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Memorandum on the Foreign Trade Régime

In a communication dated 25 September 1995 (WT/ACC/JOR/1), the Government of the Hashemite Kingdom of Jordan applied for accession under Article XII of the Agreement establishing the World Trade Organization (WTO).

Following Jordan's application and having regard to the Decision adopted by the General Council on 31 January 1995 (WT/GC/M/1), the Working Party on the Accession of Jordan to the GATT 1947 was transformed into a WTO Accession Working Party. The terms of reference of the Working Party are also contained in document WT/ACC/JOR/1.

In accordance with procedures (WT/ACC/1), the Secretariat is circulating the attached revised Memorandum on the Foreign Trade Régime received from the Government of Jordan. Members of the Working Party wishing to submit questions on the Memorandum are invited to do so by 22 July 1996 for transmission to the authorities of Jordan.

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Country Profile

Area and Location

Jordan measures 89544 square kilometres. It forms a geographical unit with the Sham Region (large Syria) in the aspects of topography, population, weather and history. Jordan occupies a middle location among the Arab-Asian States. It is surrounded by Syria from the North, Iraq and Saudi Arabia from the East, Gulf of Aqaba and Saudi Arabia from the South and Palestine from the West.

Topography

Topographically, Jordan is divided into four regions: the plateaus consisting of northern and eastern plateaus; the valleys, comprising the Jordan Valley, the Dead Sea Valley and the Wadi Araba Valley; the meadows; and the desert.

Hydrography

- (i) The Dead Sea (40 miles long and 10 miles wide).
- (ii) The Gulf of Aqaba.
- (iii) The River Jordan (rises inside Syria and is about 175 miles long).
- (iv) The River Jordan Tributaries: Yarmouk, Zarka and Mujib.

Population

The population of Jordan exceeds 4.0 million with an average growth rate of 3.2 per cent for the last decade. Jordan is a young nation in terms of population age, as more than half of the population or (51 per cent) are below the age of 15, and the percentage of the elderly does not exceed 4 per cent of total population.

The Political Regime

The political regime is a constitutional monarchy with three separate powers in full democratic manner:

- (i) Legislative: It comprises the King and the Parliament which consists of the Upper House of Parliament (40 members) and the Lower House of Parliament (80 members).
- (ii) Executive: It comprises the King, Prime Minister and the Council of Ministers.
- (iii) Judiciary: It comprises the civil courts which consist of the courts of the first and second instance, the courts of appeal and the cassation. The religious courts are divided into sharia courts for Moslems and councils of religious communities for non-Moslems.

I. Characteristics of the Jordanian Economy

Jordan's economic position reflects its structural features and its strong links to the economies of the region. Macroeconomic and financial imbalances that characterized the Jordanian economy throughout the previous three decades were continuously counterbalanced by external financial inflows in the form of workers' remittances and grants from regional countries. The regional recession resulting from declining oil prices in the mid eighties severely curtailed these financial inflows. Economic imbalances surfaced. Both fiscal and external current account deficits reached around 20 per cent of GDP, and the external debt increased to almost 165 per cent of GDP. This necessitated the launching of a comprehensive programme of economic reform which consisted of a package of policy and institutional

measures to bring about fiscal and monetary stability, as well as, a structural transformation of the economy. This programme was supported in 1989 by the IMF, the World Bank and other development partners of Jordan.

1.1 Restructuring of the Jordanian Economy

At the heart of the adjustment programme is the reduction of the macroeconomic imbalances, especially the reduction of the budget deficit. To maintain a balance between the demand for the limited availability of resources in the future, the programme was designed to reduce the budget deficit (excluding grants) from the 1991 level of 17.8 per cent of GDP to 2.5 per cent of GDP by 1998. This reduction would require structural changes in Jordan's revenue base and in the pattern of expenditures. The measures contemplated by the Government are expected to increase domestic revenues from 29 per cent of GDP in 1991 to about 31 per cent of GDP by 1998, and to reduce the current expenditures from about 37 per cent of GDP in 1991 to about 26 per cent during the same period. The key policy for enhancing revenues was the introduction of a general sales tax (GST).

Other fiscal measures focus on expenditure and subsidy reduction. These measures are intended to reduce expenditures by about 4 per cent of GDP in 1992; a further reduction of 1-2 per cent of GDP annually will be pursued over the medium term. The most important measures to reduce expenditures on subsidies include increases in the domestic prices for petroleum derivatives and reductions in the food subsidies. Finally, the design and implementation of a programme to improve the finances of loss-making public enterprises are an important element of the Government's expenditure reduction programme. The targeted enterprises are Royal Jordanian Airlines, Public Transportation Corporation, Agricultural Marketing Organisation.

The Government carried out a substantial depreciation of the exchange rate during 1989 and is committed to maintaining a flexible exchange rate policy. In view of the stringent demand management policies implicit in the fiscal programme, no pressures on the exchange rate are expected. The Government intends to introduce further trade liberalization measures to protect the objectives of the trade reform.

In industry, the restructuring of incentives would be accompanied by government actions aimed at strengthening institutions in support of manufacturing and exports. In agriculture, the Government is planning a number of measures to deregulate production and trade and to improve support services for the farmer. Moreover, the Government has formulated an energy sector adjustment programme, in order to improve the efficiency of energy use and stimulate long-term energy resource development. As for public enterprises that incur losses and are a major burden on the budget, the Government aims at restoring the financial viability in the short run. In the long run, greater competition will be introduced for the goods and services provided by these enterprises .

1.2 Economic Trends in 1992-1994

Adjustment efforts that were initiated in 1989 were bearing fruit and the economy had just started to respond favourably to these efforts when the Gulf crisis erupted in mid 1990. As a result, imbalances were accentuated as Jordan's exports sharply dropped, remittances from Jordanian workers fell and incomes from transit transport, tourism and travel were lost. Moreover, the influx of about 300,000 Jordanians working abroad, the surge of unemployment to around 25 per cent of the labour force and a decline in per capita income and consumption posed serious challenges for Jordan.

The Government, determined to carry out economic reforms, resumed the adjustment programme and was able to surpass the targets for the period 1992 - 1994. After several years of decline and virtual stagnation in economic activity, real GDP increased by more than 11 per cent in 1992. Bumper agricultural crops, and a surge in construction, trade, and manufacturing activities contributed to this record increase in output. In 1993 and 1994, real GDP growth registered 5.7 per cent and 5.8 per cent respectively. Price stability was another noteworthy achievement; budgetary and monetary restraint on the demand side and adequate availability of domestic and imported goods on the supply side helped contain inflation to around 4 per cent in 1992, 4.8 per cent in 1993 and 3.9 per cent in 1994.

The most significant and determined adjustment effort was made in the budgetary area. The Government of Jordan successfully implemented revenue enhancing measures - including a large increase in petroleum product prices, and reduction of food subsidies. These fiscal efforts, combined with strict expenditure control and buoyant revenue collection associated with the surge in domestic economic activity, contributed substantially to a sharp reduction in the fiscal deficit, to less than 6 per cent of GDP in 1992, 4.3 per cent in 1993 and 2.6 per cent in 1994 compared to 18 per cent recorded in 1991.

The balance of payments position strengthened significantly in 1992 -1994. Domestic exports increased systematically throughout 1992-1994. Workers' remittances and tourism receipts also registered marked improvements resulting in a surplus in the services balance in 1993 and 1994. The current account deficit to GDP reached 11 per cent in 1993 and 4.2 per cent in 1994 compared to 6 per cent in 1992. The Government's commitment to maintain a competitive exchange rate policy and the measures taken to further liberalize the foreign exchange system contributed to this achievement. Jordan also succeeded in reducing substantially the outstanding external debt both in nominal terms and in relation to GDP, and improved significantly its debt profile and creditworthiness through prudent debt management policy. Substantial debt relief from bilateral official creditors greatly complemented Jordan's efforts toward stabilization of external debt management. The outstanding external debt declined to 142 per cent of GDP in 1992, 133.6 per cent in 1993 and 115 per cent in 1994 compared with 189 per cent in 1990.

This remarkable growth and Jordan's relentless efforts to achieve economic reforms have had adverse effects especially on the low-income segments of society. Although unemployment was reduced to about 15 per cent by the end of 1992 through 1994, it still remains a major challenge which requires effective medium and long term remedial measures through expansion of private investment, establishing labour intensive projects, promoting export industries, organising the inflow of foreign workers, encouraging external migration and regulating the output of the educational system . Per capita income declined in real terms from JD.728 in 1988 to JD.615 in 1994. Moreover, the percentage of families under the poverty line increased from 18.7 per cent in 1987 to 21.3 per cent in 1991 and then declined to 16.1 per cent in 1992.

1.3 Plan for Economic and Social Development 1993-1997

The issues of unemployment and poverty are not addressed directly in the adjustment programme. These highly sensitive issues have to be dealt with in order to allow for steady improvement in per capita income and living standards. Thus, the Government encompassed the adjustment programme in a more comprehensive economic and social package in the form of the new five year plan, 1993-1997, to complement it and increase its chances of success by paying attention to social issues that the programme did not address.

1.3.1 Objectives and Basic Principles of the Plan

1.3.1.1 Economic and Social Objectives

The basic objectives of the Plan are the following:

1. To ensure fiscal and monetary stability and eliminate price and production distortions;
2. To redirect economic activities and policies with the aim of reducing disparities among social groups and geographical regions; by insuring equality of opportunity, combating poverty and providing all citizens with basic services.
3. To combat poverty and protect underprivileged groups ensuring a minimal level of decent living for them;
4. To expand and diversify the income and employment-generating production base and to develop a highly competitive export sector;
5. To enhance the capabilities of all citizens and create the proper conditions conducive to citizens to invest their potential;
6. To conserve the environment and prevent the deterioration of its component elements. This is to be achieved by regulating economic and human activities in such a way as to secure a healthy environment for people as well as for fauna and flora, to ensure non-depletion of exhaustible resources and to check soil erosion, desertification and pollution.

1.3.1.2 Basic Principles

The economic policy in Jordan is based on a number of general principles most important of which are the following:

1. To develop the regulatory and supervisory role of the Government and to reduce its direct role in productive sectors such as agriculture, mining, manufacturing industries, wholesale and retail trade, restaurant and hotels and finance and business services; to activate private sector investment in the areas of direct production, infrastructure, and basic services; and to restructure public sector corporations with financial difficulties; through improving their efficiency and gradually implementing measures to eliminate subsidies, recover costs and adopt commercial performance criteria.
2. To develop natural resources, particularly water and energy, through identifying water resources and channelling available quantities towards the best possible uses within an integrated water plan, ensuring optimal use of available energy sources; and developing production institutions administratively and financially;
3. To develop the export sector by opening new export outlets, expanding traditional markets, and training manpower in a manner commensurate with the needs of exploiting variable resources and the requirements of industries and services enjoying a comparative advantage. This would involve:
 - (a) Developing the services needed for increasing export opportunities;
 - (b) Reviewing and amending legislation, policies and measures needed for furthering exports;
 - (c) Improving the quality of Jordanian product so as to meet the requirements of export markets, and ensuring parity of Jordanian specifications with their international counterparts;
 - (d) Ensuring the provision of adequate credit facilities for the promotion of exports;
 - (e) Amending the customs tariff structure to remove any bias against export industries;
 - (f) Activating and promoting the role of private sector export corporations;
 - (g) Reassessing the efficiency of bilateral trade agreements and protocols in promoting exports.

4. To ensure a balance between human and economic resources through the development of education and vocational training;
5. To create new job opportunities in the various production sectors, with the aim of achieving a reduction in unemployment to an acceptable level. This is to be realised through:
 - (a) Expanding training opportunities for the unemployed and for low income groups to enable them to acquire additional skills which would increase their competitiveness in the labour market;
 - (b) Secure financing for income and labour-generating projects, particularly for low income groups;
 - (c) Promoting small labour-intensive industries;
 - (d) Regulating the labour market, and identifying work opportunities abroad to absorb part of the unemployed;
6. To build national capabilities in the fields of science, technology and informatics through:
 - (a) Keeping abreast of and assimilating technological developments.
 - (b) Establishing special centres for developing production methods in the light of modern technology findings;
 - (c) Utilizing worldwide technological progress and mobilizing the scientific capabilities of research centres and universities to ensure proper assimilation and development of technology for the benefit of the Jordanian economy;
 - (d) Developing and establishing economic and social data collection systems at various levels in order to ensure the availability of up-to-date information to serve as a basis for economic and social studies, and decision-making.

1.3.2 Economic and Social Policies

The macroeconomic and sectoral policies of the Government can be described as follows:

1.3.2.1 Macro Policies

1. Fiscal Policies

Fiscal policies will seek to reduce the deficit in the public budget through controlling expenditure and increasing domestic revenues. To achieve this, the following measures will be taken: the government subsidy for commodities will be gradually reduced and, for public institutions, completely eliminated; government services costs will be recovered after taking the needs of limited income groups into consideration; the tax base will be expanded and its efficiency improved; and the consumption tax will be replaced by a general sales tax.

2. Monetary Policy

The monetary policy will seek to secure monetary stability to ensure general price stability in addition to adequate financing for economic activities. This is to be achieved through control of the money supply, consolidation of foreign currency reserves, continued liberalization of interest rates, the establishment of a deposit insurance corporation, the amendment of the Banking Law to provide for Central Bank supervision of all banking establishment and financial institutions, and the reduction of monetary control restrictions.

3. Social Policy

The social policies during this period will seek to reduce development disparities among social groups and regions and to advance social integration through the protection of lower income groups and control of subsidy policy by directing it to target groups. They also aim at continued regional development and at ensuring a balance between resources and population by limiting the use of resources and adopting appropriate population policies to be achieved through:

1. Optimal utilization of all resources in the Kingdom's regions.
2. Increasing job opportunities and income for inhabitants in their development region and units to discourage migration to already congested centres.
3. Widening public participation in the process of decision making, plan formulation, implementation, and evaluation.
4. Creating development centres in a balanced manner among and within regions.
5. Attaining a balanced geographical distribution of population to serve the objectives of strategic development.
6. Bridging disparities between and within regions to improve economic growth and quality of life.

The social policies will also focus on safeguarding the family as a cornerstone of society.

1.3.2.2 Sectoral Policies

1. Social Sectors Policies

The social sectors policies aim at raising the living standard of the population through improving the quantity and quality of the social services offered to them, enhancing job opportunities, and reducing poverty. Most important among the social policies are those which seek to accomplish the following:

- (a) To achieve a balance between resources and population, to orient social services and government support towards needy groups, particularly those below the poverty line, and to train and rehabilitate such groups;
- (b) To direct the work of non-governmental charitable organizations towards income and labour-generating projects for poor families;
- (c) To develop employment policies based on the following:
 - (i) Increasing the financing available to small and medium-size enterprises under the guaranteed umbrella of specialized funds;
 - (ii) Encouraging the establishment of private employment agencies;
 - (iii) Finding job opportunities outside Jordan by disseminating information about local talent and experience and promoting their employment through bilateral agreements, Jordanian embassies and private employment agencies;
 - (iv) Regulating the output of the educational system through incentives and various vocational training programmes, in a manner consistent with labour market requirements;
 - (v) Providing sufficient information and data on labour supply and demand, ensuring a balance between them, and searching for employment opportunities abroad by

establishing an employment and labour force organisation with participation by the public and private sector.

- (d) To develop all cycles of education, improve school tests and public examinations, and upgrade teaching efficiency;
- (e) To improve health care, and adopt a pharmaceutical policy that would ensure the sustained provision of medicines in accordance with the following:
 - (i) Reviewing existing rules and regulations related to the manufacturing, import and distribution of drugs.
 - (ii) Providing all essential drugs at all times and ensuring a sufficient supply of life-saving drugs.
 - (iii) Providing all medical requirements in case of natural disasters and other emergencies, including humanitarian assistance to others.
 - (iv) Improving the role of domestic pharmaceutical industries in providing medicines to the local market.
- (f) To establish public libraries on a wide scale, particularly in local communities, and to give more attention to children's culture;
- (g) To train and rehabilitate the disabled through vocational training, and to strengthen the National Assistance Fund;
- (h) To promote vocational training for job seekers and raise occupational health, safety and environmental standards in firms and corporations.

2. Investment Sectors Policies

The investment sectors policies seek to create an appropriate investment climate conducive to the enhancement of production for domestic consumption and export and to the rationalization of imports. This is to be achieved by:

- (a) Providing investment information and streamlining registration and licensing procedures;
- (b) Promoting reliance on non-credit financing facilities and encouraging the banking sector to finance needed investments;
- (c) Reducing government intervention in pricing policies, preventing the formation of monopolies, and protecting consumers;
- (d) Amending the tax system by eliminating the anti-export and anti-manufacturing bias and streamlining implementation procedure by:
 - (i) Establishing a clearly defined system of classification of goods by category, each category to comprise four classes: primary, manufactured, semi-manufactured and final-consumption goods, and determining the customs tariff rate for each class so as to reduce existing variation in tariff rates;

- (ii)Applying a fixed-rate drawback system to be implemented according to an approved equation which serves both the producer and the exporter;
- (iii)Adopting a flexible customs tariff system which allows for the revision of tariff rates according to fixed criteria;
- (iv)Developing and computerizing the information system related to types of imported goods and their world prices in order to facilitate the valuation of goods;
- (v)Gradually introducing, wherever practical or feasible, book auditing by the Customs Department to replace on-the-spot auditing;
- (vi)Reducing the period needed for refunding customs duties and fees paid for imported goods,after re-export;
- (vii)Granting tax incentives, through the Income Tax by linking tax incentives in the manufacturing sector directly to investment and export processes by granting an accelerated depreciation allowance and a deduction, from revenues, of all research, development and marketing expenses and abolishing fees and taxes imposed on the capitalization of shareholders' rights;
- (e)Amending the Encouragement of Investment Law to increase investment incentives;
- (f)Improving the quality of Jordanian goods and services to raise their competitiveness internationally by:
 - (i)Complying with international specifications current in export markets;
 - (ii)Setting up educational and awareness-building programmes on the importance of quality;
 - (iii)Completing and updating Jordan's codes and issuing and updating related manuals;
 - (iv)Controlling the quality of materials used in manufacturing industries.
- (g)Developing local maintenance capabilities and regulating auditing services;
- (h)Restoring financial and administrative autonomy to public institutions and permitting the private sector to provide public services;
- (i)Promoting exploration for domestic ores, with private sector involvement;
- (j)Organizing agricultural marketing activities and operations, expanding the area of cultivable land, and help secure the necessary financing for agricultural activities.

3. Infrastructure Sectors Policies

The infrastructure sectors policies seek to maintain and upgrade the efficiency of infrastructure facilities by:

- (a)Involving the private sector in the implementation and management of infrastructure;
- (b)Completing the development of the infrastructure needed by the investment sectors;
- (c)Enhancing public awareness of the limited nature of water and energy resources, and improving the utilization of such resources;

- (d) Improving the financial and managerial efficiency of public organizations by computerizing their activities, rationalizing their use of human resources, and decentralizing their work to ensure flexibility in performance;
- (e) Regulating water use and raising the efficiency of water carrying systems in order to reduce loss;
- (f) Promoting the competitiveness of domestic contracting and engineering consultancy firms.

4. Comprehensive Sectors Policies

Comprehensive sectors policies aim at improving public administration, raising scientific and technological standards, adapting technology to domestic uses, and conserving the environment.

II. Main Features of the External Sector

2.1 Commodity and Geographical Structure of Foreign Trade

Jordan's foreign trade (domestic exports + imports) with the rest of the world witnessed a considerable expansion during the last eight years. The volume of trade grew, on average, by 15.7 per cent during the period (1988-1994). Its value increased from JD (1347.3) million in 1988 to JD (3594.8) million in 1995. Accordingly, the ratio of foreign trade to GDP, at current prices, increased from 59.5 per cent in 1988 to 77.8 per cent in 1995.

Domestic exports registered positive growth rates during the period 1988-1995 except in 1991. The average growth rate during the period reached 20.5 per cent. As a result, the ratio of domestic exports to GDP, at market prices, increased from 14.3 per cent in 1988 to 21.7 per cent in 1995.

Jordan's main exports are mineral and mineral-related products, including phosphate rock, potash and fertilizers. Though their share of domestic exports showed a downward trend as it decreased from 59.4 per cent in 1988 to 33.9 per cent in 1995, these three products constituted, on average, 45.3 per cent of domestic exports during the above mentioned period. The share of non-traditional exports which include a variety of manufactured products such as chemicals and pharmaceuticals and fruits and vegetables, increased from 40.6 per cent in 1988 to 66.1 per cent in 1995.

All major components of exports such as mineral based exports and non-traditional exports have recorded wide fluctuations reflecting variations in the availability and openness of regional and other foreign markets, as well as price fluctuations. The Arab countries absorption of Jordanian exports declined from 42 per cent in 1988 to 28.8 per cent in 1991, followed by a recovery to 35.1 per cent in 1992, increased to 45.0 per cent in 1995. The Jordanian exports to EU averaged 4.7 per cent during the period 1988-1995.

As for imports, their average annual growth rate was 14.7 per cent during 1988-1995. The high growth rates can be attributed mainly to the one time increase in population after the Gulf Crisis and the increase in demand for imports of capital goods, raw materials and energy products by the industrial sector. Consequently, the ratio of imports to GDP at market prices increased from 45.2 per cent in 1988 to 56.1 per cent in 1995.

Both the commodity composition and geographical distribution of Jordanian imports have relatively remained stable during the period 1988-1995. The major imports are foodstuffs,

machinery and transport equipment, manufactured goods and mineral fuels and lubricants. The main sources of Jordan's imports have been the European Community countries, primarily Germany, Italy, U.K. and France, followed by the Arab countries. Iraq is the major exporter to Jordan among countries, given its role as a supplier of petroleum products, followed by the United States of America and Germany.

2.2 Balance of Payments

During the last five-year period, Jordan's balance of payments components witnessed considerable changes. The balance of trade deficit surged from JD (1008.6) million in 1990 to JD (1347.1) million in 1995. This increase in trade deficit was mainly financed by the services surplus which increased from JD (326.4) million to JD (999.9) million during the same period. Another source of finance was the unrequited transfers which decreased from JD (409.4) million in 1990 to JD (178.5) million in 1995.

Furthermore, the current account deficit widened through the years 1990-1992 but descended during the following three years. It rose from JD (272.8) million in 1990 to reach JD (568.7) million in 1992 then shrank to JD (279.2) million and JD (168.7) million in 1994 and 1995, respectively. Its ratio, to GDP at market prices, reached 3.7 per cent in 1995. Nevertheless, the external debt rescheduling contributed to the improvement of the overall balance during the period 1989-1995. In 1991 the overall balance registered a surplus of JD (464.2) million as compared with a surplus of JD (205.7) million in 1990. This was mainly due to the increase in the transfer of workers' savings in the aftermath of the Gulf Crisis. The overall balance recorded a deficit of JD (36.9) million and JD (218.4) million in 1992 and 1993, respectively. In 1994, the deficit decreased considerably to reach JD (28.4) million, and in 1995 the overall balance improved substantially and recorded a surplus of JD (316.5) million.

2.3 Jordan's External Debt

Accumulated external borrowing reached its peak in 1990 with an outstanding balance amounted to US \$(7591) million, against US \$ (6412) million in 1989. This increase is attributed to Gulf Crisis repercussions on Jordan such as the closure of neighbouring export markets.

After the peak of 1990, the outstanding balance of external debt registered a tangible decline during the period (1991-1993) by 12.3 per cent to reach \$(6658) million by the end of 1993. In 1994 it witnessed a slight increase to reach \$(6885) million. By the end of 1995 the debt registered \$(6844) million.

Jordan's external debt, measured as disbursed net of repayments, plummeted to 114.8 per cent and 103.8 per cent of GDP, at the end of the years 1994 and 1995 respectively compared with 188.8 per cent at the end of 1990. This sharp reduction is due mainly to the government efforts to alleviate the burden by rescheduling and debt forgiveness. Jordan signed three rescheduling agreements with Paris Club in (1989, 1992, 1993) and debt restructuring agreement with London Club. Moreover, Jordan debt forgiveness in 1994 and 1995 amounted to U.S. \$(771) million from the governments of US, UK, Germany and France.

Classification of external debt according to its maturity in 1995 shows that long-term loans constituted 92.9 per cent of the outstanding public debt, whereas the other loans constituted the remaining percentage. Loans extended by foreign and Arab governments formed 68.6 per cent of the outstanding balance of external debt; multilateral institutions

accounted for 21.3 per cent; bonds and leasing contracts formed 7.1 per cent; and loans from foreign banks and companies formed the remaining 3.2 per cent.

III. Trade Policy

3.1 Foreign Exchange Regime

3.1.1 Exchange Arrangements

The currency of Jordan is the Jordan dinar. Effective 23 October 1995 the authorities pursued an exchange rate policy aiming at achieving the highest possible degree of stability in the JD rate with respect to the U.S. dollar. Since 23 October 1995, the official buying and selling rates of Jordan dinar for the U.S. dollar were JD 0.708 and JD 0.710, per U.S. \$ 1 respectively. Buying and selling rates for other foreign currencies were left to fluctuate on the basis of their rates against the U.S. dollar in international markets.

Authorized banks are permitted to enter into forward contracts in major currencies against the Jordan dinar for specified commercial transactions, provided that they cover such operations abroad. Each authorized dealer's forward transactions are subject to quantitative limits. For corporations or projects considered to be of vital national interest, the Central Bank may offer a forward exchange facility in respect of forward exchange cover provided by Jordanian banks. There are no taxes or subsidies on purchases or sales of foreign exchange. Jordan formally accepted the obligations of Article VIII, sections 2,3 and 4 of the Fund Agreement, as from 20 February 1995.

3.1.2 Administration of Control

Exchange control is administered by the Foreign Exchange Control Department of the Central Bank, which also issues exchange permits; the Central Bank has delegated to authorized banks the issuance of exchange permits for import payments and, within permitted annual limits, for personal invisible payments.

Import policy is determined by the Ministry of Industry and Trade in cooperation with the Ministries of Finance, Supply, Agriculture and Health. Arrears are maintained with respect to external payments.

3.1.3 Prescription of Currency

Outward payments may be made in any currency. Proceeds from exports and invisibles must be collected in any convertible currency through an authorized bank in Jordan or from a nonresident account with an authorized bank in Jordan, or in cash in foreign bank notes from abroad.

3.1.4 Non-resident Accounts

Subject to the prior approval of the Central Bank, authorized banks may open nonresident accounts in domestic currency. Withdrawals and transfers from non-resident accounts are permitted freely. The interest rate is fixed in accordance with rates prevailing in international markets.

3.1.5 Foreign Currency Accounts

Accounts denominated in a foreign currency may be opened at the Central Bank or at any licensed bank or financial company by governmental and semi-governmental entities, as well as by the specialized credit institutions, licensed financial companies, and domestic

corporations of vital national interest including public shareholding companies, provided that outstanding balances (including interest earnings) in each account do not exceed the equivalent of JD 1 million. This ceiling may be raised in certain cases.

Jordanian nationals residing in Jordan may maintain foreign currency deposits with licensed banks in Jordan, provided that the total balance of the deposits that any one person holds does not exceed the equivalent of JD 500,000. Balances in these accounts can be utilized for making current payments abroad consistent with regulations governing import and invisible payments. Jordanians who have worked abroad for more than six months and have decided to return may continue to keep accounts in foreign currencies without limit for a period of up to five years, after which the deposits in excess of the equivalent of JD 500,000 must be converted into Jordan dinars. Licensed banks and financial companies may extend credit facilities in JD to residents and nonresidents against their foreign deposits up to JD 100,000 without the prior approval of the Central Bank. Credits exceeding JD 100,000 may also be extended without the Central Bank's prior approval, provided that they are fully backed by deposits in foreign currency.

3.1.6 Imports and Import Payments

Generally, imports do not require a licence. However, imports requiring a licence also require an exchange permit, which is granted automatically when an import licence has been obtained; the importer holding an exchange permit may either open a letter of credit or pay against documents. A fee of 0.10 per cent is levied on exchange permits for imports except those made by government departments and certain approved institutions and individual permits of less than JD 300. The use of suppliers' credits is subject to prior approval from the Central Bank, which is normally given for essential imports only.

3.1.7 Imports into Free Zones

With the discontinuation of Central Bank issuance of exchange permits for imports to free zones and for transit trade, it is the importer's responsibility to provide foreign currencies to finance such transactions. Banks are authorized to set the percentage of advance import deposit they charge their clients in case of imports to free zones or on transit goods based on customer's financial credibility and on generally accepted standards.

3.1.8 Payments for Invisibles

The policy on payments for invisibles is, in general, liberal and nondiscriminatory.

Residents are permitted to take out or transfer foreign means of payment equivalent to JD 35 thousand to meet current payments for invisibles consisting of travel, education, medication, pilgrimage, residence abroad, family assistance and others without prior approval of the Central Bank of Jordan nor presenting documents to justify these payments. This allowance is granted annually. Amounts in excess of the above mentioned allowance shall be considered positively, in case of presenting supportive documents.

Premiums of life insurance policies issued by insurance companies operating in the Kingdom in favour of non-residents or Jordanians working abroad are to be collected in foreign currency remitted from abroad or from nonresident accounts.

A fee of 0.10 per cent is levied on exchange permits for invisible payments as in the case of imports.

Remittances may be made by postal order for amounts not exceeding the equivalent of JD 10 a month to any person residing abroad. The authorized amount for subscriptions to newsletters, magazines, and scientific bulletins is the equivalent of JD one thousand. In practice, the Central Bank does not restrict remittances of income accruing to nonresidents or of savings of foreign nationals returning to their own countries.

In addition to any travel allocation, residents and nonresidents travelling abroad may take out up to JD 5,000 in Jordanian bank notes and coins. Nonresidents working in Jordan who do not maintain non-resident accounts may transfer up to JD 400 a month up to a maximum of JD 5,000 a year. Furthermore, all travellers may take out checks, travellers checks, or letters of credit issued by authorized banks in Jordan, in accordance with exchange permits authorized by the Central Bank. Tourists and other nonresidents may also take out foreign currency notes and coins and any other foreign means of payment that they had previously brought in and declared to the customs authorities at the time of entry.

3.1.9 Exports and Export Proceeds

There are no requirements affecting export proceeds.

3.1.10 Proceeds from Invisibles

Travellers entering Jordan may bring in any amount of Jordanian and foreign notes and coins¹. Any person considered for exchange control purposes as a resident of Jordan is not permitted to retain any foreign currency in the Kingdom, except what is allowed for in the Foreign Exchange Control Regulation (the equivalent of JD 500 thousand per person) and shall sell excessive sums to licensed banks, financial companies or authorized dealers.

3.1.11 Capital

Inward transfers of capital are not restricted, but outward transfers require approval and are not normally permitted, except that the Central Bank may approve applications made by banks, insurance companies, industrial or trading firms, agricultural and tourism, and contractors for permission to transfer funds abroad for specified investment or operating purposes. The transfer of funds for the purpose of investing in Arab countries by individual investors is permitted only if mutual treatment of bilateral agreement exists between Jordan and the Arab country invested in, and it is the investors' responsibility to provide foreign currency to finance such investments. Current income resulting from non-resident investments in Jordan may be transferred abroad, capital profits, dividends and interest from approved foreign investments may be remitted. The Companies Law No. 1 (1989) provides various benefits to foreign companies establishing branches in Jordan for purposes of conducting business outside the country; such branches may also be granted nonresident status for exchange control purposes. Premium Development Bonds denominated in Jordan dinar may be purchased with convertible currencies by nonresidents; proceeds from redemption at maturity, including interest are transferable in any convertible currency.

3.1.12 Gold

¹Approval is not granted for the crediting of such Jordanian currency to a non-resident account or for the remittance abroad of the equivalent in foreign currency.

The Central Bank has issued ten gold coins, which, although legal tender, do not circulate and are available only to nonresidents and domestic numismatists. Residents may purchase, hold, and sell gold coins in Jordan for numismatic or investment purpose.

Imports of gold in any form are permitted without the prior approval of the Central Bank.

Exports of gold in any form require the prior approval of Central Bank.

3.1.13 Changes During 1995

(a) Exports and Export Proceeds

1 January. The Central Bank made the following adjustments to the general conditions concerning its advances to licensed banks and financial companies against export credits and bills and against bank drafts and collections: (1) the interest rate charged on export promotion facilities by the Central Bank was amended to be 1.0 per cent instead of 2.5 per cent below the prevailing discount rate. (2) banks' commission charged on exporters was raised from 2.0 per cent to 2.5 per cent.

(b) Investments

22 August. Licensed banks were permitted to invest 50 per cent of their clients deposits in foreign currencies in the following forms:

- Extending development loans in Jordan. (Subject to the prior approval of the Central Bank except for the export sector).
- Participation in syndicated loans concluded inside and outside the Kingdom to the benefit of projects inside the Kingdom.
- Government bonds and bills issued by the governments of the U.S., UK, Germany, Japan and Switzerland.
- International and regional institutions' bonds, highest quality corporate bonds rated (AAA) and (AA).
- Jordanian Government's debt bonds issued in foreign currency.

(c) Margin Trading

1 July. Licensed banks have been authorized to offer margin trading services for non-residents, maintaining foreign currency accounts with a minimum of 30 per cent as a marginal deposit for each position.

11 July. Banks have been authorized to offer foreign currency account/ account service for residents.

(d) Foreign Exchange Regulations

25 January 1994 to present. To further liberalize foreign currency regulations, the Central Bank of Jordan introduced the following amendments:

- Any eligible resident is permitted to take out or transfer foreign means of payment equivalent to 35,000 instead of 20,000 Jordan dinars per year to meet current payments for invisibles consisting of travel, education, medication, pilgrimage, residence abroad, family assistance and others.

- Licensed banks and financial companies were authorized to open accounts in foreign currencies for nonresidents without any conditions. In addition, withdrawals and transfers from nonresident accounts are permitted freely.
- Applications for exchange permits that include advance payment must be supported with either one of the following two guarantees, instead of the first one only, to ensure the repatriation of foreign currency transferred through the same bank that issued the exchange permit:
 - An external banking guarantee of an amount equal to the advance payment.
 - A local guarantee of an amount equal to 20 per cent of the advance payment in favour of the Central Bank.

3.2 Trade Regime

Jordan's trade regime in the late 1980's was characterized by high tariff and non tariff barriers. As a result of this protective systems, the overall incentive structure favoured production for the domestic market. In 1989-1994 the trade regime was liberalized, as part of the overall structural adjustment efforts. The first phase of the trade liberalization process began with the elimination of a large number of quantitative import restrictions in 1989; only a limited number of which have been maintained for mineral water and table salt because of social reasons connected with the sectors involved in their production. The other prohibited imports are used cars that five years or more elapsed since their production, and plastic wastes for environmental considerations. The import surcharge is levied for social, educational, environmental and recreational purposes. The Laws establishing some organisations such as universities, municipalities, Civil Aviation and Hussein Sports City, stipulate that part of their resources will accrue from a surcharge tax on imports. The Customs Department collects the tax that is distributed later among the organisations concerned. The authorities also reduced the maximum combined effective tariff (including the import surcharge of 13 per cent and the import licence fee of 5 per cent) for merchandise imports other than luxury goods from more than 300 per cent to 50 per cent. This was done in agreement with the World Bank. Three luxury items still pay customs duties. These are: alcoholic beverages; tobacco and tobacco products; passenger cars, cargo motor vehicles and caravans. As a result, the effective rate of protection has declined substantially, and the dispersion in the tariff schedule has been reduced by more than one half.

3.2.1 Tariff System

The first Customs Department in Jordan was established in 1922 and the first Customs Law was adopted in 1926. Currently, Jordan is implementing the Customs Law No. 16 for the year 1983. This Law is expected to be amended in 1996 taking into consideration international developments and the economic policy of the government. The Customs Department is also implementing a comprehensive plan for administrative reform aiming at streamlining, simplifying and computerizing customs procedures to arrive at a one stop service system.

Tariff Nomenclature

Jordan applies the Harmonized System Nomenclature as of 1 January 1994.

Tariff Structure

The tariff structure is multiple. The following table shows the different duties, taxes and fees imposed on imports:

Type of tax	Percentage:
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Type of tax	Percentage:
1. Customs duties	range from 0-200%
2. Consolidated surcharge tax	6% on all items subject to customs duties
3. Municipalities fees	2% on all items subject to customs duties
4. University fees	4% on all items subject to customs duties
5. Surcharge tax 1969 (amended in 1989)	5% on all items exempt from customs duties and are not basic commodities nor capital goods, 3% subject to customs duties
6. Import fees	5% on all items except goods exempted by the Cabinet
7. Fees for veterinary and laboratory analysis	collected when such services are rendered by government

Tariff Rates

Although there are several import-related duties, taxes and fees, and the range of customs duties is wide, the weighted average of the consolidated tariff rate is 17.1 per cent. In 1996, 2300 items classified by HS paid a tariff rate of 10 per cent or less. The following table shows the distribution of items by tariff rate in 1996:

Consolidated Tariff Rate	Number of items (HS)	% of items	% of import value
0 - 10.0%	2300	34.1	54.90
>10 - 20%	90	1.3	4.08
>20 - 30%	2146	31.8	22.04
40 -	895	13.3	6.62
50 -	1277	18.9	10.35
>50 -	42	0.6	2.0
Total	6750	100.0%	100.0%

Tariff exemptions are granted to some goods depending on the nature of their use like machinery, raw materials and basic food-stuffs.

General Sales Tax

Jordan imposes a general sales tax (GST) at a rate of 10 per cent on all goods except basic foodstuffs, fuel, agricultural equipment and machinery, and pharmaceuticals.

Customs Valuation

Customs duties in Jordan are calculated on the basis of the CIF value of imports on the registration date of the customs declaration form.

In general, there is compliance between real and declared prices. However, the Law authorizes the Customs Department to directly value imported items if the importer fails to verify his declared price.

Duty Free Status

Duty free status is granted in the following cases:

1. Items given such status in the tariff schedule.
2. Some imports governed by bilateral trade agreements (protocol trade).
3. Imports of government institutions according to the Customs Law, subject to cabinet approval.
4. Imports of diplomatic missions, international organizations and regional offices of foreign companies.
5. Imports of charitable organizations subject to Cabinet approval, and special cars for the disabled.
6. Imports of projects covered by the Investment Promotion Law.
7. Imports of educational institutions.
8. Imports of hospitals such as medical equipment and medicines.

3.2.2 Non Tariff Measures and Import/Export Regulations

3.2.2.1 Import/Export Law

The new Import/Export Law No. 14 for the year 1992 and the By-law No. 74 for the year 1993 regulate the flow of imports and exports. The main features of these regulations are as follows:

1. No import licence is required except for imports through protocol trade or for those goods that need prior approvals from the government institutions concerned. These approvals are considered as import licences.
2. No export licence is required for goods of Jordanian origin.
3. For those goods that require an import licence, a licence is given for the duration of one year that can be extended for two years.
4. Import fees are collected with customs duties.
5. Agricultural and industrial machinery are exempted from import fees.
6. Raw materials exempted from customs duties are also exempted from import fees.

The following items need prior approval from certain government institutions:

Good	Party Granting Approval
1. Rice	Ministry of Supply (MOS)
2. Powdered Milk (Halibuna Brand)	MOS
3. Wheat Flour	MOS
4. Sugar	MOS
5. Frozen Lamb	MOS
6. Wheat, Barley and Corn	MOS
7. Milk for Industrial Use	MOS
8. Frozen Animal Semen	Ministry of Agriculture
9. Live Animals	Ministry of Agriculture
10. All Kinds of Arms and Ammunition	Ministry of Interior Public Security Department
11. All Kinds of Explosives	(PSD)
12. Pen Knives and Similar Articles	(PSD)
13. Children's Automobile Toys	(PSD)
14. Remote Control Airplane Toys	(PSD)

15.	Electrical and Electronic Video Games Machines	(PSD)
16.	Self-Defense Electrical Equipment Such as Electrical Sticks	(PSD)
17.	All Chemicals Products	(PSD)
18.	Radio-Active Materials	Ministry of Energy and and Uranium Mineral Resources
19.	Mineral Raw Materials	Ministry of Energy and Mineral Resources
20.	Wireless Transmitters and Receivers	Telecommunications Corp. (TCC)
21.	Wireless Alarm Equipment	(TCC)
22.	All Kinds of Remote-Control Equipment except those for TV and Video	(TCC)
23.	Transmission and Reception Stations	(TCC)
24.	Cellular Telephone Systems	(TCC)
25.	Decoders	(TCC)
26.	Gold ore for Manufacturing and Reexport	Central Bank of Jordan
27.	Colour Photocopying Machines	Central Bank of Jordan
28.	All Kinds of Medicines and Antibiotic	Ministry of Health (MOH)
29.	Food Preparations and Food Complements Used Especially by Athletes	(MOH)
30.	Potassium Promades	(MOH)
31.	Dye NO E 104 (Quinoline Yellow)	(MOH)
32.	Asbestos Pipes and Boards	(MOH)
33.	Halon Material and Rural Affairs	Ministry of Municipalities
34.	Postal Clearing Machines	Ministry of Post and Communications
35.	Potato, Onion and Garlic	Agricultural Marketing Organisation

3.2.2.2 Prohibitions: There are prohibitions on three commodities, mineral water, table salt, and plastic wastes. In addition, there is a de facto ban on imports of cars that are five years old or older for safety reasons.

3.2.2.3 Imports through Government: The Government regulates the imports and initial distribution of five commodities, sugar, wheat, rice, one brand of powdered milk and cigarettes. Private sector contractors are selected through tendering and act as agents for the Ministry of Supply in facilitating the import of the commodity. Four of these products are basic foodstuffs, their import through the government is to ensure adequate supply at all times.

3.2.2.4 Prior Approvals: There are prior approvals required for five categories of goods: (i) some fruits and vegetables; (ii) certain chemicals; (iii) medicines; (iv) some foodstuffs; and (v) telecommunication equipment. (See 3.2.2.1)

The imports of all fresh fruits and vegetables are subject to a plan issued by the Agricultural Marketing Organization which determines on a quarterly basis which commodities can be imported. This regulation of the market aims at preventing excessive supply in the Jordanian market during the seasons of production, which would adversely affect farmers. During off-seasons, imports are allowed to make agricultural products available at reasonable prices.

Imports of all fruits and vegetables from the Arab Countries are subject to protocol agreements and product exchange agendas signed between these countries and the

government of Jordan represented by the Agricultural Marketing Organisation. The product exchange agendas determine on a yearly basis the commodities that are allowed to be imported from each country and at what time. This aims to prevent excessive supply of certain agricultural products in the Jordanian markets and the other party market during the production seasons of each country. On the other hand, imports of all fruits and vegetables from all non Arab countries are allowed all year round.

There are some chemicals which require the permission of the Directorate of Public Security of the Ministry of Interior before they can be imported.

Medicines require permission from the Ministry of Health (MOH). This policy was put in place out of the concern that Jordan could become the recipient of out dated medicines and drugs.

There are 6 foodstuffs that require permission from the Ministry of Supply (MOS). These commodities include items such as industrial milk, barley, animal foodstuffs and frozen lamb. Permissions are granted automatically by the MOS.

All telecommunication equipment such as telephones, facsimile machines, telexes etc. require the prior approval of the Ministry of Telecommunication for technical purposes.

3.2.2.5 Rules of Origin

- Imported goods should have a certificate of origin endorsed by an approved authority in the country of origin, as well as, an enclosed invoice.
- National exports should have a certificate of origin endorsed by the Chamber of Industry or the Chamber of Commerce and/ or any other authority as requested by the importer, as well as, any other requirement agreed upon in trade protocols.
- For the purpose of re-exporting goods, a certificate of foreign origin has to be issued and be endorsed by the Chamber of Industry or the Chamber of Commerce.

3.3 Export Promotion and Incentives

Export promotion in Jordan is a relatively recent activity. Its importance became evident after the Gulf war and the loss of export markets for Jordanian products. The Jordan Export Development and Commercial Centres Corporation executed a project for the development and marketing of products of four industrial sectors in the last two years. These sectors were engineering and electrical; clothing and leather; handicrafts; packaging and printing. The assistance was for developing design, production techniques, management and marketing.

The project was part of the World Bank Emergency Recovery Loan for Jordan, and financed by a US\$ 5m grant from the Swiss Government.

In addition to that, there exists a number of incentives to promote exports and thus increase foreign exchange earnings. These incentives take the form of:

3.3.1 Customs Duty Exemptions in the Form of Temporary Entry and Drawback Schemes

- The temporary entry scheme which grants duty exemptions for firms manufacturing for exports is applied in Jordan. Exporters can use the scheme when they buy from either wholesalers of bonded commercial warehouses as well as when they import directly.
- The duty drawback arrangement allows exporters to receive refunds on duties paid on those materials which would subsequently be used in the production of exports. The refund is calculated according to a specific formula for each product. The fees subject for refund include customs duties and any other fees or taxes.

Instructions for the application of these schemes have been revised to facilitate their application.

3.3.2 Credit Facility of the Central Bank of Jordan

The Central Bank of Jordan (CBJ) currently extends credit for banks to provide financing to exporters, for the purpose of promoting national exports. These advances are made available against letters of credit, bills of lading under collection on national goods and accepted and guaranteed drafts. Furthermore, such advances are granted according to the following general conditions:

- (a) the amount financed by advances against export letters of credit "pre-shipment credit" should not exceed 75 per cent from the value of the export credit;
- (b) the amount financed by advances against bills of lading and accepted and guaranteed drafts "post-shipment credit" should not exceed 90 per cent of the value of the bills or drafts;
- (c) the validity of the advances granted against bills, export credits and guaranteed drafts should not exceed nine months, for all countries;
- (d) the interest rate and commission collected by licensed banks and financial companies from exporters is 2 per cent p.a., above the interest rate collected by CBJ on these advances;
- (e) local value added rate accepted by the CBJ on goods locally produced for the purpose of utilizing these advances should not be less than 25 per cent;
- (f) the CBJ computes interest rate on these advances on the basis of rediscount rate decided by the CBJ on the day the advance is granted, which is currently one percentage point below the prevailing rediscount rate of 8.5 per cent.

3.3.3 Loans Granted to the Industrial Development Bank (IDB)

To encourage the establishment of new industries and expand the already - existing ones, the Central Bank of Jordan allocated an amount of JD 10.0 million to be extended through the IDB during 1994, and a ceiling of JD 5 million to be extended through 1995, as medium term credit at low interest rate. These loans are used as follows:

- Financing raw materials essential to industrial export operations;
- Financing new industrial projects and expanding the existing ones;
- Financing commodities stored for export purposes.

The Conditions for Granting these Loans are:

- The maximum maturities for the IDB loans and credit documents are five years and seven years, respectively.
- The Central Bank of Jordan charges an interest of 6 per cent annually, while the IDB receives an interest and commission of 2.5 per cent higher than the interest received by the CBJ.
- These loans are granted on condition that cogent evidence is submitted to show the availability of export activities of the customer or if an indication of promising export opportunities is submitted.

3.3.4 Income Tax Exemptions

Income accrued from export sales is 100 per cent exempted since 1994. This exemption covers export sales through non-protocol trade only and excludes exports of phosphates, potash and fertilizers.

3.4 Free Zones

One of the main objectives of establishing the free zone areas in the Kingdom is to encourage transit trade and export-oriented industries that would support the national economy of Jordan. Any local, Arab or foreign investor can operate in the Free Zones. Investors register with the Companies Register in the Free Zones before operating in the zones. Goods imported or exported from the Free Zones, other than to the domestic market, are exempted from customs duties and any other taxes and fees.

Two free zones are currently operating in Jordan. They are:

1. The Aqaba Free Zone

The total area of the Aqaba Free Zone is close to one million square meters. It is fully equipped with:

- (a)Infrastructure;
- (b)Goods handling equipment;
- (c)Storage warehouses of an area of 250,000 square meters;
- (d)Paved open yards of an area of 300,000 square meters;
- (e)Cold-storage facilities of a capacity of 6000 tones.

It serves foreign and transit trade of goods imported through the port of Aqaba.

2. The Zarqa Free Zone

The Zarqa Free Zone covers an area extending 5.5 million square meters, and lies on strategic international crossroads. It serves both the industrial and commercial investment sectors.

Exemptions and Incentives

Foreign, local and joint venture investment in industrial and services projects established in free zones enjoy the following exemptions:

1. Exemption of profits from income tax for a period of twelve years.
- 2.Exemption of non-Jordanian employees from income tax on their remuneration and exemption from social services tax.

3. Exemption of goods imported into free zone from outside Jordan from customs duties, import fees and other taxes or fees.
4. Exemption of buildings constructed therein from licensing fees and real estate taxes.
5. Freedom to repatriate capital invested and profits earned.

3.5 Transit Rules

Jordan applies the principles of the international agreement for road transportation known as TIR. It also applies the principles of the Arab Transit Agreement signed on 14 March 1977. This agreement consists of the same principles as the TIR but sets ceilings on fees collected for services provided to Arab vehicles.

IV. Other Policies Affecting Trade

4.1 Investment Policy

4.1.1. The Investment Promotion Law No. (16) for 1995 supersedes the Encouragement of Investment Law No. (11) for 1987 and the Arab and Foreign Investment Law No. (27) for 1992.

According to the Investment Promotion Law a Higher Council of Investment Promotion is formed under the Chairmanship of the Prime Minister. The Council is charged with the task of creating a suitable environment for investment. According to the provisions of this law a corporation named "Investment Promotion Corporation" is established with juristic personality and financial and administrative independency. The Corporation is entrusted with the implementation of this law and is run by a seven member Board of Directors (including the Director General of the Corporation).

The Investment Promotion Law does not differentiate between Jordanian and non-Jordanian investors and accords them generous incentives. According to The Law no preference is given to any export performance or domestic content requirements. For foreign investors the transfer of profits realized on foreign capital invested in the country, and the repatriation of foreign capital invested is guaranteed by the Law.

Any project in industry, agriculture, maritime transport and railways, hospitals and hotels enjoy the following exemptions:-

1. From Customs Duties, import fees and any other fees for fixed assets during the establishment of the project and for expanding or developing the project at a later stage, and for spare parts.
2. Percentage exemptions ranging from 25 per cent-75 per cent from income and social taxes based on the development area where the project is established, for a duration of ten years. The exemptions are 25 per cent for projects established in development area A, 50 per cent for those in area B and 75 per cent for area C. Below is a detailed schedule of the areas and the status of the projects established in each area for the purposes of tax exemptions.

The Schedule

(i)	The Municipality District	Hospitals	Industry	Hotels
The Capital	Amman Kasba*	-	-	A
	Marka	A	B	B
	Qweismeh	A	C	B

	University	-	-	A
	Wadi Al Seir	-	-	B
	Sahab	A	C	C
	Muwagar	B	C	C
	Gizeh	B	C	C
	Na'our	A	C	C
Irbid	Irbid Kasba	B	B	C
	Remaining Districts	C	C	C
Balqa	Salt Kasba	B	C	C
	DeirAlla	C	C	C
	Southern Shouneh	C	C	C
	Ain Al Basha	-	C	C
Karak	All Districts	C	C	C
Ma'an	Wadi Mousa	C	A	C
	Remaining Districts			
Zarqa	All Districts	A	C	C
Ma'raq	All Districts	C	C	C
Tafileh	All Districts	C	C	C
Madaba	Madaba Kasba	B	C	C
	Thiban	C	C	C
Jerash	All Districts	C	C	C
Ajloun	Ajloun	C	C	C
Aqaba	Aqaba Kasba	B	A	C
	Qwaireh	C	C	C

* Town Centre

(ii) All areas of the Kingdom shall be classified under zone -C- for the sectors of agriculture, sea-transport and railroads.

(iii) The Shore of the Dead Sea area, with a 5 Km depth from the sealine, shall be classified under zone -A- for the hotles sectors.

The provisions of paragraph (i) shall not be applicable to conservatories and environmental protection areas that already exist or will established.

3. In addition, hotels and hospitals enjoy extra exemptions from fees and taxes on their purchases of furniture and supplies for renewal or renovation once every seven years.

Moreover, regional offices enjoy exemptions from:

1. Registration and any other related fees.

2. Income and social services taxes on profits generated by the foreign company from business conducted outside Jordan.

3. Taxes on wages and salaries of foreign employees.
4. Customs duties and other fees and charges on samples and demonstration models, office furniture, one automobile for each foreign employee every five years.

In both cases the company will be registered as a Jordanian company. All that is needed from the investor is the following:

- Registering the project at the Directorate of Industrial Development in the Ministry of Industry and Trade (MIT), followed by;
- Submitting an application to the Controller of Companies at MIT.

The Controller of Companies then pursues the matter with the Council of Ministers for approval.

If the investor is establishing a branch of a foreign company, then authorization from the mother company for establishing a branch in Jordan and the name of the person authorized to sign on behalf of the mother company must be submitted with the application.

For a regional office, an application should be submitted to the Controller of Companies at MIT with the following documents, translated into Arabic and authenticated by a notary public in Jordan:

- Registration certificate of the company in its home country and its memorandum and articles of association which indicate its type, capital and objectives;
- A copy of the power of attorney by which a person resident in the Kingdom is authorized to deal with the company's affairs;
- A copy of its balance sheet for the last fiscal year in its home country and a statement showing its volume of business in the area, authenticated by a certified public accountant.

4.2 Industrial Policy

Since August 1988, industrial policy in Jordan has become market oriented rather than development oriented.

The involvement of government bodies in industrial organization and supervision was lessened. The investment decision has become solely that of the entrepreneur himself. This is also true for the expansion and diversification of enterprises.

Privatization of enterprises which the government partially or totally owns is a declared policy. Studies on a case by case basis are being conducted.

The role of the Ministry of Industry and Trade in assisting and developing the industrial sector is as follows:

1. Help develop an industrial services sector to cope with the increasing needs of the industrial sector.
2. Strengthen forward and backward industrial linkages.

3. Encouraging "package contracts" which serve several purposes namely, utilization of full capacities at existing enterprises and increasing trade opportunities, in local as well as export markets.
4. Promotion of industrial subcontracts and partnerships.

4.3 Agricultural Policy

Agricultural policy in Jordan has four main objectives: 1- increased food self-reliance, 2- stimulating agricultural growth, 3- promoting balanced economic growth and equity; and 4- improved resource management and conservation. To achieve these objectives, the Government supports the farmer on different levels which are:

1. Retail prices of agricultural products (vegetables and imported meat) are set by a government committee (see section 4.4); whereas farm-gate prices of fruits and vegetables, and wholesale prices of red and white meat are determined by market forces.
2. The Government through the Ministry of Supply sometimes buys local production of some agricultural products such as wheat, barley, lentils, chickpeas at pre-declared prices that are compatible with international prices.
3. Irrigation water is sold to farmers at subsidized rates, though a gradual phasing out is taking place.
4. All agricultural inputs are exempt from customs duties but pay 5 per cent import fee.
5. Agricultural income is exempt from income tax.
6. Imports from Trade Protocol Countries are regulated through the issuance of a quarterly plan which includes products and quantities that are allowed for importation based on market needs.
7. The Agricultural Credit Corporation extends credit to farmers at interest rates lower than prevailing market rate.
8. Customs valuation for imports is based on value of the product in the customs declaration.
9. There are no quantity or value restrictions on agricultural exports. The government does not give any loans or guarantees for subsidizing these exports.
10. Imports of agricultural products require certificate of origin and health certificate that the product is clear of diseases, radiation and not hazardous to humans and environment.

4.4 Pricing Policy

Prices in Jordan are generally determined through the market mechanism. The Ministry of Supply, however, sets prices for five commodities (listed in para. 3.2.2.3) that are imported by the private sector. For the most part, the government charges or allows commercial mark-ups.

The government sets distribution margins for nineteen consumer goods produced in Jordan. The methodology for calculating the retail price is to determine the cost of production from field surveys and then allow a 17 per cent margin for performing the normal marketing

functions of distribution, storage, and financing. The same mechanism of pricing is applied to similar imported goods. In addition, a committee of government officials, including officials from the Ministries of Agriculture, Supply and Industry and Trade, studies market conditions in the Amman Central Market for Agricultural Products and sets appropriate retail prices for these products. This is done on a daily basis and retail prices are published in local newspapers. The 19 consumer goods referred to above whether locally produced or imported are:

All kinds of bread, pasta, fresh poultry, eggs, yoghurt and cooked cheese, halawa (local popular sweet), table salt, fruits and vegetables, corn, lentils, fizzy drinks (with reusable glass bottles), barely, frozen meat, frozen fish, canned meat, chilled imported meat, canned sardines and tuna, tea, and cigarettes.

4.5 Subsidy Policy

Subsidy policy has two objectives:

1. providing basic foodstuffs at a stable price to preserve the standard of living of limited and low-income groups;
2. promoting investment in livestock to reduce dependence on imported red meats.

Based on this, the Government provided, in the past, consumer subsidies for thirteen basic commodities such as wheat, barley, rice, sugar, dried milk, frozen meats, olive oil. However, subsidies were not targeted in the past, thus reaching all groups of consumers and producers.

In the late eighties, the Government started reducing and targeting subsidies. Presently, only four basic items are being imported and subsidized by the Government: wheat, sugar, rice and one brand of powdered milk. The private sector is now allowed to import other previously-subsidized items and sell them at unsubsidized but fixed prices.

Targeting was achieved through the introduction of coupons which are now distributed only to families with a monthly income of JD 500 or less. Three commodities are covered by these coupons sugar, rice and one brand of dried milk.

As a result of the change in the subsidy policy, subsidies were reduced from about JD 90 million (for foodstuffs only) in 1989 to about JD 56 million (for foodstuffs and animal feed) in 1993.

4.6 Income Tax System

The main features of the new Income Tax law No.(14) of 1995 are the following:

1. The tax regime is based on annual self assessment.
2. Income tax is due on profits or gains earned or accrued in Jordan.
3. Income tax exemptions are equally applied to foreign enterprises.

The following are exempted:

- Welfare, cultural, educational, sports or health institutions and cooperative societies.
- Land invested in agriculture or poultry, cattle, fish or bee breeding.
- Capital profits earned on equipment, apparatus, land, real estate, bonds and shares.

- Salaries paid to non-Jordanian diplomatic envoys.
 - Salaries and wages paid by foreign companies registered in Jordan according to the Companies Law.
 - Interests due on deposits of persons and companies.
 - Income accrued from patents, copyrights or rewards.
 - Income specified in agreements on preventing double taxation.
 - Income explicitly exempted by the Investment Promotion Law No. (16) of 1995 and by means of bilateral and multilateral agreements.
4. Disbursements and expenses are deducted from annual total income.
 5. Losses are deducted from the taxpayers total income from other sources of taxable income during the same year and the balance carried forward to the next year and then to the subsequent year up to six years after when loss occurred.
 6. Partial exemptions are:
 - 50 per cent of salaries and wages of employees on the first twelve thousands and 25 per cent on the amount above that.
 - 10 per cent to 30 per cent of rents accrued from leasing buildings.
 7. The progressive tax on individuals ranges from 5 per cent to 30 per cent.
 8. The progressive tax on companies ranges from 15 per cent to 35 per cent according to type of activity.

4.7 State-Owned Enterprises

Jordan's economy is characterized by a strong private enterprise orientation. The State-owned sector is small consisting of public utilities and enterprises of strategic importance. State ownership takes two forms as follows:

Total ownership of agencies and corporations in sectors such as public transportation, water, energy and telecommunications. However, several activities have been opened up to private sector investment and the national airline, public transport and telecommunication are under consideration for privatization. The State owned enterprises are:

Telecommunication Corporation, Public Transportation Corporation, Royal Jordanian Airline, Aqaba Railway Corporation and Jordan Investment Corporation.

Participation in public shareholding companies in the industrial and services sectors. These enterprises are:

Jordan National Shipping Lines Company, Industrial Development Bank, Housing Bank, Arab Mining Company, Arab Potash Corporation, Jordan Phosphate Company, Jordan Fertilizer Industry Company, Public Mining Company, Jordan Hotels and Tourism Company, Arab International Hotels, Irbid District Electricity Company, Jordan Electric Power Company.

V. Participation in Bilateral Trade Agreements

5.1 Preferential Trade Arrangements

Jordan is a member of the "Agreement for Facilitating and Developing Trade Exchange among Arab States." The member States are: Jordan, United Arab Emirates, Bahrain, Tunisia, Saudi Arabia, Sudan, Syria, Somalia, Iraq, Palestine, Qatar, Kuwait, Lebanon, Lybia, Morocco, Yemeni Republic. The agreement stipulates that following products are exempted from customs duties and taxes:

1. Agricultural and livestock products.
2. Raw materials.
3. Goods and products with 40 per cent value-added in the exporting country. This percentage could go down to 20 per cent if all inputs are imported from Arab countries.
4. Goods and products produced by joint Arab enterprises.
5. Any other good or product agreed upon.

Additional exemptions are discussed but not agreed upon yet, but they will be in the form of reductions in customs duties.

Moreover, there are several bilateral agreements between Jordan and Arab countries. In general, 20 per cent to 100 per cent customs exemptions are granted to specific goods included in these agreements according to trade protocols. However, these trade protocols are diminishing and the only one left is with Lebanon.

5.2 General System of Preferences (GSP) and EU Agreement

Under the generalized system of preferences scheme, developed countries give non-reciprocal preferential arrangement to products exported from developing countries. The preferential treatment takes the form of tariff cuts on a list of products that vary from one preference-giving country to another.

The GSP schemes have common features in the requirements for making use of the GSP. The most important requirement is the rules of origin.

This is to ensure that the products benefiting from GSP are confined to products wholly obtained or have an import content but have undergone sufficient working or processing in the preference-receiving country.

Another important criterion is that the preference-receiving country should notify the preference-giving country the name of the organization authorized to issue certificates of origin.

Jordan is eligible to benefit from GSP schemes and is found on the list of preference-giving countries, but have not made use of this scheme.

The EC agreement with Jordan signed 1977 gives Jordan seasonal preferential treatment for some of its agricultural products. This preferential treatment takes the form of tariff cuts in certain periods of the year. Jordan is negotiating with the EU a partnership agreement.

The Jordan-EU partnership agreement is basically a free-trade, MFN based agreement. It is envisaged that starting January 1998, both Jordan and the EU start tariff reductions to gradually reach a zero-based tariff and full free-trade area by the year 2010.

VI. Institutional Organization of Foreign Trade

6.1 Ministry of Industry and Trade

The Ministry of Industry and Trade supervises the formulation and execution of policy related to industry and trade based on the following principles:

-free mobility of capital,

- encouragement of private sector initiatives and activities,
- freedom of participation in all economic sectors.

The main duties of the Ministry are:

1.Implementation of the following laws:

- Import/Export Law and the Import/Export By-law.
- Companies Law.
- Intellectual Property Laws.
- Insurance law.

2.Concluding trade and economic agreements and protocols.

3.Joining international trade organizations.

6.2 Ministry of Finance/Customs Department

The Customs Department consists of 16 directorates and 23 border centres and customs houses, out of which 6 are clearance houses. The Department's main responsibility is to administer the flow of goods across the borders according to the laws and regulations in force. It, thus, provides a major source of central government revenue reaching about 40 per cent of domestic revenue.

The main tasks of the Department's directorates are as follows:

- 1.Apply the customs duties to imported goods.
- 2.Administer the temporary entry and/ or drawback facilities for exporters, diplomatic missions, regional offices and projects.
- 3.Provide exemptions according to the law to such institutions as charity associations and beneficiaries of the Investment Promotion Law.
- 4.Collect the sales tax.
- 5.Handle all violations of the Customs Law such as smuggling, fraud and false information.
- 6.Combat smuggling through specialized patrols.
- 7.Perform auditing checks of all customs forms.

6.3 Jordan Export Development and Commercial Centres Corporation (JEDCO)

JEDCO is an autonomous non-profit corporation equally owned by the Ministry of Industry and Trade, the Jordan Federation of Chambers of Commerce and the Amman Chamber of Industry. It is supervised by a Board of Directors comprising senior government officials, principals of the Kingdom's business organizations and leading industrialists. It has a General Manager appointed by the Board of Directors.

JEDCO went through a re-structuring process during 1995 in which new departments were founded, and new functions were activated. The original task of JEDCO since 1972 was to execute, on behalf of the government, the trade protocols with several Arab Countries. These protocols were introduced mainly to help exporters to overcome difficulties related to the availability of hard currencies through inter-governmental arrangements. They entailed tariff concessions on traded goods between Jordan and those countries.

Most of the trade protocols are being terminated as a result of the new governmental trade policy towards liberalisation, free trade arrangements, and pursuing membership to

WTO. A number of trade protocols stopped already during 1995 as with Tunisia, Egypt, and Morocco. The only trade protocol administered by JEDCO at the time being is the one with Lebanon and is expected to be discussed at the highest level in 1996. The new functions of JEDCO are of technical and promotional nature. Technical and financial assistance is extended to industrialists to upgrade their products, adopt international standards and to develop their marketing and technical capabilities.

JEDCO's promotional activities include; publication of industry export directories, arranging participation at international and regional trade fairs, conducting inward and outward trade missions and the dissemination of trade inquiries. JEDCO maintains a database on all Jordanian exporting companies, its services cover access to trade related information that is essential to exporters wishing to take advantage of the international business opportunities. The promotion is also done through the ten trade centres located in Egypt, Iraq, Libya, Morocco, Oman, Russia, Sudan, Tunisia, Yemen, and U.S.A.

6.4 Agricultural Marketing Organisation

The Agricultural Marketing Organisation (AMO), an autonomous government entity, established in 1987 to help formulate marketing policies pertaining to agricultural products, develop domestic markets, open new export market and to support the private sector. Moreover, AMO serves as an information bank for all fresh produce imports and exports. AMO has had a significant impact on the Jordanian agricultural sector in terms of improved quality and increased fresh produce export quantities. AMO major activities are as follows:

1. Conducting market studies for agricultural products on both local and international markets.
2. Issuing periodical statistical reports that have detailed information on fresh produce prices, quantities, exports and imports.
3. Promote agricultural exports by out facilitating the participation of the private sector in the international trade fairs and exhibitions.
4. Collecting information and finding new export markets.
5. Publishing brochures, guidebooks and news letters for producers, exporters and foreign importers of agricultural products.
6. Monitoring the quality of fresh produce exported from Jordan.

6.5 Private Sector Institutions

Several private sector institutions play an active role in promoting international trade. The most prominent among these are the following:

6.5.1 The Federation of Chambers of Commerce

The Federation of Chambers of Commerce was established in 1955. It is a non-profit organization that aims at promoting trade. It represents traders' views and participates in economic decision-making with a view to enhancing the role of the private sector in economic activity.

6.5.2 Amman Chamber of Industry

The Amman Chamber of Industry was established in 1962 as a non-profit organization to provide an umbrella for the country's manufacturing firms. The Chamber serves as a forum for the views of the industrial sector with the aim of promoting economic development. It cooperates closely with the Ministry of Industry and Trade and other public entities, in sponsoring business missions abroad and organizing meetings with foreign business

delegations in order to strengthen international cooperation, promote investment and trade exchange and encourage joint ventures.

6.5.3 The Jordanian Businessmen Association

The Jordanian Businessmen Association was established in 1985 as a private, independent, non-profit organization which aims at creating the appropriate climate for the private sector to operate. It represents the private sector's point of view and keeps an open dialogue with the Government to express these views especially regarding policies that the Government pursues or intends to pursue. It also serves its members by conducting studies and surveys, as well as providing technical assistance and information.

6.5.4 The Jordan Trade Association

The Jordan Trade Association (JTA) was established in 1989 as a private, independent, non-profit organization which aims at expanding, boosting and developing exports of goods and services produced by the Jordanian private sector. It also aims at providing the suitable climate for exchange of ideas among Jordanian businessmen in the field of exports. JTA provides its members with information on export markets, international trade laws, required technical specification and prices of products in export markets. It also establishes channels of communication and exchange of information with foreign and local specialized consultancy bodies.

6.5.5 Agricultural Marketing and Processing Company

The Agricultural Marketing and Processing Company is a private company owned by the Jordan Investment Corporation, the Social Security Corporation and the Agricultural Credit Corporation. The company owns and operates processing plants for tomatoes and citrus fruits. It also markets agricultural produce both domestically and internationally.

VII. Intellectual Property Protection

7.1 GENERAL:

7.1.1 Intellectual Property Policy

The Government recognizes the importance of amending the laws pertaining to intellectual property, like industrial property and copyrights, trade marks, taking into consideration the international intellectual property conventions and the conditions for entry into the World Trade Organization.

7.1.2 Responsible Agencies for Policy Formulation and Implementation

The Houses of Parliament, Ministry of Trade and Industry and Ministry of Culture, The Courts of Law, the Customs Department and several other government agencies.

7.1.3 Membership of International Intellectual Property Conventions and or Regional or Bilateral Agreements

Jordan is already a member to the Paris Convention for the Protection of Industrial Property and The Arab Agreement for the Protection of Copyrights. Jordan is considering the possibility of acceding to :

1. Madrid Agreement (1891) concerning the International Registration of Marks.

2. Protocol Relating to the Madrid Agreement concerning the International Registration of Marks (1989).
3. Nice Agreement (1957) concerning the International Classification of Goods and Services for the purposes of the Registration of Marks.
4. "PCT" Patent Cooperation Treaty (1970).
5. Berne Convention (1886) for the Protection of Literary and Artistic Works.
6. Rome Convention (1961) for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations.

7.1.4 Application of National and M.F.N. Treatment of Foreign Nationals

With regard to the protection of industrial property the current laws provide foreign nationals treatment equal to that of nationals.

The current Copyright Law provides protection only for works published or reproduced in Jordan for Jordanian and foreign authors, and the works published or reproduced abroad for Jordanian authors if it is published in Jordan. As for the works of foreign authors published abroad, international conventions and reciprocity shall be taken into consideration in this respect.

7.2 Substantive Standards of Protection, Including Procedures for the Acquisition and Maintenance of Intellectual Property Rights:

7.2.1 Copyright and Related Rights, Including Rights of Performers, Producers of Phonograms and Broadcasting Organizations

The Copyright Protection Law No.22 for the year 1992 governs the protection of copyright in Jordan. Protection covers original works of literature, art and science no matter what their type, importance or purpose is. This includes the works of art expressed in writing, sound, drawing, photography and motion, such as books, speeches, plays, musical compositions, films, applied art, three-dimensional works and computer software.

7.2.2 Trademarks, Including Service Marks

Trade Marks Law No. 33 of 1952, effective 1 July 1952.

The international classification of goods according to the Nice Agreement is followed in Jordan. The Trademark Law does not provide for the protection of service marks in international classes 35 to 42 of the Nice Agreement. A separate application should be filed with respect to each class of goods.

Trademark applications accepted by the Registrar are published in the Official Gazette. There is a three month period open for filing opposition by any interested party. In the absence of opposition, however, a published trademark is registered, and the certificate of registration is issued.

A trademark registration is valid for 7 years as from the date of filing the application. Thereafter, a trademark registration is renewable for periods of 14 years each. No provision in the Jordanian law prohibits the licensing of trademarks.

7.2.3 Geographical Indications, Including Appellations of Origin

(No present legislation available)

7.2.4 Industrial Designs

Patents Designs Law No. 22 of 1953; effective 17 February 1953; Patents and Designs Order No. 1 of 1953.

Designs are protected in Jordan through registration with The Patent and Industrial Design Office of the Ministry of Industry and Trade. Such a registration is effected without any novelty examination at the applicant's responsibility. According to the Jordanian Patents Designs Law, there are 15 classes under which designs can be registered. The classification is based on the materials which the goods are made from such as metals, glass, wood, paper, leather etc.. Application may be filed to register the same design for more than one class; a separate application is required for each class. Rejections by the Registrar can be appealed to the Court of Cassation within one month.

A design registration is valid for five years starting as of the date of filing the application. A registration can be renewed for two similar periods of five years each.

There is no provision in the current Design Law of Jordan for compulsory working or licensing with respect to designs.

Any infringement or unauthorized use of a registered design is punishable under the current design law.

7.2.5 Patents

Patent and Design Law, No. 22 of 1953, effective 17 February 1953; Patent and Design Rules, Order No. 1 of 1953.

Jordan is a member to the Paris Convention. Once an application for the grant of a patent is filed, it is examined with respect to compliance with formalities and patentability provided for under the Patent Law in Jordan. The Patent Office may require whatever amendments that may be necessary to bring the application into conformity with the law.

Working of patents in Jordan is an official requirement. In the event that the owner of a patented invention in Jordan does not satisfy the stipulated working requirements of the country within three years as from the date of grant of a patent, then the patent will be subject to compulsory licensing under the provisions of the law.

Infringement of the right of a patentee is punishable under the provisions of the current Patent Law in Jordan.

7.2.6 Plant Variety Protection

(No present legislation available)

7.2.7 Layout designs of integrated circuits

(No present legislation available)

7.2.8 Requirements on undisclosed information, including trade secrets and test data

(No present legislation available)

7.2.9 Any other categories of intellectual property

(No present legislation available)

7.3 Measures to Control Abuse of Intellectual Property Rights

7.3.1 Trademarks

The Trademark Law No. 33 of 1952 includes regulations to control abuse of trademark rights at different stages during the process of the trademark application of which we mention the following:

(a) Before acceptance of the trademark application:

The law includes a list of marks which are not capable of registration as marks in Article 8.

(b) Upon publication of the patent application in the Official Gazette:

The Law includes regulations in Article 11 which allows any person to file an opposition action against the registration of a patent application published in the Official Gazette

(c) Beyond the registration of a trademark:

The Law includes regulations in Articles 22 and 25 which allow any person to file a cancellation action against the registration of a mark, or the removal of a mark from the register.

7.3.2 Patents

The Patent and Designs Law No. 22 of 1953 includes regulations to control abuse of patent rights at different stages during the process of the patent application, of which we mention the following:

(a) Before acceptance of the patent application:

The Law includes regulations which allows the Registrar to refuse a patent application or require some amendments in the specifications.

(b) Upon publication of the patent application in the Official Gazette:

The Law includes regulations in Article 11 which allow any person to file an opposition action against the registration of a patent application published in the Official Gazette.

(c) Beyond the registration of a patent:

The Law includes regulations in Article 23 which allow the Chief Public Prosecutor or any person to file a cancellation action against the registration of a patent, from the register.

7.3.3 Designs

The Patent and Designs Law No. 22 for 1953 includes regulations to control abuse of design rights at different stages during the process of the design application.

(a) Before acceptance of the design application:

The Law includes a regulation which allows the Registrar to refuse a design application.

(b) Beyond the registration of a design:

The Law includes regulations in Article 36 which allow any person to file a cancellation action against the registration of a design, or the removal of a design from the register.

7.3.4 Copyrights

The Copyright Law No. 22 for the year 1992 includes regulations to control abuse or copyrights in articles 42, 46, 47 and 51.

7.4 Enforcement

7.4.1 Civil Judicial Procedures and Remedies

The Jordan Civil Code is only referred to in order to claim damages in infringement cases by citing its Article No. 256 of Chapter Three entitled "The Injurious Act" which states as follows:

-Every injurious act shall render the person who commits it liable for damages if he is a non-discerning person.

The injurious act is further described in Article No. 257 as follows:

(a) The injurious act may be direct or causative.

(b) And if it is direct the damages shall be due unconditionally and if it is causative it shall be subject to the proof of trespass or intent or that the act led to the injury.

7.4.2 Provisional measures

(No present measures available)

7.4.3 Any administrative procedures and remedies

(No present administrative procedures and remedies available)

7.4.4 Any Special Border Measures

The Customs Law No. 16 for the year 1983 includes in section four "Banned and Restricted Goods" under Articles 32 and 33 which classifies the banned or restricted goods as "The foreign goods which carry a trademark, a name or a sign which gives a false impression that it is of local origin..." (Article 32) and "The foreign goods that do not satisfy the conditions stipulated for in the laws and regulations for the protection of property and origin..." (Article 33).

7.4.5 Criminal Procedures

(No special procedures available other than those mentioned under the trademark law and the merchandise marks law).

7.5 Laws, Decrees, Regulations and Other Legal Acts Relating to the Above

- 1.The Trade Names Law No. (30) for the year 1953.
- 2.The Merchandise Marks Law No (19) for the year 1953.
- 3.The High Court of Justice past decisions pertaining to intellectual property cases are used as a basis for deciding for new cases.

7.6 Statistical Data on Applications for and Grants of Intellectual Property Rights, as well as any Statistical Data on their Enforcement.

Registered Trade Marks and Patents during the period 1987 till 31 December 1995 according to the records of Department of Trade Registration and Industrial Property protection in the Ministry of Industry and Trade:

Item / Year	1987	1988	1989	1990	1991	1992	1993	1994	1995
1. Trade Marks									
a. Local Trade Marks	432	462	387	530	640	962	1309	1130	1637
b. Foreign Trade Marks	515	712	608	601	484	803	974	741	863
c. Total of Trade Marks	947	1174	995	1131	1124	1765	2282	1871	2500
2. Patents									
a. Local Patents	8	13	8	11	6	13	12	24	23
b. Foreign Patents	39	38	24	31	30	35	30	46	45
c. Total of Patents	47	51	32	42	36	48	42	70	68

VIII. Trade-Related Services Regime

8.1 General Description of the Overall Market

The Services Sector has a leading role in the economic development of Jordan. It's contribution to GDP was about 65 per cent in 1994, of which trade and catering 10.2 per cent; construction 8.6 per cent; transportation, storage and communication 15.9 per cent; financial services, insurance, real estate and business services 19.0 per cent.

Jordan is an exporter and importer of services. According to the balance of payments figures in 1994, Jordan's exports of services amounted to JD.1905 million while its imports of such services were JD.1049 million. The JD.856 million services surplus helped finance part of JD.1362 million trade deficit in 1994. The most important source of revenue in the services account is workers remittances which in 1994 brought in a net revenue of JD.699 million. Travel, especially tourism generated a surplus in the travel account of JD. 131 million resulting mainly from JD.406 million tourist income and from JD.275 million payments accruing from expenses on tourism, medical care and education. Income from capital investments is becoming more important as a source of revenue in the services account, however, investment income payments were four times larger than receipts in 1994, investment income payments which mainly represent interest on debt reached JD.220 million, while receipts were JD. 51 million.

8.2 Policies affecting Trade in Services

Trade in services in Jordan is regulated by domestic laws and regulations, registration and licensing requirements. Activities of trade in services in Jordan are guided by both the Laws that are of horizontal nature affecting more than one sector or service and by Laws and regulations that pertain to a certain sector or activity.

8.2.1 Horizontal Legislation

The main Law in this category is the Investment Promotion Law No. (16) for 1995 which regulates domestic and foreign investment in Jordan including some services. In addition Investment Promotion of non-Jordanians No.1, for 1996 specifies the following criteria for non-Jordanians Investors. A non-Jordanian can own no more than 50 per cent of any project in the following services:

- (a) Land and air transportation;
- (b) Construction contractors;
- (c) Trade and trade services;
- (d) Banking and insurance;
- (e) Investment in Amman Financial Market.

The minimum limit for foreign investment in any project in Jordan is JD 100,000 (one hundred thousand) dinars, exception being buying shares at the Amman Financial Market minimum is JD. 1,000 (one thousand) dinars.

The Companies Law No. (1) for 1989 and the Investment Promotion Law referred to above are the main important Laws that regulate the right of establishment or commercial presence in Jordan.

The Companies Laws defines the various forms of companies that can be established in Jordan. These include limited liability companies (private and public); partnership (general and limited); and mutual funds, branch offices and regional offices.

Foreign companies are allowed to operate in Jordan in the form of a branch office or a regional office, or they can register a Jordanian company at the Ministry of Industry and Trade.

The Central Bank Law No. (19) for the year 1979 and the Foreign Exchange Law No. (95) for 1966 regulates the foreign exchange dealings. The full convertibility of the current account payments of the balance of payments has been achieved since February 1995 when Jordan accepted formally Article VIII of the International Monetary Fund articles of Agreement.

The operations of banks in Jordan are regulated by the Banks' Law No. (24) for 1971 and its amendments. Foreign Exchange dealings outside the banking system are carried out by money changers who are authorized to do so by the Money Exchange Dealings Law No (37) for 1992.

A non-Jordanian wishing to take up employment in Jordan must obtain a work permit from the Ministry of Labour and a residence permit from the Ministry of Interior. Labour Law No. (27) for 1988 and Residency and Foreigners Affairs Law No. (5) for 1991 govern the employment and stay of foreigners in Jordan.

8.3 Specific Sectors

8.3.1 Financial Services

8.3.1.1 Banking Services

The financial sector in Jordan consists of the Central Bank of Jordan (CBJ), licensed banks, and other specialized credit institutions. Currently there are fifteen commercial banks operating in Jordan of which five are branches of foreign banks. In addition, there are six private investment banks and one industrial development bank.

CBJ encourages the banking sector to extend its range of services, and it has liberalized almost all direct controls on interest rates and credit.

Regarding banking business, any company that desires to establish a bank in Jordan must obtain a licence from CBJ, which is granted upon a justified economic need for establishing such a bank, and the bank must be a public shareholding company. Branches of foreign banks are exempted from the latter condition. Until recently, the minimum capital requirement of any licensed bank was JD 5.0 million. Foreign companies wishing to operate as a bank in Jordan must transfer to Jordan in one single payment not less than JD 5.0 million in a convertible currency. In December 1995, CBJ required domestic banks to raise their capital to JD 20.0 million, by the year 1997 at the latest. Branches of foreign banks are exempted from this requirement, but CBJ expressed a desire that they raise their capital to JD 10.0 million.

Authorized banks are permitted to enter into forward contracts in major currencies against the Jordan dinar for specified commercial transactions, provided that they cover such operations abroad. Each authorized dealer's forward transaction is subject to a minimum quantitative limit. For corporations or projects considered to be of vital national interest, the Central Bank may offer a forward exchange facility in respect of forward exchange cover provided by Jordanian banks. There are no taxes or subsidies on purchases or sales of foreign exchange.

To activate and promote the foreign exchange market and to enhance the liberalization of foreign currency control restriction, licensed banks are permitted to invest a maximum of 50 per cent of their foreign currency deposits in investments inside and outside Jordan. Such investments include: granting development loans in Jordan, participating in syndicated loans inside and outside Jordan to finance projects in Jordan, investing in government bonds and bills issued in five specified countries outside Jordan, in international and regional institutions' bonds, in corporate bonds rated AAA or AA, in floated interest bills and bonds in the specified countries, and in Jordan's government bonds issued in foreign currency. Interbank borrowing in foreign currencies are also permitted. Licensed banks are authorized to operate investment portfolios (including margin trading) in foreign currencies on behalf of nonresidents out of their foreign currency accounts financed by transfers from abroad. The Central Bank applies a set of prudential measures that are changeable depending on the economic requirements of the country including interest rates, credit ceilings and banks deposits with CBJ.

(a) Policies Affecting Trade in Banking

The exchange system has been substantially liberalized since 1992. On 20 February 1995 full current account convertibility has been achieved as Jordan accepted formally Article VIII of the IMF Articles of Agreement. Non-resident accounts in foreign currencies are free of all restrictions, while opening nonresident accounts in domestic currency are regulated by CBJ.

Transfers and withdrawals from non-resident foreign currency accounts are free of restrictions, and interest rates on foreign accounts are in line with those prevailing in international markets. In addition, CBJ does not restrict remittances of income accruing to nonresidents.

Jordanians may maintain foreign currency accounts with a ceiling equivalent to JD. 0.5 million, while residents and nonresidents may obtain credit facilities against their foreign currency deposits. On the same side, export proceeds are not restricted by repatriation or any other requirements.

Regarding payments for current transactions, a fee of 0.10 per cent is levied on exchange permits for imports and payments for invisibles except those of government departments, permits financed from nonresident accounts in foreign currency, and permits with a value of less than JD.300.

Non-residents may take out any foreign means of payments that they had previously brought in and declared to the customs authorities at the time of entry.

As for capital transactions, inward transfers of capital are not restricted, while outward transfers are subject to approval by CBJ. In particular, inflows and outflows pertaining to foreign direct investment made in Jordan are completely liberalized. The CBJ allows capital transfers to Arab Countries on a reciprocal basis. Capital transfers, for specified investments or operating purposes, to the Palestinian Selfrule areas are practically free of restrictions.

(b) Market Access and National Treatment

All licensed banks (domestic and foreign) operating in Jordan enjoy the same treatment except for two domestic banks; the Housing Bank and the Industrial Development Bank. These two banks were granted limited privileges to enable them to meet some desirable economic and social objectives. At any rate, the CBJ is in the process of phasing out the special privileges accorded to these two banks under the ongoing Economic Reform and Development Loan (ERDL) agreed on with the World Bank in 1995.

Regarding market access, the CBJ grants new bank licences on a case by case basis, and in making the decision examines applications on the basis of economic needs and objectives. These include the efficiency of establishing such banks, a capital requirement of not less than JD. 20.0 million, given that the share of foreign capital in any bank does not exceed 50 per cent of its capital, while the capital requirement for branches of foreign banks must not be less than JD.5.0 million. In practice, there are no limitations imposed on licensed banks concerning the number or total value of their operations. In addition, the new Investment Promotion Law granted foreign capital the same treatment enjoyed by domestic capital (Ref. Non-Jordanian Investment Promotion Regulation 1995, and Foreign Exchange Control Regulations).

8.3.1.2 Insurance Services

Insurance services in Jordan are beginning to emerge as an important segment of the economy developing steadily its capacity and diversifying its activities.

There are now twenty one insurance companies in Jordan. Prior to 1996 there were eighteen insurance companies, of which one insurer, the American Life Insurance Company is a branch operation. Some eleven of the other seventeen companies have between 10 and 45 per cent of their capital owned by non-Jordanian investors. The total capital of insurance companies in Jordan in 1995 reached JD.35.5 million.

The insurance services in Jordan are regulated by the Insurance Law No. (30) for 1984 and its amendments and the New Insurance Law No. (9) of 1995. According to this Law the operations of the insurance companies are supervised by the Office of the Controller of Insurance in the Ministry of Industry and Trade.

The insurance companies have a Federation that comprises all insurance companies. No company is allowed to operate in Jordan if it is not a member of the Federation. The Federation looks after the interest of its members. Other functions are setting insurance rates

and prices, unifying insurance contracts, and foreseeing the adoption of professional code of behaviour among the insurance companies.

Market Access and National Treatment

- Any insurance company to be established must be registered in Jordan and must be a public share holding company.
- The commercial presence of a foreign insurance company in Jordan is based on the right of reciprocity except for those companies that were present in Jordan before 1984. These are usually in the form of a branch of a foreign company or an accredited agent for the foreign company.
- The minimum capital of a local insurance company is JD.2.0 million, while that for a branch of a foreign company or its accredited agent is JD.4.0 million. The required minimum capital for a local reinsurance company is JD. 20.0 million.
- All employees must be Jordanians including the manager of the branch of a foreign insurance company or its accredited agent. However, the Controller of Insurance may grant permission to an insurance company to employ up to three non-Jordanian experts. Any number beyond three requires the approval of the Minister of Industry and Trade.

The general manager for a branch of a foreign insurance company or an accredited agent of a foreign insurance company must be registered in the Commercial Register or the Companies' Register in case of a natural entity.

Any Jordanian insurance company and before commencing its operations must deposit with a commercial bank "insurance" money for the different kinds of insurance and as follows:

- JD.100,000 for life insurance and savings. JD. 75,000 for transport, fire, accidents and any other kind of insurance.
- As for a branch of a foreign insurance company or its accredited agent, they are required to deposit double these sums.
- As for a local re-insurance company it must deposit JD. 500,000 for life insurance and JD.250,000 for other types of insurance.
- The deposits are held under the name of the Minister of Industry and Trade and are considered as a collateral that cannot be revoked except with a court order or written instructions from the Minister of Industry and Trade. The Controller of Insurance is alerted by the bank if a fall in the amount of the deposit occurs. The deposits can be invested in shares, development bonds, corporate bonds and real estate mortgages.

The Controller's office keeps a record of the activities of the insurance companies in general, and of each company in particular, as well as of the agents, intermediaries and experts. The Controller or any one appointed by him has the right to inspect and audit the operations of any insurance company at any time and the company is to provide him with any documents he asks for.

Insurance companies are granted a yearly permission to perform insurance activities. The permission is renewable upon submitting a request one month before the end of each calendar year.

Any company involved in insuring transport risks should keep in the Kingdom no less than 30 per cent of the total amount of insurance premiums, accrued in the Kingdom, at the end of the financial year; and 40 per cent for fire and accidents and any other form of insurance other than life insurance.

8.3.1.3 The Amman Financial Market

The Amman Financial Market (AFM) though small by international standards it is considered the most dynamic bourse in the Arab Countries. The market witnessed high growth rates in the number of listed companies as well as in share prices. Because of the smallness of its size, it remains sensitive to economic and political developments in Jordan and the region. It is envisaged that the market will develop and become stronger with diversification of its financial instruments. The activities of the AFM are regulated by the AFM Law (No.31) of 1976 and by the Regulation (No.26) of 1980. Foreign investors can invest in financial paper traded in AFM in JD. provided that the equivalent of foreign exchange has been transferred to Jordan from abroad and foreign ownership should not exceed 50 per cent of the capital of any enterprise.

8.3.2 Telecommunications Services

8.3.2.1 The telecommunications sector in Jordan is currently undergoing a restructuring process according to which the following changes have taken place.

- A new Telecommunications Law (Law 13 of 1995) came into force since October 1995.
- A Telecommunications Regulatory Commission (TRC) has been established as a financially independent entity responsible for regulating the Sector. The duties and responsibilities of (TRC) are described in the above mentioned Law.
- A Policy Department has been established in the Ministry of Posts and Telecommunications to carry out duties concerning policy development and suggestion.
- Other changes are expected to occur including the transformation of the National Operator, the Telecommunications Corporation (TCC), into a company wholly owned by the Government as a step towards privatization. The transformation is scheduled to take place before October 1996.

8.3.2.2 Existing Services:

Public Switched Telephone Network (PSTN)

TCC, which is a public sector entity, is the monopolistic provider of basic telephone service. The number of connected subscribers is 330.000. The penetration rate is about 7.7 per 100 inhabitants, and expected to reach 11 per cent upon the completion of on-going expansions.

Cellular Mobile Telephone:

A private company was licensed to provide the service in 1994. The standard used is GSM. Number of customers is about 13,500. The service covers the major cities and highways and important touristic sites.

Paging

This service is provided by a private company since 1987. Number of subscribers is around 7500.

Payphones

TCC is the only provider of payphone service. The penetration of payphones is very limited and their number does not exceed 300 units located in some public sites.

Data Services

The market of these services is still in its initial stage of development. Only one licence has been granted to operate data services.

8.3.2.3 Policies affecting Trade in Services

(a) Authorized Bodies:

The overall authority to approve policies is vested in the Council of Ministers upon the recommendation of the Minister of Posts and Telecommunications. Within the Ministry, the Policy Department is responsible for proposing and reviewing policies. The Telecommunications Regulatory Commission is responsible for licensing, issuing permits, type approval, frequency management, resolving disputes between licensed operator and other regulatory functions as prescribed by the Telecommunications Law.

(b) Judicial Authorities:

In case of disputes, the Regulator will arbitrate within its authority given by the Telecommunications Law. Beyond this limit, the Court will take over the responsibility.

(c) Provisions concerning qualification, technical standards and licensing:

Provisions of the Telecommunications Law cover these requirements.

(d) Provisions governing the existence and operation of monopolies or exclusive service suppliers:

Provisions of the Telecommunications Law cover these issues.

(e) Provisions relating to safeguard measures as they apply to trade in services:

No regulations yet exist in Jordan.

(f) Provisions relating to international transfers and payments for current transactions of services:

Those of Foreign Exchange Regulations.

8.3.2.4 Market Access and National Treatment:

(a) Limitations on the number of service suppliers:

Limitation on the number of suppliers for a particular telecommunications service can be imposed by the Council of Ministers. Limitations, if any, are normally declared in the same decision of the Council which allows for the introduction of the service.

(b) Restriction on, or requirements of specific type of legal entity through which a service may be supplied:

The service provider should be a registered company in conformance with the Companies Law.

(c) Limitations on the participation of foreign capital:

According to the Investment Promotion Law No. (16) for 1995 and Non-Jordanian Investment Regulation No. (1) for 1996, foreign investment, in this sector is not to exceed 50 per cent of the capital.

(d) Most-Favoured-Nation Treatment:

There are no measures inconsistent with m.f.n. treatment.

8.3.3 Health Services

8.3.3.1 GENERAL

Health and medical services in Jordan are provided by the public sector through the Ministry of Health and the Royal Medical Services of the Jordan Army and the University Hospital, and by the private sector, and by UNRWA (United Nations Relief and Works Agency) for Palestinians refugees living in Jordan.

Health and medical services in Jordan are among the best in the region. Health indicators show that life expectancy at birth increased from 49 years in 1965 to 70 years in 1994, and infant mortality rate fell from 114 to 33 per 1,000 live births in the same period.

The public health sector is the main provider of primary and hospital care especially for the limited medium and low income people. The Ministry of Health (MOH) operates an extensive primary health care network with 1031 health clinics and centres that span the country. There are 19 hospitals run by (MOH) with 2681 beds and 68 per cent occupancy rate.

The private sector health services complement those of the public sector as they are present mostly in cities while the public sector serves rural areas as well as urban centres. There are 36 hospitals with 1997 beds run by the private sector with 49 per cent occupancy rate. The private health sector serves all Jordanians, and foreigners whose numbers having been increasing recently especially from Arab countries. The private sector offers health insurance schemes to companies and individuals and they cover around 12 per cent of those insured in Jordan.

8.3.3.2 Market Access and National Treatment

The Investment Promotion Law No. (16) for 1995 offers incentives and full ownership of hospitals established in Jordan by foreigners. As for the commercial presence, any one can establish a hospital in the private sector, but prior approval must be obtained from the (MOH) based on the need for the establishment of such a hospital. This condition applies to Jordanians and non-Jordanians. The hospital established can be registered as a company provided that one of the owners is a medical doctor.

As for the presence of natural persons the number of Jordanian doctors working in any hospital should not be less than three quarters of the total number of doctors. As for other staff, the Jordanians must not be less than half the total of workers in the hospital.

8.3.4. Tourism

Tourism activity is essentially private sector oriented. The Government used to own a substantial share of the Jordan hotels and tourism company, but offered its share for sale and most of it was bought by a private company. Tourist activity is growing and hotel construction is increasing. New hotels are being built by private Jordanian and foreign capital. Foreign investors can own 100 per cent of any project in hotels with a minimum capital of JD. (100,000). Fixed assets for the establishment of the project are exempted from custom's duties and import fees. Hotels can also get exemption from fees and taxes on their purchase of furniture or supplies for renewal or renovation once every seven years.

Tourist transport used to be a monopoly of one private company up to 1994. The sector is now open and two new tourist transport companies have started operations. Foreigners interested in tourist transport can do so with a limitation of 50 per cent ownership for the project.

8.3.5 Construction Services

The construction sector is an important contributor to economic activity in Jordan. Both public and private sectors are major players in the construction activity in the country. The Ministry of Public Works and Housing engages in actual construction and maintenance of government buildings and roads, though the bulk of the construction works in the public sector is carried out by the private sector contractors through tenders offered by the Government.

The value of construction works in the public sector in 1995 was JD.475 million of which JD.186 million was awarded through the Government Tenders Department. The value of construction works in the private sector in 1995 was JD. 850 million.

According to the Foreign Investment Regulation No. (1) for 1996 a Non-Jordanian Investor is allowed a 50 per cent ownership of an enterprise in the contracting sector.

Annex 1

**LIST OF RELEVANT REGULATIONS
AND STATISTICS**

- A. Laws, Regulations and Instructions** (Available in Arabic unless otherwise specified)
1. Companies Law;
 2. Investment Promotion Law (English translation available);
 3. Customs Law (English translation available);
 4. Imports and Exports Law;
 5. Imports and Exports Regulation;
 6. Standards and Measurements Law;
 7. Income Tax Law (English translation available);
 8. Instructions for Importation;
 9. Instructions for Transit;
 10. Instructions for Duty Drawback;
 11. Instructions for Temporary Entry;
 12. Telecommunications Law;
 13. Insurance Law;
 14. Copyright Protection Law;
 15. Trade Marks Law;
 16. Patents Designs Law;
 17. Foreign Exchange Law.

Annex 2
List of Bilateral Agreements Between Jordan
and Other Countries

A. Foreign Countries

1. Agreement on Economic and Technical Cooperation between Jordan and Belgium;
2. Agreement on Economic and Technological Cooperation between Jordan and Bulgaria;
3. Trade Agreement between Jordan and People's Republic of China;
4. Trade Agreement between Jordan and Chinese Taipei;
5. Trade Agreement between Jordan and Greece;
6. Long Term Trade Agreement between Jordan and Hungary;
7. Trade and Economic Agreement between Jordan and India;
8. Trade and Economic Agreement between Jordan and Indonesia;
9. Trade Agreement between Jordan and People's Republic of Korea;
10. Trade Agreement between Jordan and Republic of Korea;
11. Trade Agreement between Jordan and Pakistan;
12. Long Term Trade Agreement between Jordan and Poland;
13. Trade Agreement between Jordan and Portugal;
14. Trade Agreement between Jordan and Romania;
15. Trade Agreement between Jordan and Spain;
16. Trade Agreement between Jordan and Sri Lanka;
17. Trade and Economic Agreement between Jordan and Switzerland;
18. Trade Agreement between Jordan and Turkey;
19. Trade Agreement between Jordan and Brazil;
20. Trade Agreement between Jordan and Ethiopia;
21. Trade Agreement between Jordan and Australia;
22. Trade Agreement between Jordan and Denmark;
23. Trade Agreement between Jordan and Finland;
24. Trade Agreement between Jordan and Austria;
25. Economic Agreement between Jordan and the EC;
26. Agreement on Economic and Technical Cooperation between Jordan and Germany;
27. Trade and Economic Agreement between Jordan and Russia;
28. Trade Agreement between Jordan and Mexico;
29. Agreement on Economic and Technical Cooperation between Jordan and Holland;
30. Trade and Economic Agreement between Jordan and Canada;
31. Trade Agreement between Jordan and Malaysia;
32. Agreement on Economic and Technical Cooperation between Jordan and Chile;
33. Trade Agreement between Jordan and Islamic Republic of Iran;
34. Trade Agreement between Jordan and Israel.

B. Arab Countries

1. Trade and Economic Agreement between Jordan and Bahrain;
2. Trade Agreement between Jordan and Tunisia;
3. Trade and Economic Agreement between Jordan and Saudi Arabia;
4. Trade Agreement between Jordan and Sudan;
5. Trade and Economic Agreement between Jordan and Syria;
6. Trade Agreement between Jordan and Somalia;
7. Trade and Economic Agreement between Jordan and Egypt;
8. Trade Agreement between Jordan and Qatar;

9. Trade and Economic Agreement between Jordan and Lebanon;
10. Trade Agreement between Jordan and Libya;
11. Trade Agreement between Jordan and Morocco;
12. Trade and Economic Agreement between Jordan and Yemen;
13. Trade and Economic Agreement between Jordan and Oman;
14. Trade and Economic Agreement between Jordan and Kuwait;
15. Trade and Economic Agreement between Jordan and Iraq;
16. Trade and Economic Agreement between Jordan and United Arab Emirates;
17. Trade Agreement between Jordan and Djibouti;
18. Trade and Economic Agreement between Jordan and the Palestinian National Authority.