Small items of marble	1.0
Crushed basalt	0.3
Trepoly, feldspar gypsum	0.5
Crushed marble and granite	0.5
Swelih sandstone	0.3
Clay, kaolin, bentonite	0.1
Dead Sea mud (packages of more than 2 kg)	50.0
Manufactured products	
Marble, basalt	2.5
Granite, conglomerate	3.0
Travertine	3.0
Building stones	2.0
Tuff, pozzolana, zeolite	1.0
Dead Sea mud (packages of less than 2 kg)	25.0

Source: Information provided by the Jordanian authorities.

90. The Ministry of Agriculture collects fees on exported agricultural products (Table III.10). These charges relate to services rendered, such as quarantine, fumigation, and inspection.

Table III.10
Export fees on agricultural products, 2008

Type of fee	Amount
Fumigation of consignments	2,000f/tonne
Inspection and checking	5-400f/tonne
Inspection of live animals:	
Bovines, camels and pigs	250 f/head
Horses	250 f/head
Sheep, goats and deer	50 f/head
Cats, dogs and wild animals	100 f/head
Birds	5-20 f/bird
Quarantine	
Bovines, camels and pigs	400 f/head
Horses	400 f/head
Sheep, goats and deer	100 f/head
Cats, dogs and wild animals	200 f/head
Birds	5-20 f/bird
Animal watering	
Camels, horses, bovines and big animals	150 f/head/day
Sheep, goats and small animals	15 f/head/day
Disinfection fees:	
Ships transporting less than 1,000 head	JD 4
Ships transporting 1,000-10,000 head	JD 8
Ships transporting- 10,000-30,000 head	JD 12
Ships transporting- 30,000-50,000 head	JD 18
Ships transporting more than 50,000 head	JD 24
Any other vehicles	JD 0.5 each

Note: 1 Jordanian dinar = 1,000 fils (f).

Source: Information provided by the Jordanian authorities.

(iii) Export prohibitions, restrictions, and licensing

91. Export prohibitions, restrictions, and licensing are regulated through Import and Export Law No. 21 of 2001, as amended by Temporary Law No. 18 of 2003. Automatic licensing applies to, *inter*

alia, wheat and other wheat-based products (including macaroni and vermicelli) to ensure that the consumer subsidies granted on these products are reimbursed by exporters when the products are exported (Table III.11). Jordan is introducing non-automatic licensing to dual-use products (the goods covered by the dual-use export control system of the European Communities).

Table III.11
Goods subject to automatic export licensing , 2008

Wheat flour and other wheat products (semolina, bran, broken wheat)
Macaroni and vermicelli
Marble slabs
Broken marble
Mineral ores
Argillaceous material extracted from the Dead Sea

Source: Information provided by the Jordanian authorities.

(iv) Export subsidies, finance, insurance, and assistance

92. When Jordan joined the WTO, two of its export subsidies met the definition of a prohibited subsidy under Article 3 of the SCM Agreement. Accordingly, Jordan made a commitment in its Protocol of Accession to terminate these export subsidies by 31 December 2002.⁵⁵

93. The first measure, the Discount Facility, was an export promotion facility operated by the Central Bank since 1980. The Central Bank refinanced export credits charging interest rates at 2 percentage points below the prevailing discount rates. In May 2003, Jordan notified the WTO that the Discount Facility had been eliminated.⁵⁶

94. The other export subsidy involves exemption from income tax on profits generated from exports.⁵⁷ Following a request by Jordan, the SCM Committee granted an extension of the measure until 31 December 2007, subject to annual review, standstill, and other provisions.⁵⁸ In a General Council decision of 27 July 2007, which covers commitments for the elimination of export subsidies of a number of Members, Jordan was granted a final extension of the export subsidy until 31 December 2015. The extension is again conditional on annual approval by the SCM Committee, standstill, and other provisions. Jordan is required to, *inter alia*, notify each beneficiary of the programme in 2008-09 that no export subsidies will be granted beyond the end of 2015.⁵⁹

95. According to the authorities, the main rationale for introducing the export subsidy programme was to counter the negative effects of the 1991 Gulf War, notably the loss of Jordan's main trading partner Iraq.⁶⁰ Accordingly, the Government decided in 1993 to provide incentives to producers to diversify exports and develop non-traditional markets. Profits earned on exports of phosphates and potash, i.e. "traditional" export products, were excluded from the scope of the measure, as were exports to countries with whom Jordan maintains trade protocols.⁶¹

⁵⁵ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 126.

⁵⁶ WTO document G/SCM/N/95/JOR, 15 May 2003.

⁵⁷ The subsidy programme is referred to as the "Partial or total exemption from income tax for profits on certain exports" pursuant to Article 3(c) of Income Tax Law No. 25 of 2001, amending Income Tax Law No. 25 of 1985.

⁵⁸ WTO document G/SCM/79, 11 December 2002.

⁵⁹ WTO document WT/L/691, 27 July 2007.

⁶⁰ Before the second war in Iraq in 2003, Jordan imported most of its oil from Iraq at preferential prices. After the war, Jordan had to purchase oil from other sources at world prices. The significant increase in world prices of petroleum led to a surge in production costs, particularly in 2004-05.

⁶¹ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 121.

96. The value of the export subsidy (income tax exemption) declined from US\$8.9 million in 2001 to US\$1.1 million in 2005, and then increased to US\$32.2 million in 2006 (Table III.12). Textiles, products of the chemical and allied industries (including pharmaceuticals and fertilizers), jewellery, and metals received most of the export subsidies in 2006.⁶² The share of exports benefiting from the export subsidy in Jordan's total merchandise exports increased significantly in 2006.

Table III.12
Export subsidies in the form of income tax exemptions on export profits, 2001-06
(US\$ million)

	Income tax exemptions (export subsidy)	Total exports benefiting from the export subsidy (1)	Total export value (2)	Coverage of the measure in % (1)/(2)
2001	8.9	593.6	1,700	33.9
2002	7.8	522.2	2,200	22.7
2003	8.3	552.4	3,000	17.4
2004	1.2	76.7	3,950	0.9
2005	1.1	70.8	4,300	0.6
2006	32.2	2,148.0	4,800	43.8

Source: WTO documents G/SCM/N/155/JOR, 17 July 2007, and G/SCM/N/99/JOR, 30 July 2003.

97. Jordan maintains a temporary admission scheme under which enterprises manufacturing for export are granted duty exemptions for direct imports as well as for imports from the free zones.⁶³ A duty drawback scheme allows refunds of import duties paid on raw materials used in the production of exports.⁶⁴ Reimbursement of the duties takes about 30 days.

98. The mandate of Jordan Enterprise Development Corporation (JE) includes promoting Jordanian exports and enhancing their competitiveness in the global market.⁶⁵ JE is an autonomous non-profit corporation owned by the Ministry of Industry and Trade; its Board of Directors (composed of public and private sector representatives) is chaired by the Minister. Its export-promotion activities cover electronic promotion (Global Trade Point Network⁶⁶), participation in international shows and trade fairs, market research and analysis, and industrial studies (see also Chapter IV(2)(iii)). The corporation also offers its services to exporters as local agent for the export finance and guarantee schemes of the Islamic Development Bank (IDB), the Export Credit Guarantee Scheme of the Inter-Arab Investment Guarantee Corporation, and the Jordan Loan Guarantee Corporation.⁶⁷

(v) Free zones, special economic zones, and qualifying industrial zones

(a) Free zones

99. The legal framework for Jordan's free zones is the Free Zones Corporation (FZC) Law No. 32 of 1984 and the Free Zones Corporation Investment Regulation No. 43 of 1987 (and their respective

⁶² WTO document G/SCM/N/155/JOR, 17 July 2007.

⁶³ Temporary Admission for Manufacture and Exportation Purposes, Instructions No. 2 of 2003. Viewed at: http://www.customs.gov.jo/CustomsDynamic/Public_News/Ins_instructions.aspx?lang=3.

⁶⁴ Refunding of Customs Duties and Taxes levied on some Imported Goods used in Manufacturing National Products upon Exportation thereof. Viewed at: http://www.customs.gov.jo/CustomsDynamic/Public_News/Ins_instructions.aspx?lang=3.paragraph119.

⁶⁵ The JE was established in 2003 as the legal successor of the Jordan Export Development and Commercial Centers Corporation.

⁶⁶ Amman Trade Point online information. Viewed at: <http://www.atp.jedco.gov.jo/about.html>.

⁶⁷ Jordan Enterprise Development Corporation online information. Viewed at: <http://www.jedco.gov.jo/services.html#>.

amendments). The Free Zones Corporation is a governmental body with financial and administrative independence, and is managed by a Board of Directors under the chairmanship of the Minister of Finance. The Corporation's mandate is to establish, administer, and develop Jordan's public and private free zones, which are aimed at promoting transit trade and export-oriented industries, and are open to local and foreign investors. Investments in the free zones are required to meet one of several broad criteria, including the introduction of new technology, use of local raw materials and manufactured parts, improvement of labour skills, and import substitution (Article 13B of the FZC Law).

100. Under Article 13D, investments in industrial, commercial, and services projects established in the free zones enjoy: (i) exemption from income taxes of the project's profits on goods exported outside the Kingdom, transit trade, and sales or transfers of goods within the free zone; profits from sales of goods on the domestic market are excluded from the exemption; (ii) exemption from income and social services taxes on salaries to non-Jordanian employees; (iii) exemption from customs duties and other taxes and fees (except service and rental charges) for goods imported into or exported from the free zone; (iv) exemption from licensing fees and urban property taxes for construction projects; and (v) exemption from customs duties on goods produced in the free zone and offered for sale in the domestic market: the exemption is limited to the cost of materials and manufacturing expenses, provided this value is approved by the Free Zone Committee.

101. The Aqaba Special Economic Zone is Jordan's largest free zone, and has a distinct legal status. Jordan also has five public free zones (Zarqa, Sahab near Amman, Queen Alia International Airport, Al-Karak, and Al-Karama), and 24 private free zones managed by the private sector under the supervision of the Free Zones Corporation; several of the private free zones are not yet operational. Two zones (Sahab and Al-Karak) are located within industrial estates managed by the Jordan Industrial Estates Corporation (section (4)(i)). According to the authorities, real estate in the private free zones can be purchased regardless of the investor's nationality, while land in the public free zones may only be leased.

102. In terms of economic importance, Jordan's public free zones are predominately commercial free zones serving the transit trade and the local market. During 2000-07, the share of local sales in total exports by the free zones (i.e. the total value of outgoing goods) was in the range of 17% to 42%. The trade balance was negative in 2006-07 (Table III.13). The total workforce in the public and private free zones was 20,106 in 2006. According to the authorities, the Free Zones Corporation made a surplus of JD 7.9 million in 2005. It also transferred JD 10 million to the Treasury in 2006, and JD 11 million in 2007.

103. Normal customs formalities, tariffs, and taxes are applied on goods imported from the free zones. The Free Zone Corporation issues certificates of origin for exports of goods processed or produced in the free zones, with a local content of at least 40%. According to the Authorities, the free zones are fenced off, patrolled, and equipped with a security system to prevent smuggling.

Table III.13
Free zones exports and imports, 2002-07
(JD million)

	2002	2003	2004	2005	2006	2007
<i>Exports</i>						
Domestic market	331.3	286.2	555.3	737.3	877.7	866.0
International	787.9	1,368.6	1,860.5	1,434.7	1,472.0	1,798.8
Total	1,119.3	1,654.9	2,415.8	2,172.0	2,349.7	2,664.8
<i>Imports</i>	518.1	858.5	1,254.0	1,020.0	2,967.6	3,602.1

Source: Information provided by the Jordanian authorities.

(b) Aqaba Special Economic Zone

104. The Aqaba Special Economic Zone was launched in 2001 as a duty-free, low-tax, development zone, to serve as a model for sustainable development and to position Jordan as a leading business hub and tourism destination in the region. The zone spreads over 375 square kilometres and Jordan's entire coast line of 27 km. The Aqaba Special Economic Zone Authority (ASEZA) was established under the Aqaba Special Economic Zone Authority Law of 2000 as the statutory institution empowered with regulatory, administrative, fiscal, and economic responsibility within the zone.

105. The ASEZA operates as a decentralized, autonomous legal entity outside Jordan. Nonetheless, the zone is subject to Jordanian legislation, although the provisions of the ASEZA Law prevail to the extent of a conflict (Article 6 of the ASEZA Law). Goods originating in the Aqaba Special Economic Zone and shipped to the customs territory of Jordan, are subject to the MFN regime, and to the rules of origin stipulated in the Customs Law.

106. One of the primary strategic goals of the ASEZA is to attract domestic and foreign investment from the private sector. The original objective of attracting US\$6 billion by 2020 was accomplished in 2006.⁶⁸ The ASEZA Law provides a number of privileges and incentives for companies registered in the economic zone, including: (i) exemption from customs duties, other taxes and duties on imports, and general sales tax or similar taxes; (ii) exemption from social services tax, and land and building taxes; and (iii) flat income tax of 5%, subject to further tax exemptions for capital profits. Banks, financial services companies, (re)insurance companies and land transport companies are subject to applicable national taxes.

107. There are no foreign equity restrictions on investments; land can be leased or purchased, and up to 70% of the workforce in each project may be foreigners.

108. The Aqaba Development Corporation was established in 2004 as the investment arm of the ASEZA and is responsible for developing assets, infrastructure, and utilities within the economic zone, including the port of Aqaba and the city's international airport. The backbone of the zone is services, notably tourism, trade, and logistics services; its industrial base is small. The volume of transit trade has been relatively small, accounting for around 5% of total cargo handling in recent years.

(c) Qualifying industrial zones

109. In 1996, the U.S. Congress launched the Qualifying Industrial Zone (QIZ) initiative to support the peace process in the Middle East. QIZs are designated industrial parks in Jordan and Israel from which goods can be exported duty-free and quota-free to the United States. The QIZ rules require local content of at least 35%, of which a minimum of 11.7% must be Jordanian and 8% Israeli (7% for high-tech products). The remaining 15.3% may come from either a Jordanian QIZ, Israel, the West Bank and the Gaza Strip, or the United States (a maximum of 15% U.S. content).⁶⁹ The QIZ initiative has no expiry date and thus does not require renewal by the U.S. Congress.

110. Any private or public industrial area in Jordan is eligible to apply for QIZ status. Decisions regarding applications are made by the Prime Minister, upon recommendation by the Ministry of Industry and Trade, while final approval rests with the United States Trade Representative; the process takes 8-12 months. Manufacturers are required to submit a Qualifying Product Request

⁶⁸ Aqaba Special Economic Zone (2007), p. 20.

⁶⁹ American Chamber of Commerce in Jordan (2005).

(QPR) for approval by the Ministry of Industry and Trade. According to the authorities, 13 industrial parks in Jordan have been approved as QIZs by the United States.⁷⁰

111. The QIZ initiative has proved to be particularly attractive for the Jordanian textile and clothing industry (Chapter IV(4)(ii)(b)). It has also helped Jordan to progress from regional to international trade and, in 2003, the United States became Jordan's first export destination. Jordan's total merchandise exports to the United States increased from US\$72.8 million in 2000 to US\$1,267 million in 2005, of which 41% and 75%, respectively, were exports from QIZs.⁷¹ Clothing and apparel accounted for 85% of Jordan's total merchandise exports to the United States in 2005.

(4) MEASURES AFFECTING PRODUCTION AND TRADE

(i) Incentives

112. Jordan's investment incentives are based on Investment Promotion Law No. 16 of 1995 and its amendments in 2000. The law has general application, including in the free zones, the Aqaba Special Economic Zone, QIZs, industrial estates, and development areas.

113. Under the Investment Promotion Law, Jordan is divided into zones A, B, and C. Investments in zone C, the least developed area, receive the highest level of exemptions from income and social services taxes (75%). All agricultural, maritime transport, and railway investments are classified as Zone C, irrespective of location. QIZs are designated as zone B, with 50% exemptions, unless their location is in zone C. Investments along the shores of the Dead Sea and 5km inland are classified as zone A for the hotel subsector, with 25% exemptions. The three-zone classification scheme does not apply to nature reserves and environmental protection areas, which are granted special consideration.⁷² The exemptions may rise to 100% in certain areas, subject to approval by the Council of Ministers.⁷³ The exemption period is ten years but can be extended.

114. The following components of investments are exempt from customs duties, sales tax, and other fees and charges, with the exception of municipal fees and taxes (Articles 2 and 6): imports of fixed assets (for 3 years)⁷⁴; imports of spare parts up to 15% of the import value of the fixed assets (for 10 years); and fixed assets needed for expansion, provided this results in an increase in production of at least 25%.

115. Projects in the following sectors and sub-sectors are eligible for the exemptions under the Investment and Promotion Law: agriculture; call centers; conventions and exhibition centers; hospitals; hotels; leisure and recreational compounds; industry; maritime transport; railways; pipeline transportation; and distribution services for water, gas, and petroleum derivatives. Projects in the hotel and hospital subsectors are granted these exemptions once every seven years for purchases of furniture and supplies for renewal purposes (Article 8).

⁷⁰ The Gateway QIZ on the northern Jordan-Israel border; Al-Tajamouat Industrial Estate in Amman; Ad-Dulayl Industrial Park near Zarka; Kerak Industrial Estate; Aqaba Industrial Estate; Jordan Cyber City in Irbid; Al-Qastal Industrial Zone in Amman; the Mushatta International Complex in Amman; El-Zai Readywear Manufacturing Co. in Zarqa; Al-Hassan Industrial Estate in Irbid; Hillwood Hashemite University; Al-Hallabat Industrial Park; and the Resources Company for Development and Investment (Al-Mawared).

⁷¹ Cassing and Salmeh (2006), p. 25.

⁷² Regulation of the Investment Areas and Sectors (No. 2 of 1996), issued pursuant to Article 4 of the Investment Promotion Law.

⁷³ WTO document WT/ACC/JOR/33, 3 December 1999, paragraph 20.

⁷⁴ The exemptions also cover any increase in the value of the fixed assets resulting from price increases, freight charges or changes in exchange rates.

Industrial estates

116. The Jordan Industrial Estates Corporation (JIEC), a semi-governmental corporation, was established under Jordan Industrial Estates Corporation Law No. 59 of 1985 with the objective of establishing and managing industrial estates. JIEC owns, manages, and provides the basic infrastructure and services for: Abdullah II Ibn Al-Hussein Industrial Estate in Sahab (near Amman); Al-Hassan Industrial Estate in Irbid; Al-Hussein Bin Abdullah II Industrial Estate in Al-Karak; and Aqaba International Industrial Estate. The Industrial Estates of Sahab and Al-Karak are also declared as public free zones. The industrial estates in Irbid and in Aqaba located within the Aqaba Special Economic Zone, enjoy QIZ status. The five JIEC-managed industrial estates comprised 461 factories with a workforce of close to 41,000 in 2006, and contributed JD 725.6 million (24.8%) to Jordan's total merchandise exports.⁷⁵

117. Industrial projects that are established within or relocated to industrial estates managed by JIEC are granted the following exemptions, which are additional to the incentives provided under the Investment Promotion Law⁷⁶: exemption from income and social services tax for two years; exemption from buildings and land taxes; and exemption from or reduction of most municipality fees.

118. There are a number of private industrial parks that are not under JIEC management; some have been designated as QIZs (section (3)(v)).⁷⁷

Development areas

119. A new Development Areas Law, passed in 2008, formalized two royal development initiatives, one in Mafraq, the other in Irbid. Both projects aim to create an investment and regulatory framework similar to the Aqaba Special Economic Zone.

120. The King Hussein Bin Talal Development Area in Mafraq, located 60 km northeast of Amman, is managed and developed by the Mafraq Development Corporation.⁷⁸ Four subsectors have been targeted for investment: food processing, textiles and furniture, chemicals (perfumes, essential oils, household chemicals, etc.), and electrical machinery. Plans for infrastructure development include the conversion of the nearby King Hussein Airbase for civilian and commercial use, and establishment of bonded transport roads that connect with ports, airports, and other free zones. It is also envisaged to route the North-South railway network through Mafraq (Chapter (IV)(5)(iv)(c)).

121. The Irbid Development Area is managed by the Northern Development Corporation, which is seeking to attract investment in the information technology and the medical sciences subsectors. This development initiative is seeking to, *inter alia*, capitalize on the human resources from nearby universities (Jordan University for Science and Technology, the Yarmouk University, and the Irbid Private University).

⁷⁵ Jordan Industrial Estates Corporation (2007), p. 25.

⁷⁶ Jordan Industrial Estates Corporation (2007), p. 11.

⁷⁷ Ad-Dulayl Industrial Park and Al-Tajamouat Industrial Park near Amman; Cyber City Park near the University of Science and Technology at Irbid; Al-Zay Readywear Al-Ruseifa; Al-Mushatta Qualifying Industrial Estate; Al-Qastal Industrial Park near Queen Alia International Airport; the Jordan Gateway project; Al-Hallabat Industrial Park; and the Resources Company for Development and Investment at Al-Muwaqar. Jordan Investment Board online information. Viewed at: http://www.jordaninvestment.com/pages.php?menu_id=212&local_type=0&local_id=&local_details=&local_details1=&localsite_branchname=JIB.

⁷⁸ Viewed at: <http://www.kinghusseinzone.com>.

122. The Development Areas Law provides exemption from import duties on all materials, instruments, machines etc., to be used for the establishment, construction, and equipment of enterprises; exemption from sales tax on goods brought into or sold within the development area for use in economic activities; 5% income tax on all taxable income from activities within the development area, and exemption from dividends tax on all income accrued within the development area (banks, financial services companies, (re)insurance companies, and land transport companies are subject to applicable national taxes); and exemption from social services tax on all income accrued within the development area or outside Jordan.

(ii) Competition and pricing policies

123. Jordan is the first Arab country in the Middle East with competition legislation. A provisional Anti-Trust Law (No. 49) entered into force in 2002, and in 2004, Jordan enacted its present competition legislation, Competition Law No. 33 of 2004.⁷⁹ According to the authorities, the Competition Law is in line with international commitments, including the EC-Jordan Association Agreement and the Pan Arab Free Trade Agreement (Arab Competition Regulations).

124. The Law established a Competition Directorate in the Ministry of Industry and Trade. The Directorate is responsible for enforcing the law, and investigating competition-related cases while promoting a competition culture. The law also established a Committee for Competition Matters, an advisory body chaired by the Minister of Industry and Trade, with officials from the Insurance Commission, the Telecommunications Regulatory Commission, the Public Transport Regulatory Commission, the Jordan Chambers of Commerce and Industry, the Jordan Consumer Protection Society, and other experts. The Committee sanctions general competition policy and reviews provisions in laws relating to competition.

125. The Law prohibits anti-competitive practices that result in price fixing, controlling quantities of production or service delivery, market sharing, setting barriers to entry, and collusion in bids and tenders. Enterprises with dominant positions in the market are prohibited from abusing their position. Abuses of dominant position consist of practices to prevent, limit or weaken competition through price fixing, barriers to entry, discrimination between customers, attempts to monopolize resources, etc. Any exemption made to the provisions of the Competition Law are subject to review within six months.

126. The Minister of Industry and Trade must approve any transaction that results in "economic concentration", that is the merger or acquisition of an enterprise and that results in a market share exceeding 40%. Approvals by the Minister for mergers and acquisitions must be made within 100 days after the Competition Directorate issues a notice that the application is complete. According to Instruction No. 2 of 2006, the Directorate must issue the Application Completion Notice within 60 days starting on the date of submission of the application. Appeals against failure to grant approval are made to the Supreme Court of Justice.

127. Under the Competition Law, any competent court of first instance has jurisdiction to hear cases related to its violations. In addition, specialized and trained judges may be appointed; 14 judges have been nominated to specialize in competition cases. To date, three cases were filed at the Court of First Instance. The fines for violations of the Competition Law range from JD 200 to JD 50,000. The abuse of a dominant position and other anti-competitive practices in the domestic market (including price fixing, market sharing, collusion in bids or tenders, setting barriers to market entry) are subject to fines ranging from 1% to 5% of the sales or services revenues of the violator, or JD 1,000 to JD 50,000, if the value of the sales or revenues is not specified.

⁷⁹ Ministry of Industry and Trade (2005), p. 11.

128. Most cases addressed by the Competition Directorate have been lodged by private institutions (Table III.14). The Directorate's work has also involved studies on the impact of the reduction of customs duties (rice, livestock and iron), and on competition matters in the telecommunications subsector (Chapter IV(3)(a)).

Table III.14
Cases studied by the Competition Directorate, 2003-08

Type of cases	Number
Complaints	48
Economic concentration applications	4
Economic concentration consultations	4
Monitoring economic concentration operations	23
Exemptions applications	4
Consultations	28
Investigations and studies	33

Source: Information provided by the Jordanian authorities.

129. The Judicial Institute under the Ministry of Justice is the official institution responsible for judicial education and training in Jordan.⁸⁰ The institute has organized several training courses for judges and public prosecutors on competition matters. Jordan has also received technical assistance under the Euro-Jordanian Action for the Development of Enterprise (EJADA). Assistance has been aimed at training lawyers, judges, and other professionals, targeting the business community through competition law awareness campaigns, and educating the staff of the Competition Directorate on international experiences related to the enforcement of competition laws.

130. The Competition Law provides for the free determination of prices of goods and services by market forces, with the exception of the prices of "essential commodities" (Article 3). Price controls may be applied temporarily, by a resolution of the Council of Ministers, in exceptional circumstances, e.g. emergencies or natural disaster, but must be reviewed after six months.

131. Prices controls on essential commodities may be applied pursuant to Industry and Trade Law No. 18 of 1998, and other applicable laws. Essential commodities, as determined by the Council of Ministers, currently cover: wheat, flour, bran, barley, bread, corn, rice, sugar, milk, red meat, olive oil, cement, crude oil and oil products, and steel for construction.⁸¹ Jordan has removed the price controls on fresh milk and cement that were in place at the time of accession (Table III.15).⁸²

132. The tariffs/fees for a number of services are subject to price control, including certain telecommunications services, insurance services, postal services, and passenger transport services.

Table III.15
Goods subject to price controls, 2008

HS Code	Product description	Status
Price control		
ex 1001	Wheat, seed of a kind used for sowing	Price fixed pursuant to Resolution of the Prime Minister No. 63-11-1-20173, 28 November 2007
ex 1003.00	Barley, seed of a kind used for sowing	Price fixed pursuant to the resolution of the Prime Minister No. 63-11-1-20173, 28 November 2007
1001.10, ex 1001.90	Wheat	Price fixed by Ministry of Industry and Trade pursuant to Law No. 18 of 1998
1101.00	Flour	Price fixed by Ministry of Industry and Trade pursuant to Law No. 18 of 1998

Table III.15 (cont'd)

⁸⁰ Viewed at: <http://eng.moj.gov.jo/JudicialInstitute/Briefing/tabid/83/Default.aspx>.

⁸¹ Prime Minister Resolutions No. 17-11-2-3061, 18 April 1999; No. 17-2-7185, 12 June 2002; and No. 17-11-2-4728, 18 February 2004.

⁸² WTO document WT/ACC/JOR/33, 3 December 1999, Table 1.

HS Code	Product description	Status
ex 1905.90	Bread – Arabic, Tanouri, Taboun, Armenian, and Baladi	Price fixed by Ministry of Industry and Trade pursuant to Law No. 18 of 1998
ex 2302	Bran	Price fixed by Ministry of Industry and Trade pursuant to Law No. 18 of 1998
ex 2711.13	Liquid gas butane	Prices are fixed on monthly basis (for a two-year transition period) by the Ministry of Industry and Trade in consultation with stakeholders
ex 2710.00	Leaded (gasoline)	
ex 2710.00	Super (gasoline)	
ex 2710.00	Unleaded (gasoline)	
ex 2710.00	Jet fuel (airplane fuel)	
ex 2710.00	Kerosene	
2710.004	Diesel	
2710.005	Fuel oil	
ex 2714.90	Asphalt, w/o containers	
ex 2714.90	Asphalt, in containers	
ex 2710.00	Diesel for ships	
ex 2201.90	Water	Price fixed by the Ministry of Water and Irrigation
2716.00	Electrical energy	Price fixed pursuant to Electricity Law No. 64 of 2002
ex 3002, ex 3003, and ex 3004	Pharmaceuticals for human use	Price fixed pursuant to Drug and Pharmacy Law No. 80 of 2001
ex 3002, ex 3003, and ex 3004	Pharmaceuticals for veterinary use	Price fixed pursuant to Agriculture Law No. 44 of 2002 and the instructions No. 33 of 2003

Source: Information provided by the Jordanian authorities.

(iii) State-trading, state-owned enterprises, and privatization

133. The Government has largely withdrawn from the business of importing food products, except for barley and wheat (including wheat flour and bran). These products were designated as essential commodities, of which the government is the sole importer because their consumption is highly subsidized (Box IV.1). Imports are executed by private traders under the direction of the Trade Directorate at the Ministry of Industry and Trade.⁸³

134. Jordan has notified the WTO of two state-trading enterprises with special or exclusive privileges (Table III.16). The exclusive trading rights in the petroleum subsector granted to the Jordan Petroleum Refinery Company expired in 2008, but the Government has signed an Interim Service Agreement with the refinery (Chapter IV(4)(ii)(a)).

135. Jordan embarked on an ambitious privatization programme in the late 1990s with the objective of expanding private sector participation in the economy, stimulating the market economy, and enhancing competitiveness.⁸⁴ This initiative followed financial losses by the public sector, which in the transport and water subsectors alone amounted to more than 20% of the GDP in 1998.⁸⁵

136. The Privatization Law No. 25 of 2000 provides the legal and institutional framework for privatization. It established a Privatization Council, chaired by the Prime Minister and comprising the Ministers of Finance, Industry and Trade, Planning, and Justice; the Governor of the Central Bank; the Chairman of the Executive Privatization Commission; and specialized experts. The Council is the policy maker and governing body to approve privatization policy and transactions. The Executive Privatization Commission, a financially and administratively independent entity, is responsible for implementing privatization transactions.

⁸³ Ministry of Industry and Trade online information. Viewed at: <http://www.mit.gov.jo/Default.aspx?tabid=366>.

⁸⁴ Executive Privatization Commission online information. Viewed at: <http://www.epc.gov.jo/programs.html>.

⁸⁵ Executive Privatization Commission online information. Viewed at: http://www.epc.gov.jo/success_story.html.

Table III.16
State-trading enterprises, 2008

Name	Nature of exclusivity	Legal basis	Duration
Jordan Phosphate Mines Co. Ltd. (JPMC)	Exclusive mining rights over phosphates for four different mines in Jordan: Hasa, Rusafa, Wadi Al-Abyad and Shaidiah. Mining rights are subject to re-negotiation and renewal once they expire. Although there are no legal restrictions for anyone exporting phosphate, de facto, JPMC does not sell phosphate to private traders for export purposes.	Law No. 12 on Natural Resources of 1968 (mining rights No.1 and No. 2)	Exclusive right for mining (and de facto exports) of phosphate expired in 1998 for Hasa, Rusaf, and Wadi Al-Abyad; expiry for Shaidiah in 2017
	Exclusive rights to import, store and sell explosive materials used for mining and quarrying purposes.	Instructions of Prime Minister 29 May 1979	Indefinite for import and sale of explosive materials
Jordan Petroleum Refinery Co.	Exclusive rights to establish and invest in facilities for refining and processing petroleum and hydrocarbon products and derivatives; to store and distribute these products; and to own and lease land. Exclusive rights to import oil and hydrocarbon products for local use.	Concession Law No. 19 of 1958	Expiry: 2008

Source: WTO document G/STR/N/9/JOR, 28 July 2003.

137. The National Privatization Strategy of 1999 is aimed at raising efficiency and productivity; increasing private investment in the economy; developing a domestic capital market; attracting local and foreign investments, technology, and know-how; and reducing the Government's debt burden. Jordan's privatization approach varies according to the specifics of the enterprise or service to be privatized. The methods used include capital sales, concession agreements, lease contracts, management contracts, franchising, and other modes for infrastructure projects.⁸⁶

138. Several privatization transactions have been completed, including restructuring, or partial sale of state-owned enterprises. The State has maintained a minority stake in three major enterprises: the Arab Potash Company, Jordan Phosphate Mines Company, and Royal Jordanian Airlines Company (Table III.17). Total privatization proceeds amount to over US\$2.2 billion. Under the Privatization Law (Article 13), all privatization proceeds are to be deposited in the Privatization Proceeds Fund and used for: settlement and purchase of government debt to benefit from deductions on these debts or to settle such debts through debt-swap deals; investments in financial assets; financing economic activities and new infrastructure; re-qualifying and training of employees of divested government-owned enterprises; subscription with the Social Security Corporation; and as revenues for the Treasury.

⁸⁶ Other modes include: build-operate-transfer (BOT) under which the private sector designs, finances, builds, and operates the facility for the duration of the contract, at the end of which, ownership reverts to the Government; build-transfer-operate (BTO) under which the private sector designs, finances and builds the facility, then transfers it to the Government while retaining the right to operate it for a specified period; build-own-operate (BOO) under which the private sector designs, finances, builds the facility, retains ownership and operates it; and build-operate-own-transfer (BOOT) under which the private sector builds the project, owns it for a specified period, operates it, then transfers it to the public sector. Viewed at: <http://www.epc.gov.jo/types.html>.

Table III.17
Completed privatizations, June 2008

Enterprise	Activities	Completion date	Comment
Public Transport/Amman	Passenger transport	1999	Concession
Water Authority of Jordan	Water	1999	Management contract
Airport Duty Free Shops	Air transport	2000	Concession for 12 years
Jordan Flight Catering Ltd.	Air transport	2001	Total sale
Jordan Cement Factories Company	Cement	2002	Total sale
Arab Potash Company	Mining	2003	Sale of 26% of the share capital
Agricultural Manufacturing and Processing Company	Agriculture	2005	Total sale
Jordan Phosphate Mines Company Ltd.	Mining	2006	Sale of 40% of the share capital
Central Electricity Generating Company	Electricity	2007	Sale of 60% of the share capital
Royal Jordanian Airlines Company	Air transport	2007	Sale of 71% of the share capital
Jordan Telecommunications Company	Telecommunications	2008	Total sale
Electricity Distribution Company (EDCO)	Electricity	..	Total sale
Irbid District Electricity Company (IDECO)	Electricity	..	Sale of 55.4% of state-owned capital
Civil Aviation Authority	Air transport	..	Restructuring
Queen Noor Civil Aviation Technical College	Air transport	..	Total sale
Jordan Aircraft Maintenance Company	Air transport	..	Total sale
Jordan Airline Training and Simulations	Air transport	..	Total sale
Jordan Airmotive Limited Company (JALCo)	Air transport	..	Total Sale
Royal Jordanian Air Academy	Air transport	..	Total sale
Mai'in Spa Complex	Tourism	..	Lease and investment
Assamra Water Treatment Plant	Water	..	BOT
Aqaba Container Terminal	Maritime transport services	..	Joint-venture
Light Railway (Amman-Zarqa)	Rail transport	..	BOT
Expansion of Queen Alia International Airport	Air transport	..	BOT
Jordan Investment Company Portfolio	Investment portfolio	..	Sale of state-owned capital in 50 companies

.. Not available.

Source: Information provided by the Jordanian authorities.

139. Jordan's privatization programme has attracted over US\$1 billion in investments, particularly in the telecommunications, tourism, water, and transport subsectors.⁸⁷ The World Bank considers Jordan's privatization programme as "one of the, if not the most, successful programmes in the Middle East region".⁸⁸

⁸⁷ Executive Privatization Commission online information. Viewed at: <http://www.epc.gov.jo/transactions.html>.

⁸⁸ Executive Privatization Commission online information. Viewed at: http://www.epc.gov.jo/success_story.html.

(iv) Intellectual property rights

(a) Overview

140. Jordan changed its intellectual property laws prior to its accession to the WTO to conform with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement). The Jordanian pharmaceutical industry, in particular, is said to have benefited from strengthened intellectual property rights (Chapter IV(4)(ii)(c)).⁸⁹

141. The Industrial Property Protection Directorate has the supervisory role for all matters related to the registration of trade marks, patents, industrial designs and models, and integrated circuits. The Department of National Library is the administrator of copyrighted works; it is responsible for the enforcement of copyrights. The Ministry of Agriculture has the supervisory role for the registration of plant varieties. The Jordanian Institution for Standards and Metrology (JISM) has ex-officio authority to investigate matters related to intellectual property infringements, to impound counterfeit merchandise, and to file cases with the prosecutor. Jordan Customs and the Police Department also have responsibility for the enforcement of intellectual property rights.

142. Organizational changes have recently been made to further enhance the intellectual property framework. The Cabinet decided in July 2006 to establish an autonomous body for intellectual property rights, the National Institution for the National Intellectual Property Rights. The Ministry of Industry and Trade is in the process of defining the structure and functions of the new institution which aims to: enhance protection of intellectual property rights through empowering the body with ex-officio authority; unify the efforts of the various entities dealing with the protection of intellectual property rights; amend and draft laws and regulations to ensure coherence with international standards on intellectual property rights; and coordinate with public and private entities, and raise awareness on intellectual property rights.

143. Jordan's principal intellectual property laws and regulations comprise: the Patents of Invention Law No. 32 of 1999, as amended by Temporary Law No. 71 of 2001 and Patents Law No. 28 of 2007; Patent Regulation No. 97 of 2001; Industrial Designs and Models Law No. 14 of 2000; Protection of Integrated Circuits Designs Law No. 10 of 2000; Copyright Law No. 22 of year 1992, as amended by Law No. 9 of 2005; Trademarks Law No. 33 of 1952, as amended by Law No. 25 of 1957, Law No. 34 of 1999, Law No. 29 of 2007 and Law No. 15 of 2008; Trademark Regulation No. 37 of 2000; Geographic Indications Law No. 8 of 2000; Unfair Competition and Trade Secrets Law No. 15 of 2000; Protection of New Varieties of Plants Law No. 24 of 2000; and Article 41 of Customs Law No. 20, as amended in 2000.

144. Jordan has been a member of the Paris Convention for the Protection of Industrial Property since 1972. It is in the process of acceding to the Patent Cooperation Treaty and the Protocol relating to the Madrid Agreement concerning the International Registration of Marks, and has amended its patent law and its trade-marks laws to comply with the treaty and the protocol. Jordan has also submitted an application to join the Budapest Treaty on the International Recognition of the Deposit of Micro-organisms for the Purposes of Patent Procedure. Since 2004, Jordan has been party to the 1991 Act of the UPOV Convention for the Protection of New Varieties of Plants. Jordan became a Contracting Party to the Berne Convention for the Protection of Literary and Artistic Works in July 1999. In 2004, it also became party to the WIPO Copyright Treaty, and the WIPO Performances and Phonograms Treaty. Jordan is in the process of acceding to the treaties on the International (Nice) Classification of Goods and Services for the Purposes of the Registration of Marks, and on the International Classification of the Figurative Elements of Marks under the Vienna Agreement.

⁸⁹ Holden (2006).

(b) Patents

145. Patents are protected under the Patents of Invention Law No. 32 of 1999, as amended by Temporary Law No. 71 of 2001 and the Patents Law No. 28 of 2007. The provisions of the law are also applicable to patents granted under the Patents of Invention and Industrial Design Law No. 22 of 1953, which was repealed.

146. In 2000-07, 385 patents were granted in Jordan (Table III.18). Foreign-owned patents have been issued mainly for pharmaceuticals, chemicals, solar energy, construction materials, and machinery; while patents issued to Jordanian nationals were mostly related to public safety, solar energy, electrical equipment, chemicals, and mining.

Table III.18
Patents granted, 2000-07

Year	Applications		Patents granted		Total patents granted
	National	International	National	International	
2000	71	127	12	59	71
2001	52	147
2002	21	117	13	16	29
2003	25	157	8	39	47
2004	42	141	4	56	60
2005	49	169	9	46	55
2006	75	428	10	50	60
2007	59	507	23	40	63
Total	394	1,793	79	306	385

.. Not available.

Source: Ministry of Trade and Industry of Jordan.

147. Patents are registered with the Registrar of Patents and Trademarks, which is part of the Ministry of Trade and Industry. The term of patent protection is 20 years from the date of filing the application, and is not renewable. Protection is provided to processes as well as to end-products. The exclusions from patentability are in line with the provisions of the TRIPS Agreement.⁹⁰ Plant varieties are protected under Plant Varieties Law No. 24 of 2000.

148. Compulsory licences (on a non-exclusive basis) can be issued by the Minister of Industry and Trade if: (i) the use of the patent is deemed necessary for national defence or emergency or for a non-commercial public good; (ii) the patent has not been worked for three years after its grant or four years after its filing date, whichever is later (import of the patented product is considered as exploitation of the patent); (iii) the patent is used to hinder fair competition; or (iv) there is a need to export to countries suffering from epidemic diseases and emergency. The applicant must have made efforts to obtain a licence from the patentee under reasonable remuneration. The licence may only be granted to fulfil the demands of the domestic market. No compulsory licence has been granted so far in Jordan.

149. Under Article 37 of the Law, parallel imports are not allowed, but the patent proprietor must notify the Customs Department of Jordan accordingly.

150. Article 21(c) of the patent law provides for the following exceptions to the rights of a patent holder: (i) the use of the patent for research and development purposes; (ii) submission of applications to obtain marketing approval for a product before the expiry of the patent (Bolar exception); and (iii) compulsory licences (see Chapter IV(4)(ii)(c)).

⁹⁰ Discoveries, scientific theories, or mathematical methods are also excluded from patentability.

(c) Industrial designs

151. Industrial designs are protected by the Industrial Designs and Models Law No. 14 of 2000. The Industrial Designs and Models Register is maintained by the Registrar of Industrial Designs and Models at the Ministry of Industry and Trade. A design registration is valid for 15 years and is not renewable.

152. Jordan is not a member of the Locarno Agreement Establishing an International Classification of Industrial Design. Designs can be registered under 32 classes, based on the materials the goods were made from, according to Industrial Designs and Models Regulation No. 52 of 2002. A design can be registered for more than one class, but a separate application is required for each class.

153. Article 4 of the Industrial Designs and Models Law prohibits the registration of industrial designs that are dictated by technical or functional considerations. However, the Registrar is authorized to make a decision in this regard based on a recommendation by a technical committee established for this purpose.

154. The owner/licensee of the registered design/model has the right to prevent third parties from making, importing or selling products bearing a design/model that is a copy or substantially a copy.

(d) Layout-designs (topographies) of integrated circuits

155. Layout-designs of integrated circuits are protected under the Law for the Protection of Integrated Circuits Designs No. 10 of 2000. A Register of Integrated Circuits Designs is maintained in the Ministry of Industry and Trade, by the Registrar of Integrated Circuits Designs. To date, no application for the registration of a layout-design of an integrated circuit has been received.

156. The proprietor of the layout-design has the right to prevent third parties from reproducing, importing, selling or distributing products of the protected layout-design. Protection is for ten years from the date of first commercial exploitation anywhere in the world and may not exceed fifteen years from the date of inventing the design.

157. The Minister of Industry and Trade may issue a licence, subject to fair compensation of the proprietor, to exploit the layout-design if it is considered necessary for national security, emergency cases, for public non-commercial use, or when the proprietor is deemed to be obstructing fair competition.

(e) Copyright and related rights

158. Copyright and related rights are protected under Copyright Law No. 22 of 1992 as last amended by Law No. 9 of 2005.⁹¹ The Department of the National Library under the Ministry of Culture is responsible for enforcement of the law.

159. Protection is accorded to original works of art, science, and literature, including works expressed in writing, sound, drawing, photography, and motion, 3-D works and computer software. The amended laws incorporate a wider definition for computer programs to include software written in the source or machine language. The law also gives Jordanian citizens the right to obtain a non-exclusive licence from the Minister of Culture to translate foreign works into Arabic after three years of first publication, subject to fair compensation of the author. In this regard, Jordan is making use of

⁹¹ Copyright Law No. 22 of 1992 was amended by Law No. 14 of 1998, Law No. 29 of 1999, Amended Law No. 52 of 2001, Law No. 8 of 2005, and Law No. 9 of 2005.

the appendix to the Basel Convention as notified to WIPO in 2004. Copyrighted material is protected for the life of the author plus 50 years. Works of applied art are protected for 25 years, while protection for photographic works has been extended to 50 years.

160. The Ministry of Culture may publish (on payment of fair compensation) a copyrighted work if the author or her/his heirs have not done so within six months of being informed to do so in writing on the condition that this publication is for the public interest. This provision has not been applied in practice.

(f) Trade marks

161. Trade marks are protected under the amended Trademarks Law No. 34 of 1999, in conjunction with the Law No. 33 of 1952.

162. Jordan applies a special classification for goods and services, which is consistent with the Nice Agreement. According to the authorities, the Trademark Registrar resorts to the Nice Classification (9th edition) in case of any disagreement.

163. A Register of Trademarks is maintained by the Registrar at the Ministry of Industry and Trade. The law has been amended, whereby failure to deposit the licence agreement will not prejudice the parties' rights (Trademark Law No. 29 of 2007). Jordan recognizes service marks; all provisions in the law that are applicable to goods are also applicable in the use of a trade mark to distinguish services. The law also recognizes "famous trademarks", whose reputation has transcended their country of origin and that are well known among Jordanian consumers. Such marks can be the subject of infringement action even if they are not officially registered in Jordan.

164. Trade marks are registered for ten years and may be renewed indefinitely for ten-year periods. Trade marks may be cancelled if they are not used for a continuous period of three years.

165. The trade marks law also permits the assignment or mortgaging of a trade mark without the transfer of ownership of the business concerned. Licensing procedures that were not part of the earlier law are now incorporated in the new trade marks law.

166. The law gives priority right for foreign nationals to apply for trade mark registration in Jordan if the applicant's home country has a bilateral agreement with Jordan or is a member of an international convention guaranteeing reciprocal rights.

(g) Geographical indications

167. Geographical indications are protected under Geographical Indications Law No. 8 of 2000. Trade marks that consist of geographical indications may be rejected by the registrar of trade marks. A trade mark identical to a geographical indication but which was in use prior to the granting protection to the geographical indication are not deemed to violate these provisions.

(h) Protection of undisclosed information

168. Undisclosed information is protected under the Unfair Competition and Trade Secrets Law No. 15 of 2000.

169. Misuse of trade secrets can arise from breach of contract, breach of trusted secrecy of information, or wilful acquisition of such secrets by third parties. The use of reverse engineering to acquire trade secrets is not considered as a dishonest commercial practice.

170. The law provides for data exclusivity for five years from the date of obtaining marketing approval for pharmaceuticals or pesticides.

(i) Enforcement

171. Customs Law No. 20 of 1998 prohibits importation of goods violating intellectual property laws. Imports of goods that carry marks, names or signs suggesting that they are locally produced are also prohibited.

172. Penalties for violation of copyright comprise a fine ranging from JD 1,000 to JD 6,000 and imprisonment for up to three years. Primary responsibility for control concerning counterfeiting and other copyright infringements lies with Customs and the Jordan Institution for Standards and Metrology. Since 2000, the Copyright Office, which is staffed with 8 officers, has taken legal action against almost 2,000 copyright violations, of which 357 occurred in 2007. In 90% of the cases, the office acted in its ex-officio enforcement capacity under Article 36 of the Copyright Law. In September 2007, a Jordanian court sentenced a man to three months in prison, the first time anyone in the country had been jailed for software piracy.⁹²

173. Criminal penalties for patent violations are provided for under the patent law; they include imprisonment of up to one year and fines of up to JD 3,000. Enforcement procedures may also involve the precautionary seizure of products alleged to be infringing or likely to infringe the patent. The law also provides for the confiscation and destruction of products and materials used in making the product that infringes a patent.

174. Under the laws on industrial designs and models, protection of integrated circuits designs, and geographical indications, the competent court may order, *inter alia*, the precautionary seizure, confiscation or destruction of the infringing products.

175. Criminal penalties for infringement of a registered trade mark have been strengthened to: imprisonment for a minimum of three-months and up to one year, or a fine of a minimum of JD 100, up to JD 3,000. Infringing goods, packaging, wrappings, and advertising material may be confiscated under a court order.

⁹² *Jordan Times*, "Computer system builder to do jail time for software piracy", 18 September 2007.