



## **Doing Business in Jordan:**

### **2014 Country Commercial Guide for U.S. Companies**

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## Chapter 1: Doing Business in Jordan

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### Market Overview

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Jordan is strategically positioned at the crossroads of the Middle East-North Africa (MENA) region, centrally located between Europe, Asia, and Africa. The Hashemite Kingdom of Jordan is one of only two Arab countries to have signed a peace agreement with Israel, and in 2001, it became the first Arab country to sign a Free Trade Agreement with the United States. The U.S.-Jordan Free Trade Agreement (FTA), which came into full effect in 2010, continues to create advantages for U.S. exporters, who are able to sell high-quality products at more attractive prices, as tariff barriers on the majority of goods traded between the United States and Jordan have been eliminated. Because of the FTA, bilateral trade has surged ten-fold over the past 13 years.

With a moderate climate and historical sites such as the Dead Sea, Petra, and Wadi Rum, Jordan remains a prominent tourist destination in the Middle East, despite a recent decline in tourism arrivals due to regional unrest associated with the Arab Spring. The development of Jordan's sole port city of Aqaba holds significant promise for tourism-related infrastructure projects, including hotel construction and management, as well as convention center, cruise ship terminal, and commercial opportunities. The port expansion also affords opportunities in infrastructure development.

Regionally, Jordan remains a haven of stability for business interests and serves as a business hub in the region. Jordan has strong, cooperative relations with its neighbors and the wider international business community. Imports into Jordan include: mineral fuels and crude oil, industrial machinery, transportation equipment, food and agricultural products, textiles, manufactured goods such as rubber products, paper and cardboard, yarns, chemicals, clothing and footwear. The largest exporters to Jordan include: the European Union (20 percent of total imports), Saudi Arabia (20 percent), China (11 percent), United States (6 percent), followed by Egypt, South Korea, Japan, and Turkey.

The following sectors offer the best opportunities for U.S. firms in the Jordanian market:

- Energy/Power, including Renewable Energy
- Green Buildings
- Healthcare, including Medical Devices, Medical Tourism
- Information Communication Technology (ICT)
- Safety & Security

- Environmental Technologies/Water

## **Market Challenges**

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The global economic slump and a decline in sectors such as travel and tourism, construction, and defense have depressed the Gross Domestic Product (GDP) growth rate in Jordan. Jordan imports 96 percent of its energy from neighboring countries such as Egypt and Saudi Arabia. Insufficient supplies of water, oil, and natural gas make Jordan heavily dependent on foreign assistance. Of serious concern is the fact that Jordan ranks sixth in the world in terms of water poverty after other Arab countries.

Underemployment and high rates of poverty remain critical issues in Jordan. Jordan's budget deficit resonates across all sectors, impacting defense, security, and is a major deterrent to economic growth. King Abdullah II has championed government efforts to implement significant economic and political reforms, but results are still years away. The middle class has taken the economic hit harder than any other group in Jordan and this has resulted in lower home ownership and standards of living. The population growth rate continues to climb with 70 percent of the population under 30 and 36 percent under 15 years of age.

## **Market Opportunities**

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Jordan market opportunities can be summarized as follows:

- Jordan is beginning to invest heavily in alternative and renewable energy, including wind and solar. The renewable energy market for equipment and services is around \$40 million and the U.S. share is five percent.
- The energy sector, particularly power generation, municipal gas systems, and oil shale development, are key sectors of growth.
- ICT sector is the fastest growing sector in Jordan's economy with a 25 percent growth rate. The sector accounts for more than 84,000 jobs, contributing 14 percent of the GDP. There are 400 companies in telecom, IT, online and mobile content, business outsourcing, and games development.
- The telecommunications sector is liberalized; however, with a 30 percent internet penetration rate, there is room for growth as the government hopes to increase that rate to 50 percent over the coming years. Jordan has more than 6.6 million mobile phone subscriptions, which represents a 108 percent penetration rate.

Opportunities abound in e-health, with current pilot programs in three hospitals and a model based on electronic health solutions. Medical tourism is beginning to draw large numbers of patients to Jordan as a growing medical destination.

## **Market Entry Strategy**

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The Jordanian market is best entered by working closely with a local agent, distributor or partner. U.S. companies looking at Jordan should be aware of the following:

- Complete and direct foreign investment is possible in most, but not all sectors.
- Jordanian firms, across multiple sectors, regard U.S. products highly for their quality and advanced technology.
- U.S. consumer products and brands in the market are well-regarded, and there is still much room for the introduction of new U.S. products, services and franchises, particularly to the 20-to 35-year-old segment of the population.
- The perception of distance and delivery time, and lack of familiarity with U.S. products, also triggers the need for strong representation by local agents.

U.S. firms considering the Jordanian market should focus on understanding the specificity of this market, as well as the potential for using Jordan as a regional hub for certain types of products or services. Working closely with Jordanian agents, distributors or partners is essential to ensure a competitive position and successful market entry.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on [state.gov/r/pa/ei/bgn/3464.htm](http://state.gov/r/pa/ei/bgn/3464.htm) for the U.S. Department of State Background Notes.

### **U.S. – Jordan Relations**

The United States deeply values its long history of cooperation and friendship with Jordan, with which it established diplomatic relations in 1949. The United States appreciates the special leadership role that Jordan plays in advancing peace and moderation in the region. The United States and Jordan share the mutual goals of a comprehensive, just, and lasting peace in the Middle East and an end to violent extremism that threatens the security of Jordan, the region, and the entire globe. U.S. policy seeks to reinforce Jordan's commitment to peace, stability, and moderation. Through economic and military assistance and through close political cooperation, the United States has helped Jordan maintain its stability and prosperity. The United States encourages Jordanian efforts to implement reforms that will secure a better future for the Jordanian people.

### **U.S. Assistance to Jordan**

The United States has worked with Jordan to improve the lives of Jordanian citizens. Assistance programs contribute to a strong bilateral relationship centered on a stable, reform-oriented Jordan. Development assistance has resulted in improved health indicators, road and water networks, hundreds of schools built, thousands of Jordanians in various fields educated and trained in the United States, and grants and loans for U.S. agricultural commodities. Current focus areas include education, access to water, resource management and conservation, energy, youth and poverty alleviation programs, maternal/child health, energy, governance, macroeconomic policy, workforce development, and competitiveness. A strong U.S. military assistance program is designed to meet Jordan's legitimate defense needs, including preservation of border integrity and regional stability through the provision of materiel and training.

In 2009, the U.S. and Jordan signed a non-binding memorandum of understanding (MOU) to provide assistance to Jordan over a 5-year period, subject to the appropriation and availability of funds for this purpose. The MOU, which expires in October 2014, also reinforces the commitment to broaden cooperation and dialogue in a variety of areas. In 2011, a Millennium Challenge Corporation compact for Jordan entered into force that aims to increase income and reduce poverty in Zarqa Governorate. The compact seeks to increase water supplies available to households and businesses and improve the

efficiency of water delivery, extend wastewater collection, and expand wastewater treatment.

The United States has provided significant aid to Jordan since the start of the Syrian conflict in order to help Jordan with the burden of assisting over half a million Syrian refugees who have entered the country in the past two and a half years. In March 2013, President Obama visited Jordan and pledged to deliver additional assistance to alleviate the strain that the refugees have put on Jordan's economy and government.

The U.S. Government negotiated a loan guarantee agreement (LGA) with the Government of Jordan (GOJ) in 2013 for a seven-year, \$1.25 billion Eurobond. The LGA stipulates the U.S. government guarantees the GOJ will pay interest and principal on the issuance of Eurobonds. The GOJ successfully issued the \$1.25 billion Eurobond in October, 2013, at an interest rate of 2.5 percent. The U.S. government negotiated another LGA in 2014 with the GOJ for a five-year, \$1 billion Eurobond. The GOJ successfully issued the \$1 billion Eurobond in June, 2014, at an interest rate of 1.945 percent. The U.S. government guarantee allowed the GOJ to borrow at interest rates just above U.S. government rates, which will save the GOJ hundreds of millions of dollars in debt servicing over the life of the bonds.

USAID launched in November 2013 its five-year, \$45 million Jordan Competitiveness Program (JCP). JCP supports Jordanian private and public sector leaders to achieve competitiveness and job creation goals equitably and sustainably in leading sectors of the economy. The program will focus on information and communications technology (ICT), clean technology, and healthcare and life sciences. Over the next five years, JCP is expected to facilitate over \$700 million in foreign direct investment and create over 40,000 jobs.

### **Bilateral Economic Relations**

Qualifying Industrial Zones established by the U.S. Congress allow products to enter the United States duty-free if manufactured in Israel, Jordan, Egypt, or the West Bank and Gaza. The U.S.-Jordan Free Trade Agreement has expanded the trade relationship by reducing barriers for services, providing cutting-edge protection for intellectual property, ensuring regulatory transparency, and requiring effective labor and environmental enforcement. The United States and Jordan have an "open skies" civil aviation agreement, a bilateral investment treaty, a science and technology cooperation agreement, and a memorandum of understanding on nuclear energy cooperation. Such agreements bolster efforts to help diversify Jordan's economy and promote growth.

### **Jordan's Membership in International Organizations**

Jordan and the United States belong to a number of the same international organizations, including the United Nations, International Monetary Fund, World Bank,

and World Trade Organization. Jordan also is a Partner for Cooperation with the Organization for Security and Cooperation in Europe.

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### Using an Agent or Distributor

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Good sales results in Jordan are hard to achieve without proper local partnerships. The U.S. Commercial Service in Jordan can help companies find such an agent or distributor. For more information please visit our website [buyusa.gov/jordan](http://buyusa.gov/jordan).

### Establishing an Office

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Foreign companies and institutions can register and operate in Jordan through the Ministry of Industry and Trade (MOIT). It is wise to use a local attorney as a legal advisor to help in the process.

The Companies Law provides guidance for registering foreign companies and establishing regional and representative offices. Foreign companies can register as operating companies, non-operating companies, and offshore companies. More information can be found at [mit.gov.jo/](http://mit.gov.jo/).

The Jordan Investment Board (JIB), which operates as a one-stop shop for potential investors, is located at [jordaninvestment.com](http://jordaninvestment.com).

### Franchising

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Jordanians are enthusiastic about U.S. franchises and local investors are increasingly interested in franchising, especially in the service sector and the fast food industry. The Jordanian market, however, cannot absorb large numbers of a single franchise. U.S. retail and service franchises have significantly increased in the last several years.

Examples of recent franchises include: TGI Fridays, Applebee's, ACE Hardware, and Ruby Tuesdays. Other franchises in the fast food industry, such as KFC, Pizza Hut, Ponderosa Steakhouse, McDonald's, and Burger King, have been in the market for several years.

Franchises in other categories, such as child care/development, e.g., FasTrackKids, are also becoming of interest. Several new malls have opened in Amman in recent years; others are under construction; and there are plans for outlet stores in the southern suburbs of Amman. These projects are expected to generate opportunities for additional retail franchises.

## **Direct Marketing**

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American companies can use a direct marketing approach for their products to end users in the government and private sectors in Jordan; however, in general it is recommended to work through a local representative.

American companies can find competent local firms that are capable of organizing marketing campaigns for their products through a wide range of media.

## **Joint Ventures/Licensing**

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Joint ventures with Jordanian partners are one means of penetrating the local market. A joint venture is confined to the special relationship between partners, as specified in the joint venture agreement, and is essential in some sectors where foreign ownership/share of companies cannot exceed 50 percent.

For a list of restricted sectors, please consult:

[tcc.export.gov/Trade\\_Agreements/All\\_Trade\\_Agreements/exp\\_005590.asp](http://tcc.export.gov/Trade_Agreements/All_Trade_Agreements/exp_005590.asp)

## **Selling to the Government**

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The two primary governmental entities implementing public sector procurement process in Jordan are the Government Tenders Directorate (GTD) and the General Supplies Department (GSD).

The Jordanian Armed Forces (JAF) has separate procurement offices and has sole jurisdiction over defense sales to Jordan.

Foreign companies can bid for government-commissioned programs that are slated for international or mixed bidders, but working with a local partner is recommended.

USAID finances several projects in Jordan in the water, economic development, health, education, and democracy and governance sectors. USAID gives priority to using American equipment if available ([usaidjordan.org/](http://usaidjordan.org/)).

Other governmental projects funded by multi-lateral lending institutions, such as the World Bank, are done according to those agencies' procurement regulations.

Jordan signed a five year \$275 million Millennium Challenge Corporation (MCC) Compact (grant) in 2010. The program currently under implementation in Jordan aims to increase the effective water supply in the city of Zarqa, Jordan's second largest city, by expanding the water network to reduce water losses and improving the city's wastewater treatment capacity through a public private partnership. Overall, MCC programs aim to promote economic growth, strengthen democratic institutions and increase government transparency and accountability. For more information see [mcc.gov](http://mcc.gov).

## **Distribution and Sales Channels**

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There are several border crossings in Jordan, but goods generally arrive through the Port of Aqaba or Queen Alia International Airport. They are distributed to their final destinations by road. Local representation is very helpful in dealing with customs and customs clearance agents. Details on the customs clearance stages can be found on the Customs Department website at [customs.gov.jo](http://customs.gov.jo).

Jordan's retail network is transitioning from traditional shops and marketplaces to American-style malls. Several large malls have opened in Amman and there are plans for outlet stores in southern Amman. Online and mail ordering is popular. Marketing via internet is possible but this is still a nascent channel, as there is a low internet penetration rate in Jordan and consumers tend to consider internet shopping to be insecure.

## **Selling Factors/Techniques**

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Cost, delivery time, responsiveness to "Requests for Quotations" and credit terms are of significant importance in purchasing decisions made by Jordanian companies.

Even though an impressive number of Jordanians can speak and read English, it is better from a marketing perspective in some sectors to have catalogues/brochures translated into Arabic.

## **Electronic Commerce**

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Jordan is considered to be one of the more advanced countries in the region in this field. Even though the overall internet penetration rate is low, broadband is widely available, and Jordan has multiple internet service providers (ISPs). E-commerce facilities have been developed by various service providers. Use of the internet and e-mail is growing among Jordanians, but e-commerce is still in the developmental stages of use for the business community. The Jordanian government has started a major e-procurement initiative. This preparatory assistance project will provide the initial support required for the establishment of a Jordanian government e-procurement platform.

Jordan started to introduce electronic commerce legislation a few years ago, though there has yet to emerge a clear body of regulations and tax laws covering electronic commerce transactions. Legislation that allows for and regulates electronic signatures is still needed. Jordan neither actively regulates nor does it promote electronic trade. No tariffs, however, are imposed on electronic transactions.

## Trade Promotion and Advertising

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U.S.-style promotion is gaining popularity. There are a number of trade fair events where U.S. exporters can participate, and many Jordanian business people attend major regional fairs, such as those held in Dubai.

Advertisement in newspapers, radio, and business journals as a means to locate agents, distributors or buyers can be done. Billboards and electronic screens are also available. Cell phones are ubiquitous in Jordan and an increasing number of notices and advertisements are sent via SMS. U.S. firms may also advertise on the Commercial Service/Amman website: [buyusa.gov/jordan/en/fuse.html](http://buyusa.gov/jordan/en/fuse.html).

Details on Jordanian newspapers can be viewed at [onlinenewspapers.com/jordan.htm](http://onlinenewspapers.com/jordan.htm).

Magazines are more numerous and of better quality than before. They offer good access to the more affluent sector of society. There are a number of regional business magazines and sector-specific magazines distributed throughout the Middle East that can also offer useful advertising opportunities.

## Pricing

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Local importers base their pricing on the export price, freight costs, applicable import tariffs and taxes, the 16 percent sales tax (depending on the product), and profit margin. U.S. manufacturers and suppliers should, however, coordinate with local representatives before assigning a final price to a product. The Jordanian market is generally very price-sensitive. Products with higher prices than the competition will need vigorous marketing support and must be of demonstrably higher quality.

American companies have additional advantages through the Free Trade Agreement that was signed in 2001 between Jordan and the United States. For more information, please visit [jordanusfta.com](http://jordanusfta.com)

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Sales service and customer support are vital. It is critical that U.S. firms actively commit to their local agent or distributor, properly train them, and provide on-time comprehensive support to ensure that customers will receive necessary support.

## Protecting Your Intellectual Property

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Prior to its accession to the World Trade Organization (WTO), Jordan passed several new laws to improve protection of intellectual property rights (IPR), patents, copyrights, and trademarks. Laws consistent with TRIPS (Trade Related Aspects of Intellectual Property Rights) now protect trade secrets, plant varieties, and semiconductor chip designs. The law requires registration of copyrights, patents, and trademarks. Copyrights must be registered with the National Library, a subsidiary body of the Ministry of Culture. Patents must be registered with the Registrar of Patents and Trademarks at the Ministry of Industry and Trade. In 2007, Jordan amended its Trademark and Patent Laws to enable accession to the Madrid Protocol Concerning the Registration of Marks and the Patent Cooperation Treaty. Jordan's pharmaceutical industry generally abides

by the new TRIPS-consistent Patent Law. In addition, in signing the FTA, Jordan committed to even stronger enforcement of IPR, particularly in the pharmaceutical sector. It acceded to the World Intellectual Property Organization (WIPO) treaties on copyrights (WCT) and performances and phonographs (WPPT).

Jordan's record on IPR enforcement has improved to the point where intellectual property (IP) violations in Jordan are among the lowest in the Middle East North Africa (MENA) region, according to the World Economic Forum's 2013 Global Information Technology Report. The report ranked Jordan 47th in overall environment on an international scale of 144 countries. MENA neighbors Saudi Arabia and Oman ranked 31st and 40th respectively, while Egypt ranked 80th, and Algeria ranked 131st.

Jordan's Customs Department and the Public Security Department have created specialized IPR units to enforce violations. Pending amendments to Jordan Standards and Metrology Organization authorizing law aim to enhance the agency's role in seizing counterfeit products that have entered the Jordanian market. Enforcement mechanisms and prosecution still need to be strengthened, particularly to enable ex officio seizure authority absent a formal complaint by a private party or right holder. The government estimates that \$28 million worth of pirated software, games, DVDs and books are sold annually in Jordan at a cost of \$4.2 million in forgone taxes. The government conducted a series of coordinated sweeps during the first nine months of 2013. It confiscated approximately 25,000 pirated items alone during the Ramadan and Eid Al Fitr holiday period, and referred 35 cases of intellectual property rights violations to the Jordanian judicial system. The Jordanian government continues to examine means to provide more comprehensive protection of IPR, including through more stringent enforcement of existing laws, introduction of new regulations based on existing laws, and the creation of an independent IP body.

### **Protecting Your Intellectual Property in Jordan:**

Several general principles are important for effective management of intellectual property ("IP") rights in Jordan. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Jordan than in the U.S. Third, rights must be registered and enforced in Jordan, under local laws. Your U.S. trademark and patent registrations will not protect you in Jordan. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Jordanian market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Jordan. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Jordanian law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Jordan require constant attention. Work with legal counsel familiar with Jordan's laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Jordan or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

## IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit [STOPfakes.gov](http://STOPfakes.gov).
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit [uspto.gov](http://uspto.gov).
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**, or visit [www.copyright.gov](http://www.copyright.gov).

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the “Resources” section of the STOPfakes website at [www.stopfakes.gov/resources](http://www.stopfakes.gov/resources).
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: [www.stopfakes.gov/business-tools/country-ipr-toolkits](http://www.stopfakes.gov/business-tools/country-ipr-toolkits). The toolkits contain detailed information on protecting and enforcing IP in specific markets and also contain contact information for local IPR offices abroad and U.S. government officials available to assist SMEs.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. The IPR Attaché for Jordan is located at the U.S. Embassy in Kuwait. Please contact: [Aisha.salem@trade.gov](mailto:Aisha.salem@trade.gov) for more information.

## Due Diligence

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U.S. companies interested in contracting with local agents should conduct due diligence prior to signing any contracts. The Embassy’s commercial section is able to conduct confidential background checks on local companies via a fee-based service available through the U.S. Department of Commerce or directly through the Commercial Service office in the Embassy. Go to: [buyusa.gov/jordan/en](http://buyusa.gov/jordan/en) for more information.

## Local Professional Services

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A full range of banking, auditing, legal, advertising and other service providers is available in Jordan. For further information, please contact the U.S. Commercial Service office in Amman [www.buyusa.gov/jordan/en](http://www.buyusa.gov/jordan/en)

## Web Resources

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- U.S. Commercial Service Jordan [buyusa.gov/jordan/en](http://buyusa.gov/jordan/en)
- Ministry of Industry and Trade [mit.gov.jo](http://mit.gov.jo)
- USAID Jordan [usaid.gov/locations/middle\\_east](http://usaid.gov/locations/middle_east)
- Jordan-U.S. Free Trade Agreement [jordanusfta.com](http://jordanusfta.com)
- National Library [nl.gov.jo/ar/Pages/default.aspx](http://nl.gov.jo/ar/Pages/default.aspx)
- American Chamber of Commerce (AmCham) [Amcham.jo](http://Amcham.jo)
- Amman World Trade Center [awtc.com](http://awtc.com)
- Information Technology Association Jordan (Int@j) [intaj.net](http://intaj.net)
- The Jordan Garments, Accessories & Textile Exporters Association (JGATE) [jgate.org.jo](http://jgate.org.jo)
- Jordan Furniture Exporters & Manufacturers Association [jfema.org](http://jfema.org)
- Jordan Investment Board [jordaninvestment.com](http://jordaninvestment.com)
- Jordanian Association of Manufacturers of Pharmaceuticals and Medical Appliances (JAPM) [japm.com](http://japm.com)

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## **Chapter 4: Leading Sectors for U.S. Export and Investment**

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## Overview

Jordan's health care system is regarded as one of the best in the region. Jordan has become a medical tourism destination in the region by offering relatively high-quality care at comparatively inexpensive rates. The boom in private hospitals is keyed to this growing "medical tourism" trade. Medical tourism generates about two-thirds of all the tourism income to Jordan, as patients often travel with their entire families and/or stay for relatively long periods of time.

Jordan's health care system uses the latest technologies and has highly-educated and well-trained doctors. Many Jordanian physicians have received some form of medical training in the United States and are familiar with U.S. medical products, giving U.S. products good exposure in Jordan. Jordanian doctors are respected throughout the region for their expertise; hence their choices of technology influence buying decision throughout the region.

Primary health care sector reforms underway include renovating and adding medical diagnostic devices and therapeutic equipment; improving the quality of health care and hospital services; upgrading hospital infrastructure; developing and implementing health information systems, and medical research.

According to the World Health Organization (WHO), 10 percent of Jordan's GDP goes toward health care, with the public sector financing over 45 percent of this total. Jordan spent \$350 per capita on health in 2010 (more than twice the regional average). In 2014, Jordan has over 104 hospitals with a total bed capacity of more than 11,000, and nearly a third of these facilities are in the private sector.

Jordan has the highest per capita rate of health-related expenditures after Saudi Arabia and Lebanon. Through 44 public hospitals and 60 private hospitals, it provides health care services for its citizens and over 250,000 patients from neighboring countries annually. Imports of medical equipment and pharmaceuticals exceeded \$450 million in the year 2013 and are expected to grow to \$615 million by the end of 2016, representing a compound annual growth rate (CAGR) of 7.01 percent. The main drivers for growth in this sector include the continuing high-volume medicine export activity generated by Jordan's domestic drug manufacturers. Additionally, the epidemiological profile of Jordan indicates an increasing burden of obesity and diabetes-related disorders, which will drive future spending in healthcare.

**Medical equipment:** Demand for medical equipment and services should increase during the next few years with the increase in the number of government and privately owned hospitals; new equipment for hospitals under construction; renovated equipment to replace existing equipment in functioning facilities; upgrading clinics and health care structures; expanding health insurance coverage; and shifting from older conventional methods to modern treatment methods. Since 1998, the Ministry of Health has prohibited the import of used and refurbished medical devices into the Kingdom.

**Medical tourism:** The Ministry of Health has achieved its goal to generate an annual \$1 billion in medical tourism revenues by the year 2010. Medical tourism experts at the World Bank have ranked Jordan the leader in the Arab region and the fifth in the world as a medical tourism hub. The medical tourism sector annually generates over \$1 billion in revenues, as the number of foreign patients from 84 foreign countries seeking treatment in Jordan is over 200,000 per year.

A study commissioned by the Private Hospital Association for the Ministry of Health said 45,000 Iraqi patients were treated by Jordanian private hospitals in 2007, while Palestinians and Sudanese came in second with around 25,000 patients from each country, 20,000 Yemenis, 19,000 Saudis, 10,000 Syrians, 10,000 Libyans and other Bahrain, Algeria and Kuwait. The study also showed that more than 1,800 U.S. citizens, 1,200 UK citizens and 400 Canadian citizens sought medical treatment in the Kingdom during 2007. A 2010 report showed that 90 percent of medical tourism in Jordan comes from the MENA region. The cost of treatment in Jordan for an American patient, including air travel and accommodation, is only 25 percent of the cost of receiving treatment in the United States.

In the meantime, Jordan continues to make efforts, such as marketing campaign and web promotions, to attract medical tourists from new destinations, including the former Soviet Union and Africa. In 2012, Jordan held an international medical tourism congress aimed at developing new strategies to improve and expand the capacity of the private health sector while also seeking opportunities for growth from other markets. Regulatory policies are also being implemented to gain international quality accreditation to provide standardized protocols for global patients.

### **Headline Expenditure Projections**

Healthcare: JOD 2.08b (USD 2.94b) in 2013 to JOD 2.27b (USD3.21bn) in 2014; +9.2 percent in local currency terms and +9.1 percent in US dollar terms. Forecast revised slightly downwards due to macroeconomic factors.

Pharmaceuticals: JOD 641m (USD 905m) in 2013 to JOD 664m (USD 937m) in 2014; +3.6 percent in local currency terms and +3.5 percent in US dollar terms. Forecast revised slightly downwards due to macroeconomic factors.

The e-health care initiative is another key government program aiming to ensure the accountability of the health care system. The government of Jordan began a pilot project in 2011 to expand to the entire health care system, starting with public hospitals. The e-health initiative system will operate the storage, retrieval and updating of the electronic health records of patients cared for by all the participating health care facilities in Jordan. Ideally the e-health system will reduce the risk of errors during treatment. The system will alert the provider of lab results to the dangers of drug interactions and it will remind providers when their patient is due for exams or tests.

Laws: As for improving standards, the focus of health care policy in Jordan is greater equity and accountability. The government has taken steps in areas such as medical responsibility and e-health care by creating a more accountable health care system through the implementation of accreditation and e-health care regulations. One of those actions was the drafting of the medical responsibility law. The yet-to-be-approved law protects patients' rights, ensures compliance with clinical guidelines, and offers reasonable compensation in cases of malpractice. The legislation should help with garnering international accreditation. Fourteen hospitals in Jordan have received national accreditation based on reducing medical errors and preventable harm in the hospital, and six hospitals have received Joint Commission International (JCI) accreditation.

U.S. companies are encouraged to appoint technically strong agents and distributors to sell their products and technologies in Jordan, and participate in leading trade exhibitions, such as the "Arab Health" in Dubai, to create market and product exposure. The U.S. Commercial Service (CS) offers programs to introduce U.S. products and technologies in Jordan.

There is a need in the next five years for 10 new hospitals in Jordan, (focusing on the cities of Amman, Zarqa, and Irbid). This new hospital construction will trigger demand for both professional services and medical products:

**Best Services Prospects include:**

- Consulting in hospital administration, quality control and certification standards training.

**Best Product Prospects include:**

Given the hospital redesign projects and private clinic investments, the following equipment will be in particular demand:

- Medical equipment, C-T scanner, MRI, PET scanner, Physiological monitoring, Kidney dialysis equipment reagents for automated laboratories, Laparoscopy surgery, Endoscopy, Cardiology equipment, Cardiology surgery, Ophthalmology, Neurosurgery, Oncology, Medical supplies, Electro medical equipment, other medical & equipment instruments, other electro-diagnostic apparatus, UV/IR apparatus, Surgical medical equipment, Radiology and Imaging equipment, Sonography equipment, Endoscopy equipment and flexible scopes, Anesthesia and operating theatres, Laparoscopic surgery, Hospital/Clinical furniture, Sterilization equipment, and Surgical instruments.
- Consumables for Clinical laboratories, i.e. Tubes/Glasses
- Equipment and supplies for plastic surgery
- Medical Surgical Sterilizers
- Medical x-ray, Alpha, Beta, Gamma Ray Equipment
- Orthopedic & Prosthetic Appliances
- Clinical Lab Diagnostic Equipment; and Clinical Laboratory Equipment
- Organ Transplant Equip

Hospitals, both private and public, will continue to expand and the demand for new hospitals, medical equipment and pharmaceuticals will continue to grow. Proposed projects expected to come online within the next five years in the private and public sector include: expanding the Laser Dermatology Fertility Clinic (IVF Treatment) at the Specialty Hospital, establishment of the Jerash, Ajloun, Royal, Abdali and Mafraq hospitals as well as the expansion of Abdul Hadi Eye Hospital and Farah Hospital.

The Ministry of Health plans to continue investing in hospital infrastructure throughout the country, improving the quality of health care and hospital services and developing and implementing health information systems. Primary health care sector reforms include renovating and adding medical diagnostic devices and therapeutic equipment; improving the quality of health care and hospital services; upgrading hospital infrastructure; and developing and implementing health information systems.

The Jordanian dental services sector is also expected to grow over the coming years. Such growth is mainly triggered by the inclusion of dental services to the universal healthcare plan provided by the Ministry of Health. These government initiatives have been well-received by Jordanians, as most of them had limited access to dental services prior to the new healthcare plan. Dental clinics at all public hospitals have experienced a large increase in the number of patients using the national healthcare plan. Private dental service insurance coverage also exists in Jordan.

## Web Resources

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Ministry of Health: [moh.gov.jo](http://moh.gov.jo)

Medical Tourism Directorate: [moh.gov.jo](http://moh.gov.jo)

Jordan Medical Council: [jmc.gov.jo](http://jmc.gov.jo)

Higher Health Council: [hhc.gov.jo](http://hhc.gov.jo)

Jordan Private Hospitals Association: [pha-jo.com](http://pha-jo.com)

Jordanian Assn. of Manufacturers of Pharmaceuticals & Medical Appliances: [japm.org.jo](http://japm.org.jo)

## Information and Communication Technology

### Overview

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- Jordan's nearly \$2.3 billion ICT sector remains a success story amidst regional economic downturns, employing 1 percent of the population, but contributing 12 percent to GDP.
- Jordan's ICT sector host more than 600 active technology companies and 300 startups, including top U.S. firms.
- Three quarters of global online Arabic content is developed in Jordan.
- Sector leaders perceive the industry is at a crossroads after reaching peak revenues in 2008; they clamor for legislation conducive to sustainability.
- The sector's revenues in 2013 expected to reach about JOD1.8 billion (\$2.54 billion).
- Jordan's mobile market grew by 12.3 percent in 2013, although this masks a contraction of 0.6 percent.
- The fixed-line sector also contracted in FY13, with the number of subscriptions shrinking by 5 percent.
- The internet sector remains the strongest performing sector in the telecoms market, following an impressive growth of 51.4 percent in total subscriptions during 2013. 95 percent of Jordanians own mobiles; 47 percent use the internet.
- U.S. firms seeking to provide IT solutions in Jordan should be prepared to enter in partnership with Jordanian firms, and set realistic goals for this small yet promising sector of the economy.

#### Key Telecom parameters – 2012; 2014

Sector	2012	2014
Subscribers to telecoms services (million):		
Broadband	0.8	1.2
Fixed-line density	0.6	0.6
Mobile phone	9.2	10.8

(Source: BuddeComm)

The Information and Communication Technology (ICT) sector consists of the Information Technology (IT) industry (content providers), the telecommunication (telecoms) industry with three main telecom companies (Orange, Zain and Umniah), and the Business Process Outsourcing (BPO) industry (call centers). The ICT sector accounts for approximately 12 percent of GDP direct and indirect), and 84,000 jobs (direct employment figures for the IT industry reached 16,000, with indirect employment for ICT estimated at around 68,000). The sector attracts an average of \$150 million in investments annually.

Despite its prominence in Jordan, the entire ICT sector has been struggling recently, especially the IT industry. Total IT industry revenues in Jordan have fallen from a 2008 high of \$962.4 million to \$617 million in 2013. Domestic revenues halved from \$735.6 million in 2008 to \$317.1 million in

2013. IT export revenues, however, reached record highs of \$300 million in 2013, registering a 30 percent increase.

Competition is strongest in the broadband and mobile markets. Jordan has emerged as a regional tech startup hub due to an ICT-focused educational system, low startup costs, and business-friendly environment. Its growing reputation is increasingly attracting international capital eager to tap into the region's underserved, but growing online market. Due to the country's small market, most start-ups in Jordan either focus exclusively on, or grow with, the expectation of expanding into the wealthier markets of the Middle East Gulf Region.

Amman is one of the top 10 cities in the world in which to build a startup. With 350 million Arabic speakers in the MENA region, online Arabic content is only 2 percent of total content, so who's taking the lead? Jordanian startups contribute 70 percent of Arabic online content. With a young, digital-savvy and connected population, the opportunities are huge.

Jordan's telecommunications sector is dominated by the three mobile phone providers. Privatized incumbent carrier Jordan Telecom Group is majority owned by France Telecom and operates as Orange Jordan. It has a 36 percent market share. Despite liberalization, Jordan Telecom Group/Orange is the only integrated operator in the country, offering mobile, fixed-line, wholesale telecoms and internet services. Mobile communications provider Zain leads the industry with a 38 percent market share, while Umniah has 26 percent market share. There are 8.9 million mobile phone subscribers in Jordan representing more than 100 percent penetration rate. Telecommunications operators Orange, Umniah, and Zain contribute more than \$500 million to the economy. The sector's revenue in 2013 is expected to report JOD1.8 billion (\$2.54 billion).

The Telecommunications Regulatory Commission (TRC) granted the first 3G license in 2009 to Jordan Telecom/Orange for \$71 million. Jordan Telecom/Orange had the exclusive right to the 3G technology for one year starting in March 2010. The 3G technology provides high-speed internet as well as mobility; 3G internet subscriptions are still growing fast in the Jordan. Fifty percent of Jordanians use smart phones, a rate encouraged by the availability of 3G services. The use of smart phones is the reason attributed to the decrease in home ownership of personal computers and laptops, which fell from 61.2 percent in 2011 to 57 percent in 2012.

The TRC floated a bid in June 2013 offering new spectrums to allow the entry of a fourth mobile operator and a new provider for Fixed Broadband Wireless Access (FBWA). The spectrums include; 800 MHz, 1800 MHz, 2100 MHz, 2300 MHz, and 2600 MHz. The tender will allow the winning bidder to offer fourth generation (4G) technology for an exclusive period of time. Two consortiums have submitted their bid proposals. TRC announced a final decision in April 2014 that Zain secured 4G License in Jordan and paid JOD 142 million for the license, and a further JOD50 million for additional 3G radio spectrum. Zain Jordan has about eight to nine months to launch the service commercially in the Kingdom.

The three network operators compete in a mobile market, with a majority of their subscribers being prepaid users. All three have launched HSPA+ networks, which is underpinning mobile broadband growth. The potential for large-scale mobile internet penetration due to competition has captured the attention of Jordan's technology start-up companies. Many are developing applications to target the higher spending demographic traditionally associated with mobile internet early adopters. Jordan's initiative to develop an e-payment infrastructure coincides with a rollout of Near Field Communications (NFC) mobile payment terminals across Jordan by MasterCard and a number of partners.

Licensed WiMAX operators entered the market in late 2009, with over 17 percent market share of the small broadband market. According to recent reports, Jordan has the lowest WiMAX rates in the region (8 percent). WiMAX technology is a wireless communication standard that can provide fixed internet capacity and speeds. Mobile broadband facilitates WiMAX technology by providing wireless internet access through a portable modem, mobile phone, USB wireless modem, tablet or other mobile devices. It includes 2G, 3G and 4G technologies. WiMAX subscriptions figures will either remain the same or drop slightly in the next few years, due to the increased demand for mobile broadband services.

The TRC has opened the market to Mobile Virtual Network Operator (MVNO). The regulations stipulated that individual licenses would be required and MVNOs would have to pay 10 percent of operating revenues to the TRC annually. The regulations had the effect of discouraging market entrants for some time, but FRIENDI mobile has recently negotiated an agreement with Zain to provide repackaged services under the FRIENDI banner. FRIENDI launched its services officially in July 2012, though it only has a market share of 0.7 percent.

National Broadband Network (NBN). The Jordanian government has committed \$209m JOD to complete its National Broadband Network project within the next two years. The winning bidders for the tenders to complete the project should be announced by July 2014 with all parts of the project due for completion within two years. This will greatly boost e-services, e-commerce, e-health and e-education in the Kingdom. The project, which was initiated in 2003, has halted several times due to lack of funding. The network will provide high speed connectivity between public facilities, hospitals, schools and agencies. The funding to complete the project will come from a \$5 billion development grant from the Gulf Cooperation Council. Work on the network started in 2003, with 35 percent of the network completed at a cost of \$36 million.

There are currently 16 Internet service providers in Jordan, but with Orange's monopoly on the international gateway and local landline, all providers use Orange's network. They are: Orange, Zain, Umniah, Tarasol, Kulacom, Mada, Cyberia, Sama, Blink, NEXT, TE Data, JCS, Nuegroup, LaSilkee, and VTel. A number of these are WiMAX providers, while a few also provide services via fiber optic cable.

The Jordanian Ministry of Communications and Information Technology, in coordination with Jordan Information Technology Association (Int@j--the ICT sector's advocacy group), drafted a 2013 – 2017 National ICT Strategy, which was approved and published at the beginning of 2013. The strategy is aimed at increasing the contribution of ICT activities to economic growth in Jordan, particularly the growth of high value-added exports.[www.moict.gov.jo/Portals/0/PDF/NewFolder/ADS/Tender2/Final percent20Draft percent20Jordan percent20NIS percent20June percent202013.pdf](http://www.moict.gov.jo/Portals/0/PDF/NewFolder/ADS/Tender2/Final%20Draft%20Jordan%20NIS%20June%202013.pdf)).

The Strategy's objectives include facilitating cooperation between ICT and other high value-added sectors, disseminating the latest information and communications technology in those sectors, and supporting the development of electronic content in Arabic. The Strategy also includes objectives to foster the growth of the ICT sector, including protecting intellectual property rights, developing Jordanian job skills for the sector, supporting marketing efforts, and regulating radio-frequency spectrum. Additionally, the Strategy includes support for increasing internet penetration from the current 63 percent to 85 percent by the end of 2017. The Strategy targeted an increase in current sector employment of 16,000 to around 20,000 by the end of 2017. There are currently 460 well-established companies in the ICT sector. Exports in Jordan are exempted from taxes; however, ICT businesses are concerned that increasing domestic corporate taxation rates and other costs of doing business will make Jordan a less appealing place for ICT companies.

The Jordanian government has put an emphasis on information and communications technology as an engine of economic growth. For example, Jordan is working to improve the ICT literacy of the population through so-called "knowledge stations." Knowledge Stations provide a variety of services to Jordanian citizens, including offering courses on basic computer literacy, using ICT to enhance business activities, learning the English language, and using the internet to obtain government services. Courses are offered free of charge or at a nominal cost. Additionally, the stations provide internet access and various printing services.

### **Jordanian Government Initiatives**

In 2012, the GOJ also approved the National Information Assurance and Cyber Security Strategy (NIACSS) to tackle various vulnerabilities in cyber security, such as malicious attacks or arbitrary disruptions.

The GOJ has worked with the private sector on initiatives to reduce the gap between academia and the labor market by supporting startup incubators and creating jobs. One such initiative is an Int@j Public-Private-Partnership (PPP) with both the MOICT and the Ministry of Labor called Graduates Internship Program (GIP). GIP is designed to increase employment in the ICT sector and to equip graduates to meet the sector needs. The internship program duration is 18 months. The GOJ subsidizes 50 percent of the graduate's salary of JOD300 (\$420) per month for the first 12 months, and then reduces it to 25 percent for the internship's duration. In 2013, more than 1,000 graduates/students have benefited from the program.

### **ICT Sector Challenges**

- The sector needs a PPP law to facilitate joint projects between the government and the private sector.
- The income tax rate on ICT companies is 24 percent, compared with 14 percent for most other sectors. The introduction of higher mobile taxes in Jordan has not pleased the major operators, which include Zain Jordan, Orange Jordan and Umniah – and this change has been partly blamed for the declining revenues reported in 2013. Taxes on mobile phones were increased in 2013 from 8 percent to 16 percent and also were also doubled on mobile subscriptions from 8 percent to 16 percent.
- Recently imposed regulations on internet censorship, especially the September 2012 amendment to the press and publications law, are perceived to threaten internet freedom in Jordan. The government's revision of this law is a major concern for content development companies, which may be hesitant to invest in Jordan. The legislation requires "electronic publications" in Jordan to get a license from the government, which requires new websites to be legally registered and to recruit editors-in-chief who are members of the JPA. It also gives the authorities the power to block and censor websites, whose owners will be held responsible for comments posted on them.
- The quality of education received by Jordanian graduates is insufficient to meet companies' needs. (Close to 5,700 ICT students graduate every year; however, companies are concerned they have the right skill sets to meet industry demand.)

The total value of imports of IT equipment in recent years was estimated at \$261 million. U.S. products account for nearly 12 percent of the IT equipment imports. The majority of IT equipment imports include computer hardware and networking equipment.

Jordan's digital economy incorporates e-commerce, e-health, e-education and e-government. Most activity and attention is focused on the e-commerce sector, given the commercial opportunities available. The Central Bank of Jordan has adopted a strategy for 2013 - 2017 to develop the legal framework and infrastructure for all e-payment systems in Jordan, tackling one of the largest impediments to e-commerce development in Jordan and the Middle East in general. E-Commerce firms consist of Gonabitm, MarkaVIP, Maktoob Group, Jabbar Internet Group, Jeeran, and Sallaty.

- The relocation of the Port of Aqaba will require an upgrade and relocation of the coastal telecommunications station in Aqaba. This project is considered a significant opportunity for U.S. companies seeking to increase their ICT share in the Jordanian market.
- The health, finance, education, and energy sectors, particularly utilities, need companies offering vertical ICT solutions and services and ICT integration.
- Data segment, broadband, cyber security, Arabic content, mobility and cloud, new media, data mining, and data backup are other areas with opportunities for investment.

**Infrastructure:**

- Platform for converged data, voice, media, and content.
- Virtual e-learning (schools and universities).
- 4G/3G.
- E-government project, Information Technology Outsourcing, Business Process Outsourcing, Arabization and Localization Services, local, national and international fixed services, Public wireless internet services, Call Centers, Convergence of services, and electronic service areas of banking, commerce, governance, health, education, energy, accounting, information security and 3D animation.

**Jordan Ranking: Global Information Technology Report (WEF 2013)**

Overall: 47 out of 144 countries [the Kingdom ranked second in Internet usage in the Arab world (47 percent)]

Environment: 42

- Political and Regulatory: 48
- Business and Innovation: 40

Readiness: 55

- Infrastructure and Digital content: 81
- Affordability: 27

Skills: 34

Impact: 54

- Economic: 49

- Social: 54

Jordan was ranked among the countries where smartphone ownership is high, as 38 percent of mobile holders have smartphones.

### **Upcoming Events**

MENA ICT Forum November 12-13, 2014, Amman

### **Web Resources**

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Ministry of Information and Communication Technology: [moict.gov.jo](http://moict.gov.jo)

Telecommunications Regulatory Commission (TRC): [trc.gov.jo](http://trc.gov.jo)

General Supplies Department: [gsd.gov.jo](http://gsd.gov.jo)

General Tenders Directorate: [gtd.gov.jo](http://gtd.gov.jo)

Jordan's Information & Communications Technology Association (Int@j): [intaj.net](http://intaj.net)

American Chamber of Commerce, Jordan: [amcham.org.jo](http://amcham.org.jo)

## Renewable Energy

	2012	2013 Estimated
Total Market Size	69,933,624	73,459,311
Total Local Production	8,484,295	8,738,823
Total Exports	9,934,669	10,232,709
Total Imports	71,383,998	74,953,197
Imports from the U.S.	5,970,456	6,149,569
Exchange Rate: 1 USD	0.708	

\*The figures above are from Jordan Department of Statistics

\*\*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

## Overview

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Jordan does not have the natural resources of its neighbors and has traditionally imported nearly all of its energy and fuel requirements. In 2013 alone, Jordan continued to import 96 percent of its energy, which accounts for almost 20 percent of the Country's Gross Domestic Product (GDP).

The rising cost of importing energy resources has forced the government to reconsider its energy consumption policies and address the issue of reliance on international energy markets for direct imports. To this end, the government has authored a new National Energy Strategy. Under this strategy, renewable and nuclear energy are set to transform the kingdom into a net exporter by 2030, despite a rapidly growing population. As the price of oil increases, energy security has become even more of a priority to Jordan. The government is seeking an investment of \$18 billion in this sector by 2020. The most prominent proposals include developing civil nuclear power, oil shale and renewable energy. The strategy aims to increase the renewable energy share in the energy mix from one to five percent by 2015 and to 10 percent by 2020. Jordan is further exploring with the Government of Iraq the construction of a pipeline from Basra to Haditha and onward to Aqaba.

To meet its renewable energy targets, the GOJ has issued the Renewable Energy (RE) and Energy Efficiency (EE) Law. Moreover, the RE and EE Fund has been established to provide financial framework to support energy efficiency programs and renewable energy projects. The government is further developing procedures to establish a "one-stop shop" for the efficient licensing of renewable energy projects.

In addition, the by-laws and regulations related to renewable energy projects for electricity generation have been issued by the Electricity Regulatory Commission providing the "Reference Price List" which includes the indicative prices for each type of renewable source.

Recently, the Jordanian Government, represented by National Electric Power Company (NEPCO), signed the Power Purchase Agreements (PPAs) with twelve developers under the direct proposals submission to generate 170MW of solar power energy to the grid. These projects will sell power under the current price list, while future projects will have new pricing.

The Ministry of Energy and Mineral Resources has launched phase II and III under the direct proposal submission to generate an additional 650MW of solar and wind energy. In phase II,

five developers will be selected to generate 50MW each, while in phase III, only four developers will be selected to generate 100MW each.

## Sub-Sector Best Prospects

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### Wind

Jordan has significant wind energy resources that could be potentially exploited for power generation. The country's Wind Atlas indicates that some areas in the northern and western regions of the country have wind speeds that exceed 7 meters/second (M/S). The Jordanian government is hoping to generate 600-1000MW from wind projects by 2020.

Recently, the government approved the first 117W wind project in the Tafila area. Other wind projects are either under final award, such as 45MW Bab Al-hawa project, or still under prequalification, such as 70MW Maan wind project.

### Solar Energy

Jordan is blessed with an abundance of solar energy, which is evident from the annual daily average solar irradiance on a horizontal surface range of between five to seven Kilowatts/hour/m, one of the highest figures in the world. The government is aiming to generate around 800MW from solar energy by 2020.

In addition to the twelve PPAs signed, the first solar power project is being implemented at Ma'an Developing Area for 1MW, which will host most of the solar power plants in phase I and III. Furthermore, proposals for another two solar projects are under evaluation, the first one is 2MW PV project in the Azraq area under a Spanish government grant and the other is 70MW PV project in the Quweirah area financed by the Gulf Corporation Council fund.

### Waste to Energy

Jordan is hoping to generate 30-50MW of power from waste to energy projects by 2020. The government adopted a policy to encourage investment in this promising energy sector. It further launched an announcement for expressions of interest (EOI) from interested investors. A similar MOU process for wind and solar proposals will be adopted by the government to seek qualified investors in these fields.

## Opportunities

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Opportunities abound for U.S. companies in the renewable energy sector, with needs ranging from technology to equipment to consultancy services. The market is open for solar cells and panels, wind turbines and blades, generators, support structures, and energy software management.

## Web Resources

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- Ministry of Energy and Mineral Resources (MEMR): [memr.gov.jo](http://memr.gov.jo)
- National Electrical Power Company (NEPCO): [nepco.com.jo](http://nepco.com.jo)
- Electricity Regulatory Commission (ERC): [erc.gov.jo](http://erc.gov.jo)
- EDAMA Association: [edama.jo](http://edama.jo)

## Safety and Security Equipment

### Overview

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The responsibility of securing Jordan's national security lies with the Jordan Armed Forces (JAF), General Intelligence Department (GID) and the Ministry of Interior, which supervises the Public Security Directorate (PSD), the Gendarmerie, and the Civil Defense Directorate. These entities are always looking to acquire the latest equipment and technologies to enable them to provide the highest levels of security, whether it's protecting the country from terrorism, securing Jordan's borders, or keeping the peace.

The safety and security market in Jordan is divided into four segments: premises security equipment, personal protection equipment, security services operations, and fire-fighting. Although most of the needed equipment is imported, there is an increasing amount of security equipment and devices being assembled or made in Jordan through King Abdullah II Design and Development Bureau's different entities. On the commercial side, the demand for safety and security equipment can be confined to three main sectors: banking, residential and commercial construction, and tourism (hotels and resorts). For these categories to meet the government's policy for the highest security conditions there is a strong demand for the import of related equipment.

A new and fast growing market in the safety and security sector is the ICT security segment. With advanced technologies being used over a wide range of applications, providing security for their use is becoming increasingly necessary for both the public and the private sectors.

In 2012, the market increased in size from previous years to reach more than \$60 million, of which U.S. companies hold a 15-20 percent market share.

### -Sub-Sector Best Prospects

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The local market demand is driven by the commercial sector and is currently focusing on the following segments:

1. Safety and Property Security Systems
  - Fire protection systems, alarms
  - Fire and smoke detection
  - Passive fire protection products
  - Fireproofing
  - Automatic fire sprinkler
  - Fire suppression, including water and chemical extinguishing
  - Fire trucks
  - Ambulances
  - Safety headgear
  - Metal detectors
  - X-ray and handheld scanners
2. Bank Fraud / Electronic Security
  - Financial and Network ICT Security, LAN / WAN / Wireless technology
  - Forensic software
  - Encryption equipment

### 3. Theft/Intrusion

- Intrusion, robbery and burglary systems
- Burglar and motion alarms
- Vehicle anti-theft and tracking
- Electronic and video surveillance (CCTV, GPS, IP network)
- Alarm signaling equipment
- Safes and vaults

### 4. Public Safety

- Detection instrumentation
- Electrical signaling for safety and traffic control (e.g., roads, parking facilities, port installations and airfields)

## Opportunities

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There are several commercial and residential projects underway in Jordan, which require appropriate security equipment. Current major projects include: Ayla Oasis resort in Aqaba (valued at approximately \$1 billion); Abdali commercial and residential district (\$1 billion); Marsa Zayed Aqaba port and resort project (\$10 billion); and Saraya Aqaba Jordan resort (\$1 billion). These projects all require advanced safety and security equipment. Besides these projects, there is continuous demand from banks, hospitals, hotels and universities for safety and security equipment.

In terms of government opportunities, projects include the areas of border security, traffic control, forensic laboratories and emergency and disaster command centers.

The increasing demand in Jordan for safety and security equipment offers promising opportunities for the U.S. manufacturers and suppliers.

## Web Resources

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- King Abdullah II Design and Development Bureau: [www.kaddb.com](http://www.kaddb.com)
- Ministry of Interior: [moi.gov.jo](http://moi.gov.jo)
- Jordanian Armed Forces: [jaf.mil.jo](http://jaf.mil.jo)
- General Intelligence Department : [jid.gov.jo](http://jid.gov.jo)
- Public Security Directorate: [psd.gov.jo](http://psd.gov.jo)
- General Directorate of Civil Defense [cdd.gov.jo](http://cdd.gov.jo)
- Saraya Aqaba: [sarayaholdings.com](http://sarayaholdings.com)
- Abdali: [abdali.jo](http://abdali.jo)
- Ayla Oasis: [oasis.com](http://oasis.com)
- Marsa Zayed: [marsazayed.org](http://marsazayed.org)

## Green Building

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### Overview

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The “Green Economy” is estimated to reach over \$2.2 trillion worldwide by 2020, with a majority of investment in renewable energy, followed by green building and water management. For Jordan, the push toward making Jordan a “green economy” could result in 20-35 percent increase in investment in green sectors.

Jordan is poised to emerge as one of the region’s leaders in “Green Building” design and construction. A significant shift in the developers’ and customers’ views towards “green building” design has been driven by sizeable media campaigns on environmental protection spearheaded by both government and private organizations across the region. The real estate sector has witnessed various initiatives to support environmental compliance with local developers aggressively fulfilling Leadership in Energy and Environmental Design (LEED) certification requirements.

Jordan could be an important player in the region in this niche market by improving access to emerging opportunities and therefore generating incremental revenues for building owners. Billions of dollars of green-focused grants and loans are available through the EU, USAID and the World Bank that can offset and even eliminate capital costs.

The Jordan National Building Council, which is responsible for governing building codes in Jordan, recently published the “Green Building Code Directory” to become the guidance tool for contractors and developers. Furthermore, the Jordan Green Building Council (Jordan GBC) was established to spread awareness of Green Building concepts, provide training and conduct audits on buildings to award the Leadership in Energy and Environmental Design (LEED) certifications.

### Best Prospects

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Although Jordan’s construction sector is still facing challenges associated with the economic slowdown, this sector has been one of the main pillars of the economy, with more than 1,600 construction and real estate companies employing an estimated 100,000 workers and contributing 5.4 percent to Jordan’s GDP.

The country’s construction sector does not appear to face restricted access to credit; on the contrary, it increased to \$4.8 billion. If sustained, this raise of credit availability could signal a return to growth for the sector.

Figures from the Department of Land and Survey in 2013 show that there was 8 percent increase in real estate trading with a total of \$9 billion worth of transactions.

Global studies from leading environmental institutions indicate that incremental cost of LEED can be as little as 0.8 percent for commercial buildings, but 2-5 percent may be more realistic until local expertise and supply chain and materials are in place. Green building can result in a 20-40 percent reduction in energy costs and up to a 35 percent reduction in water uses, often at minimal additional costs.

With over 1.3 percent of the population composed of engineers, the potential level of technical expertise is very high in Jordan in terms of learning and applying green-build technologies. The time is right to apply these technologies given that Jordan, since 2004, has been undergoing a construction boom even after the global financial crisis. Additionally, the Government, through the Jordan National Building Council and its stakeholders, (including the Jordan Engineers Association and the A/E Business Council) has developed national building codes that serve the concept of sustainable or Green Buildings and Built Environment.

The current situation in the Jordan market reveals the following:

- “Green Building” concepts are just being launched in Jordan, with the National Building Council taking the lead in developing National Building Codes.
- There are over 20 projects in Jordan which have applied directly to the U.S. Green Building Council (USGBC) for LEED certification and the number of locally-based LEED AP accredited professionals is on the rise.
- The top 30 companies in Jordan are all interested in Green Building practices.
- Green Building certification and consultancy has been added to the A/E firm qualification criteria of the Government Tenders Department. This criterion is used to technically prequalify A/E firms to implement Government projects.
- Major projects under construction that would be interested in implementing Green Building concept: Ayla Oasis resort in Aqaba (valued at approximately \$1 billion); Abdali commercial and residential district (\$1 billion); Marsa Zayed Aqaba port and resort project (\$10 billion); and Saraya Aqaba Jordan resort (\$1 billion).

Opportunities to provide services and products from U.S. firms are available in green building practices, plumbing, air-conditioning, building products, waste water treatment and energy efficiency.

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***Jordan National Building Council (JNBC)***

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Tel: +962 6 580-3838  
Fax: +962 6 585-7590  
Email: [info@jnbc.gov.jo](mailto:info@jnbc.gov.jo)  
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***Depart of Land and Survey***

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E-mail: [dls@dls.gov.jo](mailto:dls@dls.gov.jo)  
[dls.gov.jo](http://dls.gov.jo)

***Jordan Green Building Council (JGBC)***

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Telefax: +962 6 552-0893  
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***A/E Council***

P.O. Box 930786  
Amman 11193 Jordan  
Tel: +962 6 560-3880  
Fax: +962 6 560-3881  
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## Environmental Technologies

### Overview

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### Water and Environment

The water scarcity in Jordan continuously triggers demand for water conservation technology and management at all levels of use. Given Jordan's high population growth, limited renewable water resources, and deteriorating water quality, the effective management and efficient use of water resources is critical both at the household and country-wide levels. With the ongoing construction boom in Amman and Aqaba, improving the water supply and infrastructure through non-traditional water resources and reclaimed water measures will be essential to guarantee the long-term water security of this country.

Jordan is divided into 15 surface water basins and 12 ground basins, some of which extend to neighboring countries, such as Saudi Arabia.

Water resources depend on rainfall, which varies in quantity and distribution from year to year, with the rainfall occurring between the months of October and May.

Treated wastewater is an important component of the Kingdom's water resources. Currently, sewage services are available to around 70 percent of Jordan's urban population; therefore, increasing sewage coverage and ancillary water treatment capabilities will help Jordan conserve its scarce water resources.

In Jordan there are 27 wastewater treatment works operating to international standards. They treat around 122 billion liters (122 million cubic meters) of water, providing more than 115 billion liters (115 million cubic meters) for different purposes in industry and agriculture involving crops and fodder, especially in alfalfa and corn fodder, which generate a large economic reward for farmers and livestock breeders.

Managing water scarcity is Jordan Water Company's (Miyahuna) main priority. Most of the water losses occur in the network closest to the households. Miyahuna will replace this segment of the network in the next five years as part of its water losses control program.

### Water and Environment challenges

- Population growth - doubling by 2024
- Economic development increasing demand
- New water sources are expensive
- Excessive extraction of ground water
- Heavily subsidized water, especially for low-value agriculture
- Increasing pollution of water sources
- Lack of operations and maintenance
- Immigration influx (Syria and Iraq)
- Increased Irrigation, industrial use, commercial and tourism use
- Climate Change
- Solid Waste Management

Steps are being taken on public and private sectors levels to reduce, prevent and mitigate pollution; increase private sector participation and commercial practices; improve management of water resources; promote cost-effective, innovative technology; improve regulatory reforms,

tariffs, water allocations, watershed protection, and groundwater over drafting; continue investment in infrastructure-focus on reducing water system losses and wastewater treatment and reuse; and promote cost-effective, innovative technology and much more. The government has also launched a water use plan spanning 2013 – 2020, aimed at improving the water sector to levels that will help realize the Kingdom's vision to make it almost infallible by 2020.

With regards to energy efficiency, Jordan has to resolve its energy security issue, as 96 percent of its energy is imported, at a cost of 20 percent of its GDP. The government is implementing different solutions to reduce its dependency on imported energy. One part of the solution was included in the New Energy Strategy that Jordan is using as a road map to solve its energy issues. With \$14-18 billion of expected projects in the energy sector, energy efficiency is considered an important part of the strategy to reduce energy's overall budget impact. There are also other projects underway to develop pumping stations in various regions and to make use of renewable energy for the water sector through the use of bio, solar and hydro energies, as well as organic waste, in order to reduce the enormous pressure on the sector due to huge energy costs, currently accounting for 60 percent of the sector's total running costs.

### **The Millennium Challenge Corporation helps to improve Jordan's Water Security and Environment**

#### **MCC in Jordan in Brief:**

The Millennium Challenge Corporation (MCC) is a U.S. Government entity helping to improve Jordan's water security and environment. The \$275 million MCC-Jordan Compact is invested in three integrated infrastructure projects in the Zarqa Governorate:

- The Water Network Project will improve the overall drinking water system efficiency in the governorate through the construction and rehabilitation of pump stations, reservoirs and hundreds of kilometers of water transmission and delivery pipes. Progress reached 37 percent and is expected to be completed in March 2016. Once completed, water loss will drop from the current 50 percent to less than 35 percent and water supply will increase from 36 to 70 hours per week.
- The Wastewater Network Project is rehabilitating and extending hundreds of kilometers sewer lines to urban areas in the governorate. Water networks are currently being improved in order to increase the efficiency of networks and supply stations.
- The As-Samra Wastewater Treatment Plant Expansion Project building on USAID investment is expanding the capacity for high quality treatment of nearly all wastewater generated in Amman and Zarqa, creating new supplies of water that can be used in agriculture in the fertile Jordan Valley. 50 percent of the expansion work on the treatment plant has been completed and will be ready in July 2015. It will treat over 70 of wastewater generated in the country.

U.S. companies may bid on tenders as they are issued for these projects.

For more information on the MCC and MCA-Jordan Program, please see [mcc.gov](http://mcc.gov)

## Agricultural Sector

### Overview

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Jordan is a net food-importing country, a small market of six million consumers. Jordan imports up to 98 percent of consumable items from abroad, including wheat, barley, sugar, rice, powdered milk, tea, coffee, corn, vegetable oil (excluding olive oil), cheese, chick peas, vermicelli, and lentils. Due to the scarcity of water, agriculture has been declining as a component of the overall economy for years. Although it consumes 65-75 percent of Jordan's water resources, agriculture accounted for only about 2.8 percent of GDP in 2012. The agriculture sector employs 15 percent of the labor force of the country, though many agricultural workers hail from Egypt and Syria. The horticultural product sector, the poultry industry, and small-scale herding are major components of the agriculture sector.

The market is growing due to the increasing number of Syrian refugees entering the country.

### Market Requirements

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U.S. agricultural exports to Jordan were \$256 million in 2013, a major decrease from the 2012 total of \$340 million. This decrease can be attributed to a drop in commodity exports such as wheat and corn due to price competitiveness. Trade has seen an increase in imports of rice, poultry, beef and fish, in addition to high value supermarket items. Most recently, the market has opened up for live dairy cattle.

Top U.S. agricultural exports consist of grains (including corn and rice), soybean cake, processed and canned food, condiments, vegetable oil, almonds and poultry (both live and carcasses). Under the terms of the FTA, import duties and other trade barriers between Jordan and the United States were phased out in 2010.

The Jordanian border inspection authority selectively imposes sanitary and phytosanitary measures on meat and poultry import licenses. Advance approvals to import goods are required for specific food and agricultural goods. Officials at the ministries of Health and Agriculture are responsible for granting such licenses and approvals.

In addition to special requirements for certain agricultural products, Jordan requires that importers of commercial goods be registered traders or commercial entities. The Ministry of Industry and Trade occasionally issues directives requiring import licenses for certain goods or categories of goods.

The Jordan Food and Drug Administration (JFDA) holds the primary responsibility for accepting or rejecting incoming food consignments; the Jordan Standards and Meteorology Organization (JSMO) performs the tests and drafts food safety standards. JSMO's current product standards generally reflect existing U.S. standards; however, JSMO is also working with EU agencies to review its standards. JSMO has already licensed several local laboratories to test for compliance with applicable standards.

For the list of export certifications required by Jordan for import and the products they cover, please refer to the "Restrictions and Prohibited Imports" section located in Chapter 5.

More details can be found on USDA FAS attaché reports on at: [www.fas.usda.gov](http://www.fas.usda.gov)

Ministry of Agriculture: [moa.gov.jo](http://moa.gov.jo)

Jordan Institution for Standards and Metrology: [jsmo.gov.jo](http://jsmo.gov.jo)

Jordan Food and Drug Administration: [jfda.jo](http://jfda.jo)

Jordan Customs Department: [customs.gov.jo](http://customs.gov.jo)

U.S. Foreign agricultural Service [fas.usda.gov](http://fas.usda.gov)

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## Chapter 5: Trade Regulations, Customs and Standards

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### Import Tariffs

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Customs tariffs are based on the harmonized system coding practice. Tariff tables for different products and commodities can be found on the Customs Department website at [customs.gov.jo](http://customs.gov.jo).

The U.S. – Jordan FTA, which came into full force in January 2010, eliminated most duties and tariffs on commerce between the U.S. and Jordan. Details can be viewed at [jordanusfta.com](http://jordanusfta.com)

Additional taxes may apply to some products; a complete description of these commodities is also available at the Customs Department website. Detailed lists of the general and special sales tax can be viewed at the Jordan's Income and Sales Tax Department's website at [istd.gov.jo](http://istd.gov.jo)

The Government of Jordan imposed a special tax on 12 luxury commodities with a value ranging between 5-25 percent as of February, 2013. The government amended the tax system for 2013 and imposed a special tax on cell phone devices at 16 percent, clothing at 20 percent, musical instruments and parts and accessories thereof at five percent, works of art and antiques at 20 percent, cosmetics at 25 percent, perfume at 25 percent, ornamental fish at 20 percent, artificial flowers and accessories at 20 percent, leather clothes and furs at 25 percent, diamond importer and manufacturer and boat ornaments at five percent, natural or cultured pearls at 20 percent, gemstones and semiprecious at five percent and dog and cat food at 20 percent.

### Trade Barriers

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Jordan has made important reforms in trade liberalization in the past few years, and the government continues its efforts to improve the country's trade and investment climate.

Designated companies operating in the Qualifying Industrial Zones (QIZs), providing they meet certain criteria, gain quota and duty-free access to the U.S. market and benefit from special import provisions for raw inputs.

For more information [customs.gov.jo](http://customs.gov.jo)

## Import Requirements and Documentation

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Import licenses, valid for one year, are required for:

- non-commercial shipments exceeding JOD 2,000 (\$2,820);
- biscuits of all types;
- mineral water;
- dried milk for industry use;
- used tires; and
- items that require prior clearance from the respective authorities (for a complete list, see —special import provisions).

Items that do not need an import license may require prior authorization by the appropriate government ministry.

Any imported agricultural or food products may be inspected and tested for human consumption. Virtually all prepared and mixed foods are tested at the border. The Jordan Food and Drug Administration (JFDA) has the authority to inspect food products at the retail and wholesale distribution levels. A representative may enter at any place and collect samples for testing. If a product fails to meet technical requirements or is found unfit for human consumption, it is removed from distribution channels and destroyed.

The Jordan Standards and Meteorology Organization (JSMO) regulates food additives for JFDA. Permissible additives and their concentrations are those approved by the *Codex Alimentarius* Commission. The technical standards for foods contain specific lists for food additives and their permissible levels of use. These standards should be consulted to make sure that any additives are permitted.

Goods entering the country under temporary entry status, bonded goods and goods benefiting from the investment promotion law are exempt from import licenses. For more information, go to [jordaninvestment.com](http://jordaninvestment.com).

All Jordanian and foreign trading companies must either obtain an importer's card from the Ministry of Industry and Trade for customs clearance purposes, or pay a Customs fee equivalent to five percent of the value of the imported goods. For non-trading entities such as banks, hospitals and hotels, the Ministry issues a special limited card that allows the import of goods specific to that entity's purpose.

The U.S. government requires submission of a shipper's export declaration, or SED, if the value of the shipment is greater than \$2,500. Exporters can submit a hard copy or can use the free internet-based system to file. For more information, go to [aesdirect.gov](http://aesdirect.gov).

For shipments to Jordan, exporters are required to provide a certificate of origin, a commercial invoice, an airway bill, and a packing list. A customs declaration is also required, but only an authorized forwarding agent in Jordan can process the declaration, which must be filed electronically.

Regarding a U.S. Certificate of Origin for Exporting to Jordan, a general certificate of origin is acceptable and can be downloaded from the Trade Information Center's Web site [export.gov/tic](http://export.gov/tic).

Both the commercial invoice and the certificate of origin must be certified by the National U.S.-Arab Chamber of Commerce, and then legalized by the Jordanian Embassy or consulate. To locate the National U.S.-Arab Chamber of Commerce, view their Web site at [nusacc.org](http://nusacc.org).

A list of the Jordanian consulates can be accessed at [jordanembassyus.org/new/consular/consulates.shtm](http://jordanembassyus.org/new/consular/consulates.shtm).

Invoices do not have to be written in Arabic, but the importer is required to provide an Arabic translation. Typically this requirement is met by having the importer hand-write the translation on the actual invoice. Exporters should be aware that commercial invoices for all shipments from the United States *must* bear a notarized affidavit. Jordanian Customs may request other documents related to the shipment as needed.

### **U.S. Export Controls**

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U.S. exporters to Jordan must follow the standard U.S. Government requirements regarding export control documentation for sensitive U.S. exports. For information on this subject, contact the U.S. Department of Commerce Bureau of Industry and Security, internet web site: [bis.doc.gov](http://bis.doc.gov).

U.S. export licenses are required for exports to Jordan of certain high technology, and defense-related equipment. U.S. exporters should ensure that they are in compliance with the export control regulations.

### **Temporary Entry**

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Temporary entry exemptions may be obtained by submitting a written request, accompanied by supporting documentation, to the customs department. Imported primary, secondary, or complementary inputs used in the production of export goods are exempt from customs duties and all additional import fees on a reimbursable or drawback basis. Refer to [customs.gov.jo](http://customs.gov.jo).

### **Labeling and Marking Requirements**

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Imported products must comply with labeling and marking requirements issued by (JSMO); refer to [jsmo.gov.jo](http://jsmo.gov.jo).

Importers are responsible for informing foreign suppliers of any applicable labeling and marking requirements. All labels must either be in Arabic or have a stick-on label in Arabic. Nutritional labeling is mandatory in certain categories of food, including infant

formula and food for dietary use. In general, the label should contain the name of the product, the manufacturer's name and address, net weight, fortifying matter, lot number and best before date. A food shipment may be rejected based on ambiguous labeling content. For information on food labeling and packaging, contact JSMO and Jordan Ministry of Health at [moh.gov.jo](http://moh.gov.jo).

## Prohibited and Restricted Imports

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### Prohibited Imports

The government bans the import of plastic waste, the narcotic plant "qat" and diesel passenger cars.

Exporters should always note that U.S. export licenses, though not required for many shipments, are required in certain situations involving national security, foreign policy, short-supply, nuclear non-proliferation, missile technology, chemical and biological weapons, regional stability, crime control, or terrorist concerns. For more information on export licenses, please refer to [export.gov/tic](http://export.gov/tic).

### Restricted Imports

Imports of raw leather are restricted to the Jordan Tanning Company; crude oil and its derivatives (except metallic oils) and household gas cylinders are restricted to the Jordan Petroleum Refinery Company; cement is restricted to the Jordan Cement Factories Company; which is now privately owned. Explosives and gun powder are restricted to the Jordan Phosphate Mines Company; and used tires are restricted to tire retreating factories. In addition, biscuits of all types; mineral water, and dried milk for industry use are restricted to those factories.

### Special Import Provisions

Pre-import clearance is required for certain goods. The clearance, once obtained, acts as an import license. However, these clearances are not automatic. These are summarized as follows:

Product	Relevant Ministry
Arms and ammunitions, explosives, switch-blade knives, fuel-operated toy cars, remote control operated toy planes, electric and electronic games for commercial use, self-defense electric tools	Ministry of Interior/Public Security Directorate
Military clothing	Jordan Armed Forces
Radioactive materials and uranium	Ministry of Energy and Mineral Resources
Wireless receivers and broadcast stations, wireless alarm devices, remote control devices (including motor, garage, window and shutter control; excluding television and video devices), site mapping equipment, wireless receivers and broadcast devices, cellular-phone equipment, wireless microphones, communication terminals, remote control toy-planes	Telecommunications Regulatory Commission

(also to be cleared by the Public Security Department of the Ministry of the Interior), mobile TV equipment	
Decoders and satellite receivers	Radio and Television Corporation
Color photocopiers	Central Bank of Jordan
Medical drugs and antibiotics, food supplements for athletes, potassium bromide, food dyes, asbestos pipes and panels, frozen ice cream, baby food and milk, laser pens, oxygen and nitrogen oxide	Ministry of Health
Halogen use materials, Freon gas	Ministry of Municipal Affairs and Ministry of Environment
Postal clearing devices	Ministry of Information and Communications Technology
Artesian well drills	Ministry of Water and Irrigation
Small monitoring cameras	Military Security

For the import of used electronic equipment (including photocopiers, refrigerators, freezers and pumps), and used gas water heaters and gas ovens, the following conditions apply:

- Equipment must be in suitable, usable condition;
- Equipment must conform to Jordanian and international standards;
- Equipment must be free of any substances, which may negatively affect the environment and the ozone layer;
- Importer must supply a certificate from manufacturing company proving the equipment is under three years old (if a manufacturer's certificate cannot be produced, shipment must be accompanied by certificate of selling agent in the exporting country);
- Ten percent of shipment by value must comprise new spare parts.

Export certificates are required by Jordan for a number of food products.

Abbreviations used: Ministry of Agriculture (MOA), Jordan Standards and Metrology Organization (JSMO), Jordan Food and Drug Administration (JFDA), Customs Department (CA), United States Department of Agriculture (USDA), Food Safety Inspection Service (FSIS), Animal and Plant Health Inspection Service (APHIS), Veterinary Animal Health Certificate (VAHC), *Country of origin certificate (COOC)*, *Sanitary and Phytosanitary (SPS)*, *Fitness for Human Consumption Certificate (FHCC)*, *Product Validity for Consumption in the Country of Origin (PVCCOOC)*, Halal certificate (HC).

<b>Product(s)</b>	<b>Title of Certificate</b>	<b>Attestation Required on Certificate</b>	<b>Purpose</b>	<b>Requesting Ministry</b>
<b>Powder Milk For direct consumption</b> –needs no import license	Country of origin certificate (COOC).	U.S. Government Or Chamber of Commerce	Custom Valuation, Health, Risk control	CA, MoA
	Sanitary and Phyto Sanitary (SPS) Veterinary Animal Health Certificate (VAHC).	USDA-FSIS or APHIS	Human Health	JFDA
	Fitness for Human Consumption Certificate.(FHC C)	FDA or USDA-FSIS	Human Health	JFDA
	Product Validity for Consumption in the Country of Origin.(PVCCO OC)	FDA or USDA-FSIS	Human Health	JFDA
<b>Flavored Milk</b>	COOC, VAHC, FHCC, PVCCOOC, Approved flavor and/or coloring material.	FDA or USDA-FSIS	Human Health	MOA, JSMO, JFDA, CA
<b>Bovine Meat</b>	SPS-VAHC	USDA-FSIS or APHIS	Free from infectious and contagious diseases- food safety	MOA
	HC	Supplier/ Manufacturer	Verification that slaughter conforms to Islamic traditions. Food quality and consumer protection.	MOA, JSMO
<b>Processed meat</b>	SPS-VAHC	USDA-FSIS or APHIS	Free from infectious and contagious diseases. Food safety.	MOA

<b>Product(s)</b>	<b>Title of Certificate</b>	<b>Attestation Required on Certificate</b>	<b>Purpose</b>	<b>Requesting Ministry</b>
	HC	Supplier/ Manufacturer	Verification that slaughter conforms to Islamic traditions. Food quality and consumer protection.	MOA, JSMO
<b>Poultry meat</b>	COOC	U.S. Government Or Chamber of commerce	Custom Valuation, Health, Risk control	MOA, JSMO, JFDA, Customs
	HC	Supplier/ Manufacturer	Verification that slaughter conforms to Islamic traditions. Food quality and consumer protection.	MOA, JSMO
	Residues monitoring Program certificate	National Residue Control System (FSIS-EPA & FDA)		MOA, JSMO, JFDA
	Poultry meat from flocks that have not been fed on bovine bone and meat meals certificate.	FDA, USDA-FSIS or APHIS	Food safety.	MOA, JFDA
<b>Pisces (Fish and sea fruits) Frozen and or Processed</b>	Validity certificate	FDA, USDA-FSIS or APHIS	Shelf life. Food quality.	MOA, JSMO, JFDA
	Processing procedures		Food quality	MOA, JSMO
	COOC	U.S. Government Or Chamber of commerce	Custom Valuation, Health, Risk control.	MOA, JSMO, JFDA, CA
	SPS-VAHC	USDA-FSIS	Free from infectious and contagious diseases- food safety.	MOA, JFDA,

Product(s)	Title of Certificate	Attestation Required on Certificate	Purpose	Requesting Ministry
<b>Cheese</b>	COOC	U.S. Government Or Chamber of commerce	Custom Valuation, Health, Risk control.	MOA, JSMO, JFDA, CA
	SPS-VAHC	USDA-FSIS or APHIS	Free from infectious and contagious diseases. Food safety.	MOA, JFDA
	Hazard Analysis and Critical Control Point (HACCP)	Accredited by FDA, USDA-FSIS or APHIS	Food quality.	JFDA
<b>Honey</b>	COOC	U.S. Government Or Chamber of Commerce	Custom Valuation, Health, Risk control.	MOA, JSMO, JFDA, CA
	Residues free certificate	FDA, USDA-FSIS or APHIS	Food safety.	MOA, JFDA
<b>Fresh fruits and Vegetables</b>	COOC	U.S. Government Or Chamber of commerce	Custom Valuation, Health, Risk control.	MOA, JSMO, JFDA, CA
	Quarantine pests free Sanitary and Phyto Sanitary certificate SPS	USDA-FSIS or APHIS	Plant health.	MOA

For more information on exporting American food items to Jordan, visit: [fas.usda.gov/scriptsw/AttacheRep](http://fas.usda.gov/scriptsw/AttacheRep).

Or for Jordan: Jordan Food and Drug Administration: [jfda.gov](http://jfda.gov)

### Customs Regulations and Contact Information

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Exporters are advised to contact local customs agents to expedite the clearing process. Jordan Customs launched the Customs Integrated Tariff System (CITS) in August 2005. Importers can use this system to track down commodity tariffs, import conditions and commodity trade agreements, regulations and requirements of the commodity trade. For further information on customs procedures, please refer to the following website: [customs.gov.jo](http://customs.gov.jo).

Key contact:  
Jordan Customs Department  
P.O. Box 90, Amman, Jordan

Telephone: 962-6-462-3186/8; 462-4394/6  
Fax: 962-6-464-7791  
E-mail: [customs@customs.gov.jo](mailto:customs@customs.gov.jo)  
Web-site: [customs.gov.jo](http://customs.gov.jo)

## Standards

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## Overview

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JSMO, ([jsmo.gov.jo](http://jsmo.gov.jo)) is the official/national recognized body in Jordan for the preparation and publication of Jordanian Standards.

## Standards Organizations

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JSMO issues two types of standards:

- Mandatory standard: These standards cover products, which affect consumers' health and safety, such as food products, chemical detergents, electrical equipment and personal safety equipment.
- Optional standard: Optional for manufacturers and importers, examples include furniture products, clothes, textile and shoes.

JSMO sets and publishes food standards for the JFDA to follow. The JFDA tests and approves products before they can be sold.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: [nist.gov/notifyus/](http://nist.gov/notifyus/)

## Conformity Assessment

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Companies interested in obtaining conformity certificates or Jordanian Quality Marks for their products can send their request directly to the Certification Unit at JSMO.

## Product Certification

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JSMO operates product and system certification programs. The process to receive a quality mark is divided into four stages: application procedure, assessment procedure, certification procedure, and surveillance procedure. Details on the procedure can be found at [jsmo.gov.jo/](http://jsmo.gov.jo/)

## Accreditation

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Imported goods subject to mandatory standards require verification through laboratory testing in Jordan. JSMO undertakes these responsibilities by cooperating with official parties (the approved labs) such as Ministry of Health labs, JSMO's labs, Amman Municipality labs, National Center for Agricultural Research and Technology Transfer/Ministry of Agriculture labs and Royal Scientific Society (RSS), all of which perform the inspection and testing of the delivered samples from the control department.

## Publication of Technical Regulations

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Technical standards (Jordan Quality Mark) are published in the Jordan Official Gazette in hard copy only and are registered in the Jordan Quality Mark database. It can also be purchased in a hard copy from JSMO.

## Labeling and Marking

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Imported products must comply with labeling and marking requirements issued by the Institute of Standards and Metrology and relevant government ministries. Details on labeling requirements are presented above.

## Contacts

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Jordan Institution for Standards and Meteorology: [jsmo.gov.jo](http://jsmo.gov.jo)

Jordan Ministry of Industry and Trade: [mit.gov.jo](http://mit.gov.jo)

Jordan Food and Drug Administration: [jfda.gov.jo](http://jfda.gov.jo)

## Trade Agreements

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The Free Trade Agreement (FTA) between the U.S. and Jordan came into full force in January 2010.

There are several other bi- and multilateral agreements. For details on trade agreements, protocols, and trade memos of understanding (MOUs) with Jordan, please refer to [agreements.jedco.gov.jo](http://agreements.jedco.gov.jo).

## Web Resources

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Jordan Institution for Standards and Meteorology: [jsmo.gov.jo](http://jsmo.gov.jo)

Jordan Ministry of Industry and Trade: [mit.gov.jo](http://mit.gov.jo)

Jordan Food and Drug Administration: [jfda.gov.jo](http://jfda.gov.jo)

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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Jordan is largely open to foreign investment. Jordan acceded to the World Trade Organization (WTO) in April 2000. In addition, the U.S.-Jordan Free Trade Area Agreement (FTA) entered into force in December 2001 and came into full effect in January 2010. The United States and Jordan entered into a Bilateral Investment Treaty in 2003.

In 2012, the United States and Jordan agreed to Statements of Principles for International Investment and for Information and Communication Technology Services, and a Trade and Investment Partnership Bilateral Action Plan, each of which is designed to increase transparency, openness, and governmental and private sector cooperation. The two parties also began discussions on a Customs Administration and Trade Facilitation Agreement. The government of Jordan underwent an investment policy review by the Organization for Economic Cooperation and Development (OECD) and in November 2013 subscribed to the OECD Declaration on International Investment and Multinational Enterprises.

Local and foreign investments are screened by the Jordan Investment Board (JIB). A draft investment promotion law is currently pending parliamentary review. The draft law proposes consolidating three existing entities – the Jordan Investment Board and the two entities that oversee investment zones, the Jordanian Development Zones Commission and the Free Zones Corporation – into a new entity called the “Higher

Investment Commission". The draft law also proposes to provide a clear statement of investors' rights and a legal framework for the "one-stop shop" located at the JIB.

With respect to ownership and participation in Jordan's major economic sectors, there is no systematic or legal discrimination against foreign participation other than the restrictions outlined below. In fact, many Jordanian businesses actively seek engagement with foreign partners as a way to increase their competitiveness and access other international markets. Governmental efforts have made Jordan's official investment climate welcoming; however, some large U.S. investors have reported "hidden costs" due to bureaucratic red tape, vague regulations, and conflicting jurisdictions.

Jordan's current investment laws treat foreign and local investors equally, with the following exceptions:

- Ownership of periodical publications is restricted to Jordanian citizens or entities wholly-owned by Jordanians.
- Foreigners are prohibited from wholly or partially owning investigation and security services, sports clubs (with the exception of health clubs), stone quarrying operations for construction purposes, customs clearance services, or land transportation services. The Cabinet, however, may approve foreign ownership of projects in these sectors upon the recommendation of the Investment Promotion Committee, comprised of senior officials from the Ministry of Industry and Trade, Income Tax Department, Customs Department, the private sector, and the Jordan Investment Board. To qualify for exemption, projects have to be deemed by the Prime Ministry as highly valuable to the national economy and must employ a large number of Jordanians.
- Investors are limited to 50 percent ownership in a number of businesses and services, including printing/publishing companies and aircraft or maritime vessel maintenance and repair services. The most up-to-date listing of limitations on investments is available in the FTA Annex 3.1 and may be found at <http://www.ustr.gov/trade-agreements/free-trade-agreements/jordan-fta/final-text>.

Over the last decade, the Jordanian government has engaged in a wide scale privatization program. Jordan's energy sector has witnessed the privatization of two distribution companies – the Electricity Distribution Company (EDCO) and the Irbid District Electricity Company (IDECO), and one generation company, the Central Electricity Generating Company (CEGCO). The Amman East Power Plant was built and is owned and operated by AES Jordan PSC, a consortium of AES Oasis (a subsidiary of U.S.-based AES Corporation) and Japan-based Mitsui and Company. AES Jordan PSC operates the plant on a 25-year build-own-operate (BOO) basis. The \$300 million plant project was financed jointly by the U.S. Overseas Private Investment Corporation (OPIC), Japan Bank of International Cooperation (JBIC), and the Sumitomo Banking

Corporation (SMBC), with International Bank for Reconstruction and Development (IBRD) risk guarantees. AES Jordan PSC embarked on an expansion plan expanding its current investment in Jordan through building an additional 250MW power plant near its existing facility. The project is scheduled to come online in July 2014 with an estimated cost of \$350 million financed by the shareholders (\$80 million), OPIC (\$170 million), and the European Bank Reconstruction and Development (EBRD) (\$100 million).

The government of Jordan concluded the ten year privatization process for Royal Jordanian Airlines (RJ) in 2008. With the completion of RJ's initial public offering, the role of the Jordan Civil Aviation Regulatory Commission consequentially evolved with a greater separation between regulation and aviation management. Management of Amman's Queen Alia International Airport was fully privatized during the same period. A privately managed build-operate-transfer (BOT) airport expansion is underway, with the first phase completed in March 2013 and completion of the second phase expected by 2017. The next phase of the project hopes to grow capacity from a current level of approximately nine million passengers per year—an increase from the pre-project levels of 3.5 million—to 12 million per year. The few remaining government assets not privatized, including Jordan Silos and Supply, elicit little private sector interest. The majority of future projects in Jordan are expected to be public-private partnerships (PPP) rather than pure privatization deals.

The Executive Privatization Commission will be dissolved upon the passing of the proposed Public Private Partnership Law. The draft law is currently at the legislative and opinion bureau, the first stage of the legislative process in Jordan. The commission currently has a number of important projects for consideration, including the establishment of a medical and industrial waste project. Jordan is also seeking investors for a passenger and cargo rail system, the postal system, the expansion and upgrading of the nation's sole refinery, large scale water desalination, and other projects. In 2012, Jordan passed a Renewable Energy and Energy Efficiency Law to encourage investments in this vital sector. A draft Energy and Minerals Law is currently under parliamentary review. The new law promises to open the hydrocarbon sector to local and foreign investors, and establish a new Energy and Minerals Commission linked to the Ministry of Energy and Mineral Resources. The new commission will have the existing regulatory function of the Jordan Atomic Energy Regulatory Commission and the National Resource Authority.

The Jordanian constitution establishes the judiciary as one of three separate and independent branches of government. Jordanian commercial laws do not distinguish between Jordanian and non-Jordanian investors. American laws and judicial orders have no legal authority in Jordan. Rulings by U.S. courts or other international arbitration committees, however, can be upheld through the successful filing in Jordanian courts of an “enforcement of ruling motion”. Plaintiffs complain of backlogs

and subsequent delays in legal proceedings. The same holds true with regard to Jordanian laws and decisions in the United States. Currently, the following laws and regulations govern investments in Jordan: the Companies Law, the Investment Promotion Law, the Investment Law and Regulation for the year 2000, and Regulating Non-Jordanian Investments Regulation.

Jordan ranked 119 out of 189 countries on the World Bank's 2014 Doing Business Report, unchanged from its 2013 ranking. Jordan ranked 11<sup>th</sup> in the MENA region, down one spot from 2013, behind United Arab Emirates, Saudi Arabia, Bahrain, Oman, Qatar, Tunisia, Morocco, Malta, Kuwait, and Lebanon. Since 2010, Jordan has improved on several areas key to doing business:

- The minimum capital requirement for starting a business has been reduced from \$1,410 to \$1.41.
- Jordan now has in place a single reception service for company registration.
- Cross border trade has been facilitated through the implementation of a risk-assessment inspection regime for preapproved traders, reducing to 30 percent the number of containers subject to physical inspection.

The implementation of new software allowing online submissions of customs declarations and the introduction of X-ray scanners for risk management systems have reduced the customs clearance time to two days for exporters and three days for importers.

Measure	Year	Rank
Transparency International Corruption Index	2013	66/177
Heritage Economic Freedom	2013	33/177
World Bank Doing Business	2013	119/189

## Conversion and Transfer Policies

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Jordan's liberal foreign exchange law entitles foreigners to remit abroad all returns, profits, and proceeds arising from the liquidation of investment projects. Non-Jordanian workers are permitted to transfer their salaries and compensation abroad.

The Jordanian Dinar (JOD) is fully convertible for all commercial and capital transactions. Since 1995, the JOD has been pegged to the U.S. dollar at an exchange rate of approximately JOD 1 to \$1.41.

The Central Bank of Jordan (CBJ) supervises and licenses currency exchange businesses. These entities are exempt from paying commissions on exchange transactions and therefore enjoy a competitive edge over banks.

Other foreign exchange regulations include:

- Non-residents are allowed to open bank accounts in foreign currencies. These accounts are exempted from all transfer-related commission fees charged by the CBJ.
- Banks are permitted to purchase unlimited amounts of foreign currency from their clients in exchange for JODs on a forward basis. Banks are permitted to sell foreign currencies in exchange for JODs on a forward basis for the purpose of covering the value of imports.
- There is no restriction on the amount of foreign currency that residents may hold in bank accounts, and there is no ceiling on the amount residents may transfer abroad. Banks do not require prior CBJ approval for a transfer of funds, including investment-related transfers. However, stricter measures are now in place to monitor wire transfers in accordance with Jordan's efforts to deter illicit cash flows.

## **Expropriation and Compensation**

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Jordanian law stipulates that expropriation is prohibited unless deemed in the public interest. In cases of expropriation, the law also mandates the provision of fair compensation to the investor in convertible currency.

## **Dispute Settlement**

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Under Jordanian law, foreign investors may seek third party arbitration or an internationally recognized settlement of disputes. The Jordanian government recognizes decisions issued by the International Center for the Settlement of Investment Disputes (ICSID), of which Jordan is a member state. A small number of cases between mostly foreign investors and the Jordanian government have been brought before ICSID tribunals. Jordan is also a member of the 1958 New York Convention on the recognition and enforcement of foreign arbitral awards. In cases where the government (or its agencies) is a party to the dispute, Jordan generally prefers settlement in local courts if an out-of-court settlement is not forthcoming. Jordan abides by WTO dispute settlement mechanisms, and dispute settlement mechanisms under the U.S.-Jordan FTA are consistent with WTO commitments. Article IX of the United States-Jordan Bilateral Investment Treaty (BIT) establishes procedures for dispute settlements between Jordanians and Americans.

The Commercial Code, Civil Code, and Companies Law collectively govern bankruptcy and insolvency. A temporary bankruptcy law was enacted in 2002 and remains in effect. A new Insolvency and Bankruptcy draft law is currently pending Parliamentary review.

## Performance Requirements and Incentives

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Investment and commercial laws in Jordan do not contain any trade-restrictive investment measures and have generally been in compliance with the WTO's Trade-Related Investment Measures (TRIMS). Investment incentives take the form of income tax and custom duties exemptions which are granted to both Jordanian and foreign investors. A new draft investment law is currently under parliamentary review.

The country is divided into three development areas: Zones A, B, and C. Investments in Zone C, the least developed areas of Jordan, receive the highest level of incentives while those in Zone A receive the lowest level. All agricultural, maritime, transport and railway investments are classified as Zone C, irrespective of location. Hotel and tourism-related projects along the Dead Sea coast, leisure and recreational compounds, and convention and exhibition centers receive Zone A designations. Qualifying Industrial Zones (QIZs) are zoned according to their geographical location unless granted an exemption. The three-zone classification scheme does not apply to nature reserves and environmental protection areas.

Under the current investment laws, the Investment Promotion Law Number 16 (1995) and subsequent amendments, and the Temporary Investment Law Number 68 (2003), the Investment Promotion Committee, which falls under Jordan Investment Board, may offer the following incentives:

- Exemption from custom duties, general sales tax and social services taxes for projects and on capital goods for the project if delivered within three year, from Investment Promotion Committee's approval.
- Exemption from duties and taxes on imported spare parts related to specific projects, provided that their value does not exceed 15 percent of the value of the fixed assets requiring spare parts.
- Exemptions from duties and taxes on increases in the value of imported capital goods for the project if the increases result from higher freight charges or changes in the exchange rate.
- Two-year exemptions on income and social services taxes for industrial projects.
- Lifetime exemptions on property taxes for industrial projects.
- Exemptions from duties and taxes for machines and equipment used for the expansion and modernization of a project provided they result in at least a 25 percent increase in production capacity.
- Exemptions from duties and taxes for hotel and hospital furniture if the supplies are required for modernization and renewal.

- Exemptions from income and social service taxes on salaries and allowances payable to non-Jordanian employees.
- Exemptions from duties and taxes on goods imported to and/or exported from free zones, with the exception of goods released to the domestic market.

Free transfer of capital invested in free zones, including profits, is permitted. Additional incentives are provided for projects under the Industrial Estate Corporation, Development Zones Commission and the Aqaba Special Economic Zone. For further details please visit:

- Jordan Investment Board (<http://www.jordaninvestment.com>)
- Development Zones Commission (<http://www.dfzc.jo>)
- Jordan Industrial Estate Corporation (<http://www.jiec.com>)
- Aqaba Special Economic Zone (<http://www.aqabazone.com/>)

Exporters are granted the following incentives:

- Net profits generated from most export revenues are fully exempt from income tax. Exceptions include fertilizer, phosphate, and potash exports, in addition to exports governed by specific trade protocols and foreign debt repayment schemes. Under a WTO agreement, the exemptions are valid until the end of 2015.
- Approximately 95 percent of foreign inputs used in the production of exports are exempt from customs duties and all additional import fees on a drawback basis.

## Right to Private Ownership and Establishment

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Investment and property ownership laws permit domestic and foreign entities to establish and own businesses and to engage in remunerative activities. Foreign companies may open regional and branch offices; branch offices may carry out full business activities, while regional offices may serve as liaisons between head offices and Jordanian or regional clients. The Ministry of Industry and Trade manages the government's policy on the setting up of regional and branch offices.

No foreign firm may import goods without appointing an agent registered in Jordan; the agent may be a branch office or a wholly-owned subsidiary of the foreign firm. The agent's connection to the foreign company must be direct, without a sub-agent or intermediary. The Commercial Agents and Intermediaries Law governs the contract between foreign firms and commercial agents. Private foreign entities, whether licensed

under sole foreign ownership or as a joint venture, compete on an equal basis with local companies.

Foreign nationals and firms are permitted to own or lease property in Jordan for investment purposes and are allowed one residence for personal use, provided that their home country permits reciprocal property ownership rights for Jordanians. Depending on the size and location of the property, the Lands and Surveys Department, the Ministry of Finance, or the Cabinet are the authorities that approve foreign ownership of land and property, which must be developed within five years after the date of approval.

## **Protection of Property Rights**

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Interest in property (movable and real) is recognized, enforced, and recorded through reliable legal processes and registries. The legal system facilitates and protects the acquisition and disposition of property rights.

Jordan has passed several laws in compliance with international commitments to the protection of intellectual property rights (IPR). Laws consistent with "Trade Related Aspects of Intellectual Property Rights" (TRIPS) now protect trade secrets, plant varieties, and semiconductor chip designs. The Ministry of Culture's National Library Department is responsible for registering copyrights, and patents are registered with the Registrar of Patents and Trademarks at the Ministry of Industry and Trade. Jordan is a signatory to the Patent Cooperation Treaty and the Madrid Protocol, and accordingly, amended its patent and trademark laws in 2007 to enable ratification of the agreements. Jordan is a signatory to World Intellectual Property Organization treaties on both copyrights and on performances and phonographs, and it has been developing updated laws for copyrights, trademark standards, and customs regulations to meet international standards. Jordanian firms are able to seek joint ventures and licensing agreements with multinational partners.

Jordan's record on IPR enforcement has improved in recent years, but more effective enforcement mechanisms and legal procedures are still needed. As a result, the government's record on IPR protection remains mixed. A large portion of videos and software sold in the marketplace continues to consist of pirated goods. Enforcement action against audio/video and software piracy is growing in frequency and improving in its targeting capability, resulting in the first jail sentence in 2007 for software piracy in Jordan. Over the past decade, 4818 violations of Jordan's current copyright law were referred to the judiciary, including 462 cases in 2013. Additionally, 28 trademarks violation cases were referred to court during the past year.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Embassy point of contact: Robert Miller [MillerRP2@state.gov](mailto:MillerRP2@state.gov)

## **Transparency of Regulatory System**

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The government is gradually implementing policies to improve competition and foster transparency. These reforms aim to change an existing system influenced in the past by family affiliations and business ties. Although the Jordan Investment Board (JIB) has worked to streamline the process, red tape and opaque procedures, particularly at the local government level, still present problems for foreign and domestic investors. A draft Competition Law (similar to the Antitrust Law in the U.S.) to modernize the Competition Law of 2004 is currently under parliamentary review. The new law aims to strengthen the local economic environment and attract foreign investment by providing incentives to improve market competitiveness, protect small and medium enterprises from restrictive anticompetitive practices, and give consumers access to high quality products at competitive prices. The Competition Directorate at the Ministry of Industry and Trade conducts market research, examines complaints, and reports violators to the judicial system. The government is continuing its e-government promotion strategy and pledging to make its services, regulations, and procurement procedures more accessible and transparent. Implementation to date has been slow, but programs to register businesses, file complaints, and view tax records, existing and pending legislation, and traffic violations online are now available.

## **Efficient Capital Markets and Portfolio Investment**

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The three key capital market institutions are the regulator, the Jordan Securities Commission (JSC); the exchange, the Amman Stock Exchange (ASE); and the custodian for all transaction contracts, clearings, and settlements, the Securities Depository Center (SDC). The 2002 Securities Law brought the law in line with international best practices. In 2011, the ASE modernized its technical infrastructure, enhancing the dissemination of information. It launched the Internet Trading Service in 2010, providing an opportunity for investors to engage in securities trading regardless of geographic location. Investors are permitted to open margin accounts and to engage in short-selling. Commercial banks hold securities for their clients in a sub-account format.

In spite of recent reforms and technological advances, the ASE suffers from intermittent liquidity problems and decreased trading activity. The bourse remains prone to speculative movements. The ASE's market capitalization has grown and shrunk rapidly and repeatedly since 2003. The ASE price index increased by 5.5 percent, from 1958 points in 2012 to 2066 at the end of 2013. Trading volume increased by 9 percent to 2.6

billion shares from 2.4 billion shares in 2012. The number of listed companies dropped to 240 companies at the end of 2013 compared to 243 at the end of 2012. The market capitalization of listed shares at the ASE amounted to \$25.7 billion, equaling 83 percent of GDP.

#### Key ASE Market Indicators

	2013	2012	2011
Market Capitalization (USD billion)	25.7	27.0	27.9
Market Capitalization as percent of GDP	83	93.5	102.7
Index (points)	2066	1958	1995
Number of Shares Traded (billion)	2.7	2.4	4.1
Number of Brokerage Firms	63	62	65
Number of Companies on ASE	240	243	247
Percentage of Shares Owned:			
Jordanians	50.1	48.3	53
Non Jordanians	49.9	51.7	47

Source: Amman Stock Exchange

The Central Bank of Jordan (CBJ) conducts regular government debt auctions of differing maturities on behalf of the Ministry of Finance. Treasury auctions traditionally take place on a monthly or biweekly basis, depending on maturity. The government issues development bonds as necessary. Treasury bonds in excess of \$6 billion and Treasury bills in excess of \$720 million were issued in the local market in 2013.

Foreign investors are allowed to participate in auctions and to purchase government securities through banks. Jordan issued its first and only bonds on international markets in 2010 with the fully subscribed offering of \$750 million in five-year bonds. The bonds were sold to approximately 220 international investors and carried a fixed annual interest rate of 3.875 percent, payable every six months.

In August 2012, the International Monetary Fund (IMF) approved a \$2.1 billion Stand-By Arrangement (SBA) to assist Jordan in addressing fiscal and external challenges and foster growth. Tranches of \$385 million and \$280 million were transferred by the IMF to the government of Jordan in April and October 2013, respectively, bringing total disbursements since August 2012 to just over \$1 billion. As part of this effort, the authorities further reduced subsidies in 2013 by increasing electricity prices in August and January 2014. The Jordanian government plans to continue with this policy for electricity and water prices.

In October 2013, Jordan issued a \$1.25 billion, dollar-denominated Eurobond on the international market, guaranteed by the United States government and priced at a coupon rate of 2.053 percent. The issuance was oversubscribed by 180 percent. Jordan plans to issue another dollar-denominated Eurobond worth \$1 billion in 2014, again guaranteed by the United States government. In 2012, the Jordanian parliament also approved the legal framework for issuing *sukuk*, or Islamic bonds, although no bonds have been issued to date.

The corporate bond market remains underdeveloped and continues to be overshadowed by traditional direct lending, primarily due to the absence of proper mechanisms for corporate debt creation. A few banks, however, are introducing new products and facilitating corporate bond issuances. The government of Jordan guaranteed \$1.4 billion of corporate bonds and bills in 2013 to fund activities related to the National Electric Power Company and the Housing and Urban Development Corporation.

Due to strict regulations on lending, particularly mortgage lending, and limited integration with global financial markets, Jordanian banks were reasonably resilient to international shocks. The banking sector's indicators remain strong; banks continue to be profitable and well-capitalized, and deposits are still the major funding base. Liquidity ratios and provisioning remain high. Non-Performing Loan ratios increased modestly over the past few years. The CBJ in December 2010 directed Jordanian banks to maintain a minimum JOD100 million in capital and raised the requirement for foreign banks to JOD50 million. Jordan does not distinguish between investment banks and commercial banks. Jordan has 26 banks in total, including commercial banks, Islamic banks, and foreign bank branches.

Banks in Jordan offer loans, discounted bills, and overdraft facilities. The CBJ permits banks to extend loans and credit facilities in foreign currency but only for exporting purposes. In such cases, it requires debt repayment to be in the same foreign currency. A number of banks have offshore mutual funds to avoid Jordanian taxes.

The Banking Law protects depositors' interests, diminishes money market risk, guards against the concentration of lending, and includes articles on electronic banking practices and money laundering. The Credit Information Law was passed as a temporary law in 2010 to lay the groundwork for the eventual establishment of a Credit Bureau to be supervised by the Central Bank of Jordan.

The CBJ set up an independent Deposit Insurance Corporation (DIC) in 2000 that traditionally has insured deposits of up to JOD10,000 (\$14,000). DIC currently insures deposits up to JOD50,000 (approximately \$71,000) and is expected to maintain the guarantee through the end of 2014 at a minimum. The DIC also acts as the liquidator of banks as directed by the CBJ. The CBJ established a credit bureau for bounced checks in 2001 which requires banks to report the names of account holders with bounced

checks. Following the report of one bounced check, the CBJ circulates the names of the account holders to all banks with recommendations to carefully evaluate the account holders' access to banking services.

In 2010, Jordan amended its existing Anti-Money Laundering Law to comply with Middle East/North Africa Financial Action Task Force (MENAFATF) standards. Among other things, the 2010 amendments extended the range of predicate offenses to include certain crimes that would otherwise qualify as misdemeanors, whether those offenses are committed in Jordan or abroad. The amendments also created a legal framework to address terrorist financing. As such, the law was renamed the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Law, and the existing financial intelligence unit renamed the AML/CFT Unit. The CBJ as well as other financial sector regulators are implementing the AML/CFT Law further through the issuance of circulars and other regulations under their own authority.

In a highly publicized November 2012 case, Mohammed al-Dahabi, a former head of Jordan's General Intelligence Directorate from 2005 to 2008, was convicted of embezzlement of public funds, money laundering, and abuse of public office. The courts handed him a maximum prison sentence of 13 years. The courts also fined him nearly \$30 million and ordered the return of \$34 million of embezzled funds. Al-Dhabi's lawyers have appealed the conviction to the Court of Appeal.

In a high-profile June 2013 corruption case, a Jordanian criminal court sentenced in absentia Walid al-Kurdi, former CEO of the Jordan Phosphate Mines Company and the King's uncle by marriage, to 37 years in prison and more than \$400 million in fines after finding him guilty of illegally profiting from his position. Al-Kurdi was also found guilty of three counts of shipping fraud. Jordan's Anti-Corruption Commission seized al-Kurdi's assets in December 2012. The court said al-Kurdi, who is believed to be living in the United Kingdom, would be granted a retrial if he returns to Jordan.

There are a number of internationally recognized accounting and auditing firms in Jordan. The government's accounting and auditing regulations are consistent with international standards and are internationally recognized.

## **Competition from State Owned Enterprises**

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A number of SOEs exist in Jordan, such as the National Electrical Power Company (NEPCO), the National Food Security Company, and the Yarmouk Water Company. These companies exercise delegated governmental powers and operate in fields that are not yet open for investment, such as managing the transmission and distribution of electrical power. The government supports these companies as necessary. As an

example, the government has issued and guaranteed corporate bonds for NEPCO since 2011 to ensure continuous power supply for the country.

SOEs compete under largely equal terms with private enterprises with respect to access to markets, credit, and other business operations. The laws do not provide preferential treatment to SOEs and they are held accountable by their Board of Directors, typically chaired by the sector-relevant Minister and the Audit Bureau.

## **Corporate Social Responsibility**

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There is general awareness of corporate social responsibility (CSR) among both manufacturers and consumers in Jordan, with many local and multinational companies voluntarily developing and adopting CSR programs.

## **Political Violence**

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The threat of terrorism remains high in Jordan. Transnational terrorist groups, as well as less sophisticated local elements, have the capability to plan and implement attacks in Jordan and have carried out a number of atrocities over the last ten years. The Jordanian security forces, however, have demonstrated high levels of professionalism in maintaining public security, containing numerous demonstrations, and preventing terrorist attacks. Jordan has not been immune from the tumult of region wide Arab Spring protests, and the potential for politically motivated violence remains. Visitors should consult current State Department public announcements at [www.travel.state.gov](http://www.travel.state.gov) before traveling to Jordan.

## **Corruption**

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

Jordanian law defines corruption as any act that violates official duties, all acts related to favoritism and nepotism that could deprive others from their legitimate rights, economic crimes, and misuse of power. The use of family, business and other personal connections to advance personal business interests is endemic and regarded by many Jordanians as simply part of the culture and part of doing business. In 2006, Parliament

approved a Financial Disclosure Law which officially required public office holders and specified government officials to declare their assets. Parliament also enacted an Anti-Corruption Law in 2006 that created a commission to investigate allegations of corruption. Currently, the commission has referred a number of high profile corruption cases to the judiciary for investigation. In Transparency International's 2013 Corruption Perceptions Index, Jordan ranked 66 out of 177 countries.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/>

**Other Instruments:** It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of March 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international

business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA.

**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 158 parties to it as of November 2011 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. [Insert information as to whether your country has an FTA with the United States: Country [X] has a free trade agreement (FTA) in place with the United States, the [name of FTA], which came into force. Consult USTR Website for date: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.]

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department’s Advocacy Center and State’s Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy

personnel and through the Department of Commerce Trade Compliance Center “Report A Trade Barrier” Website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on the FCPA is available at the Websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

### **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of

the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 213 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See <http://info.worldbank.org/governance/wgi/index.asp>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/s?s=global+enabling+trade+report>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 106 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

## Bilateral Investment Agreements

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The U.S. Congress enacted the Qualifying Industrial Zone (QIZ) initiative in 1996 to support the Middle East peace process. Goods produced in the 13 designated QIZs in Jordan can be imported into the United States tariff and quota free under the agreement if 35 percent of the product's content comes from the QIZ, Israel, and the West Bank/Gaza. Of that 35 percent, a minimum 11.7 percent of value must be added in the QIZ, eight percent in Israel, and 15.3 percent in a Jordanian QIZ, Israel, or the West Bank/Gaza. The QIZs have attracted over \$1 billion dollars in capital investments, generated around \$9.2 billion dollars in exports to the U.S. between 2006 and 2013, and currently employs nearly 47,000 workers; about one-quarter of whom are Jordanians. The bulk of QIZ exports continue to be garments.

The U.S.-Jordan FTA, which entered into force in 2001 and came into full effect in January 2010, does not supersede or eliminate the QIZ initiative. Nevertheless, exports under QIZ requirements considerably shrank as exporters took advantage of the FTA's broader mandate. FTA rules of origin simply require 35 percent Jordanian content

without other restrictions. Jordan's exports to the United States increased by 9.3 percent from 2012 to 2013 under the FTA to \$1.1 billion. A Bilateral Investment Treaty between Jordan and the United States entered into force in 2003. The agreement provides reciprocal protection of Jordanian and U.S. individual and corporate investments.

While the U.S. remains one of Jordan's top trading partners, Jordan maintains an active trade relationship with neighboring countries and has been actively pursuing enhanced trade arrangements globally. Jordan is a member of the Greater Arab Free Trade Area (GAFTA), which has been in force since 1998. The GAFTA reached full trade liberalization of goods in 2005 through full exemption of customs duties and charges for all 17 Arab member states, with the exception of gradual reductions for Sudan and Yemen. Jordan has also signed trade preference agreements and bilateral free trade agreements with various Arab neighbors, including Egypt, Syria, Morocco, Tunisia, the UAE, Algeria, Lebanon, the Palestinian Authority, Kuwait, Sudan, and Bahrain.

An economic association agreement between Jordan and the European Union (EU) entered into force in 2002 to establish free trade over a twelve-year period. This agreement calls for the free movement of capital as well as cooperation on development and political issues. Jordan also signed a Free Trade Area Agreement in 2001 with the European Free Trade Association (EFTA) states (Iceland, Liechtenstein, Norway and Switzerland); this agreement seeks complete trade liberalization by 2014.

Jordan signed a Free Trade Agreement with Singapore in 2004. In addition to enhancing bilateral trade ties, the agreement aimed to create new export opportunities for Jordanian products worldwide through the possibility of diagonal accumulation of origin with countries that have concluded free trade agreements with both Jordan and Singapore. That same year Jordan completed the Agadir trade agreement with Egypt, Morocco, and Tunisia, and upgraded its trade agreement with Israel to take advantage of accumulation of content provisions in the European Union's Pan Euro-Mediterranean trade rules of origin. Jordan signed a Free Trade Agreement with Canada in 2009 which came into effect in October 2012. The FTA with Canada eliminates all non-agricultural tariffs and most agricultural tariffs. A similar agreement with Turkey was also signed in November 2009 and entered into effect on March 1, 2011. Jordan has also signed with Iraq a number of Memoranda of Understanding for bilateral cooperation in various sectors such as education, health, energy, transportation, and trade. The two countries have established a special free zone area at the Iraqi border to serve as a hub for industry and trade between the two countries.

Investments in Jordan are eligible for Overseas Private Investment Corporation (OPIC) insurance and private financing. All eligible projects require a minimum of 25 percent U.S. equity. Over the past four years, OPIC backed significant investments in Jordanian private equity ventures and in mortgage financing. In December 2012, OPIC announced the financing of a \$170 million, 240-megawatt electrical power plant construction project in Jordan. In 2011, OPIC signed a \$250 million loan guarantee program to support small and medium sized enterprises (SMEs) in Jordan. OPIC previously extended a \$250 million loan to support the \$1 billion Disi water project to bring water to Amman from the Disi aquifer in the south.

Jordan is a member of the Multilateral Investment Guarantee Agency (MIGA), a World Bank agency which guarantees investment against non-commercial risks such as civil war, nationalization, and policy changes. The program covers investments in Jordan irrespective of the investor's nationality in addition to Jordanian investments abroad.

## Labor

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The population growth rate is about 2.2 percent a year, according to a 2012 Jordan Department of Statistics estimate. As of year-end 2013, the population is estimated by the Department of Statistics at 6.56 million. Nearly 63 percent of the population is estimated to be under the age of 30. Literacy rates are approximately 96.4 percent for men and 90.1 percent for women. Jordan has a generally well-educated labor force of about 1.8 million. According to the Department of Statistics, official unemployment in 2013 averaged 12.6 percent, a slight decline from the 12.15 percent 2012 average.

Of the 1.8 million people in the labor force, roughly 350,000 are registered foreign workers. However, unofficial indicators speculate that unregistered foreign workers are nearly double this number. With the exception of the approximately 35,000 who work in the QIZs as textile workers, most foreign workers are employed in construction, agriculture, and domestic service. The Ministry of Labor regulates foreign worker licensing, licensing fees, prohibited sectors, and employer liability. Along with the Ministry of Interior, the Ministry of Labor is responsible for approving the hiring of professional foreign workers by private businesses. Non-citizens are legally permitted to join unions, but do not enjoy the privilege of forming unions themselves or holding leadership positions in existing unions.

Labor unions serve primarily as intermediaries between workers and the Ministry of Labor and may engage in collective bargaining on behalf of workers. There are 17 recognized unions in Jordan, and they are all members of the General Federation of Jordanian Trade Unions. Estimates put union membership at less than 10 percent of the labor force. Additionally, there are 40 professional associations active in Jordan,

including many that have mandatory membership. According to official figures, about 30 percent of the total labor force, including government workers, belongs to either a union or a professional association. The law does not require employers to include retirement plans in employment packages. However, if the employer agreed to provide retirement benefits when the worker was contracted, the employer must fulfill that commitment.

The government has been reforming and strengthening its legal framework and labor inspections since 2006. It amended its labor law in 2008 to expand coverage to domestic workers, formalize a tripartite Labor Affairs Committee, increase fines for violations of the labor law, and include sexual harassment provisions. Over the past few years, the Ministry expanded efforts to investigate allegations of child labor and to monitor hazardous working conditions in the country. In the past, Ministry of Labor inspections identified problems at some QIZ factories related to delayed payment of wages, length of overtime, and physical abuse of workers. The Better Work Jordan program was launched in 2008 as a five-year joint project between the Ministry of Labor, the International Labor Organization (ILO), and the International Finance Corporation to improve garment sector labor standards and conditions and raise compliance levels through public reporting and technical assistance. The Ministry of Labor made the program mandatory for all factories and subcontracting factories exporting to the U.S. or Israel as of December 2010.

## **Foreign-Trade Zones/Free Ports**

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The Development and Free Zones Commission (DFZC) is the independent governmental body responsible for creating, regulating, and monitoring Jordan's Free Trade Zones, Industrial Estates and the five development zones. DFZC's mission is to increase foreign direct investment (FDI) through the enhancement of the investment environments inside these Zones. The DFZC Commissioners and an administrative team supervise and centrally approve investment-related matters. The DFZC can expedite the provision of government services and provide a number of investment incentives, tax and customs exemptions. The five development areas are the King Hussein Bin Talal Development Area (KHBTD) in Ma'raq, the Ma'an Development Area, the Irbid Development Area (IDA), the Dead Sea Development Zone, and the Jabal Ajloun Development Zone.

The Aqaba Special Economic Zone (ASEZ) is an independent economic zone not governed by the DFZC. It offers special tax exemptions, a flat five percent income tax, and facilitates customs handling at Aqaba Port. In recent years ASEZ has attracted projects mainly in hotel and property development valued at over \$8 billion. The government continues to implement development projects aimed at attracting commerce and tourism through the Port of Aqaba. The Aqaba New Port project, initiated in 2010 with completion expected by 2015, includes relocating the current port 20 km south, adding four new terminals, and expanding ship berthing, marine services, and capacity,

including for energy resources such as natural gas, phosphates, and propane. In early 2014, Jordan announced a new public-private partnership committee tasked with enhancing Aqaba's investment climate.

As part of Jordan's efforts to foster economic development and enhance its investment climate, the government has created geographically demarcated industrial estates, free zones, and special economic zones.

The semi-governmental Jordan Industrial Estates Corporation (JIEC) currently owns six public industrial estates in Irbid, Karak, Aqaba, Amman, Ma'an and Muwaqar. In early 2014, Jordan announced plans for a new industrial site in Balqa governorate to help fulfil a government goal of establishing industrial sites in each Jordanian governorate. There are also several privately-run industrial parks in Jordan, including al-Mushatta, al-Tajamouat, al-Dulayl, Cyber City, al-Qastal, Jordan Gateway, and al-Hallabat. These estates provide basic infrastructure networks for a wide variety of manufacturing activities, reducing the cost of utilities and providing cost-effective land and factory buildings. Investors in the estates also receive various exemptions, including a two-year exemption on income and social services taxes, total exemptions from building and land taxes, and exemptions or reductions on most municipalities' fees.

Jordan also has public "free zones" in Zarqa, Sahab, Karak, Karama, and Queen Alia Airport that are run by the publicly-owned Free Zone Corporation (FZC). Over 30 private free zones have also been designated and are administered by private companies under the FZC's supervision. The free zones are outside of the jurisdiction of Jordan Customs, and provide a duty- and tax-free environment for the storage of goods transiting Jordan.

Both Jordanian and foreign investors are permitted to invest with few restrictions in trade, services, and industrial projects in free zones. Industrial projects must be related to one of the following industries:

- New industries that depend on advanced technology;
- Industries that require locally available raw material and/or locally manufactured parts;
- Industries that complement domestic industries;
- Industries that enhance labor skills and promote technical know-how;
- Industries that provide consumer goods and that contribute to reducing market dependency on imported goods.

Jordan does not maintain official detailed statistics of FDI but aggregate inflows tracked by the Central Bank of Jordan give an indication of the overall volume. The Jordan Investment Board approved 464 projects worth about \$2.7 billion in 2013, reflecting a 19.5 percent increase over 2012 figures. About \$1.1 billion of that investment went to the industrial sector. Foreign investment represented about 50 percent of all JIB-approved investments in 2013.

#### Foreign Direct Investment

Period	(\$ millions)
2013 (Jan-Sep)	1,468
2012	1,499
2011	1,473
2010	1,706
2009	2,433
2008	2,833

Source: Central Bank of Jordan

#### Sources of Portfolio Investments in Jordan

The registered capital stock by owner at the end of 2013 (USD million) was as follows:

Nationality	2013	2012	2011
Jordan	14,104	14,548	14,785
Lebanon	1,720	1,032	1,083
Kuwait	1,572	1,579	1,625
Qatar	1,328	1,247	1,304
Saudi Arabia	1,302	1,763	1,852
United States	1,180	1,744	1,654
Libya	732	768	777
Bahrain	715	631	535
Joint Arab	666	1,100	1,045

Source: Securities Depository Center as of December 31, 2013

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## Chapter 7: Trade and Project Financing

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- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
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### How Do I Get Paid (Methods of Payment)

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The preferred way to get paid in Jordan is through letters of credit, as it ensures that both parties can guarantee their rights in the shipment. Cash payment through wire transfer is also possible but not recommended unless the buyer and seller have a very solid business relationship.

### How Does the Banking System Operate

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For information on the Central Bank of Jordan, visit their website at: [cbj.gov.jo/index.php](http://cbj.gov.jo/index.php)

Jordan's parliament passed an anti-money laundering bill that became law in July 2007. The law criminalizes money laundering and specifies that any money or proceeds gained from any felony offense or crimes stated in international agreements to which Jordan is a party are subject to the provisions of the law.

### Foreign-Exchange Controls

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Jordan's liberal foreign exchange law entitles foreign investors to remit abroad, in a fully convertible foreign currency, foreign capital invested, including all returns, profits, and proceeds arising from the liquidation of investment projects. Non-Jordanian administrative and technical employees are permitted to transfer their salaries and compensation abroad.

### U.S. Banks and Local Correspondent Banks

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Currently, there is one American bank operating in Jordan: Citibank [citibank.com/jordan/homepage/index.htm](http://citibank.com/jordan/homepage/index.htm)

### Project Financing

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To obtain project financing most banks will require a comprehensive feasibility study, including a cash flow analysis. For large projects, banks will generally want to spread out the risk by syndicating the loan.

For loan guarantees and export-credit insurance, U.S. companies should contact the Export Import Bank at [exim.gov](http://exim.gov)

Investments in Jordan are eligible for Overseas Private Investment Corporation Insurance and project financing. For more info, go to [opic.gov](http://opic.gov)

## **Web Resources**

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Export-Import Bank of the United States: [exim.gov](http://exim.gov)

Country Limitation Schedule: [exim.gov](http://exim.gov)

OPIC: [opic.gov](http://opic.gov)

Trade and Development Agency: [tda.gov/](http://tda.gov/)

SBA's Office of International Trade: [sba.gov/oit/](http://sba.gov/oit/)

USDA Commodity Credit Corporation: [fsa.usda.gov/cc/default.htm](http://fsa.usda.gov/cc/default.htm)

U.S. Agency for International Development: [usaid.gov](http://usaid.gov)

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## Chapter 8: Business Travel

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### Business Customs

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Visiting U.S. company representatives find Jordan's business environment to be modern. The country has a professional business environment. Appointments can be made on fairly short notice. Business cards in English or in English and Arabic are recommended. Email addresses and websites should be included with your contact information.

In general, the dress code is formal in most business and official settings. Women should dress very modestly, avoiding low-cut blouses and short skirts.

English is widely spoken in the business community and in government offices, but knowing and using a few words in Arabic can be useful.

Jordan uses the metric system of weights and measures. The monetary unit is the Jordanian Dinar. Cash is the most common method of payment in Jordan, but credit cards are accepted in most hotels and some restaurants. ATM machines are widely available.

### Travel Advisory

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The U.S. State Department issues travel advisories and warnings. For the most current information see [travel.state.gov](http://travel.state.gov) or visit U.S. Embassy Jordan's website at [jordan.usembassy.gov](http://jordan.usembassy.gov).

The State Department strongly advises U.S. citizens visiting the region to register with the U.S. Embassy at [step.state.gov](http://step.state.gov).

The U.S. Embassy in Amman is located on Al-Umayyaween Street, Abdoun, P.O. Box 354. The telephone number is 962-6-590-6000 and the fax number is 962-6-592-4102. The Internet website is [amman.usembassy.gov](http://amman.usembassy.gov). The U.S. Embassy is open Sunday through Thursday 8:00 am-4:30 pm.

## Visa Requirements

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U.S. citizens are required to have a visa to enter Jordan. A visa may be obtained in advance from the Jordanian Embassy in Washington, DC [jordanembassyus.org/new/index.shtml](http://jordanembassyus.org/new/index.shtml) or one of its consulates. The visas are valid for 30 days. A visa may also be obtained upon arrival at Queen Alia International Airport.

To cross into Jordan at the King Hussein/Allenby Bridge, U.S. citizens must already have either a visa for Jordan in their passport or have an entry permit from the Ministry of Interior.

Foreigners who wish to stay fourteen days or more in Jordan must register at a Jordanian police station by their fourteenth day in the country. Failure to properly register may subject the traveler to a fine of JOD 1.5 per day of overstay. This fine is usually assessed at departure. Failure to pay the fine will restrict a visitor from leaving Jordan.

For entry and exit requirements pertaining to dual nationality and the prevention of international child abduction, read our information at [travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1469.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1469.html)

## Telecommunications

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Cell phone usage is widespread. Internet usage is growing in popularity. Service is very reliable in cities and in tourist destinations.

## Transportation

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In Amman, official yellow taxis are plentiful and inexpensive. Cars with drivers can also be arranged at the major hotels. The Embassy does not recommend the use of unmarked taxis or buses. Women traveling alone should sit directly behind the driver at all times.

## Language

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The official languages are Arabic and English. English is widely understood among the middle and upper classes.

## Health

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For up to date information on health issues related to Jordan, please visit the CDC website at [cdc.gov/travel/destinations/jordan.aspx](http://cdc.gov/travel/destinations/jordan.aspx)

## Local Time, Business Hours, and Holidays

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Jordan is seven hours ahead of Eastern Standard Time. The standard business hours for most banks are 8:30am-3:00pm. Most businesses are open 8:30am-1:30pm and 3:30pm-6:30pm. The work week is Sunday through Thursday. Government offices are normally only open 8:20am-2:00pm. During the month of Ramadan, business hours are greatly reduced. Any business appointments on Friday should be avoided.

## Temporary Entry of Materials and Personal Belongings

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Travelers entering Jordan should be aware that some communications devices, particularly Ham or two-way radios, may be confiscated upon entry to Jordan. Travelers should not attempt to leave with any items that may be considered national treasures, such as stones or mosaics from historical sites.

For up to date customs information from the Jordanian government, visit [customs.gov.jo/English/customs\\_en.shtm](http://customs.gov.jo/English/customs_en.shtm).

## Web Resources

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State Department Travel Advice: [travel.state.gov](http://travel.state.gov)

State Department Visa Website: [travel.state.gov/visa/index.html](http://travel.state.gov/visa/index.html)

Online Internet Registration for U.S. citizens: [step.state.gov](http://step.state.gov)

U.S. Commercial Service Jordan: [buyusa.gov/Jordan](http://buyusa.gov/Jordan)

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## Chapter 9: Contacts, Market Research and Trade Events

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### Contacts

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To view market research reports produced by the U.S. Commercial Service please go to the following website: [export.gov/mrktresearch/index.asp](http://export.gov/mrktresearch/index.asp) and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

### Trade Events

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Please click on the link below for information on upcoming trade events.

[export.gov/tradeevents/index.asp](http://export.gov/tradeevents/index.asp)

(Add link to trade events section of local buyusa.gov website here or just delete this text.)

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## Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully, connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: [export.gov](http://export.gov)

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E)**.

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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