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Accession of Jordan**

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Questions and Replies on the Memorandum on the Foreign Trade Regime (Documents L/7533, WT/ACC/JOR/2 and 3)

In a communication, dated 6 January 1994, circulated as L/7378, the Government of the Hashemite Kingdom of Jordan applied for accession to the General Agreement on Tariffs and Trade 1947 on the basis of Article XXXIII of the General Agreement. Having regard to the Decision adopted by the General Council on 31 January 1995, the Working Party on the Accession of Jordan to the GATT 1947 was transformed into a WTO Accession Working Party. The terms of reference of the Working Party are reproduced in document WT/ACC/JOR/1. In document WT/ACC/JOR/3, Members had been invited to submit questions in writing concerning the foreign trade regime of Jordan. Questions submitted by Members and the replies thereto provided by the authorities of Jordan are reproduced hereunder. The attachments mentioned in this document are available in the Secretariat (Accessions Division, Room 1126) for consultation. Additional questions and replies will be circulated as document WT/ACC/JOR/9.

Delegations wishing to raise additional questions concerning the foreign trade regime of Jordan might inform the delegation of Jordan (with a copy to the Secretariat) of such questions in advance of the next meeting of the Working Party, so that considered replies can be made available by Jordan to Members at the time of the Working Party meeting.

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II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE

2. Economic Policies

(a) Main directions of ongoing economic policies

Question 1.

Please elaborate on the specifics of Jordan's plans to reduce subsidies, restructure incentives, deregulate prices, and liberalize and reform trade as reported in this section.

Answer:

The successful implementation of the Government policies demonstrates the serious commitment of the Jordanian authorities to undertake difficult additional measures in response to changing conditions. Uncertainties in the Middle East Region and the steep increases in the international prices of major food import commodities such as wheat and barley have made the achievement of fiscal targets even more difficult. Nevertheless, the Government showed its strong commitment to remove the generalized subsidy on wheat, (barley and animal feed). In line with this policy reform, the price of bread was increased by almost 200 per cent from 85 fils to 250 fils per kilogram. This action, however, was balanced by making available cash transfers to the affected households meeting the income eligibility criteria.

Within the banking sector, the Government has agreed on a number of actions designed to equalize treatment among institutions and sectors. The subsidy component embodied in the current set of rediscount and advance rates established by the Central Bank to support the development of agriculture, small handicraft and industry, municipal infrastructure, low-income housing, and exports will be eliminated gradually, except for a maximum of 1 percentage point for exports, agriculture, and handicraft and industry. With the elimination of the subsidy element the Central Bank rediscounting mechanism would remain available, but at market rates of interest.

The Government recognizes that the changing financial environment, including greater exposure to exchange and interest rate risks and to competitions, necessitates a continuous review and improvement of supervisory methods and procedures as well as prudential regulations. The Government plans to move away from direct intervention in the day-to-day operation of the banks and to give the banks sufficient degree of freedom to manage their portfolio within pre-set ratios.

The Housing Bank has been made subject to the same Central Bank regulation and supervision as applied to other banks. In addition, draft legislation has been submitted to cabinet to remove all other privileges enjoyed by the Housing Bank, consistent with maintaining its obligations to low income housing. The draft legislation will include a provision that any subsidy will be made available through a tax credit to the Housing Bank. Such a tax credit would not exceed the current subsidy extended by the Housing Bank to low income housing.

Trade and Liberalization Reform

A primary objective of the Government's strong reform programme remains the enhancement of its ability to generate sufficient level of foreign exchange earnings to promote investment and growth, employment opportunities, and to boost foreign exchange reserves to withstand external shocks. This calls for promoting and sustaining a high level of exports, attracting an adequate level of foreign investment and improving investment efficiencies through reduction of unnecessary bureaucratic

bottlenecks, further simplification of customs regulations, enacting business friendly legislation and proceeding with a well thought privatization programme.

As a result of reforms undertaken since 1989 the transparency of the trade regime has been greatly enhanced. Currently the only instrument of protection is the tariff; import quotas, bans and licensing requirements have been eliminated. The average level of protection and the dispersion of tariffs have also been significantly reduced. This has been achieved through the partial removal of exemptions and a reduction in the maximum tariff to 40 per cent. The import weighted average tariff rate is below 17 per cent, down from 34 per cent in 1987.

The objective of trade policy reforms is to encourage export-oriented investment and production by facilitating trade and reducing tariff protection. Trade will be facilitated through the adoption of measures to speed customs clearance. Tariff reduction will centre not only on the maximum tariff but also on reducing tariff rates on capital goods and further consolidating the number of tariff bands.

The Government has acted to reduce the maximum tariff to 40 per cent, except for alcohol and tobacco, by 1 January 1997. In the case of motor vehicles, this will be accompanied by the adoption of additional general sales taxes to ensure that this is revenue neutral. In order to simplify the tariff structure and increase transparency, tariff bands are reduced from nine to six (0, 5, 10, 20, 30 and 40). Fees and surcharges additional to the tariff are consolidated into one single charge, and part of the new tariff bands.

The Government has reviewed the current tariff exemption policies and has ceased authorising any new exemptions. The exemptions existing under the current bilateral trade agreements will also not be renewed once the agreements currently in force expire.

The second major component of the reform programme concerns facilitation of customs clearance. As of mid-1996, application of a reference price database for valuation of goods has been initiated by customs. A new Customs Law, based on best practices, has been drafted and approved by the cabinet and submitted to the parliament. The new law requires that valuation be based on self-declaration by importers. The law is consistent with WTO rules and will ensure that protection will only be granted if it is considered to be in the interest of the economy as a whole. In addition, a Safeguard Law has been submitted to parliament.

The temporary entry and duty drawback systems were improved during 1996 through the introduction of computerisation.

The Government will allow importers to use the services of a selected pre-shipment certification provider on a voluntary basis. Such services would be financed by the importer. Acceptance by Jordanian Customs of documents establishing the classification and value of goods provided by certification bodies accredited by the Government of Jordan would be mandatory. Inspection or opening of containers sealed by certification bodies by customs would be limited. This voluntary pre-shipment inspection scheme will provide bona fide importers with an opportunity to avoid any delay and uncertainty concerning customs clearance.

The Government has also implemented a scheme under which it permits established exporters to benefit from a "Green Channel" for imports of materials, equipment, and components used in production of export. The green channel involves acceptance of invoices presented by exporters on the basis of trust, with reliance on ex-post random auditing of factory premises.

Question 2.

Please describe more fully Jordan's plans to privatize state enterprises, how that process will be conducted, and the ultimate scope envisioned by Jordan for the privatization process.

Answer:

Jordan Plans to Privatize State Enterprises

Given that Jordan's economic strategy calls for a much larger role for the private sector in the economy, the Government's aim is to reduce its own involvement in the production and distribution of goods and services. Some of the sectors previously closed are being opened to private investors such as telecommunication and power generation. A new public-private partnership is being forged to build mutual trust and create better understanding of each other's concerns.

The Government's privatization programme aims at raising enterprise efficiency. Sale of shares to reputable strategic investors could improve the operational performance of some public enterprises (PEs) that currently suffer from administrative interventions, limited autonomy, inadequate investment capital, and poorly designed incentive structures. Other objectives of the divestitures would be to develop the Amman Financial Market (AFM) through public share offerings by increasing investment and diversification opportunities to both institutional and retail investors, and to consolidate public finances by reducing subsidies and fiscal drain, and by increasing tax base.

Privatization Process

Rapid implementation of the privatization programme in a transparent manner is a key objective of the Government. To this end the institutional framework for privatization has been established and divestiture procedures defined: The Cabinet has recently appointed an inter-ministerial committee, headed by the Prime Minister, to steer the overall privatization plan. The Cabinet has also established a Privatization Implementation Unit in the office of the Prime Minister to provide implementation assistance for privatization activities. An Institutional Development Fund (IDF) grant has been mobilized through the World Bank to support the building up of institutional capacity to implement the programme. The IDF and the Government will finance the hiring of qualified local and foreign experts to implement transactions and training of professional staff of the Privatization Implementation Unit. The main responsibilities of the Privatization Implementation Unit include:

- (a) coordination of the preparation of the divestiture transactions;
- (b) management of the teams of technical experts and short-term external advisors;
- (c) management of the marketing efforts of enterprises being divested;
- (d) negotiations with various groups of stockholders;
- (e) execution of transactions;
- (f) dissemination of information regarding the progress of the programme.

The Ultimate Scope Envisioned for the Privatization Process

Substantive steps have been taken in the energy and telecommunication sectors towards eventual privatization and expanded private sector participation. It is also the Government's intention that the public enterprises in the transport sector will be restructured to allow for greater private sector participation. While full implementation of the privatization programme will take over two years, the Government has decided that the Telecommunication Corporation (TCC), the Jordan Electricity

Authority (JEA), Irbid District Electricity Company (IDECO), Jordan Electric Power Company (JEPCO), Aqaba Railway Corporation (ARC), Jordan Cement Factories company (JCFC), Public Transport Corporation (PTC), and the Main Spa will comprise the first phase of the programme to be completed within the next twelve months. The following actions have already been completed:

- (a) TCC has been registered as a public shareholding company under the Companies Law. The privatization Inter-Ministerial committee has made the decision to divest at least 26 per cent of the Government's shares in TCC to a strategic investor. The Government has requested, in international press, expressions of interest from financial advisors to execute this transaction. The selection of financial advisor has been completed;
- (b) Jordan Electricity Authority has been transformed into a public shareholding company under the name of National Electric and Power Company (NEPCO). It has been decided to divest NEPCO shares in IDECO and JEPCO. The Government has established a Regulatory Commission appointed by Council of Ministers and directly responsible for all aspects of regulation in the electricity sector;
- (c) the efforts to privatize ARC have been accelerated and a time bound action plan for privatization of ARC was completed by December 1996. Tender documents for a concession for the operations of the company is to be issued by February 1997;
- (d) the privatization of the Jordan Cement Factories has been initiated by a decision of the Board of Jordan Investment corporation to sell at least a 20 per cent stake to a strategic partner and by holding an international pre-bidding conference to interested parties. A short-list of potential investors has been prepared, bids are currently being evaluated;
- (e) the Board of the Jordan Tourism and Spa Complex at Zerqa Main, has invited expressions of interest from interested parties for a long-term concession;
- (f) a Government decision has been taken to privatize the operations of Public Transport Corporation, and advisors have been recruited for the task;
- (g) divestiture activities of loss-making firms in the portfolio of Jordan Investment Corporation (JIC) have been accelerated; liquidators have been appointed to sell the assets of the Television Production Company and the Glass Factory;
- (h) Hotels: Jordan Hotels and Tourism Company was privatized and the Government owns 30 per cent of the shares, Arab International Hotels was sold to the privates sector.

Question 3.

Please list the sectors/enterprises that have been or are planned to be privatized? What access do foreigners have in such a process? Please describe the ultimate scope and operations of Jordan's plans for privatization.

Answer:

The list of the sectors/enterprises that have been privatized or planned to be privatized are:

- Jordan Electricity Authority;

- Jordan Telecommunications Corporation (JTCC);
- Aqaba Railway Corporation (ARC);
- Public Transport Corporation (PTC);
- Jordan Tourism and SPA Complex Co. (MAI'N SPA Complex);
- Jordan Cement Factories (JCF);
- the Power sector:
 - introduction of independent power producers (IPPS);
 - the sale of national Electric Power Company (NEPCO) shares in Irbid district Electricity Company (IDECO) and Jordan Electric Power Company (JEPCO);
- the sale of the Government's shares of below (5 per cent) of public shareholding companies;
- partial sale of the Government's other shareholdings such as those with the Arab Potash Co. and the Jordan Phosphate Mines Co. (under study).

Foreigners of all nationalities are invited to participate in the privatization process in Jordan within the legislations in force. All international consultants, investors, and developers are invited through the local and international media to compete for bids related to the privatization programme.

Question 4.

Could Jordan please provide information on any discretionary investment authorizations, reciprocity measures, or discriminatory practices involved in privatization, in addition to other measures inconsistent with the provisions on market access, national treatment, and MFN of the General Agreement on Trade in Services (GATS)?

Answer:

Jordan has neither discriminatory practices nor discretionary investment authorizations involved in privatization at present.

(c) Foreign exchange and payments system

Question 5.

What trade or other measures does Jordanian law authorize to protect its balance of payments, should the dinar come under pressure? Please describe the approach Jordan would take addressing such a situation, should it occur.

Answer:

The Government of Jordan adopts an exchange rate policy aiming at maintaining the competitiveness of Jordan's exports of goods and services, and sustaining financial stability in Jordan. The Government of Jordan relies on strengthening fiscal and monetary stance to sustain comfortable levels of foreign exchange reserves and maintain adequate exchange rate stability. Actions in the future, if needed in the domain of exchange rate policy, would be along the same lines, and in consultation with the IMF.

Question 6.

Can private sector firms seek foreign loans directly, or must they seek Government approval?

Answer:

The private sector firms in Jordan can seek foreign loans at their own directly. No Government approval is required.

Question 7.

Jordan states that "there are no taxes or subsidies on purchases or sales of foreign exchange".

Does this statement include "the fee of 0.10 per cent levied on exchange permits for imports, except those made by government departments and certain approved institutions and individual permits of less than JD 300", referred to in section 3.3.1 (L/7533)? What relationship does an "exchange permit" have to the purchase of foreign exchange?

Answer:

The statement is correct, except that it does not include the 0.1 per cent which is a negligible fee imposed to recover related administrative costs of the Central Bank of Jordan.

This fee is being revised to narrow the categories of transfers subject to it, with the view of its eventual elimination.

Exchange permits are no longer required, although banks are still required to collect 0.1 per cent on some categories of transfers for payment to the Central Bank.

Question 8.

Are there any legal limits on the level of fees or other charges applied for the purchase or sale of foreign exchange through the designated traders?

Answer:

The exchange market in Jordan is free with regard to fees and charges. The margins are left to traders to be determined through free competition. No legal limits are applied.

Question 9.

With respect to Central Bank forward coverage, how are projects determined to be of vital national interest? Are projects that are determined to be of national interest open to foreign participation?

Answer:

The foreign exchange regulations have been modified to permit banks to execute asset-swap operations for all customers whether nationals or foreigners who have foreign exchange and would like to swap it into JD. Moreover, the forward sale of foreign exchange for JD is permitted in connection with commodity imports.

Question 10.

Please elaborate more fully on how Jordan's trade protocol with Iraq works. This agreement appears to provide for either a barter and/or credit arrangement, and seems to be an exception to Jordan's stated policy that 'proceeds from exports and invisibles must be collected in any convertible currency'.

Answer:

At the outset, it is worth noting that export proceeds are not subject to any repatriation requirements.

Regarding Jordan's Trade Agreement with Iraq, it was first signed in 1980. The Agreement provides essentially for the exchange of Jordanian exports with Iraqi oil. Until 1996, the Agreement had a credit arrangement component, but it stipulated that outstanding balances must be settled in United States' dollars at the end of each year. This has not taken place, in practice, following the Gulf Crisis in 1990. Iraq now owes Jordan the unsettled balances accumulating over this period. However, starting 1997 the Agreement does not provide for a credit arrangement.

Question 11.

How does the permit process work for exchange permits for personal invisible payments? Are corporate payments for invisible payments also subject to a permit process? How are the exchange permits rationed among banks, and then by banks to their customers?

Answer:

Exchange permits that used to be issued by the Central Bank of Jordan are no longer required.

Question 12.

In this section, Jordan notes that a fee of 0.10 per cent is levied on exchange permits for invisible payments, as is the case of imports. Is this fee the one referred to in 3.1.6 (L/7533), or is it on top of the other fee, bringing it to 0.20 per cent?

Answer:

The 0.10 per cent fee on transfers for invisible payments is the only fee, which is the same fee on transfers for visible payments. As noted earlier, the categories of transfers subject to this fee are being narrowed down with the view of its eventual elimination.

Question 13.

Jordan states that a fee of 0.1 per cent is levied on exchange permits for imports, except those made by government departments and certain approved institutions and individual permits of less than JD 300 (page 16 of WT/ACC/JOR/2). We would appreciate more information on the nature of and the procedures relating to this fee, and on any plans which the Government of Jordan may have for this fee.

Answer:

The fee is levied on exchange permits for imports and invisible payments largely to recover administrative costs of the Central Bank of Jordan. The exchange permits are granted automatically, commercial banks who execute transfers are authorized to charge their clients the fee of 0.1 per cent for the account of the Central Bank of Jordan.

(d) Foreign and domestic investment policies**Question 14.**

How is the Encouragement of Investment Law to be amended to increase incentives to invest? Please elaborate on the types of incentives to be offered. Would this involve subsidizing imports for investment projects?

Answer:

The incentives comprise:

- (a) increasing the scope of the projects that can be fully owned by non-Jordanian investors in the industrial sector to include all kinds of industry;
- (b) the Law does not differentiate between Jordanian and non-Jordanian investors;
- (c) the Law does not give any preference to any export performance or domestic content requirements;
- (d) for foreign investors the transfer of profits realized on foreign capital invested in the country, and the repatriation of foreign capital invested is guaranteed by the Law;
- (e) any project in industry, agriculture, maritime transport and railways, hospitals and hotels enjoys the following exemptions:
 - (i) from customs duties, import fees and any other fees for fixed assets during the establishment of the project and for expanding or developing the project at a later stage, and for spare parts;
 - (ii) tax exemptions ranging from 25 per cent-75 per cent from income and social taxes based on the development area where the project is established, for a duration of ten years. The exemptions are 25 per cent for projects established in development area A, 50 per cent for those in area B and 75 per cent for area C. See answer to question 40 for the detailed schedule of the areas and the status of the projects established in each area for the purpose of tax exemptions;
 - (iii) in addition, hotels and hospitals enjoy extra exemptions from fees and taxes on their purchases of furniture and supplies for renewal or renovation once every seven years.

Question 15.

Concerning the duty-free status of imports of projects covered by the Encouragement of the Investment Law:

Please indicate the criteria applied for projects eligible to receive such status. For example, are there any export performance requirements? Are the exemptions targeted to any specific sectors or industries?

Answer:

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

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

- from customs duties, import fees and any other fees for fixed assets during the establishment of the project and for expanding or developing the project at a later stage, and for spare parts;
- tax exemptions ranging from 25 per cent-75 per cent from income and social taxes based on the development area where the project is established, for a duration of ten years. The exemptions are 25 per cent for projects established in development area A, 50 per cent for those in area B and 75 per cent for area C. Below is a detailed schedule of the areas and the status of the projects established in each area for the purposes of tax exemptions;
- in addition, hotels and hospitals enjoy extra exemptions from fees and taxes on their purchases of furniture and supplies for renewal or renovation once every seven years

The Schedule

		Hospitals	Industry	Hotels
(i) The Municipality District				
The Capital	Amman Kasba *	-	-	A
	Marka	A	B	B
	Qweismeh	A	C	B
	University	-	-	A
	Wadi Al Seir	-	-	B
	Sahab	A	C	C
	Muwagar	B	C	C
	Gizeh	B	C	C
	Na'our	A	C	C
	Irbid			
	Irbid Kasba	B	B	C
	Remaining Districts	C	C	C

		Hospitals	Industry	Hotels
Balqa	Salt Kasba	B	C	C
	DeirAlla	C	C	C
	Southern Shouneh	C	C	C
	Ain Al Basha	-	C	C
Karak	All Districts	C	C	C
Ma'an	Wadi Mousa	C	A	C
	Remaining Districts			
Zarqa	All Districts	A	C	C
Mafraq	All Districts	C	C	C
Tafileh	All Districts	C	C	C
Madaba	Madaba Kasba	B	C	C
	Thiban	C	C	C
Jerash	All Districts	C	C	C
Ajloun	Ajloun	C	C	C
Aqaba	Aqaba Kasba	B	A	C
	Qwaireh	C	C	C

*Town Centre

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

(iii) The shore of the Dead Sea area, with a 5 km depth from the sealine, shall be classified under zone A for the hotels sectors.

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

Question 16.

What is the process for designation as an "approved economic project"?

Answer:

The Investment Promotion Law does not require such a criteria for giving investment incentives to a project.

Question 17.

Section II.2.(e) (WT/ACC/JOR/3) states that non-Jordanian investors can have full ownership of enterprises in "industry".

Is this all industry? If not, then what sectors? What sectors can foreigners not hold majority ownership?

Answer:

Industry means all industry. Regulation 1 of 1996, the Regulation for the Promotion of non-Jordanian Investments and in Article 5 specifies the sectors in which a non-Jordanian can only own up to 50 per cent of any project or economic activity. These sectors are:

- land and air transport;
- construction contracting sector;
- trading and trade services sector;
- banking and insurance sector;
- telecommunications sector;
- mining sector;
- agricultural products sector;
- investment in Amman Financial Market subject to the provisions of Article 6 of this regulation.

Article 6 reads:

"Subject to the provisions of Article 5 of this Regulation, a non-Jordanian investor may purchase securities listed on the Amman Financial Market in Jordanian currency provided that it is converted from a convertible foreign currency."

The non-Jordanian ownership in a public shareholding company may not exceed 50 per cent, unless the percentage of the non-Jordanian ownership was more than 50 per cent at the time of closing of subscription in the shares of the public shareholding company, in which case the maximum limit for non-Jordanian ownership shall be fixed at that percentage.

In all other sectors a project can be owned completely by a non-Jordanian.

Question 18.

Please describe the specific programmes contemplated in sub-section (vii) of WT/ACC/JOR/2, which refers to tax incentives linked to investment and export processes.

Answer:

Pending.

Question 19.

What sectors will benefit from "encouraging the banking sector to finance needed investments" and elimination of the "anti-export and anti-manufacturing bias"?

Answer:

Pending.

(e) Other policies affecting trade

Question 20.

To what extent does Jordan use price controls on natural resources, e.g. water, for use in production?

Answer:

Price controls are used for water and electricity only. The following measures have been taken:

- (a) electricity rates have been raised to ensure the financial viability of electricity sale and to rationalize the use of energy, taking into account the needs of low income groups;
- (b) prices of water have been increased to ensure cost recovery of water and sanitation services, while rationalising water use, taking into account the needs of low income groups;
- (c) a progressive tariff for irrigation water has been adopted.

Question 21.

Concerning the 19 domestically produced goods for which Jordan sets distribution margins:

How are these requirements applied with regard to imports of similar products?

Answer:

The same mechanism of pricing is applied to similar imported products which is a maximum 17 per cent margin added to the cost of the product.

Question 22.

Is the Government of Jordan prepared to liberalize retail prices of agricultural products?

Answer:

The Government of Jordan has recently liberalized prices of fresh agricultural products and poultry products and most other products are in the process of liberalization.

Question 23.

This section states that the private sector is now allowed to import other previously-subsidized items and sell them at unsubsidized but fixed prices.

How are the prices fixed and by whom?

Answer:

The commodities whose prices are still fixed by the Ministry of Supply are: milk and milk products, sugar, rice, red meat, salt and fizzy drinks with re-used bottles. When fixing the prices several considerations are taken after calculating the cost of the imported good after payment of customs duties

and general sales tax, handling and distribution costs and any other costs payed for services rendered like laboratory examinations for health certificates, etc. plus a margin of profit for the wholesaler and the retailer. The prices are fixed by a committee composed of persons from the Ministry of Supply, merchants' representatives and from the Ministry of Agriculture.

Question 24.

How often do these prices change and by whose decision and authority?

Answer:

These prices can be revised every six months if there is a need to do so depending on the change in the cost of these products. In most of the cases the importers request such a change.

Question 25.

Could Jordan provide details of any plans that it may have to eliminate the discriminatory pricing of bread based on the national source of the wheat from which the bread is made?

Answer:

The price of bread was never based on the national source of wheat from which the bread is made.

III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE IN GOODS AND TRADE IN SERVICES

1. Powers of Executive, Legislative and Judicial Branches of Government

Question 26.

Please describe more fully the role of civil courts in issues related to trade.

Answer:

Unless the law designates a different court, civil courts have jurisdiction in all civil matters including trade.

- Jordanian courts may decide on cases beyond their jurisdiction if the litigants agree.
- Jordanian courts have jurisdiction:
 - where the foreign defendant has elected domicile in Jordan; and,
 - where a litigant is a foreigner but the subject matter:
 - involves a property in Jordan or a liability that has arisen or has been or to be discharged in Jordan, or
 - is related to a bankruptcy declared in Jordan.

Question 27.

Do the courts of appeal hear civil or criminal cases, or both? Please elaborate on "the cassation".

Answer:

Judges may hear civil and criminal cases, but the procedure applied is different in each category. Courts held for criminal cases may differ from those held for civil cases in the number of judges forming the court.

The Court of Cassation, in civil cases, decides on judgments of the Courts of Appeal. It also decides on points of law or procedure if reference to the Court of Cassation is allowed by the presiding judge of the Court of Appeal. In certain cases the Court of Cassation may decide to return the case to the Court of Appeal for reconsideration. The matters of right of the litigants not objected to before the Court of First Instance or the Court of Appeal cannot be raised before the Court of Cassation.

Question 28.

Please distinguish the role and responsibilities of the religious courts in civil and criminal cases from the other types of courts in Jordan, with special reference to their role in issues related to international trade.

Answer:

Religious Courts mainly hear cases such as those of marriage, divorce, wills and legacies. They have no jurisdiction in civil or criminal cases or issues related to trade, international or otherwise.

Question 29.

Does the right of the King to overrule a court sentence in the case of criminal cases, extend to civil cases as well?

Answer:

Apart from granting amnesty or partial pardon to individual convicts and sanctioning the execution of capital punishment, the King has no power to overrule any court judgements, civil or criminal.

2. Government Entities Responsible for Making and Implementing Policies Affecting Foreign Trade

Question 30.

Please describe in more detail the authority of the King and members of the executive branch to alter Jordan's trade regime (e.g. with regards to changes in tariffs, import and export licensing, establishment of quantitative restrictions, etc.). Can such changes be made unilaterally, or must the legislative branch of Jordan's Government be consulted?

Answer:

The trade regime is governed by laws. Regulations are issued by the Council of Ministers to the extent prescribed in such laws and put to force by orders of the King.

Tariffs are imposed and changed and quantitative restrictions are implemented by resolution of the Council of Ministers upon proposal of the Tariff Council (formed of the Minister of Finance, the Minister of Industry and Trade and the Minister of Supplies).

The Council of Ministers may:

- (a) upon proposal of the Minister of Industry and Trade exempt certain goods from licensing for export or import;
- (b) upon proposal of the Minister of Industry and Trade based on recommendation of the authority concerned, restrict totally or partially, the right of import or export of certain goods to certain entities; and,
- (c) ban the import or export of certain goods.

The Minister of Industry and Trade may, upon proposal of or coordination with the authority concerned, subject certain exports or imports to prior approval of such authority.

Such resolutions of the Council of Ministers and the Minister of Industry and Trade are passed without reference to the legislative branch of the Government.

- (a) **Please outline in more detail Jordan's judicial structure as it relates to trade issues.**

Answer:

Trade issues are heard by Civil Courts:

- Magisterial Courts (cases within a JD 750 limit in value);
- Courts of First Instance (serve also as courts of appeal with regard to Magisterial Court decisions);
- Courts of Appeal;
- Customs Court of First Instance;
- Customs Court of Appeal;
- Income Tax Court of Appeal;
- Court of Cassation;
- Higher Court of Justice (concerned mainly with challenged decisions of the Administration including those of the Council of Ministers and the regulations issued thereby).

- (b) **Which courts receive appeals from customs decisions?**

Answer:

Customs decisions are appealed to the Customs Court of First Instance, whose judgements may be appealed to the Customs Court of Appeal and further to the Court of Cassation.

- (c) **Which courts are authorized to address issues of intellectual property protection?**

Answer:

Issues of intellectual property protection are addressed by the civil Courts of First Instance.

IV. POLICIES AFFECTING TRADE IN GOODS

1. Import Regulation

(b) Characteristics of National Tariff

Question 31.

Section I.3.2.2. (WT/ACC/JOR/2) indicates that one goal of these policies under the Five Year Plan relates to revision of the customs tariff and tax structure to eliminate the "anti-export and anti-manufacturing bias" in the current system.

Please indicate what level of tariff is contemplated for each of the four classes of imports listed in sub-section I (WT/ACC/JOR/2).

Answer:

Now that Jordan applies the harmonized system (HS) of tariffs, this classification referred to in the question is not relevant any more.

The sequence of products in the HS code reflects the level of processing of products. It starts with raw materials and primary inputs, then semi-manufactured and manufactured and final products. The tariff rates in Jordan are as follows:

- necessary primary materials as medicaments pay zero tariff;
- industrial machinery such as mining equipment and knitting machines pay zero tariff;
- primary materials for industry like chemicals and raw materials are pay 5 per cent or 10 per cent;
- intermediate products like cloth, wood and spare parts pay 30 per cent tariff;
- other manufactured products similar to local manufactured products pay 40 per cent such as detergents, cement and electrical equipment.

Question 32.

Please describe the "fixed criteria" contemplated for tariff revision referred to in sub-section 3 (WT/ACC/JOR/2).

Answer:

A number of charges and fees were levied on imports according to different laws. Lately all these charges and fees were consolidated into the tariff structure. This step provides more flexibility when a change in tariff rates is warranted without having to give regard to other laws which these charges and fees were levied according to.

Question 33.

What percentage of Jordan's Government revenues come from tariff revenues? What has happened to this figure under recent trade liberalization?

Answer:

Jordan's Government revenues which come from tariff revenues declined from 25 per cent in the year 1992 to 10 per cent in the year 1995.

Question 34.

Please describe how the Customs Law has been or will be amended in 1996, with particular reference to the provisions of WTO Agreements, e.g., GATT 1994 and the Agreements on Customs Valuation and Import Licensing.

Answer:

The main features of the new draft Customs Law are:

- the Government is authorized to issue new regulations and by-laws to comply with its commitments resulting from any international agreement that it is party to or it becomes party to especially WTO Agreements;
- transparency;
- procedures are simplified.

Concerning the Customs Valuation, the new draft law dealt with this matter in its Articles 30, 31, 32, 33, 34 and 82 in accordance with the provisions of WTO Agreements.

Question 35.

What is the status of the legislative change?

Answer:

The draft law is in the final stages of legislative process.

- (a) **Please provide a copy of the new or draft Customs Law to the WTO Secretariat for review by interested Working Party members.**

Answer:

The new draft Customs Law is only available in Arabic and it is not feasible to provide a translation of the draft law at this stage.

Question 36.

Has Jordan submitted tariff and trade data necessary to conduct tariff negotiations?

Answer:

All the information on the import data for latest year available, customs applied tariffs and other necessary data are available in the Secretariat (Accessions Division, Room 1126) for consultation.

- (a) **Please provide a copy of schedule of current applied tariffs and information on the totality of import charges and surcharges in excess of the tariffs applied.**

Answer:

See answer to previous question.

- (b) In addition, we would appreciate receiving recent import data by tariff line item giving supplier countries.

Answer:

See answer to previous question.

Question 37.

We refer to the rates of import duty affecting the 4,360 (or almost two thirds of the 6,750) tariff lines with tariff rates greater than 20 per cent (page 20 of WT/ACC/JOR/2).

- (a) Could Jordan provide a list of the average rate of import duty by HS chapter?
- (b) What overall of ceiling binding does Jordan intend to provide for its tariffs upon accession to the WTO?
- (c) Does Jordan intend to bind all of its tariffs? If so, at what levels to tariff on agricultural products? And at what levels of tariff on industrial products?

Answer:

- (a) Yes.
- (b-c) The ceiling binding and levels of tariffs on agriculture and industrial products will be submitted to members at a later stage.
- (c) Tariff quotas, tariff exemptions

Question 38.

Concerning "Duty Free Status":

This section (WT/ACC/JOR/2) lists imports that receive duty free treatment in Jordan's trade regime. These include, in addition to items with a zero rate in the tariff schedule and imports by diplomatic, charitable, educational, and medical institutions, (a) "protocol trade", (b) imports by certain Government institutions, and (c) imports under the Investment Promotion Law.

- (a) Is this list comprehensive?

Answer:

All imports that receive duty free treatment in Jordan's trade regime are mentioned in the current law under chapter 10 and articles 159-168 from the current customs law.

- (b) Can Jordan state categorically that there are no additional exemptions from the customs tariff or the other taxes, fees, charges and surcharges applied to imports?

Answer:

See answer to part (a) above.

(c) If not, please list all other such exemptions authorized by Jordan.

Answer:

See answer to part (a) above.

Question 39.

Please describe in detail the nature, scope, and rationale of all tariff exemptions granted from statutory customs tariffs and the various taxes, fees, charges, and surcharges applied to imports. What portion of Jordan's imports receive these exemptions?

Answer:

The portion of Jordan's imports that receive these exemptions was about 60 per cent of the total volume of the imports in 1996.

Question 40.

Concerning "protocol trade":

(a) Specifically, which of Jordan's trade agreements are covered by this appellation, and what products (by HS line item) are exempted from import duties and charges under their terms?

Answer:

Please see the answer to question 188 below.

Question 41.

Please list the government institutions whose imports are duty free. Are such imports solely for the consumption of the government entity, e.g., as with government procurement for its own use? Please describe any cases where imports by government institutions granted duty free status are used as inputs for further processing by government-owned and operated production or service facilities and eventual resale or use in the market.

Answer:

The imported capital goods and other equipments or machines which are necessary for production in the projects of the following institutions are exempted from the customs duties:

- I.
- Aqaba Authority Region;
 - Jordanian Electricity Authority;
 - Water Authority;
 - Aqaba Railway Corporation;
 - Vocational Training Organization;
 - Amman Greater Municipality;
 - Royal Jordanian Corporation;
 - Villages and Municipal Councils;
 - Royal Scientific Society.

II. Imports of the following educational institutions of materials, machines and equipments which related to the educational functions:

- Jordanian University;
- Yarmouk University;
- Jordan Science and Technology University;
- Zarqa Public University;
- Al-AlBayt university;
- Muta'a University.

These exemptions in I & II above do not apply to the following items:

- cars;
- furniture;
- office equipment;
- spare parts;
- other consumption goods.

III. The procurement of the following companies are exempted from the customs duties upon special decisions by the Council of Ministers:

- Phosphate Mining Company;
- Petroleum Refinery Company;
- Jordan Cement Factories Company;
- Fertilizers Company;
- Arab Bridge Maritime Company;
- Arab Potash Company;
- Jordanian Electric Company;
- Irbid Governorate Electric Company;
- Jordanian Tanning Company;
- Vegetable Oil Factories Company;
- Arab Company for Manufacturing White Cement.

These exemptions in III do not apply to the following items:

- cars;
- tyres and car spares parts;
- petroleum products;
- office equipments.

Question 42.

Could Jordan provide a list of the agricultural products which are exempt from customs duties and import fees (page 21 of WT/ACC/JOR/2)? We also note that several agricultural products require prior approval from certain government institutions. Does Jordan impose any quantitative limitations on imports of these or any other agricultural products?

Answer:

The agricultural products exempted from customs duties and import fees are:

- (a) wheat and flour;
- (b) the agricultural products exempted under bilateral trade agreements with Arab countries, Israel and the Palestinian National Authority according to an agricultural calendar. Examples of such exemptions are the agricultural goods in the agreement with Lebanon:

Product	Periods of importing
Naval oranges	1 March - 30 April
Valencia oranges	1 May - 30 August
Fresh sage	all year
Grapes	1 October - 30 January
Kaka	15 October - 31 January
Pears	18 September - 31 December
Lemons	1 May - 30 August
Acedenia	10 April - 10 May
Potatoes	1 September - 25 October
Apples	15 February - 30 April
Fresh thyme	all year

However, there are no quantitative restrictions on any imports from other countries.

(d) Other duties and charges

Question 43.

Concerning "Tariff Rates", section IV.1(b.2) (WT/ACC/JOR/2):

The table in this section lists a number of import taxes and tariff surcharges in addition to the customs tariff. These include (a) a consolidated surcharge tax, (b) municipalities fees, (c) university fees, (d) additional import surcharge taxes, (e) additional import fees, and (f) fees for veterinary and laboratory analysis.

- (a) Is this list comprehensive?**

Answer:

A new law consolidated all the import taxes, tariff surcharges and the customs duties and became part of the tariff structure.

- (b) Can Jordan state categorically that there are no additional customs or import fees, charges, or surcharges on imports other than those listed in this table, the general sales tax, and the 0.10 per cent exchange permit fee?**

Answer:

In addition to the sales tax and the 0.1 per cent exchange permit fee the following fee categories are imposed for services rendered:

- JD 2.0 to certify the invoices and the certificates of origin accompanying the imported goods with a value ranging between JD 1,000 and less than JD 1,000, and JD 20 for those more than JD 10,000;
 - JD 2.0 per head of imported livestock as veterinary examination and test fee;
 - 1 per cent of the c.i.f. value on the re-exported goods in addition to 1 per cent additional tax;
 - JD 25/ton of scrap iron except the galvanized iron;
 - 0.2 per cent of the c.i.f. value on the re-exported and the imported goods as overtime wages.
- (c) **If not, please list all other fees, taxes, charges and surcharges of whatever character authorized by Jordan on imports or exports.**

Answer:

See answer to section (b) above.

For fees and charges applied for services rendered:

- (d) **Which, if any, of these fees, taxes, charges, and surcharges are levied for services performed at the time of import or export?**

Answer:

All these fees and charges are applied for services rendered.

- (e) **Are the "import fees" referred to in No. 5 of the table considered a fee for service? Please list the exemptions currently authorized from this fee by the Cabinet.**

Answer:

In accordance with the new law consolidating other fees and charges and customs duties the import fees do not exist any more.

- (f) **Please list the fee structure for these services. For each fee, please describe the taxable base to which the fee is applied and indicate how the fee is related to the cost of the customs or other service rendered.**

Answer:

Please see the answer to section (b) above.

Question 44.

Please indicate specifically how these fees are consistent with the provisions of Article VIII of the GATT 1994.

Answer:

These fees and charges are consistent with Article VIII of GATT 1994 for the following reasons:

- all are applied for services rendered;
- it does not represent an indirect protection to domestic products;
- it is not a tax for fiscal purposes.

For the remaining charges applied to imports and exports:

- (a) Are any of these fees, charges, taxes and surcharges applied to domestic goods as well, or are they all applied exclusively to imports? Are any applied to exports?**

Answer:

For those which are applied for services rendered it is applied on any product which the service has been rendered to whether it is imported or exported.

- (b) Please describe the taxable base used in the application of these non-tariff taxes, fees, charges, and surcharges to imports.**

Answer:

See answer 31.

Question 45.

Concerning the application of these charges in conjunction with the requirements of Article II of the GATT 1994:

Answer:

These charges will not be applicable any more. See answer 31.

- (a) How does Jordan intend to justify the application of these taxes on imports in light of WTO requirements concerning the binding of tariff levels?**

Answer:

All these fees and charges have been consolidated with the tariffs.

- (b) What is the rationale for imposing on imports a "municipalities fee" and a "university fee" in addition to duties and surcharges?**

Answer:

There will be no existence for such fees and surcharges when the new law consolidating the customs duties and other fees and taxes in one duty becomes effective.

- (c) Please be more specific as to which tariff lines are subject to the surcharges provided for in No. 5 of the table, e.g., list any exemptions from the surcharge tax by HS category or line item.

Answer:

See answer to question 41.

Question 46.

We refer to the tabulated measures applied to imports (WT/ACC/JOR/2). All seven types are imposed on imports but, of these, only two (customs duties and import fees) would seem certain from their description to apply exclusively to imports.

- (a) Do any of the other five measures (viz., consolidated surcharge tax, municipalities fees, university fees, surcharge tax 1969 (as amended), and fees for veterinary and laboratory analysis) apply to domestic products as well as imports?
- (b) Where a measure applies to domestic products as well as imports, we would be grateful for details of any differences which may exist between how that measure applies to imports and how it applies to domestic products.
- (c) Where a measure applies to imports but not to domestic products, we would be grateful if Jordan would outline its plans to bring that measure into conformity with the relevant provisions of the WTO Agreement, in particular Article VIII of the GATT 1994, and, if relevant, the provisions of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures and the WTO Agreement on Technical Barriers to Trade.

Answer:

- (a) The other five measures do not apply to domestic products. However, all additional fees and taxes referred to in question 46 have been consolidated into one duty and they are now parts of the customs tariff.
- (b) All the measures referred to are levied on imports, and not directly on domestic products i.e. the imported component of a local product might pay such taxes.
- (c) A new law was passed consolidating all fees and duties on imported products into tariff rates which will be in line with the provisions of the WTO Agreement.

Question 47.

We note the range of import-related taxes listed in the Memorandum (pages 19 and 20 of WT/ACC/JOR/2) including, *inter alia*: a consolidated surcharge tax (6 per cent); municipalities fees (2 per cent); university fees (4 per cent); surcharge tax 1969 amended in 1989 (3 per cent if customs duty is levied; 5 per cent if customs duty is not levied and the item is neither a basic commodity nor a capital good); and, import fees (5 per cent, except for Cabinet exemptions).

We would appreciate details of Jordan's plans for these taxes in view of the obligations it will assume upon accession to the WTO.

Answer:

See answer to question 46(c) above.

(e) Quantitative import restrictions

Question 48.

Please provide copies in translation of the Import/Export Law No. 14 of 1992 and the by-law No. 74 of 1993 and any other relevant laws or regulations amending these provisions to date to the WTO Secretariat for review by the Working Party.

Answer:

There are no copies of these laws in English.

Question 49.

Concerning "Prohibitions", section III.(e.3) (WT/ACC/JOR/3):

This section lists prohibited imports, noting that quantitative restraints are in place for mineral water, table salt, plastic wastes and used cars.

Please indicate why Jordan bans the importation of tomato paste, fresh milk and certain dairy products, in addition to the other products listed in this section. What is meant by "social reasons connected with the sectors involved in their production".

Answer:

The ban on tomato paste and fresh milk has been lifted, and they can be imported by the private sector without prior approval and without any limitation on quantities or kinds.

There is a total ban on the import of table salt, used cars, mineral water and plastic wastes. Table salt is produced in areas which are least developed in Jordan and people have a high rate of unemployment and that is what meant by "social reasons connected with the sectors involved in their production".

As for mineral water, the Government is studying the possibility of lifting the ban on imports of mineral water.

As for used cars more than five years old, the ban is for a number of reasons. First to limit trade in used car and their use as they are a drain on foreign exchange reserves because of need for imports of spare parts and tires. The second reason is a great number of these cars were 10 years old and more and they lack a lot of the safety options which new cars now have. Thirdly they are more harmful to environment. Most of the cars in Jordan have the safety options. The Government offered the owners of old cars used for public transport like taxis and service cars exemption from customs duties on the new cars they buy provided they give up their old cars. This encouraged the owners of such old cars to get rid of them. There are no other products prohibited than the ones

mentioned above. There are conditions for prior approval, and the import and export of a limited number of products are restricted to certain agencies. See answer to question 78.

Question 50.

What is the specific nature of the quantitative restraints on these products and how are they enforced?

Answer:

The restrictions are not quantitative.

Question 51.

Concerning the de facto ban on imported cars more than five years old for safety reasons, please describe in more detail the safety justification for banning imported cars older than five years. Do these safety restrictions extend to domestically-owned cars older than five years that are sold on the Jordanian market?

Answer:

See answer to question 47 above.

Question 52.

Are there any other products that are banned?

Answer:

There are no other products that are banned.

Question 53.

How would Jordan justify these bans in light of WTO disciplines?

Answer:

These bans were in effect before Jordan applied for accession to WTO. Since then a number of bans have been lifted as shown in answer to question 47 above. The process of liberalization is moving and with time the few bans are expected to be removed.

Question 54.

Jordan states that only a limited number of quantitative import restrictions have been maintained on mineral water and table salt for "...social reasons connected with the sectors involved in their production..." (page 19 of WT/ACC/JOR/2). However, aspects of sub-section 3.2.2 (pages 21 and 22) imply that quantitative restrictions are also applied to certain other commodities (sugar, wheat, rice, one brand of powdered milk and cigarettes plus seasonal restrictions on fruits and vegetables). Could Jordan provide a full list of the products which are affected by quantitative import restrictions and explain the nature of and the reason for having the restriction that applies to each product?

Answer:

Quantitative restrictions still apply to mineral water, table salt, cars that are five years old or more, and plastic wastes. The other items like sugar, wheat rice, one brand of powdered milk, cigarettes need prior approval but there are no quantitative restrictions on their import. Fruits and vegetables imported from Arab countries with whom Jordan has bilateral and protocol trade agreements are subject to seasonal restrictions based on the agreements referred to above. Such restrictions are meant to prevent excess supplies in the production season in Jordan and in the other countries.

(f) Import licensing procedures

Question 55.

Jordan should provide information on products subject to import licensing responding to the outline and questionnaire contained in WT/ACC/1 for review by the next Working Party meeting. In particular, we would appreciate a unified treatment of Jordan's regime including the relevant information in sections 3.2.2.1 through 3.2.2.4 (WT/ACC/JOR/2).

Answer:

See the revised Memorandum on Foreign Trade (WT/ACC/JOR/3).

Question 56.

Jordan refers to the exemptions from "import fees" (section II.2.(d), WT/ACC/JOR/3) by some categories of imports.

(a) What is the relationship of these import fee exemptions to the licensing requirements listed in this section?

Answer:

There is no relationship between the exemption from import fees and the licensing requirements. The licensing requirements as explained earlier apply to certain products that need prior approval, or whose export is exclusively restricted to certain departments and goods that are listed in protocol trade agreements between Jordan and other countries.

(b) Are the fees referred to associated with obtaining a licence? If so, please describe the fee structure and scope of application, with particular reference to the provisions of the WTO Agreement on Import Licensing Procedures and Article VIII of the GATT 1994.

Answer:

If a product requires an import licence, then a fee equal to 5 per cent of the value of the imported good will be paid. An additional fee equal to 5 per cent of the value of an imported good is levied on persons or agencies that import goods without holding an import card to prove they are registered in the importers registrar in the Ministry of Industry and Trade.

However, all fees other than customs duties have been consolidated into the customs duties according to the new Law for consolidating customs duties, other fees and taxes. The Law was passed through Parliament recently. This will bring these fees into the requirements of Article VIII of GATT 1994.

- (c) **Jordan states that import licences are required for protocol trade and for goods that need prior approval from specialized agencies.**

Concerning protocol trade, please describe how the licences issued, by whom, and the conditions that must be met to obtain the licence.

Answer:

Goods imported under protocol trade agreements need import licences which are issued as follows:

The licence is usually issued by the Ministry of Industry and Trade. If the product needs prior approval, then this approval have to be obtained from the department or agency concerned. In general the issuing of licences is subject to the conditions stipulated in such agreements.

Question 57.

In section 3.1.6 (WT/ACC/JOR/2), Jordan stated that "generally, imports do not require a licence." We appreciate the outline provided by Jordan on its licensing system in section 3.2.2.1. We need much more information, however.

Answer:

The requirement for import licence for a product is not based on the HS considerations, but on the following:

- persons or agencies that do not hold an import card that allows them to import in general are required to obtain an import licence;
- imports from protocol trade agreements countries need an import licence for products that are specified in lists attached to such agreements, and enjoy full or partial exemptions from customs duties are subject to licensing requirements. Imports outside such lists do need licences.

Question 58.

We seek a listing by HS number of items that require such permits, the WTO justification for this measure, the criteria (if any) applied to determine whether a licence is issued or not, and the levels of any quotas that are administered through the licensing system.

Answer:

See answer to questions 54, 55 and 188.

Question 59.

How are the licensing requirements for specific imports are established, e.g., how is the list of licensed imports determined? Who has the ability to change it and with what kind of public notification? How are such lists publicly distributed?

Answer:

Licensing requirements for imports and instructions for imports in general are authorized by the Minister of Industry and Trade in accordance with import/export laws and by-laws. He is also authorized to specify the goods and agencies or departments that need import licences or any specific import requirements by issuing instructions to that effect. Such decisions are taken in coordination with other ministries and official agencies and in line with the government general trade and economic policy. Instructions are published in local newspapers and are sent to Chamber of Commerce and Chamber of Industry so they can circulate them to their members.

Question 60.

Does Jordan consider any of these requirements "automatic" licence requirements? If so, please describe how this is the case with reference to the provisions of the WTO Agreement on Import Licensing Procedures.

Answer:

All import licensing requirements are clearly defined in the import instructions that are published in local newspapers and circulated to Chambers of Commerce and Industry and to any agency concerned with trade. Granting a licence after submission of the request takes about half an hour in the Ministry of Industry and Trade.

Question 61.

Please describe specifically the procedures for obtaining an import licence, including, but not limited to, information on the following points:

- (a) How is approval from concerned government entities required? How quickly is such approval gained? How many approvals are necessary for a particular good?**
- (b) How is the prior approval part of the procedures is administered. How do the specific agencies interact with the licence-granting authority of the Jordanian Government?**

Answer:

Procedures for obtaining an import licence

When there is a need for prior approval from the ministry or agency concerned the following measures are to be followed:

1. The importer gets the approval from the agency concerned for a particular product in the same day he submits his request for approval. If the product needs approval from two agencies, one of them issues the approval after coordinating with the other agencies as specified in the import instructions.
2. The agencies authorized to give prior approvals inform the Ministry of Industry and Trade/Directorate of Trade, of any changes of lists that need prior approval and the reasons for doing so. If the Minister of Industry and Trade is convinced of the reasons and that they are in line with the general trade policies then he issues an order to amend the import instructions.

3. In case of prior approval to import from any country other than protocol trade countries the prior approval is considered an import licence by itself. As for prior approval to import from a protocol trade country the following measures are required to obtain an import licence:

- the importer must submit to the Ministry of Industry and Trade an application to import that includes the following information: Name of importer, his registration number in the importers Registrar at the Ministry of Industry and Trade, kind of product imported, H.S. code, country of origin, port of shipment, port of clearance, value in Jordan dinar C&F, quantity or weight of products. The application form must be signed by the importer or his authorized representative;
- this application is checked and then approved by the officer in charge at the Directorate of Trade in the Ministry of Industry and Trade in accordance with the import instructions;
- the import fee is then charged if it is subject to such a fee;
- information included in the application is entered into computer and the licence is issued accordingly;
- the import licence is checked again in relation to information in the application and then signed by the authorized official and given by hand to the importer;
- all these measures take about half an hour to complete.

Question 62.

What is the relationship between imports requiring an exchange permit and goods requiring an import licence?

Answer:

The relationship between an import licence and exchange permits is as follows:

The letter of credit and the issuance of an exchange permit is done when the following documents are provided:

- an import licence if the product requires such a licence or;
- the importer's card issued by the Ministry of Industry and Trade when the imported products do not need an import licence;
- prior approval and the importer's card for products that need prior approval but not an import licence.

The opening of a letter of credit is done through any commercial bank that usually have the administrative instructions for that, and the exchange permit is issued immediately by the Central Bank.

Question 63.

While the WTO justification for a requirement that the Public Security Agency to grant prior approval for explosives, chemicals and self-defence electrical equipment is easily understood, this is not the case for many of the other products listed in this section.

Why are imports of toy automobiles, electrical and electronic video games also required to have prior approval from the Public Security Department? Why do commercial goods in this list need prior approval?

Answer:

Toy automobiles that are operated by benzine or batteries need special tracks for driving them. Such special tracks are not readily available in Jordan. Therefore, the need for prior approval to monitor their import and ensure the safety of the users who are children and not qualified drivers.

As for electric and electronic video games there are social considerations that govern the use of such machines. These machines which are installed in public places that are frequented mainly by children and teenagers could if not properly supervised, be used for gambling activities. In a muslim country like Jordan this is against the morals and norms of the society. Therefore, prior approval is required to ensure that such machines are used in a manner that does not endanger the social fabric of the society.

The different chemical materials do not need prior approval but they are to be checked by the departments concerned when such materials enter the country, and to be cleared only if the general safety conditions are met.

Other commercial products like rice, wheat, sugar, are subject to prior approval because of food security consideration to ensure a strategic reserve of these commodities. As for industrial powdered milk it is to be used for chocolate and biscuits factories and not for mixing with fresh milk to make dairy products like yoghurt, cheese, etc.

Question 64.

Jordan must eliminate licensing that restricts agricultural imports at the time of accession. Please address this fact in terms of Jordan's existing licensing requirements and explain how the Ministry of Supply and the Agricultural Marketing Organization determines import quantities of these products.

Answer:

There are no restrictions on imports of agricultural products. But there is an agenda published by the Agricultural Marketing Organization that specifies the time of imports of agricultural products from countries with whom Jordan has protocol trade agreements, and such imports need an import licence. Exports of agricultural products from Jordan to these countries are subject to similar agenda.

Question 65.

It would appear that a number of the import licensing provisions currently in place are not consistent with WTO provisions. In such cases, how does Jordan intend to proceed to comply with WTO requirements?

Answer:

Import licensing procedures in Jordan are transparent and information is public. See Annex 3 of the revised Memorandum on the Foreign Trade Regime of Jordan (WT/ACC/JOR/3).

Question 66.

Please specify by measure and product coverage, which products require import approval and/or import licences. Please provide specific justification for such approvals. What is Jordan's time frame for the "liberalization" of the imports of all agricultural products?

Answer:

There are now 43 items that require prior approval for import. Of these, 12 are agricultural products. They are: rice, one brand of milk packed for the Ministry of Supply, wheat and wheat flour, sugar, barley, corn, frozen animal semen, live animals, chilled and frozen meat, potatoes, onion and garlic. Prior approvals are considered import licences in themselves. Certain products, that are annexed to bilateral and protocol agreements between Jordan and other countries and have preferential treatment, require an import licence. There are preferential trade agreements with Syria, Saudi Arabia, Yemen, Libya, Sudan, Kuwait, Oman, the United Arab Emirates, Lebanon, Iraq, Bahrain, Morocco, Tunisia, the Palestinian National Authority, Egypt and Israel.

The product coverage in these annexes varies from one country to another. The treatment is reciprocal between Jordan and such trade partners. However, Jordan is now changing to free-trade area agreements and in due time these preferences will cease to exist.

Question 67.

Concerning Ministry of Supply permission (section III.2.2.2, WT/ACC/JOR/2):

This report states that while 66 foodstuffs require permission, "permissions are granted automatically". Why does this system continue to exist? How will this be eliminated?

Answer:

The food products that need permission from the Ministry of Supply now are actually only five products. These products are rice, Halibuna powdered milk and milk for industrial use, wheat and wheat flour, sugar and cigarettes. The process of elimination is moving fast.

Question 68.

Could Jordan provide a full list of all the products, including agricultural products, which are subject to licensing and provide details of the licensing requirements which apply to each of those products? We would be grateful if such details included an indication of whether these licences are granted automatically.

Answer:

Imports to Jordan from countries with whom Jordan has bilateral and protocol trade agreements namely some Arab countries, Israel and the Palestinian National Authority, and exports from Jordan to these countries are subject to licensing requirements. Licences are granted automatically. See Annex 3 page 61 (WT/ACC/JOR/3). Some other products require prior approvals to imports. Prior approvals are considered import licences in themselves see page 29 (WT/ACC/JOR/3).

Question 69.

For each of the products for which import licences are not granted automatically, we would appreciate details of:

- (a) the administrative procedures required to obtain prior approvals/import licences;**
- (b) the amount of time for approval to be given; and,**
- (c) the fees payable for prior approval and their form (flat-rate or percentage).**

Answer:

- (a) See pages 29 and 61 of (WT/ACC/JOR/3).
- (b) For prior approval about one day, for import licensing around half an hour.
- (c) No fees are required for prior approvals. Imports of fruits and vegetables from protocol countries pay one Jordan dinar for each one metric ton.

Question 70.

In respect of procedures for gaining prior approval for importation (page 21 of WT/ACC/JOR/2).

- (a) Do any quantitative limitations apply?**
- (b) Are applications for import licences approved automatically?**
- (c) Are there any appeal procedures, and, if so, how do they operate?**
- (d) What are the costs which are involved in obtaining an import licence?**

Answer:

- (a) No.
- (b) Yes.
- (c) When a request is refused, the reasons are specified for such refusal. If the person whose request was refused wishes to appeal he can do so either to those who refused his request or to the Courts of Law.
- (d) A fee of 5 per cent of the value of the imported product, which is now consolidated into the tariff.
- (h) **Customs valuation**

Question 71.

The description of Jordan's customs valuation regime contained in this section is totally inadequate for the accession negotiation. For review at the next Working Party meeting:

- (a) Jordan should describe specifically the rules and guidelines used by the Customs Department to value imports, and provide a copy of its customs valuation law and regulations in translation.**

Answer:

Articles 39, 40, 41, 78, 79, 80 and 81 of the current law and the regulations and by-laws issued in accordance to that law explains Jordan's valuation regime.

The new draft law in its articles 30, 31, 32, 33, 34 and 82 dealt with the valuation in a way that the regime is consistent with the WTO Customs Valuation Agreement. Please see Annex 4, Information on Implementation and Administration of the Customs Valuation Agreement, to the revised Memorandum on the Foreign Trade Regime of Jordan (WT/ACC/JOR/3) which is reproduced at the end of this document.

- (b) Jordan should complete the questionnaire in Annex 4 of WT/ACC/1 on implementation of WTO customs valuation provisions.**

Answer:

The completed questionnaire is reproduced at the end of this document.

Question 72.

Could Jordan provide details of its laws, regulations and procedures in the area of customs valuation relating to the provisions of Article VII of GATT 1994 and the Agreement on Implementation of Article VII? We would appreciate a copy of Jordan's laws and regulations in the area of customs valuation.

Answer:

The Customs Law is available in English in the WTO Secretariat. However, once the new Customs Law passes through Parliament and has been translated into English, we will provide the WTO Secretariat with a copy. The new Customs Law is in conformity with WTO Agreement.

- (l) Rules of origin**

Question 73.

Please provide copies of Jordan's laws and regulations concerning the application of rules of origin.

Answer:

There are no specific laws and regulations in Jordan for application of rules of origin.

Question 74.

What rules of origin are used to identify "protocol imports" subject to tariff and other preferences?

Answer:

The conditions for such rules will be identified in each agreement.

Question 75.

What institutions are considered to be "approved authorities" for the purpose of issuing certificates of origin?

Answer:

The Chamber of Industry is the approved authority for issuing certificates of origin which have to be certified from the Ministry of Industry and Trade.

Question 76.

Please indicate how Jordan intends to bring its rules of origin into conformity with the provisions of the WTO Agreement?

Answer:

Jordan does not have legislation outlining the rules of origin. Jordan plans to introduce legislation that conforms with WTO requirements, once the harmonization of the rules of origin of different countries are agreed upon within the WTO.

Question 77.

Could Jordan provide details of its laws, regulations and procedures in the area of rules of origin? What time frame does Jordan envisage for the development and implementation of standards in the area of rules of origin?

Answer:

There are no specific laws and regulations concerning the application of rules of origin. In practice the rules applied depend on the bilateral agreement with each country. The Chamber of Industry is the Approved Authority for the purpose of issuing certificates of origin.

The Chamber of Industry issues a certificate of origin for a licensed factory, and the Industrial Development Directorate in the Ministry of Industry and Trade checks the certificate: whether the factory exists, whether the product is produced in the factory, and whether the local manufacturing percentage complies with the percentage agreed upon by the bilateral agreement.

The rules of origin used to identify Protocol Imports for the purpose of issuing certificates of origin depends on the bilateral agreement with each country. Jordan intends to bring its rules of origin into conformity with the provision of the WTO Agreement once the rules of origin within the WTO Agreement are coordinated and agreed upon.

(m) Anti-dumping regime

Question 78.

Could Jordan provide details of any laws, policies and practices which it may have, or which it intends to introduce, in the following areas: anti-dumping and countervailing duties; countervailing measures; and safeguards (GATT Articles VII and XIX)? Could Jordan provide a copy of any laws and regulations which it may have in these areas?

Answer:

Article 16 of the current Customs Law partially deals with anti-dumping, countervailing duties, countervailing measures and safeguards. However, Jordan is in the process of preparing new laws on safeguards and competition.

2. Export Regulation

(b) Customs tariff nomenclature, types of duties, duty rates, weighted averages of rates

Question 79.

Could Jordan provide details of any plans that it may have to bring its export taxes into conformity with Article VIII of the GATT 1994?

Answer:

In fact Jordan does not have any export taxes. The only export fees charged are those connected with protocol trade.

(d) Export licensing procedures

Question 80.

Jordan has stated that domestic exports do not require export licences.

(a) Please describe any export licensing measures in place in Jordan and the conditions that Jordan may use such measures in the future.

Answer:

1. Products of Jordanian origin do not need export licences. But any product of foreign origin (re-exports) with a value that exceeds JD 1,000 require an export licence. Products exported to protocol trade countries with a value exceeding JD 1,000 also require export licence irrespective of origin i.e. Jordanian or foreign origin. Some products need prior approval before exporting them. These approvals are considered export licences in themselves.

2. As for licensing requirements the following steps are to be completed before actual export can take place:

- the exporter issues an invoice to the importer and certifies such an invoice from the Chamber of Commerce;
- a Certificate of Origin must also be issued from the Chamber of Commerce;
- these documents have also to be certified from the Ministry of Industry and Trade, the Ministry of Foreign Affairs and from the Embassy of the country to which these products are exported;
- then, get an export licence if such a licence is required after performing above;
- an export manifestation from the Customs Office prior to exporting the product from the customs exit point chosen by the exporter;

- as mentioned above some exports need prior approvals from certain departments, and export of some products are restricted to certain departments.

Prior approvals from the Ministry of Supply:

- basic food products:
 - wheat;
 - wheat flour and other wheat products: (semolina, bran, broken wheat);
 - sugar;
 - rice (ordinary brand);
 - Halibuna (milk);
 - milk for industrial use.

Prior approvals from Ministry of Agriculture:

- ewes and cows.

Prior approvals from Central Bank of Jordan:

- precious metals including gold and silver bullion and coins.

Prior approvals from Natural Resources Authority:

- marble slabs;
- broken marble;
- mineral ores;
- radioactive materials and sources and exhausted uranium.

Prior approvals from Agricultural Marketing Organization:

- fresh fruits and vegetables destined to protocol trade countries;
- there are some products that are exclusively exported by the following departments and agencies.

Product Exclusive Exporters:

- | | |
|--|---|
| - real leather (manufactured natural) | Jordan Tanning Company |
| - petroleum and petroleum products except mineral oils | Jordan Petroleum Refinery Company |
| - household gas cylinders | Jordan Petroleum Refinery Company |
| - black cement | Jordan Cement Factories Company |
| - gunpowder, explosives and explosives detonators | Jordan Phosphates Mining Company (JPMC) |
| - ammonium nitrate | (JPMC) |
| - phosphate ores | (JPMC) |

(f) Export financing, subsidy and promotion policies

Question 81.

In section a.2.1 (WT/ACC/JOR/2) Jordan referred to "support" provided to the manufacturing export sector, to subsidies to industries, and to plans to gradually reduce such programmes.

Are all industries in Jordan still eligible to receive subsidies? If not, please indicate the industries that are eligible.

Answer:

Not all industries in Jordan are eligible to receive subsidies. The only subsidies provided are interest rate subsidies by the Central Bank of Jordan. They are at the order of 1 per cent only and provided to exporters, agriculture, and handicrafts sectors.

Question 82.

Please list and explain each subsidy for commodities and enterprises, noting those that will be gradually reduced under the Five Year Plan, and, for public institutions, completely eliminated. What is the timetable for the reduction and elimination of these subsidies?

Answer:

See answer to question 79 above.

Question 83.

Please explain in further detail the system whereby the Central Bank of Jordan provides advances to authorized banks against export credits and bills for products where local value added is not less than 25 per cent, including but not limited to replies to the following questions:

- Which banks are "authorized"?
- Which companies/products are eligible to receive export credits?
- Are these purely commercial transactions with no government interference or does the government subsidize export credits?
- What requirements do the banks have for repaying the credits?
- Are foreign-owned banks eligible to receive the advances?
- Explain how providing these below-market rate advances to banks for export credits is consistent with the WTO subsidies Agreement?
- Are exports of Jordanian origin produced as a result of foreign investment subject to these restrictions as well?

Answer:

The Central Bank of Jordan provides advances to authorized banks against export letters of credit and bills for collection for products of at least 25 per cent local value added. The main features of this programme may be described as follows:

- all banks licensed to operate in Jordan are “authorized” to obtain advances from the Central Bank of Jordan export refinancing facility. The refinancing may be obtained by banks on account of any company operating in Jordan that its exports meet the above mentioned 25 per cent local value-added criterion. This criterion applies to all export products;
- the transaction between the company and the commercial bank is a pure commercial transaction, without any interference by Central Bank of Jordan;
- the banks require their clients to have either a valid export letter of credit or valid bills for collection or time drafts, given that these documents are endorsed to the order of the commercial bank;
- foreign-owned banks licensed to operate in Jordan are also eligible to receive such advances;
- exports of Jordanian origin produced as a result of foreign investment are subject to these same requirements as well. The only restrictions is the 25 per cent content and the official registration of that company in the Jordanian Official Registry.

The Central Bank of Jordan charges interest rate on refinancing of export credit which is currently only 1 per cent below the prevailing discount rate. This small subsidy constitutes only a fraction of the cost of 1.0 per cent of total exports. The more important objective of the export refinancing facility is to encourage banks to meet demand for credit by exporters.

Question 84.

Please explain how long the export promotion programme of the Central Bank of Jordan has been in place.

Answer:

The export promotion programme of the Central Bank of Jordan has been in place since 1980.

Question 85.

Which products - in terms of commodity-specific volumes and values - have been subsidized through these schemes in each of the years the credits have been available?

Answer:Commodities that benefited from the scheme

(JD millions)

Commodities	1993	1994	1995	1996
Pharmaceuticals	5.3	7.5	8.7	8.3
Fabrics	1.3	-	-	

Commodities	1993	1994	1995	1996
Clothing	1.5	1.0	0.6	0.2
Iron	0.2	0.3	0.09	0.8
Paints	0.02	0.2	0.3	0.2
Agricultural Products	0.4	0.02	0.02	-
Oils	2.6	-	-	-
Plastics	0.2	-	-	-
Phosphates	-	-	-	5.0
Stationary	0.9	1.1	-	
Potash	-	27.2	-	
Other	0.38	1.28	0.09	0.2
Total	12.8	38.6	9.8	14.7

Please note details are not available for the period prior to 1993, nevertheless, total values are much smaller.

Question 86.

Which firms are eligible to receive suppliers credits? For imports of which goods?

Answer:

See answer to question 83 above.

Question 87.

Please explain how the exemption of income tax on export sales is consistent with the provisions of the WTO Agreement on Subsidies and Countervailing Measures, in particular paragraph (e) of Annex I?

Answer:

After the Gulf war, Jordan's exports in particular and the economy in general suffered a great deal for being dependent on these markets. The Government took a decision as early as 1993 to encourage Jordanian producers to diversify their products and to look for new non-traditional markets. This was done through the exemption of the profits of exports, excluding traditional ones namely phosphate, potash and fertilizers and excluding Arab countries with whom Jordan has protocol trade agreements from income tax.

It is worth mentioning that 45 per cent of Jordan's exports are destined to Arab countries with whom Jordan has bilateral and protocol trade agreements and their export proceeds are not eligible for income tax exemption. The non-traditional exports referred to above constitute around 37 per cent of total domestic exports. Article 27.2, paragraph (b) of the Agreement on Subsidies and Countervailing Measures allows such subsidies to developing countries for a period of eight years.

Question 88.

How does the new Income Tax Law, No. 14 of 1995, address the issue of exempting income from export activity from taxation?

Answer:

Article 3(c) of the Income Tax Law No. 57 of 1985 and its successive amendments of which Law No. 14 of 1995 was the last, states that:

"The profits resulting from export sales are considered to have accrued in the Kingdom, and the Council of Ministers, upon recommendation of the Minister, has the right to exempt totally or partially the profits of some exports.".

According to this Article, the Council of Ministers issued in 1994 a directive to exempt from income tax profits resulting from export. The profits from exports of phosphates, potash and chemical industries, as well as profits from exports to countries that are executed through protocol trade agreements are not exempted from income tax under this directive.

Question 89.

We note Jordan's description of a subsidy contingent upon export (under 3.3.4 on page 24 of WT/ACC/JOR/2). Does Jordan intend to phase out this subsidy?

Answer:

After the Gulf war, Jordan's exports in particular and the economy in general suffered a great deal for being dependent on these markets. The Government took a decision as early as 1993 to encourage Jordanian producers to diversify their products and to look for new non-traditional markets. This was done through the exemption of the profits of exports, excluding traditional ones namely phosphate, potash and fertilizers and excluding Arab countries with whom Jordan has protocol trade agreements.

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(g) Export performance requirements

Question 90.

Does the Agricultural Marketing Organization (page 33 of WT/ACC/JOR/2) provide support contingent on export performance?

Answer:

The Agricultural Marketing Organization does not provide any support to producers and does not engage in actual exporting or importing activities. Its main function is to regulate the export and

import of agricultural products to and from Arab countries with whom Jordan has bilateral and protocol trade agreements according to a yearly plan and a quarterly agenda.

3. Internal Policies Affecting Foreign Trade in Goods

(b) Technical regulations and standards

Question 91.

When will Jordan be prepared to assume the responsibilities of the TBT and SPS Agreements? What type of legislation will this require?

Answer:

Jordan will assume its responsibilities on TBT and SPS Agreements as soon as it finds itself in a position to do so.

Question 92.

Jordan should provide information on its standards and SPS regime outlined in WT/ACC/1 and copies of the relevant legislation that provides for the application of TBT and SPS requirements on imports.

Answer:

See Annex 5 on Information on Technical Barriers to Trade as it appears in the revised Memorandum on Jordan's Foreign Trade Regime (WT/ACC/JOR/3).

Question 93.

Are foreign producers required to meet a higher technical standard than a Jordanian producer?

Answer:

No, they are not required to do so.

(c) Sanitary and phytosanitary measures

Question 94.

Is Jordan a member of the Codex Alimentarius Commission (CODEX) or the International Plant Protection Convention (IPPC)? If not, does it plan to join soon? Also, how do Jordan's standards for sanitary and phytosanitary measures differ from international standards established by those organizations?

Answer:

Jordan is a member of the Codex Alimentarius Commission, but not a member of the International Plant Protection Convention. However, Jordan adopts and implements the standards of both organizations.

Question 95.

What farm imports are highly restricted or outright banned for animal or plant health reasons. Please provide justification.

Answer:

There is no pre-determined list of imports that are banned for animal or plant health reasons. But should circumstances arise that justify such a ban then health regulations will be imposed that will bar imports of the products in question as long as the reason for enforcing the ban exists.

Question 96.

For agricultural products that require certification of origin and health, how are these certifications obtained? Does Jordan have a specific system? If so, please describe it.

Answer:

The health certificates for agricultural products whether animal or plant are issued by the Ministry of Agriculture. If the product is an export product then the certificate of origin is given by the Ministry of Industry and Trade upon recommendation of the Ministry of Agriculture. To issue a health certificate for agricultural products, a sample of such product is examined by the concerned departments of the Ministry of Agriculture. After the examination is performed, and if the results are satisfactory, then a phytosanitary certificate, or a health certificate is issued depending on the nature of the consignment examined.

(d) Trade-related investment measures

Question 97.

Please confirm that Jordan does not apply trade-related investment measures and would be prepared to implement the WTO TRIMs agreement.

Answer:

According to the Investment Promotion Law No. 16 of 1995, Jordan does not apply any trade-related investment measures. As for the preparedness of Jordan to implement the WTO TRIM's Agreement, Jordan will give it great consideration.

(e) State-trading practices

Question 98.

We note that the Government regulates the imports of sugar, wheat, rice, powdered milk and cigarettes (page 22 of WT/ACC/JOR/2). Does this Government import monopoly operate on a commercial basis? Does Jordan have restrictions on the quantity of product that can be imported?

Answer:

The Government recently allowed the private sector to import sugar, rice and wheat. Powdered milk has always been imported by the private sector, only one brand of milk - Halibuna - is imported by the Ministry of Supply (MOS). The prices of these products are set by the Government with a margin of profit for performing the normal marketing functions of distribution, storage and financing.

Question 99.

Could Jordan provide details of the funding of the Agricultural Marketing and Processing Company (page 34 of WT/ACC/JOR/2)?

Answer:

AMPCO is a company owned by the Jordan Investment Corporation which is the investment arm of the Government. The funding of AMPCO comes from its commercial activities which are now a tomato paste factory and cold stores that are rented to the private sector. AMPCO is in the process of being privatized.

Question 100.

We note the existence of wholly or partially State-owned enterprises in some sectors (page 30 of WT/ACC/JOR/2). Could Jordan provide details relating to whether the laws, policies and practices governing these State-owned enterprises are consistent with the provisions of Article XVII of GATT 1994 and the Understanding on the Interpretation of Article XVII?

Answer:

State-trading enterprises in Jordan, according to the definition of Article XVII are the Ministry of Supply (MOS), the Jordan Civil Consumers Corporation (JCCC) and the Agricultural Marketing Organization (AMO).

The main function of the Ministry of Supply and according to Law No. 17 of 1992 is to implement the general supply policy for the Kingdom, and to provide the Kingdom's needs of basic food products as well as ensuring a strategic reserve of these products. The Ministry of Supply imports wheat, barely, corn, sugar, rice, one brand of dried milk (Halibuna) and cigarettes.

As for the JCCC, Law No. 31 of 1984, defines its main activity as provision of different food and consumption goods to the beneficiaries at reasonable prices. The JCCC imports directly some of the goods it sells, and buys the rest from the domestic market whether imported or locally produced. The beneficiaries of the JCCC operations are government employees only.

The Agricultural Marketing Organization is like a marketing board regulating the import and export of agricultural products from and to Arab countries with whom Jordan has bilateral trade agreements or trade protocols according to a yearly plan and quarterly agenda. These measures are intended to prevent excess supplies of similar products during the production season in Jordan. AMO does not interfere with the prices of goods traded.

(f) Free zones

Question 101.

For goods processed or manufactured in the free zones that are later sold into the rest of Jordan, are all normal taxes, tariffs and other border measures normally applied to imports applied to these goods?

Answer:

All normal taxes, tariffs and other border measures are applied for the goods processed or manufactured in the free zones in accordance with Article 13 of the current Customs Law.

Question 102.

Is access to establishment of an enterprise in the free zone in any way conditioned on export sales? Please provide comprehensive information on how firms qualify for establishment.

Answer:

The establishment of an enterprise in the free zones is not conditional on export sales.

The requirements for establishing a firm in the free zones are:

(a) Commercial and Services Projects

1. To establish a commercial or services project, an application form is submitted to the Director of the Free Zone where the project is to be established together with a photocopy of the registration certificate of the company. The Director of the Free Zone submits the application with his recommendations to the Director General of the Free Zones for approval, provided that a deposit of a minimum three months rent is enclosed with the application.

2. Once the Director General takes his decision of approval the investor is immediately informed of the decision. He must commence with the finalization of the leasing formalities and sign the leasing contract within a month from the date of notification. If he fails to do so, then he is considered to have refrained and the deposit is confiscated.

3. The lessee is requested to provide a guarantee that rents will be made on time and that he will honour all the conditions of the leasing contract. This takes two forms: If the investor intends to construct his own installations he has to provide a personal guarantee. Otherwise he has to provide a guarantee attested by the Notary Public.

(b) Industrial Projects

1. To establish an industrial project an application form is submitted to the Director General of the Free Zones comprising all information required in the form including the area of the necessary land, together with a photocopy of the registration certificate of the company.

2. A cash deposit with a minimum one year rent of the land intended to be leased out, must be deposited with the application. If the applicant refrains from the execution of the project the cash deposit is not refunded. If he executes the project then the cash deposit is calculated as part of the original rent.

3. Upon the recommendations of the Department of Investment in the Free Zones Corporation and the recommendations of the Director of the Free Zone, the Director General forwards the application to the Investment Committee of the Free Zones Corporation for their opinion on the proposed project.

4. Thereafter, and within one month of the submission of the application, the Director General shall issue his decision and the investor is notified of it.

5. The investor is given two months from the date of his notification of the approval decision to finalize the leasing formalities and to sign the leasing contract. If he fails to do so, he is considered to have refrained and the deposit is confiscated.

6. Upon signing the leasing contract, the investor is required to provide a guarantee that rents will be paid on time and that he will honour all the condition of the contract. The guarantee required from the investor in the industrial sector is a personal guarantee submitted on the specified form for that.

(l) Government procurement practices

Question 103.

Jordan should seek observer status in the Agreement on Government Procurement and prepare to seek accession to that organization in the context of its accession to the WTO.

Answer:

Jordan will consider such a decision after it accedes to WTO.

(m) Regulation of trade in transit

Question 104.

Does Jordan expect to change the discriminatory policy of putting ceilings on fees collected for services provided to Arab vehicles?

Answer:

The ceilings on fees collected for services provided to Arab vehicles are specified by the Arab Transit Agreement to which Jordan is a signatory. These fees are applied by all member countries and not only Jordan.

4. Policies Affecting Foreign Trade in Agricultural Products

Question 105.

Please list and describe in more detail Jordan's proposed measures aimed at deregulating agricultural production and trade.

Answer:

Despite a generally open economy and a recent history of liberalization, the structure of Jordan's agriculture markets till recently was relatively controlled. The Government has directly influenced

the price of cereals which are procured by the Government at pre-set prices which are above import prices at times, and there was subsidies on animal feed. Retail prices of some agricultural and processed food products have also been regulated.

Subsidies

The producer prices of wheat, barley, chick peas and lentils and tomatoes have in the past been bought at pre-set prices by the Government. The price of imported barley for animal feed has also been set at subsidized levels. Subsidies for cereal producers have been phased out by the Government in recent years and the Government has announced 1994/5 cereals procurement prices that eliminate subsidies.

Subsidies on feed barley have also been eliminated, and the market has been liberalized. The Government has announced the livestock feed price for 1994/5 reflecting the elimination of the subsidy and has adopted a plan for withdrawal of the public sector from the barley trade, including a reduction in public sector barley imports for 1995 of 20 per cent below the 1992/94 average. The Government has announced a ceiling on public sector barley imports for 1996 of at least 60 per cent below the 1992-94 average, together with the elimination of public sector barley imports in 1997. The Government has also announced the elimination of tomato price support with effect from 1 January 1995.

Price Controls

The retail margins of fresh fruit and vegetables and the prices of many fresh and processed commodities have in the past been controlled by the Government. Margin controls and controls on prices of major fresh and processed foods (including eggs, olive oil, tomato paste, chickpeas and lentils) have recently been eliminated by the Government.

(a) Imports

Question 106.

Does Jordan intend to further raise its applied tariff rates on farm products or invoke any safeguard measure to curtail imports?

What is the average trade-weighted level of tariff protection on agricultural products?

Answer:

The average trade-weighted level of tariff protection on agricultural products according to the 1994 figures was 8.9 per cent.

Question 107.

How are prices determined for these goods? How are quantities imported determined? How do you intend to liberalize this system as part of your WTO accession?

Answer:

The quantities imported by the Government are to meet domestic demand. There is no pre-determined or fixed level for products imported by the Government. The quantities imported are to satisfy domestic demand. However, the Government through the Ministry of Supply has reduced

its import activity. It stopped importing sugar, corn and rice. Wheat is the only commodity is still imported by the Ministry of Supply. The process of liberalization has gone a long way in preparation for accession to the WTO.

Question 108.

In what way does the Ministry of Supply regulate imports and initial distribution of certain agricultural commodities? How does the Government of Jordan propose to change the Ministry of Supply's functions to bring them into compliance with WTO procedures?

Answer:

As explained in the answer to question 105 above, the private sector can import all agricultural products including wheat. As for initial distribution of these products imported by the Government, the wholesaler and the retailer buy directly what they need from the ware houses of the Ministry of Supply if they wish to do so, because they can buy it from the private sector importers. Wheat is still the agricultural commodity that is solely imported by the Government as the private sector seems reluctant to do so. The distribution of wheat is done in the same way as with other products.

Question 109.

What State importing agencies exist? How do domestic wholesale prices for farm products compare with import prices? Assuming State-trading entities import at world market prices then sell at local prices, how is the price differential accounted for? How are the profits used and losses funded?

Answer:

State importing agencies in Jordan and in accordance with the WTO definition are the Ministry of Supply, the Jordan Civil Consumer Corporation and the Agricultural Marketing Organization which is a marketing board. State-trading enterprises buy at world market prices and sell at a price that covers the import price and administrative costs. The Ministry of Supply sells to wholesalers at cost including import price, transport, insurance and storage. As for subsidized items sold to subsidy coupon holders with prices that are lower than local prices, the difference is covered by the Government. The Consumer Civil Corporation sells with a margin of profit that covers its administration expenses, but does not make any profit from its members who are government employees.

Question 110.

Assuming State-trading corporations import at world market prices then sell at local prices, how is the price differential accounted for? How do domestic wholesale prices for farm prices compare with import prices? How are the profits used and losses funded?

Answer:

Please see answer to question 107.

Question 111.

What is meant by "one brand of powdered milk"?

Answer:

The Ministry of Supply imports powdered milk that is packed in foil bags instead of tins to reduce the cost of the milk. This powdered milk is bought in bulk through public tendering from international markets to distinguish this milk from the international brands imported by the private sector, this milk has a local brand name "Halibuna". A literary translation of the word is "our milk".

Question 112.

Jordan has stated that private sector contractors are selected through a tendering process.

- (a) Are all private sector entities eligible to act as contractors and agents for the Ministry of Supply?**

Answer:

Any natural person or legal entity registered in the Ministry of Industry and Trade as an importer can participate in any tender offered by the Ministry of Supply. In addition, regional companies and offices can also take part in these tenders. Invitation for tenders are advertised in several newspapers, and participation in the tender is open for all those who meet the conditions of the tender. All tender conditions and specifications are usually stated in the tender document that can be bought from the Ministry of Supply by companies interested in participating, through their local agents and contractors.

- (b) Please provide a description of the tendering process by which private entities are selected.**

Answer:

1. The Ministry of Supply issues a tender invitation and advertises it in the local newspapers, specifying the goods to be supplied and the deadline for receiving the bids which are usually obtained from Ministry of Supply for a certain fee.
2. When a bid document is handed to the Ministry of Supply, it is first registered and then deposited in a safe box specially provided for that purpose.
3. After the final date specified for receipt of bids expires, the Tenders' Committee meets to open the bids. The tenders' safe box is opened in the presence of the Committee members. The information in each bid which includes the name of the bidder, quantity to be supplied, price, dates of shipments, origin of goods, and any other information is entered into a table for the purpose of evaluating the bids. The bid is to be accompanied by a bank guarantee for participating in the tender.
4. Minutes of the meetings are taken and signed by all Committee members and approved by the Minister.
5. Once the bidder is chosen, which is usually based on the least price provided that all conditions of the tender are met, he is informed of the decision by a letter signed by the Minister on the following day of opening the bids.

Question 113.

Please clarify the statements that the Agricultural Marketing Organization (AMO) determines on a quarterly basis which commodities can be imported and that imports of fruits and vegetables

from all non-Arab countries are allowed all year round? In addition, please provide specific justification for the required import approvals of other food and food products.

Answer:

The imports of all fresh fruits and vegetables from Arab countries with whom Jordan has bilateral trade agreements are subject to a quarterly plan issued by the Agricultural Marketing Organization, which determines commodities which can be imported.

Imports of all fruits and vegetables from the Arab countries with whom Jordan has protocol trade agreements are subject to product exchange agendas signed between these countries and the Government of Jordan represented by the Agricultural Marketing Organization. The product exchange agendas determine on a yearly basis the commodities that are allowed to be imported from each country and at what time. These measures aim at preventing excessive supply in the Jordanian market during the seasons of production, which would adversely affect farmers. During off-season, imports are allowed to make agricultural products available at reasonable prices. On the other hand, imports of all fruits and vegetables from all non-Arab countries are allowed all year.

Question 114.

Please prepare a draft agricultural country schedule including information on agricultural subsidy and price support policies and supply the background information documenting the designations to the Working Party. In this regard, Jordan should refer to WT/ACC/4.

Jordan's system of agricultural import quotas appears to be inconsistent with the provisions of the WTO Agreement. In light of this:

- **Does Jordan plan to liberalize its import system for wheat, sugar, rice and dried milk by opening imports to the private sector?**

Answer:

The private sector imports a variety of brands and kinds of powdered milk. One locally named brand "Halibuna" is imported by the Ministry of Supply and sold at subsidized prices for subsidy coupon holders. Imports of rice, sugar and wheat are now open to the private sector.

Wheat is still imported by the Ministry of Supply, the Government has allowed the private sector to import wheat especially after abolishing the wheat and flour subsidy but the private sector so far has not done so.

Question 115.

By what mechanisms does the Jordanian Government regulate and implement the importation of these products? Under what criteria?

Answer:

The importation of these products is now open to the private sector. The importer has still to get prior approval from the Ministry of Supply. After obtaining the prior approval the importer can proceed in the import activity as any other importer as explained in the answer to question 59.

Question 116.

Does Jordan intend to notify these imports and their importing enterprises under Article XVII?

Answer:

When Jordan accedes to the WTO it intends to provide the information required under Article XVII when required to do so.

Question 117.

What is the annual budgetary outlay for each of the products affected?

Answer:

(JD million)

	1994	1995	1996	1997
Wheat	39.5	53.7	42.3	0.7
Sugar	0.5	4.1	10.2	12.7
Rice	4.8	7.3	10.9	10.9
Dried milk	3.0	5.2	7.1	6.6

*Wheat and flour subsidy was abolished at the end of 1996.

Question 118.

For protocol trade, what is the relationship of the "quarterly plan" for these imports with the import permit system described in section 3.2.2.1 and 3.2.2.4 (WT/ACC/JOR/2)?

Answer:

The imports of fresh vegetables and fruits from Arab countries with whom Jordan has bilateral trade agreements are subject to a quarterly plan issued by the Agricultural Marketing Organization which determines the agricultural commodities to be imported during the quarter. Imports of all fruits and vegetables from the Arab countries with whom Jordan has protocol trade agreements are subject to product exchange agendas signed between Jordan and these countries. The product exchange agendas determine on a yearly basis, the commodities that are allowed to be imported from each country and at what time.

The quarterly plan and the yearly agendas are aimed at preventing excess supply in the Jordanian market during the production season of certain products. Imports of fresh fruits and vegetables from countries with bilateral and protocol trade agreements are subject to prior approvals which are considered import permits in themselves.

Question 119.

What HS lines are covered by the exemption of agricultural inputs from customs duties and application of the 5 per cent import fee?

Answer:

See tariff exemptions of agricultural products from the most recent HS tariff data provided in electronic form which are available in the Secretariat (Accessions Division, Room 1126) for consultation.

Question 120.

Could Jordan provide details of why imports of mineral water are prohibited (page 22 of WT/ACC/JOR/2)? How will Jordan ensure that this meets the obligations of the Agriculture Agreement?

Answer:

The sources of mineral water in Jordan are located in areas which are considered disadvantaged areas from a development prospect. To encourage investment in these products, protection was granted to mineral water industry. However, the Government is considering now lifting this ban and allowing the imports of mineral water.

Question 121.

We note that all imports of fresh fruits and vegetables are subject to a plan issued by the Agricultural Marketing Organization which determines on a quarterly basis the commodities which can be imported (page 22 of WT/ACC/JOR/2). Could Jordan please provide details of the seasonal restrictions applying to each fruit and vegetable product? Can Jordan confirm that there are no other restrictions of any kind on the import of fruit and vegetables?

Answer:

See answer to question 42 above.

Question 122.

Could Jordan provide details of any plans that it may have to eliminate weight restrictions on imported live sheep?

Answer:

Weight restrictions on imported live sheep reflect consumer preference for smaller lambs. However, the matter of slightly increasing weights of imported live sheep are under consideration keeping in mind consumer preference and demand.

(b) Exports

Question 123.

Does Jordan under its “export promotion” schemes grant export subsidies or other incentives for agricultural products?

Answer:

Jordan does not grant any export subsidies to agricultural products.

Question 124.

Regarding programmes for financing commodities stored for export purposes:

- Please give updated information on the Central Bank of Jordan allocations for these programmes during 1996.
- How do the interest rates charged compare to market interest rates?
- What products - on a commodity-specific volume and value basis - have been awarded these loans?
- Under what terms and conditions are the stored products exported or reintroduced into domestic commerce?
- How does Jordan intend to include these commodities in its agricultural export subsidy tables?

Answer:

The programme for financing commodities stored for export purposes was cancelled as of 1 January 1997.

Question 125.

How does Jordan intend to include these commodities in its agricultural export subsidy tables?

Answer:

See answer to question 122 above.

- (c) **Export prohibitions and restrictions**

Question 126.

We would be grateful for confirmation that restrictions on the export of ewes from Jordan have been lifted.

Answer:

This restriction has been removed in September 1996.

- (e) **Internal policies**

Question 127.

Concerning Agricultural Marketing Organization procedures:

How does the marketing organization work? Who determines "reasonable" prices? How do you plan to eliminate this programme under your accession?

Answer:

The Agricultural Marketing Organization (AMO) is an autonomous government entity entrusted with the formulation of agricultural marketing policies, development of marketing prospects for agricultural products domestically and internationally. It is run by a board of directors composed of representatives from the private and public sectors.

Whole prices of agricultural products are determined according to supply and demand forces in the whole sale markets for agricultural products. On the other hand retail prices used to be determined by a specialized committee that added a margin of profit to the whole sale price of each product to arrive at the retail price.

The Government abolished the fixing of the retail prices for agricultural products at the end of April 1997.

Question 128.

Are producers obligated to sell to the Government?

Answer:

Producers are not obligated to sell their products to the Government.

Question 129.

Is Jordan committed to further reducing the level of subsidy provided to agricultural producers upon WTO accession?

Answer:

If the calculations on agricultural subsidies prove that these subsidies are subject to reduction according to the Agreement on Agriculture, Jordan will look into the matter of reducing them.

Question 130.

Please also document export subsidy practices over the past ten years. Is there a new price liberalization and subsidy plan? If so, which products are covered?

Answer:

See answers to questions 83, 84, 87, 123 and 124.

Question 131.

Can Jordan confirm that the following measures have been abolished:

- (a) domestic fodder subsidies;**
- (b) the regulation of domestic fodder prices; and,**
- (c) the import of live animals contingent on investment in fodder?**

Answer:

- (a) A decision was taken in 1996 that ended such subsidies.
- (b) Does not apply any more.
- (c) Does not apply any more.

V. TRADE-RELATED INTELLECTUAL PROPERTY REGIME

1. General

(a) Intellectual property policy

Question 132.

What changes does Jordan anticipate in its laws to bring practices into conformity with WTO TRIPS provisions?

Answer:

Jordan is in the process of bringing its laws into conformity with WTO TRIPS provisions through amendment of some of the present laws and introducing new other laws. Currently, work is going on amending the Copyright Protection Law No. 22 of 1992, the Trademarks Law No. 33 of 1952 and the Patents Design Law No. 22 of 1953. A new draft law on competition will soon see its way to Parliament for discussion and approval.

Question 133.

How does Jordan's current regulation and enforcement of intellectual property rights match WTO requirements?

Answer:

There are adequate intellectual property laws in Jordan, however, they are currently under review and shall be amended so that they are compatible with WTO TRIPS requirements.

Question 134.

Currently only the intellectual property of Jordanian and foreign authors who register their work in Jordan are protected. Infringement of United States' intellectual property rights is not subject to any penalties at this time. How will this be addressed?

Answer:

The current Copyright Law gives protection to foreign authors including United States' authors who register their work in Jordan. The works of foreign (non-Jordanian) authors that are published abroad are protected in accordance with Article 53 of the current Law, by the principle of reciprocity and international conventions to which the country of the author and Jordan are both members. Jordan is now in the process of joining the Berne Convention.

2. Substantive Standards of Protection

(a) Copyright and related rights

Question 135.

Please provide a description of Jordan's laws on copyright protection. What rights are guaranteed by Jordanian copyright law, and to which categories of works do these rights apply? What is the term of protection?

Answer:

1. Article 3(a) and (b) of the current law classifies the works that are protected, as follows:
 - (a) works created in the fields of literature, art and science, whatever their nature, their importance or the purpose for which they were made, shall enjoy protection in accordance with this Law;
 - (b) the said protection shall extend to works expressed in writing, sound, drawing, painting or movement, and in particular:
 - (i) books, booklets and other written matter;
 - (ii) oral works such as lectures, speeches and sermons;
 - (iii) dramatic works; dramatic-musical and mimed works;
 - (iv) musical works, whether in written form or not and with or without accompanying works;
 - (v) audiovisual, cinematographic and broadcast works;
 - (vi) paintings, drawings, sculptures, engraving, and works of architecture and of applied and decorative art;
 - (vii) illustrations, maps, plans, diagrams, three-dimensional works relating to geography and topographical maps;
 - (viii) computer programs.
2. In accordance with Article 4, the person to whom the work is attributed on publication, whether by the mention of his name on the work or in any other way, shall be deemed to be the author in the absence of evidence to the contrary. The foregoing shall apply to pseudonyms, in so far as there is no doubt as to the true identity of the author.
3. In accordance with Article 8 the exclusive rights of the author are:
 - (a) to have his work attributed to him and to be named on all copies whenever his work is made available to the public, but not when the work is mentioned incidentally in the course of a news report on current events;
 - (b) to decide on the publication of his work and to determine the manner and date thereof;
 - (c) to make any modification to his work whether by alteration, editing, deletion or addition;
 - (d) to oppose any infringement of his work and to prevent any distortion, mutilation or other modification thereof, or any other act prejudicial to his reputation and honour; however, if such deletion, alteration, addition or other modification occurs in the translation of the work, the author shall not have the right to prevent it, save where the translator omits to specify the location of the modification or where the translation is liable to prejudice the reputation of the author and his cultural or artistic standing, or is detrimental to the content of the work;

- (e) to withdraw his work if there are serious and legitimate reasons therefore; in such a case the author shall be liable to pay fair compensation to the person to whom the economic rights have passed.
4. Article 9 identifies the financial rights of the author. The author shall have the right to exploit his work for gain in whatever manner he chooses. No other person may exercise that right without written authorization from him or his successors, which authorization shall include:
- (a) the right to print, broadcast or produce his work;
 - (b) the right to reproduce his work in any material form, including photographic or cinematographic reproduction, or recording;
 - (c) the right to translate or adapt his work, to transform it into a musical work, or to make any change therein;
 - (d) the right to authorize persons to utilize one or more copies of his work for exploitation by means of rental, lending or any other act serving to make the work available to the public;
 - (e) the right to convey his work to the public by means of recitation, exhibition, performance, radio or television broadcasting, cinematographic production or by any other means.
5. The terms of protection for the works of the author are covered as follows:
- (a) in accordance with Article 30, the works of the author shall be protected for his lifetime and for thirty years after his death or after the death of the last surviving co-author;
 - (b) in accordance with Article 31, the following works shall be protected for 30 years starting from the date of publication:
 - (i) cinematographic and television works;
 - (ii) any work whose author or rightholder is a legal entity;
 - (iii) any work published for the first time after the death of its author;
 - (iv) anonymous or pseudonymous works, provided that, if the author reveals his identity within the period of protection, that period shall commence on the date of the death of the author.
 - (c) in accordance with Article 32, the following works shall be protected for 15 years after the death of the author:
 - (i) computer programs;
 - (ii) translated works;
 - (iii) paintings, manuscripts, sculptures, drawings, pictures, architectural and geographical maps or topography, surface or three dimensional maps.

Question 136.

Is copyright protection afforded on a national treatment basis, and if it is not, what are the exceptions?

Answer:

According to Article 38 of the current law, each written work published or printed in the Kingdom for a Jordanian or non-Jordanian author shall be subject to the provisions of depositing prescribed in this law. Likewise, each written work published or printed outside the Kingdom for a Jordanian author, but distributed inside it, shall also be subject to the same provisions, provided that depositing be made at the Documentation Centre before offering the written work for sale or distribution in the Kingdom. However, a prospective amendment of the law adds a provision that non-depositing of a copyright work at the Centre does not affect the author's rights stipulated in this law.

Question 137.

Does Jordan plan to join the Berne Convention? What changes in the Copyright Law would have to be made to meet the requirements of the Berne Convention?

Answer:

Yes, Jordan plans to join the Berne Convention. Thus, it is expected to affect the changes in its Copyright Law in order to meet the requirements of the Berne Convention.

Question 138.

What changes in Jordan's copyright laws would be needed to meet the requirements of the TRIPS Agreement? What plans does Jordan have to bring its law into compliance with TRIPS?

Answer:

The following changes in Jordan's Copyright Law are needed to meet the requirements of the TRIPS Agreement: compilations of data (Article 10 of the TRIPS Agreement), term of protection (Article 12), limitations and exceptions (Article 13), protection of performers, producers of phonograms and broadcasting organisations (Article 14). This is in addition to matters regarding enforcement of copyright matters as stipulated in TRIPS Articles 41-61.

Question 139.

What system is in place for the enforcement of copyright, in both civil and criminal law? What is the average time frame for litigations of copyright infringement suits?

Answer:

Enforcement of copyright is stipulated in Articles 51 and 52 of the Copyright Law in addition to both the civil and criminal laws. It is very difficult to assess the average time frame for litigation of copyright infringement cases, as there has been no suits on record.

Question 140.

How are phonograms (sound recordings) and database compilations protected? Is computer software given copyright protection as a literary work?

Answer:

Phonograms (sound recordings) and database compilations are not protected in the current copyright law, however, phonograms are included in the amended version of the law under Article 7(b). Computer programs are given protection as a literary work according to the current Copyright Law.

Question 141.

How does Jordan's law treat rental rights? What works are subject to the requirement that authors and their successors in title may authorize or prohibit the commercial rental of originals or copies of their works?

Answer:

According to Article 9 of the protection of Copyright Law No. 22 for 1992, the author has the right to exploit his work for financial gain in whatever manner he chooses. No one else may exercise such right without written authorization from him or his successors. Paragraph (e) of the said article gives the author the right to let others use a copy or several copies of his original work and give them the right to convey it to the public by rental or lease or any other means. These works are protected according to paragraph (b) of Article 3 of the Copyright Law as explained in answer to question 128.

The proposed amendment to the Copyright Law added a new article that gives all producers of sound recording the right to allow or prohibit the direct and indirect copying of their sound recordings, or rental of the original copies of recording.

Question 142.

What is the scope of compulsory licensing of copyrightable works? Under what conditions would compulsory licences be granted?

Answer:

Article 11 of the protection of the Copyright Law allows any person, upon obtaining licence from the Minister of Culture to translate the work into Arabic, provided one year has elapsed since the date of request he made to the author to or others who translated the work into a foreign, language to translate the work into Arabic. This is also conditional on the fact that neither the author or those who translated it to a foreign language did not authorize others to translate it into Arabic during the one year period. Once the person gets licence to translate the work into Arabic, the author or the person whom he authorized to translate the work into a foreign language, is entitled to a fair compensation from the person that was licensed by the Minister of culture to translate the work into Arabic.

This article was changed in the proposed amendments to the protection of Copyright Law, so that the rules concerning granting of licences for translation or copying are compatible with the regulations of the Annex to the Berne Convention relating to developing countries.

Question 143.

The Government of Jordan announced in 1994 that it will give priority to protecting computer software and other copyrights, but no action has been taken. When and how will enforcement of copyright protection occur?

Answer:

Jordan has amended the Copyright Protection Law No. 22 of 1992. The amendments take care of the provisions and obligations of the Berne and TRIPS Agreements, and of software protection and other copyrights. The amended law was approved by the Council of Ministers and forwarded to Parliament for their consideration and deliberations.

(b) Trademarks, including service marks

Question 144.

What changes in Jordan's law are necessary for compliance with TRIPS trademark obligations? When will such changes be made?

Answer:

The current trademarks law have been amended for compliance with TRIPS trademark obligations. The changes include:

- introduction of protection for service marks, well known marks and collective trademarks;
- increase of the period of no-use for a trademark from 2 years to 3 years;
- introduction of compulsory licensing for trademarks;
- introduction of punishment for infringement on well known marks;
- allowing assignment of a trademark with or without good will.

Question 145.

Does trademark protection apply to services as well as to goods?

Answer:

The current trademarks law does not protect service marks. However, the amended law includes such a protection.

Question 146.

What rights are granted to the owner of a trademark?

Answer:

A registered trademark gives the owner the following protection:

- the exclusive right of use;
- the right to licence other people to use for annual fees;
- right to file criminal and civil cases in the courts of law.

Question 147.

What is the definition and scope of protection of a well-known mark?

Answer:

There is no definition for a well-known mark in the current law.

Question 148.

To what extent does a well-known mark not registered in Jordan receive protection?

Answer:

The owner of a well-known mark not registered in Jordan can file an objection to the Trademark Registrar at the Ministry of Industry and Trade to obstruct the registration of such a mark. If the mark had been registered already he can request its cancellation within a period of five years from the day the registration of that mark took effect. He can also file a civil case in law courts in Jordan regarding infringement of the use of well-known mark for the same kinds of goods.

Question 149.

What specific rights does the owner of an unregistered mark have?

Answer:

The owner of an unregistered mark has the following rights:

- objection to the initial request for registration of the trade mark within three months from its publication in the Official Gazette;
- the right to demand the cancellation of the mark registration if he is the owner of the mark in his country, and within five years from the actual registration of the mark in Jordan provided that such a mark had been used on his goods that are traded in Jordan, i.e. the Jordan public know that such goods are of foreign origin;
- right to file a civil court case demanding compensation for damages and losses because of the unauthorized use of the mark, and to demand action to put an end to such infringement.

Question 150.

What is the role of the Jordanian authorities in infringement actions?

Answer:

1. The Trademark Registrar and the Higher Court of Justice deal with objection to registration of trademarks and cancellation of such marks.
2. Civil and criminal courts deal with cases concerning infringement on the use of a registered trademark. Civil courts can deal with cases concerning infringement on the use of unregistered trademark.
3. Customs officials have the right not to allow the entry of goods that its trademark has been infringed upon, provided that a final decision has been taken regarding such a matter.

Question 151.

On what grounds may the Jordanian authorities refuse to register a mark?

Answer:

Article 8 of the law defines the cases when a mark cannot be registered.

The following marks are not capable of registration as trade marks:

- representations of royal arms or royal crests, or arms or crests so nearly resembling them as to lead to mistake, or the word "royal" or any other words, letters, or devices calculated to lead persons to think that the applicant has royal patronage;
- public armorial bearings, crests, insignia, or decorations of the Hashemite Kingdom of Jordan or foreign States or nations, unless authorized by the competent authorities;
- official hall marks or signs indicating an official warranty; unless put forward or authorized by the competent authority owning or controlling the mark;
- representations of the national flag or the flags, military or naval, of the Hashemite Kingdom of Jordan or its honorary decorations or insignia of national military or naval flags;
- marks which contain the following words or terms: "patent", "patented", "by Royal Letters patent", "registered", "registered design", "copyright", "to counterfeit this is a forgery", or words to like effect;
- marks which are contrary to public order or morality or which are calculated to deceive the public; or marks which encourage unfair trade competition, or contain false indications of origin;
- marks consisting of figures, letters or words which are in common use in trade to distinguish or describe kinds of goods or their classes; words whose ordinary signification is geographical or a surname, unless represented in a special manner; provided that nothing herein contained shall be deemed to prohibit the registration of marks of the nature described in this paragraph which have a distinctive character within the meaning of sub-sections 2 and 3 of section 7;
- marks identical with or similar to emblems of exclusively religious significance;
- marks which contain the picture, name or the trade name of a person, or the name of a body corporate or of an association, unless the consent of the person or persons concerned has been obtained; in the case of persons recently dead the registrar may call for consents from their legal representatives;
- a mark, identical with one belonging to a different proprietor, which is already on the register in respect of the same goods or class of goods it is intended to register such trademark, or so nearly resembling such trademark as to be calculated to deceive;
- marks which are similar or identical to the insignia of the Red Crescent, or Red Cross on a white background or the insignia of the Red Cross or the Cross of Geneva.

Question 152.

Are there minimum/maximum limits on penalties for trademark infringement?

Answer:

Article 38 of the law defines the minimum and maximum penalties for trademark infringement as follows:

- any person who with intent to deceive, commits or attempts to commit or aids or incites any other person in committing any of the following acts shall be liable upon conviction to imprisonment for a period not exceeding one year or to a fine not exceeding one hundred dinar, or to both such penalties:
 - (a) not being the proprietor thereof makes use of a trademark registered under this Law or of an imitation of such trademark upon the same class of goods as that in respect of which the mark is registered;
 - (b) sells, stores for the purposes of sale, or exposes for sale, goods bearing a mark the use of which is an offence under paragraph (a);
 - (c) uses a mark duly registered by another person under this Law for the purpose of advertising goods of the same classification as those for which registration has already been obtained by another person;
 - (d) makes, engraves, prints, or sells, any plate, die, block, stamp or other representation of a duly registered mark or any other imitation thereof for the purpose of enabling any person, other than the registered proprietor of such mark, to make use of such mark or an imitation thereof in connection with goods of the same classification as those for which registration has already been obtained by another person;
 - (e) makes or causes to be made a false entry in the register kept under this Law, or makes or causes to be made a writing falsely purporting to be a copy of an entry in any such register, or produces or tenders or causes to be produced or tendered in evidence any such writing, knowing the entry or writing to be false.

Question 153.

Does registration of a mark satisfy notice of the exclusive right of the right holder to potential infringers? Does a right holder have to give actual notice to an infringer before the infringer is liable? Or is registration of the mark sufficient?

Answer:

The registration of a mark in the name of the right owner gives him the exclusive right to stop infringement or piracy on his mark in criminal and civil courts. He can start court procedures to stop infringement on his mark as soon as he learns of such infringement without serving a notice to the infringer.

Question 154.

For what period of time are trademark registrations valid? May registration be renewed indefinitely?

Answer:

The period of first registration is 7 years. Renewal of periods is indefinite for a duration of 14 years each time. In the amended new law the duration of the first registration and the renewal periods is 10 years for each.

Question 155.

Does Jordan's law contain a use requirement to maintain trademark rights? If so, after what period may a mark be cancelled for non-use?

Answer:

The continuation of registration of a trademark is tied to its use. There is a two-year grace period of non-use. In the amended law the period has been increased to 3 years.

Question 156.

Does Jordan's law allow for registration of identical or similar marks for the same or related goods to different parties?

Answer:

The current law does not allow the registration of identical or similar trademarks for the same goods or any other protected related goods if the owner of the mark has asked for such a protection.

Question 157.

Is the recordation of an assignment mandatory? If so, what are the ramifications of not recording an assignment?

Answer:

The recordation of an assignment is compulsory according to the law. Any delay in recording such an assignment within six months entails payment of a fine on the recordation fees. In addition, he cannot file a court case unless he records the assignment at the Trademark Registrar in the Ministry of Industry and Trade.

Question 158.

To what extent may decisions of the trademark registrar be appealed in a court of law?

Answer:

All decisions of the Trademark Registrar can be appealed at the Higher Court of Justice.

Question 159.

Does Jordanian law permit the compulsory licensing of a trademark?

Answer:

The current law does not permit compulsory licensing for the use of registered trademarks.

(d) Industrial designs

Question 160.

What form of protection does Jordan provide for industrial designs?

Answer:

The Law for Patents and Industrial Design gives protection to industrial designs in civil and criminal courts.

Question 161.

What is the term of protection?

Answer:

The period of protection is 15 years provided in 3 equal terms.

Question 162.

Does Jordan expect to make any modifications to its laws to implement the industrial design provisions of TRIPS?

Answer:

Jordan is considering to draft an amended law for industrial designs with help from WIPO.

Question 163.

Does Jordan protect textile designs? If so, does it do so through industrial design law, or through copyright law?

Answer:

It can be protected through the industrial designs law or through the copyright law. The classification depends on the purpose of utilisation of the designs.

(e) Patents

Question 164.

What subject matter is excluded from patentability under Jordanian law?

Answer:

According to Article 2 of the Patents Law No. 8 of 1986 "A patent of invention may not be granted in respect of chemical products relating to medical drugs, pharmaceutical compositions of foods except when such products are made according to particular chemical methods and processes. In such case, the patent shall not apply to the finished form of any of these products, but rather to the manufacturing process only".

Question 165.

Is Jordanian law currently in conformity with the TRIPS Agreement? If not, what plans does Jordan have to bring its system into conformity, and in what time frame?

Answer:

At the moment there are some variations between the Jordanian Patent Law and the TRIPS Agreement. However, the Patent Law is under review with a view to its amendment according to the provisions of the TRIPS Agreement.

Question 166.

Does the Jordanian Patent Law provide all the rights listed in Article 28 of TRIPS with respect to product and process patents? If not, what rights are not available?

Answer:

The current Jordanian Patent Design Law does not provide the owner of a patent the rights listed in (a) and (b) of paragraph 1 of Article 28 of the TRIPS Agreement concerning his exclusive right to prevent a third party from making, offering for sale, selling or importing the product or the process resulting in that product without his consent.

Question 167.

Are there any restrictions on a patent owner's rights to assign, transfer, licence rights under a patent?

Answer:

There are no restrictions on a patent owner's rights to assign transfer, licence rights under a patent except in the case of invention patents of military significance. The patent owner's rights are clearly specified in Article 4 of the Law: "Without prejudice to any other conditions provided for herein, the first original inventor of any new invention shall be granted a patent which confers upon him the absolute right to use, exploit, utilize, manufacture, produce, prepare, sell such invention or grant licences to others for any of these purposes".

Question 168.

Under what conditions may compulsory licences, including those for use by the Government or third parties authorized by the Government, be granted? Will modifications be needed to implement the provisions outlined in Article 31 of TRIPS?

Answer:

Under Article 22(1) of the Law "Any person interested may present a petition to the Registrar alleging that the reasonable requirements of the public with respect to a patented invention have not been satisfied and ask for the grant of a compulsory licence, or in the alternative, for the revocation of a patent".

Some modifications will be required to implement the provisions outlined in Article 31 of the TRIPS Agreement by eliminating the provisions of the law that now subject patents to compulsory licences if the patented invention is not produced locally and putting more stringent conditions on use of a patented invention without the authorization of the right holder.

Question 169.

Please elaborate on the role of the Patent Office in documenting licensing agreements and transfer of technology contracts, as mentioned in section VII.1. of WT/ACC/JOR/2.

Answer:

The Patent Office does not play any current role in documenting licensing agreements and transfer to technology contracts due to the small number of patents filed per year and the scarcity resources. However, there are serious intentions to promote the industrial property system and procedures at the Patent Office in the near future.

Question 170.

What is the size of the examining core in Jordan's Patent Office? How many applications are submitted annually? What is the average pendency period for an application?

Answer:

There are no examiners at Jordan's Patent Office, as no formal examination is conducted for patents belonging to foreigners who had filed applications for their patents abroad. Formal examination is conducted only on patents belonging to Jordanians and those filed for the first time in Jordan and these are usually conducted at various scientific research centres. There has been approximately 70 applications being submitted annually since 1994 and the pendency period for an application is approximately one year.

Question 171.

How many patents have been issued to date? In what technological categories?

Answer:

There has been 1,935 patent applications issued in Jordan up to the end of January 1997. The foreign patents issued have been concentrated in the following technological categories: pharmaceuticals, chemicals, solar energy, constructional materials, machinery and mechanics. While the patents issued for nationals concentrated on the following technological categories: public safety, solar energy, electrical equipment, chemicals and mining.

Question 172.

How long has the patent office been in operation?

Answer:

The Patent Office has been in operation since 1953.

Question 173.

What opportunities exist for judicial review of a decision to revoke a patent, as required by Article 32 of the TRIPS Agreement?

Answer:

Only in the cases if a grave mistake has occurred in taking the decision to revoke a patent then the Supreme Court will meet as a general assembly and re-examine the case.

Question 174.

If Jordan does not currently extend patent protection to pharmaceutical and agricultural chemical products, what plans does Jordan have to comply with the provisions of TRIPS Article 70.8 and 70.9?

Answer:

Jordan plans to amend its current law to extend patent protection to pharmaceuticals and agricultural chemical products.

(g) Layout designs of integrated circuits

Question 175.

Does Jordan protect layout designs?

Answer:

There is no law to protect layout designs.

Question 176.

What is the term of protection?

Answer:

There is no protection for layout designs.

Question 177.

What rights are extended to the right holder?

Answer:

No rights are extended to the right holder as there is no law to protect layout designs.

Question 178.

What changes must be made to bring Jordan's law into conformity with TRIPS obligations?

Answer:

Jordan is planning to join the Washington Treaty on Intellectual Property in Respect of Integrated Circuits of 1989, during a period of 7 years.

(h) Requirements on undisclosed information

Question 179.

Does Jordan protect trade secrets? If so, in what form?

Answer:

There is no special law for protection of trade secrets. However, the civil law provides a similar kind of protection through compensation for damages and losses if the owner of a trade secret can prove that such damage has been inflicted on him.

Question 180.

Are changes necessary to implement the TRIPS obligations?

Answer:

The Government is considering the possibility of introducing such changes.

3. Measures to Control Abuse of Intellectual Property Rights

Question 181.

Does Jordan have any laws that would fall into the anti-competitive practices provisions of Article 40 of TRIPS? If so, please specify?

Answer:

The current Jordanian Patents Design Law handles the issue of control over competition in licensing. Article 22/3 of the Law stipulates that the court of law can order the owner of a patent to grant a licence for use of his patent, provided that three years have elapsed since the date of being granted the patent for his invention. The amended trademarks law will address the issue of contractual licensing in trademarks.

Question 182.

Are there any restrictions on the licensing of intellectual property, on either domestic or foreign nationals?

Answer:

As far as the current Jordanian laws are concerned there are no restrictions on the licensing of property rights for domestic or foreign nationals.

4. Enforcement

Question 183.

Does Jordan provide the full range of relief required by TRIPS, including injunctive relief, damages, seizure and destruction of infringing goods, provisional relief, border relief and criminal sanctions?

Answer:

The Commodities Mark Law No. 19 of 1953 provides such relief required by TRIPS.

Question 184.

In each case, indicate under what law such protection is provided, and whether amendments will be required to fully implement Articles 41-61 of TRIPS?

Answer:

We need to amend the Merchandise Law to give protection to service marks, well-known and collective marks.

VI. TRADE-RELATED SERVICES REGIME

2. Policies Affecting Trade in Services

Question 185.

Please describe and provide English translations of Jordanian laws and regulations governing international participation in its services sector. In particular, please provide a copy of Companies Law No. 1 of 1989 and the Investment Promotion Law.

Answer:

The new Companies Law became effective at the end of April 1997. No translation in English is presently available.

3. Specific Sectors

(b) Telecommunications services

Question 186.

Concerning prior approvals for telecommunications equipment:

How does the process work for the import of these products? Is prior approval also required for businessmen who travel with these products into Jordan?

Answer:

Prior approval is not required.

Telecommunication Regulatory Commission (TRC) sends a periodical report to the Customs Department including a list for all terminal equipment which is approved by TRC. This is to facilitate the process of approval for any one travelling with any of these products. Any person holding a product within that list does not need to contact TRC for approval.

Question 187.

Why is prior approval required for telecom equipment? Is there a difference between Jordanian technical specifications and other international standards for such equipment?

Answer:

To ensure that equipment connected to PSTN system will neither adversely affect any PSTN system nor interface with the service available to the users of PSTN system and to protect the users from the hazards that may arise from the connection of the equipment to that system especially if it does not meet the required standards.

Jordanian technical specifications are similar to most International standards such as FCC, BSI.

VII. INSTITUTIONAL BASE FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES

1. Bilateral or Plurilateral Agreements Relating to Foreign Trade in Goods and Trade in Services

Question 188.

Please list the countries or other economic regions that receive preferential trade treatment of any type, including investment and trading rights.

Answer:

Preferential treatment given by the bilateral agreement with the following countries:

- Egypt:

the main objective of the agreement is to create a free trade area by the year 2005. Customs duties and other equivalent taxes will be reduced by 10 per cent annually on all tariff lines except for some 48 products comprising 1,450 six-digit tariff lines which are temporarily excluded from the Agreement. Agricultural products also fall under the reduction of ten per cent annually with the exception of a number of fruits and vegetables which are subject to specific seasonal restrictions;

- Qatar:

the bilateral agreement exempts the agricultural products and the natural resources exchanged between the two countries from customs duties. In addition to that, the agreement stipulates that the Joint Committee shall agree on two lists of industrial products to be exempted from customs duties;

- Oman:

it provides free movement for the agricultural and livestock products and fish products;
- Kuwait:

it provides for free movement for agricultural and livestock products. Customs duties and other equivalent taxes have been reduced by 20 per cent annually on a specific list of industrial products. This list enjoys duty free movement now, but trading is extremely limited now;
- Bahrain:

full free-trade area agreement;
- Saudi Arabia:

it grants duty free treatment for some 166 products;
- Libya:

it provides free movement for all products originating in both countries;
- Sudan:

it grants customs duties exemptions for agricultural, livestock and industrial products, but trading is extremely limited;
- Syria:

it grants customs duties exemptions for agricultural, natural resources and industrial products;
- Palestinian National Authority:

it grants duty free access for two lists with a total of 60 products originating in the Palestinian Territories. It covers mainly processed industrial supplies, parts and accessories for capital goods, consumer semi-durable and food for household consumption;
- Israel:

it grants a 10 per cent tariff reduction for 66 products originating in Israel. This list comprised mainly processed industrial supplies, capital goods and parts for capital goods, consumer semi-durable and food for household consumption.

In addition, it is worth mentioning that Jordan lately initiated dialogue with most of these countries to end protocol trade and move towards free trade on bilateral basis.

The second part of the question concerning Investment Agreements:

Jordan signed bilateral Investment Promotion and Protection Agreements with the following countries:

Germany, France, Turkey, Switzerland, Malaysia, Romania, the United Kingdom, Tunisia, Yemen, Egypt, Italy, Algeria, Indonesia and the United States of America.

Question 189.

Please confirm Jordan's current status vis-à-vis implementation of the Arab League boycott of trade with Israel, with reference to the primary, secondary, and tertiary aspects of this programme.

Answer:

Law No. 11 for 1995 "Economic Boycott and Prohibition of Dealing with the Enemy" in its Article 9 cancelled the three Laws and their amendments that boycotted Israel and prohibited dealings and trading with Israel.

Question 190.

We refer to Jordan's bilateral agreements with Arab countries, under which customs duty exemptions are granted to specific goods according to trade protocols (page 31 of WT/ACC/JOR/2). Could Jordan provide details of any plans that it may have to eliminate the customs duty exemptions which remain in force under its bilateral trade protocols?

Answer:

Jordan lately initiated discussions with most of these countries to put an end to protocol trade and more towards free trade on a bilateral base.

2. Economic Integration, Customs Union and Free-Trade Agreements

Question 191.

What is the status of the Jordan/European Communities partnership agreement negotiation?

Answer:

This partnership agreement shall reach into a free-trade area after 12 years from the date of entry into force. It provides for entry of all Jordanian industrial products and natural resources duty free status into the European Communities' market. European Communities' industrial products shall have access to the Jordanian market based on annual duty reduction over the 12 years implementation period.

The agreement will exclude some products originated in the European Communities from the preferential treatment. Agricultural products will have a different set of measures for entry into European Communities Market. The agreement covers trade in services as well as social and cultural affairs and financial cooperation.

Question 192.

Please describe more fully the preferential arrangements with other Arab countries, especially the scope and nature of the preferences, both with regard to tariff duties and with other restrictions. Please elaborate on the product coverage for these agreements. Do these agreements cover substantially all trade?

Answer:

See answer to question 188. In addition, these agreements do not govern all trade between Jordan and the other Arab countries party to the bilateral agreement unless it is a free-trade agreement.

Question 193.

Please outline the current status of negotiations for a free-trade area agreement with Israel.

Answer:

Jordan and Israel concluded a bilateral trade agreement on 25 October 1995 based on preferential treatment for goods and products originating in both countries. The free-trade area agreement was not on the negotiation agenda and it is not decided yet when it will be discussed between the two sides.

Question 194.

We have a number of questions in relation to the Agreement for Facilitating Trade Exchange Among Arab States (page 31 of WT/ACC/JOR/2):

(a) Is the Agreement fully implemented? If not, when will this occur?

Answer:

The Agreement is not fully implemented.

The Arab League/Economic and Social Council (ESC) is executing the decision that has been agreed upon in the Arab Summit held in June 1996, to establish a free-trade area. To carry out this decision, the ESC had reviewed the Agreement in order to replace it by the new free trade area agreement. In fact the work on the new FTA is under way.

(b) What proportion of Jordan's trade with the other parties is exempted from customs duties and taxes?

Answer:

Since the Agreement is not implemented by most members, it is difficult to define the volume or percentage of trade between Jordan and the other Arab countries that benefit from tariff exemptions and reductions.

(c) Are there any product areas which are exempted from coverage by the Agreement?

Answer:

The following are the tariff lines by CCCN benefiting from tariff exemptions under the Agreement for Facilitating and Developing Trade Exchange Among Arab Countries.

- A. Agricultural and livestock products:
 - 1. Chapter 1. 01-03 (Pigs) to be excluded.
 - 2. Chapter 2. 02.05 (Pork meat) to be excluded
 - 3. Chapter 3. The whole chapter.
 - 4. From chapter 4.04.01 - 04.06.

5. Chapter 5. The whole Chapter.
6. Chapter 6. The whole chapter.
7. Chapter 7. The whole Chapter.
8. From chapter 8. 08.01-08.09&08.11-08.13.
9. From chapter 9. 09.01, 09.04 and 09.09.
10. Chapter 10. The whole chapter.
11. From chapter 11. 11.01-11.07 and 11.09.
12. Chapter 12. The whole chapter.
13. From chapter 13- 13.02.
14. Chapter 14. The whole chapter.
15. From chapter 15- 15.02, 15.03, 15.05,15.06, 15.07.

B.

1. Chapter 25

	25
	25.01
From	25.02
	25.03
	25.04
	25.05
	25.06
	25.07
	25. 08
	25.10
	25.11
	25.12
From	25.13
From	25.14
From	25.15
	25.16
	25.17
	25.18
From	25.19
From	25.20
	25.21
	25.22
	25.24
	25.28
From	25.26
	25.27
2. Chapter 26. The whole chapter.
3. From chapter 27: 27.01- 27.04
4. From chapter 40: 40.01 and 40.04
5. From chapter 41: 41.01 and 40.09
6. From chapter 43: 43.01.
7. From chapter 44: 44.01 - 44.05 and 44.12
8. From chapter 45: 45.01.
9. From chapter 50: 50.01-50.03
10. From chapter 53: 53.01-53.04
11. From chapter 54: 54.01-54.02
12. From chapter 55: 55.01-55.04
13. From chapter 57: 57.01

- grapes From 57.02 and Jute from 57.03.
14. From chapter 73: 73.01-73.05.
 15. From chapter 74: 74.01-74.02.
 16. From chapter 75: 75.01.
 17. From chapter 76: 76.01.
 18. From chapter 77: 77.01.
 19. From chapter 78: 78.01.
 20. From chapter 79: 79.01.
 21. From chapter 80: 80.01.
 22. From chapter 81: all the raw materials in this chapter.
 23. Chapter 47 The whole chapter.

Concerning the industrial products, the following products (tariff lines) are agreed to be exempted from customs duties and other duties:

1.	Capsules Gelatin	19.07
2.	Preparations of Kinds used in animal	23.07
3.	Gypsum	25.20
4.	Sulphonitric Acids	28.08
5.	Caustic Soda	28.17
6.	Ethylene	29.01
7.	Methanol	29.04
8.	Antisera and Vaccines	30.02
9.	Medicaments for therapeutic or prophylactic uses	30.03
10.	Ammonium Sulphate	31.02
11.	Urea	31.02
12.	Plastic Granules	39.01
13.	Polypropylene	39.02
14.	Polystyrene	39.02
15.	Cotton Yarns and Mixed	55.05/55.06.
16.	Rock wool	68.07
17.	Ceramic Pipes Conduits Guttering and pipe fittings	69.06
18.	Float Glass and Surface Ground or Polished	
	Glass in sheets	70.05/70.06
19.	Electrical Wires and Cables	85.23
20.	Medical Syringes (Plastic)	90.17

- (d) Is trade between Jordan and the other parties subject to quotas, bans and other quantitative restrictions, or are there exemptions from such measures under the Agreement?**

Answer:

The Agreement eliminates all the non tariff measures, quotas, bans and other quantitative restrictions.

- (e) What are the additional exemptions that are currently being discussed? Why will these be subject to duty reductions rather than duty exemptions?**

Answer:

See answer to part (a) above.

(f) Are there any plans to extend the Agreement to new members?

Answer:

See answer to part (a) above.

(g) Does the Agreement cover only goods, or does it also cover trade in services? Are there any plans to extend it to cover services?

Answer:

There are no specific provisions in the Agreement covering trade in services.

(h) Are there plans that the Agreement should be converted to a customs union?

Answer:

See answer to part (a) above. In addition to that and in its Article 8, paragraph 1, the Agreement stipulates that all the countries members to the Agreement should negotiate imposing minimum unified tariff level on the imported products from other countries.

(i) What provisions are there in the Agreement in relation to export restrictions and export subsidies?

Answer:

It does not mention the export subsidies. No export restrictions but it does restrict the re-exporting.

(j) Does Jordan consider the Agreement to be in conformity with Article XXIV of the GATT and, if relevant, Article V of the GATS?

Answer:

(a) This Agreement is leading to the formation of a free-trade area.

Given this fact, the Agreement falls within the provisions of the GATT and does not deviate from Article I (MFN), for the following reasons:

- Article I, paragraph 5 reads “The provisions of paragraph 1 shall not apply to preferences between the countries formerly a part of the Ottoman Empire and detached from it on 24 July 1923”. Most of the countries parties to the Agreement are countries formerly a part of the Ottoman Empire.
- Article XXIV, paragraph 5 reads “Accordingly, the provisions of this Agreement shall not prevent, as between the territories of the contracting parties, the formation of a customs union or free-trade area or the adoption of an interim agreement necessary for the formation of a customs union or of a free-trade area”.

To this end, the new Free-Trade Area Agreement which is under process to replace the Agreement Facilitating and Developing Trade Exchange Among Arab countries will be notified

to the members when the final agreement between the Arab States is reached, in accordance with Article XXIV paragraph 7(a) of the GATT.

- Enabling clause permits developing countries to grant preferences to each other without any regard to Article I and Article XXIV. Given that, most of Arab countries are parties to this Agreement are categorized to be developing countries and the rest of these countries are categorized to be least developed countries.

(b) There are no specific provisions in the Agreement covering trade in services.

Question 195.

We refer to the value of Jordan's imports from the world in the most recent three years for which trade statistics are available, and to the value of Jordan's imports from members of the Agreement for Facilitating and Developing Trade Exchange Among Arab States in those years.

- (a) **What percentage of the value of Jordan's imports from the world was represented by imports from members of the Agreement for Facilitating and Developing Trade Exchange Among Arab States?**

Answer:

During the years 1993-1995 Jordan's imports from the members of the Agreement for Facilitating and Developing Trade Exchange Among Arab Countries (AFDTE) represented 19 per cent to 22 per cent from its total imports as shown in the table below.

On the other hand its domestic exports to these countries in proportion to its total domestic exports ranged between 37 per cent to 43 per cent.

Jordan's Trade with the Members of the Agreement for Facilitating and Developing Trade Exchange Among Arab Countries

(in JD million)

		1993	1994	1995
1-	Total Imports	2454	2362	2590
2-	Imports from AFDTE members	468	491	573
3-	(2 over 1, percentage)	19%	21%	22%
4-	Total Export	691	794	1004
5-	Exports to AFDTE members	253	318	433
6-	(5 over 4 percentage)	37%	40%	43%

- (b) **What percentage of the value of Jordan's imports was represented by imports which had entered on a preferential basis (whether duty free or at lower rates of duty than the rates imposed on imports from third countries) under the provisions of the Agreement for Facilitating and Developing Trade Exchange Among Arab States which were in force during those years.**

Answer:

It is difficult to define what percentage of the value of its imports from or exports to members were concluded on preferential basis. Though it is not expected to be high as the Agreement is not fully implemented by the member countries.

Question 196.

We would appreciate details of Jordan's plans to negotiate an agreement with the European Communities. We would also appreciate details of any other free-trade areas or customs unions that Jordan is considering. For each of these could Jordan advise:

- details of the intended product coverage at the end of the implementation period;
- details of the exempted areas within the agreement;
- details of the areas in which preferential trade is expected to be completely duty free at the end of the implementation period;
- when the negotiations are expected to be concluded;
- the amount of time that is expected to be taken to fully implement the agreement; and
- whether the agreement is to cover trade in services as well as goods?

Answer:

This partnership agreement shall lead to a free-trade area after 12 years from the date of entry into force. It provides for entry of all Jordanian industrial products and natural resources duty free status into the European Communities' market. The European Communities' industrial products shall have access to the Jordanian market based on annual duty reduction over the 12 years implementation period. However, the scenarios of duty reduction have not been finalized yet.

The agreement will exclude some products originating in the European Communities from preferential treatment.

Agricultural products will have a different set of measures for entry into European Communities' market. The agreement covers trade and services as well as social and cultural affairs and financial cooperation.

ANNEX 4

Information on Implementation and Administration of the Customs Valuation Agreement

1. Questions Concerning Article 1

(a) Sales between related persons

(i) Are sales between persons subject to special provisions?

According to the current Customs Law the price agreed upon must not be affected by any commercial, financial or other relationships between the seller and his partner other than those arising from the sale itself. The Law also defines the business partners as any two persons of whom one has interest in the business of the other, or when both have a joint interest in any business, or when some third person has an interest in the business of any of them, whether these two partners were natural or physical persons. The proposed Custom Draft Law will include rules similar to those in Article 1 of the Customs Valuation Agreement.

(ii) Is the fact of intercompany prima facie considered as grounds for regarding the respective prices as being influenced?

Under the current Customs Law they are considered so.

However, in the proposed Customs Draft Law the Jordanian measures in this respect will comply with requirements of the Customs Valuation Agreement.

(iii) What is the provision for giving the communication of the above-mentioned grounds in writing if the importer so requests? (Article 1.2(a))

The current Customs Law does not include any such provision.

(iv) How has Article 1.2(b) been implemented?

The current Customs Law does not have any such provision. But the provisions of Article 1.2(b) are incorporated into the Customs Draft Law.

(b) Price of lost or damaged goods:

There are no provisions or practical arrangements in the Jordanian customs law regarding the valuation of lost or damaged goods.

2. How has the provision of Article 4 to allow the importer an option to reverse the order of application of Articles 5 and 6 been implemented?

Such a provision is included in the Customs Draft Law.

3. How has Article 5.2 been implemented?

The current Custom Law practices are sometimes based on comparing it to the value of a product that was sold after additional processing has taken place i.e. sold in a form different from the form when it was imported. In the future the customs practices will comply with Article 5.2.

4. How has Article 6.2 been implemented?

The concept of computed value is not used by customs authorities in Jordan because of the difficulty of identifying the inputs and their values.

5. Questions concerning Article 7:

(a) What provisions have been made for making value determinations pursuant to Article 7?

The Customs Draft Law has provisions that refer to instructions that will be issued in the Official Gazette explaining how to determine the value of the imported goods that cannot be determined according to Articles 1-6. It is expected that such instructions will comply with the spirit of Article 7.1 and 7.2 and the Interpretative Notes in Annex 1 of the Agreement.

(b) What is the provision for informing the importer of the customs value determined under Article 7?

The Customs Draft Law includes an article stipulating that the importer shall be informed in writing, upon his request, of the determined value in accordance with Article 7 and of the means used to determine this value.

(c) Are the prohibitions found in Article 7.2 delineated?

The instructions that will be issued, once the Law is passed by the legislative authority, will include a list of all the prohibitions referred to in Article 7.2.

6. How have the options found in Article 8.2 been handled? In the case of f.o.b. application, are ex-factory prices also accepted?

According to the Customs Draft Law the custom value will be determined on the basis of C.I.F. including all the items referred to in Article 8.2.

7. Where is the rate of exchange published, as required by Article 9.1.?

The exchange rates of foreign currencies against the Jordan dinar are published in the Monthly Statistical Bulletin of the Central Bank of Jordan.

8. What steps have been taken to ensure confidentiality, as required by Article 10?

The Customs Draft Law includes an Article that subjects any one who discloses any confidential information to others, to questioning and punishment.

9. Questions concerning Article 11:

(a) What rights of appeal are open to importer or any other person?

In the Customs Draft Law the importer or his representative is guaranteed the right of appeal on customs valuation without being subject to penalty, in front of an appeal committee composed of senior customs officials in the initial stage and then in front of Customs Court.

(b) How is he to be informed of his right to further appeal?

The right of further appeal is guaranteed by the Law.

- 10. Provide information on the publication, as required by Article 12, of:**
- (a)(i) the relevant national laws;**
 - (ii) the regulations concerning the application of the Agreement;**
 - (iii) the judicial decisions and administrative rulings of general application relating to the Agreement;**
 - (iv) general or specific laws being referred to in the rules of implementation or application.**

Laws, by-Laws and Instructions are published in the Official Gazette.

Administrative rulings and judicial decisions of general application are published as official communiques that are circulated to all and put on notice boards.

- (b) Is the publication of further rules anticipated? Which topics would they cover?**

At this stage and before the actual application of the new rules it is difficult to think of or suggest additional rules and provisions.

11. Questions concerning Article 13:

- (a) How is the obligation of Article 13 (last sentence) being dealt with in the respective legislation?**

There are provisions in the Custom Draft Law that allow the release of goods from customs in return for guarantees that the Customs Department deems appropriate and sufficient to allow the importer to withdraw them before the final determination of the customs value of the imported goods.

- (b) Have additional explanations been laid down?**

No.

12. Questions concerning Article 16:

- (a) Does the respective national legislation contain a provision requiring customs authorities to give an explanation in writing as to how the customs value was determined?**

The current Customs Law does not contain such a provision. The Customs Draft Law contains an article that obliges the customs authorities to inform the importer in writing, upon his request, of how the customs value determined and the reasons that caused the customs authorities to doubt the declared value and the precision of the documents.

- (b) Are there any further regulations concerning an above-mentioned request?**

It is possible with a court order, and at all times, to provide the requested explanations.

13. How have the Interpretative Notes of the Agreement been included?

The Customs Draft Law contains the provisions of the General Note concerning sequential application of valuation methods and definitions of some expressions. As for the application of Article 7, it will be done through instructions published in the Official Gazette. The other notes will be issued as special communiques.

- 14. How have the provisions of the Decision of 26 April 1984 on the Treatment of Interest Charges in the Customs Value of Imported Goods (Val/6/Rev.1) been implemented?**

This will be taken care of at a later stage by publishing the Decision first and then implementing it. This action will apply to other decisions.

- 15. For those countries applying paragraph 2 of the decision of 24 September 1984 on the Valuation of Carrier Media Bearing Software for Data Processing Equipment (Val/8), how have the provisions of this paragraph been implemented?**

See answer for question 14 above.