



Doing Business in Jordan:

2015 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Jordan

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Market Overview

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Top Reasons to do business in Jordan:

- Strategically positioned to access the Middle East.
- U.S. - Jordan Free Trade Agreement is fully implemented.
- The port expansion project affords opportunities in infrastructure development.
- Politically Stability and Security.
- Jordan economy is extremely dependent on imports.
- U.S. products, technology, and brands are well regarded.

Jordan is strategically positioned at the crossroads of the Middle East-North Africa (MENA) region, centrally located between Europe, Asia, and Africa.

The Hashemite Kingdom of Jordan is only one of two Arab countries to have signed a peace agreement with Israel, and in 2001, it became the first Arab country to sign a Free Trade Agreement with the United States.

The U.S.-Jordan Free Trade Agreement (FTA), which came into full effect in 2010, continues to create advantages for U.S. exporters, who are able to sell high-quality products at more attractive prices, as tariff barriers on the majority of goods traded between the United States and Jordan have been eliminated. Because of the FTA, bilateral trade has surged ten-fold over the past 14 years.

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

Regional strife has had its impact on Jordan's ability to trade freely with its neighbors. The closing of Jordan's main border crossings with Iraq and Syria due to regional unrest has added additional stress on Jordan's trade and logistics infrastructure. Fortunately, Jordan remains a haven of stability for business interests and is still able to serve as a business hub in the region. Jordan has strong, cooperative relations with its neighbors

and the wider international business community. Jordan's economy is extremely dependent on imports. Imports into Jordan include: mineral fuels and crude oil, industrial machinery, transportation equipment, food and agricultural products, textiles, manufactured goods such as rubber products, paper and cardboard, yarns, chemicals, clothing and footwear. The largest exporters to Jordan include: the European Union (20 percent of total imports), Saudi Arabia (20 percent), China (11 percent), and the United States (6 percent). The following sectors offer the best opportunities for U.S. firms in the Jordanian market:

- Energy/Power, including Renewable Energy.
- Healthcare, including Medical Devices, Medical Tourism.
- Information Communication Technology (ICT).
- Safety & Security.
- Environmental Technologies/Water.

Market Challenges

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The regional turmoil has led to a decline in travel and tourism, depressing the Gross Domestic Product (GDP) growth rate in Jordan. Jordan imports 96 percent of its energy from neighboring countries, such as Saudi Arabia. Jordan ranks fourth in the world in terms of water poverty.

Jordan remains heavily dependent on foreign assistance and underemployment and high rates of poverty remain critical issues in Jordan. Jordan's budget deficit resonates across all sectors, impacting defense, security, and is a major deterrent to economic growth. King Abdullah II has championed government efforts to implement significant economic and political reforms, but results are still years away. The population growth rate continues to climb, with 70 percent of the population under 30, and 36 percent under 15 years of age.

Market Opportunities

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Jordan market opportunities can be summarized as follows:

- Jordan is beginning to invest heavily in alternative and renewable energy, including wind and solar. The renewable energy market for equipment and services is around USD 40 million and the U.S. share is five percent. This percentage is expected to grow as US companies implement new wind and solar projects in Jordan.
- The energy sector, particularly power generation, municipal gas systems, and oil shale development, are key sectors of growth.
- ICT sector is the one the fastest growing sector in Jordan's economy. The sector accounts for more than 80,000 jobs, contributing 12 percent of the GDP. There are 500 companies in telecom, IT, online and mobile content, business outsourcing, and games development.
- The telecommunications sector is liberalized with the internet and smart phone penetration rate at 75 percent and 65 percent respectively. Jordan has more

than 6.6 million mobile phone subscriptions, which represents a 108 percent penetration rate.

- Opportunities abound in e-health, with current pilot programs in three hospitals based on electronic health solutions. Medical tourism is beginning to draw large numbers of patients to Jordan as a medical destination. In 2014, 250,000 patients traveled to Jordan for medical treatment, generating USD 1.2 billion in revenue.

Market Entry Strategy

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

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

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

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on state.gov/r/pa/ei/bgn/3464.htm to the U.S. Department of State Background Notes.

U.S. – Jordan Relations

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

U.S. Assistance to Jordan

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

In 2015, the U.S. and Jordan signed a non-binding memorandum of understanding (MOU) to provide USD 1 billion in annual assistance to Jordan over a 3-year period, subject to the appropriation and availability of funds for this purpose. The MOU reinforces the commitment to broaden cooperation and dialogue in a variety of areas. In 2011, a USD 275 million Millennium Challenge Corporation compact for Jordan entered into force that aims to increase income and reduce poverty in Zarqa Governorate. The compact seeks to increase water supplies available to households and businesses and improve the efficiency of water delivery, extend wastewater collection, and expand wastewater treatment.

The United States has provided significant aid to Jordan since the start of the Syrian conflict in order to help Jordan with the burden of assisting over 600 thousand registered Syrian refugees who reside in the country.

Jordan recently issued USD 1.5 billion in Eurobonds in June 2015 under the third U.S. Government loan guarantee agreement (LGA). Previously, the Government of Jordan issued a USD 1.25 billion Eurobond in 2013 and a USD 1.0 billion Eurobond in 2014 with U.S. loan guarantees. The three LGAs stipulate the U.S. government guarantees the payment of interest and principal on the Jordanian Eurobonds. The U.S. government guarantees allowed Jordan to borrow at interest rates just above U.S. government rates, which will save the GOJ hundreds of millions of dollars in debt servicing over the life of the bonds.

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

Bilateral Economic Relations

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

Jordan's Membership in International Organizations

Jordan and the United States belong to a number of the same international organizations, including the United Nations, International Monetary Fund, World Bank, and World Trade Organization. Jordan also is a Partner for Cooperation with the Organization for Security and Cooperation in Europe.

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Chapter 3: Selling U.S. Products and Services

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Using an Agent or Distributor

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Several U.S. companies are already represented here on an agency/representative basis. Jordan agents/representatives normally market U.S. products and services under binding agency agreements based on commissions. Working with a local partner is important to achieve positive sales results in Jordan. The U.S. Commercial Service in Jordan can help companies find such an agent or distributor. For more information please visit our website buyusa.gov/Jordan.

The Commercial Section website, through its “Business Service Providers” program, provides a non-exhaustive list of Jordanian companies who wish to do business with the United States. Please click on the following link if you would like to view our BSP program online: www.export.gov/jordan/businessserviceproviders.

The Commercial office can provide U.S. companies with assistance in finding and selecting an agent, distributor, or partner through our Gold Key or International Partner Search services. If you have already selected a partner, before you finalize and sign contracts, our office can prepare a due diligence report on your prospective partner through the International Company Profile service. For more details, please contact the U.S. Commercial Service office in Amman.

Establishing an Office

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

The Companies Law provides guidance for registering foreign companies and establishing regional and representative offices. Foreign companies can register as operating companies, and non-operating companies. More information can be found at mit.gov.jo.

Below you will find step to starting a business in Jordan

No.	Procedure	Time to Complete	Associated Costs
1	Open a bank account and deposit 50% of the capital	1 day	no charge
2	Register at the Ministry of Industry and Trade	1 day	see procedure details
3	Obtain a tax identification number and Register for VAT	1 day, simultaneous with previous procedure	no charge
4	Register at the Chamber of Industry or the Chamber of Commerce	1 day, simultaneous with previous procedure	JOD 75 for registration at the Chamber of Commerce or JOD 200 for registration at the Chamber of Industry
5	Obtain a vocational license from the Greater Municipality of Amman (GAM)	8 days	JOD 200
6	Receive health and safety inspection by the Greater Municipality of Amman (GAM)	1 day, simultaneous with previous procedure	no charge
7	Register for social security	1 day, simultaneous with previous procedure	no charge

The Jordan Investment Commission (JIC), which operates a one-stop shop for potential investors, is located at www.jic.gov.jo.

Franchising

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Jordanians are enthusiastic about U.S. franchises and local investors are increasingly interested in franchising, especially in the service sector and the fast food industry. The Jordanian market, however, cannot absorb large numbers of a single franchise. U.S. retail and service franchises have significantly increased in the last several years. Examples of recent franchises include: TGI Fridays, Applebee's, ACE Hardware, and

Ruby Tuesdays. Other franchises in the fast food industry, such as KFC, Pizza Hut, Ponderosa Steakhouse, McDonald's, and Burger King, have been in the market for several years.

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

Direct Marketing

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

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

Joint Ventures/Licensing

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

For a list of restricted sectors, please consult: tcc.export.gov/Trade_Agreements/All_Trade_Agreements/exp_005590.asp.

Selling to the Government

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

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

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

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

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

Distribution and Sales Channels

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

Jordan's retail network is transitioning from traditional shops and marketplaces to American-style malls. Several large malls have opened in Amman and there are plans for outlet stores in southern Amman. Online and mail ordering is popular.

Selling Factors/Techniques

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

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

Electronic Commerce

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

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

Trade Promotion and Advertising

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

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

Details on Jordanian newspapers can be viewed at onlinenewspapers.com/jordan.htm.

Magazines titles of higher quality have increased and offer good access to the more affluent sector of society. There are a number of regional business magazines and sector-specific magazines distributed throughout the Middle East that can also offer useful advertising opportunities.

Pricing

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

American companies have additional advantages through the Free Trade Agreement that was signed in 2001 between Jordan and the United States. For more information, please visit ustr.gov/trade-agreements/free-trade-agreements/jordan-fta.

Sales Service/Customer Support

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

Protecting Your Intellectual Property

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Prior to its accession to the World Trade Organization (WTO), Jordan passed several laws to improve protection of intellectual property rights (IPR), patents, copyrights, and trademarks. Laws consistent with TRIPS (Trade Related Aspects of Intellectual Property Rights) now protect trade secrets, plant varieties, and semiconductor chip designs. The law requires registration of copyrights, patents, and trademarks. Copyrights must be registered with the National Library, a subsidiary body of the Ministry of Culture. Patents must be registered with the Registrar of Patents and Trademarks at the Ministry of Industry, Trade and Supply. In 2007, Jordan amended its Trademark and Patent Laws to enable accession to the Madrid Protocol Concerning the Registration of Marks and the Patent Cooperation Treaty. Jordan's pharmaceutical industry generally abides by the new TRIPS-consistent Patent Law. In addition, in signing the FTA, Jordan committed to even stronger enforcement of IPR, particularly in the pharmaceutical sector. It acceded to the World Intellectual Property Organization (WIPO) treaties on copyrights (WCT) and performances and phonographs (WPPT).

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

Jordan's Customs Department and the Public Security Department have created specialized IPR units to enforce violations. Pending amendments to Jordan Standards

and Metrology Organization (JSMO) authorizing law aim to enhance the agency's role in seizing counterfeit products that have entered the Jordanian market. However (JSMO) currently seizes counterfeit products under its mandate of protecting consumers from cheating. The government estimates that USD 28 million worth of pirated software; games, DVDs and books are sold annually in Jordan at a cost of USD 4.2 million in forgone taxes.

The government routinely conducts coordinated sweeps, and in 2014 referred 460 cases of intellectual property rights violations to the Jordanian judicial system. The Jordanian government continues to examine means to provide more comprehensive protection of IPR, including through more stringent enforcement of existing laws, introduction of new regulations based on existing laws, and the creation of an independent IP body.

Protecting Your Intellectual Property in JORDAN:

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

Granting patents registering are generally is based on a first-to-file [or first-to-invent, depending on the country], first-in-right basis. Similarly, registering trademarks is based on a first-to-file [or first-to-use, depending on the country], first-in-right basis, so you should consider how to obtain patent and trademark protection before introducing your products or services to the Jordan market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Jordan. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Jordanian law.

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

It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Jordan require constant

attention. Work with legal counsel familiar with Jordanian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions. It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Jordan or U.S.-based. These include:

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

IP Resources

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

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline: **1-866-999-HALT** or visit www.STOPfakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at: **1-800-786-9199**, or visit www.uspto.gov.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**, or visit www.copyright.gov.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, please visit the "Resources" section of the STOPfakes website at www.stopfakes.gov/resources.

The U.S. Commerce Department has positioned IP attachés in key markets around the world. The IPR Attaché for Jordan is located at the U.S. Embassy in Kuwait. Please contact: Aisha.salem@trade.gov for more information.

Due Diligence

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

Local Professional Services

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

Web Resources

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- U.S. Commercial Service Jordan buyusa.gov/jordan
- Ministry of Industry and Trade mit.gov.jo
- USAID Jordan usaid.gov/locations/middle_east
- Jordan-U.S. Free Trade Agreement ustr.gov/trade-agreements/free-trade-agreements/jordan-fta
- National Library www.nl.gov.jo/en/pages/default.aspx
- American Chamber of Commerce (AmCham) Amcham.jo
- Information Technology Association Jordan (Int@j) intaj.net
- The Jordan Garments, Accessories & Textile Exporters Association (JGATE) jgate.org.jo
- Jordan Furniture Exporters & Manufacturers Association jfema.org
- Jordan Investment Commission www.jic.gov.jo

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

Commercial Sectors

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- [Safety and Security Equipment](#)
- [Environment Technologies](#)

Agricultural Sector

HealthCare Technology and Medical Devices

Summary

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- Ten percent of Jordan's GDP goes toward healthcare.
- Jordan's rate of healthcare expenditures is the third highest in the region. 106 hospitals serve Jordan's population and 250,000 patients from neighboring countries annually.
- The Ministry of Health has prohibited the import of used and refurbished medical devices into the Kingdom.
- Jordan requires USFDA, CE mark, or Japanese certification.
- The government plans to expand the "e-health initiative system" piloted in 2011 to public hospitals and beyond, including the storage, retrieval and updating of electronic health records of patients cared for by participating healthcare facilities.

Overview

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Jordan is a regional leader in medical tourism. In 2014, the World Bank ranked Jordan as the leader in the Arab region and the fifth in the world as a medical tourism hub. Medical tourism generates over USD 1.2 billion in revenues annually. In 2014, 250,000 patients traveled to Jordan for medical treatment, and Jordan expects to reach 300,000 medical tourists in 2018, with potential revenues of USD 1.5 billion. Jordan's rate of healthcare expenditures is the third highest in the region. 106 hospitals serve Jordan's population and around 250,000 patients from neighboring countries annually. Ten percent of Jordan's GDP goes toward healthcare.

The Jordanian medical device market is projected to grow at an above average pace of 9.3 % per annum until 2018, from an estimated USD 243.7 million in 2015 to USD 380.9mn in 2018. The overall market size and per capita spending will remain comparatively small in global terms. The key driver of growth remains medical tourism, for which Jordan is the number one destination in the region.

The number of new hospitals, both private and public, is expected to grow, as is the demand for medical equipment and pharmaceuticals for the following reasons: equipment will be needed for newly constructed hospitals and for clinics and hospitals that are being renovated.

The government plans to expand the “e-health initiative system” piloted in 2011 to public hospitals and beyond, including the storage, retrieval and updating of electronic patient health records managed by participating healthcare facilities.

Sub-Sector Best Prospects

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Best Services Prospects include:

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

Best Product Prospects include:

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

- Cardiology and cardiovascular surgery Laparoendoscopic surgery.
- Kidney transplantation.
- Ophthalmology.
- Neurosurgery.
- Equipment and supplies for plastic surgery.
- Oncology.
- Consumables for Clinical laboratories, i.e. Tubes/Glasses.
- Medical Surgical Sterilizers.
- Medical x-ray, Alpha, Beta, Gamma Ray Equipment.
- Orthopedic & Prosthetic Appliances.

Aesthetic procedures and related products is currently a growth area in Jordan.

Other best prospects include:

- E-Health.
- Healthcare management systems.
- Software modules for specific fields and applications (radiology, imaging, etc.).
- Integrated medical insurance solutions.
- Medical devices and equipment.
- Customer relations management.
- Mobile healthcare applications.
- Online medical content providers.

Opportunities

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U.S. companies have excellent opportunities to sell products and services to the health care sector in Jordan. The Department of Commerce International Trade Administration led a trade mission of U.S. companies to Jordan in May, 2014.

The number of new hospitals, both private and public, is expected to grow, as is the demand for medical equipment and pharmaceuticals for the following reasons: equipment will be needed for newly constructed hospitals and for clinics and hospitals that are being renovated; it is expected that there will be a shift from older conventional methods to modern treatment methods; and health insurance coverage is expanding.

Web Resources

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- Ministry of Health: moh.gov.jo
- Medical Tourism Directorate: moh.gov.jo
- Jordan Medical Council: jmc.gov.jo
- Higher Health Council: hhc.gov.jo
- Jordan Private Hospitals Association: phajordan.org
- Jordanian Association of Pharmaceutical Manufacturers: japm.org.jo
- The two primary governmental entities implementing public sector procurement process in Jordan are the Government Tenders Directorate (GTD) www.gtd.gov.jo and General Supplies Department (GSD) www.gsd.gov.jo

Information and Communication Technology

Summary

- Jordan's ICT sector remains a success story amidst regional economic downturns, employing 1 percent of the population, but contributing 12 percent to GDP; the sector's revenues in 2013 stood at USD 2.23 billion. Jordan's ICT sector hosts more than 600 active technology companies including 300 startups (as part of the 600). As well as hosting a number of the top U.S. firms.
- Sector leaders perceive the industry is at a crossroads as they clamor for legislation to maintain high growth rates.
- Jordan's mobile market grew by 12.3 percent in 2013.
- The fixed-line sector contracted in 2013, with a penetration rate of five percent.
- Mobile data consumption is on the rise in Jordan, where smartphone penetration stands at around 65% and adoption of these devices grows by 7-10% annually. Around 98% of smartphone owners use WhatsApp.
- The internet sector remains the strongest performing sector in the telecoms market, following an impressive growth of 51.4 percent in total subscriptions during 2013. 95 percent of Jordanians own mobiles; 76 percent use the internet.
- ICT exports, like all exports in Jordan, are exempted from taxes until the end of 2015.
- U.S. firms seeking to provide IT solutions in Jordan should be prepared to enter in partnership with Jordanian firms, and set realistic goals for this small yet promising sector of the economy.

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The Information and Communication Technology (ICT) sector consists of the Information Technology (IT) industry (software and content providers), the telecommunication (telecoms) industry with three main telecom companies (Orange, Zain and Umniah), and the Business Process Outsourcing (BPO) industry (call centers). The ICT sector accounts for approximately 12 percent of GDP direct and indirect, and 84,000 jobs

(direct employment figures for the IT industry reached 16,000, with indirect and induced employment for ICT estimated at around 68,000). The sector attracts an average of USD 150 million in investments annually.

Despite its prominence in Jordan, the entire ICT sector has been struggling recently, especially the IT industry. Total IT industry revenues in Jordan have fallen from a 2008 high of USD 962.4 million to USD 649 million in 2013. Domestic revenues halved from USD 735.6 million in 2008 to USD 313.51.1 million in 2013. IT export revenues, however, reached record highs of USD 324 million in 2013, registering about 10 percent increase.

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

Jordan's telecommunications sector is dominated by the three mobile phone providers. Privatized incumbent carrier Jordan Telecom Group is majority owned by France Telecom and operates as Orange Jordan. It has a 31 percent market share. Despite liberalization, Jordan Telecom Group/Orange is the only integrated operator in the country, offering mobile, fixed-line, wholesale telecoms and internet services. Mobile communications provider Zain leads the industry with a 40 percent market share, while Umniah has 29 percent market share. There are 6.6 million mobile phone subscribers in Jordan representing more than 108 percent penetration rate. Telecommunications operators Orange, Umniah, and Zain contribute more than USD 500 million to the economy. The telecom's sector revenue in 2013 reported USD 1.58 billion. The total revenue of the IT and telecom industries (ICT) reported in 2013 at USD 2.23 billion.

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

TRC announced in April 2014 that Zain secured 4G License in Jordan and paid an installment of USD 76.75 million, as well as a USD 270 million license fee for 4G LTE spectrum and additional 3G frequencies. Zain has commercially launched its 4G LTE services in Feb 2015. Following Zain, Orange Jordan acquired the 4G license for (10+10) MHz frequencies on the 1800 MHz spectrum at a cost of USD 100 million, and started offering its services end of May, 2015. Recently Umniah has acquired the 4G license. The TRC floated a bid in June 2013 offering new spectrums to allow the entry of a fourth mobile operator and a new provider for Fixed Broadband Wireless Access (FBWA); a fourth mobile operator has not been selected. The spectrums include; 800 MHz, 1800 MHz, 2100 MHz, 2300 MHz, and 2600 MHz.

The three network operators compete in a mobile market, with a majority of their subscribers being prepaid users. All three have launched HSPA+ networks, which is underpinning mobile broadband growth. The potential for large-scale mobile internet penetration due to competition has captured the attention of Jordan's technology start-up companies. Many are developing applications to target the higher spending demographic traditionally associated with mobile internet early adopters. Jordan's initiative to develop an e-payment infrastructure coincides with a rollout of Near Field Communications (NFC) mobile payment terminals across Jordan by MasterCard and a number of partners. In March 2015, the Central Bank of Jordan (CBJ) announced the launch of the eFAWATEERcom portal (www.eFAWATEERcom.jo) that will enable clients inquire about, review and settle their bills on-line. The portal was established in partnership with Madfoo3atCom for Electronic Payments Company as the main operator, MasterCard Internet Gateway Service (MiGS), and Emerging Markets Payments Group (EMP Group) as the hosting company.

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

The TRC has opened the market to Mobile Virtual Network Operator (MVNO). The regulations stipulated that individual licenses would be required and MVNOs would have to pay 10 percent of operating revenues to the TRC annually. The regulations had the effect of discouraging market entrants for some time, but FRIENDI mobile has recently negotiated an agreement with Zain to provide repackaged services under the FRIENDI banner. FRIENDI launched its services officially in July 2012, though it only has a market share of 0.8 percent, with a market base of 93.8 thousand subscribers. FRIENDI mobile is part of the Virgin Mobile Middle East & Africa (VMMEA) group of companies, working under the umbrella of Virgin Group.

National Broadband Network (NBN): The Jordanian government is committed to completing its National Broadband Network project within the next two to three years. The contract for implementing the passive component for the southern part of Jordan was signed in May 2015 and the actual construction has started in June. The southern network is expected to be up and running by the third quarter of 2017, and will be connecting more than 800 public entities of three cities at a cost of USD 31 million. For the central part of Jordan, funding is secured through the Saudi Fund for Development; civil works are expected to take place by the beginning of 2016. This will greatly boost e-services, e-commerce, e-health and e-education in the Kingdom. The project, which was initiated in 2003, has halted several times due to lack of funding. The network will provide high speed connectivity between public facilities, hospitals, schools and government agencies.

There are currently 16 Internet service providers in Jordan, but with Orange's monopoly on the international gateway and local landline, all providers use Orange's copper network for the last mile connectivity, particularly for ADSL services. Orange was the

first operator to launch Fiber-To-The-Home (FTTH) service in Oct 2014, followed by Zain which started in November.

The Jordanian Ministry of Communications and Information Technology, in coordination with Jordan Information Technology Association (Int@j--the ICT sector's advocacy group), drafted a 2013 – 2017 National ICT Strategy, which was approved and published at the beginning of 2013. The strategy is aimed at increasing the contribution of ICT activities to economic growth in Jordan, particularly the growth of high value-added exports.

The Strategy's objectives include facilitating cooperation between ICT and other high value-added sectors, disseminating the latest information and communications technology in those sectors, and supporting the development of electronic content in Arabic. The Strategy also includes objectives to foster the growth of the ICT sector, including protecting intellectual property rights, developing Jordanian job skills for the sector, supporting marketing efforts, and regulating radio-frequency spectrum.

Additionally, the Strategy includes support for increasing internet penetration to 85 percent by the end of 2017; in 2015 the internet penetration rate stood at 75 percent. The Strategy targeted an increase in current sector employment of 16,000 to around 20,000 by the end of 2017. There are currently about 600 well-established companies in the ICT sector. ICT businesses are concerned that increasing domestic corporate taxation rates and other costs of doing business will make Jordan a less appealing place for ICT companies.

Jordanian Government Initiatives

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

ICT Sector Challenges:

- The income tax rate on ICT companies is 24 percent. In July of 2013, the government increased the tax imposed on mobile phones from 8 per cent to 16 per cent, and the special tax on mobile subscriptions — both prepaid and post-paid — from 12 per cent to 24 per cent.
- Recently imposed regulations on internet censorship, especially the September 2012 amendment to the press and publications law, are perceived to threaten internet freedom in Jordan. The government's revision of this law is a major concern for content development companies, which may be hesitant to invest in Jordan. The legislation requires "electronic publications" in Jordan to get a license from the government, which requires new websites to be legally registered and to recruit editors-in-chief who are members of the JPA. It also gives the authorities the power to block and censor websites, whose owners will be held responsible for comments posted on them.
- The quality of education received by Jordanian graduates is insufficient to meet companies' needs. Close to 5,700 ICT students graduate every year; however, companies are concerned they do not have the right skill sets to meet industry demand.

- A lack of resources is the main reason behind the delay in implementing several ICT related projects that would enhance the Kingdom's ICT infrastructure and services
- To drive competitiveness and boost growth across ICT, the MOICT will leverage its resources in the following enablers: Access to Finance, Workforce Development, and Supportive Enabling Environment.

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

Jordan's digital economy incorporates e-commerce, e-health, e-education and e-government, e-banking, e-business and digital media. Most activity and attention is focused on the e-commerce sector, given the commercial opportunities available. The Central Bank of Jordan has adopted a strategy for 2013 - 2017 to develop the legal framework and infrastructure for all e-payment systems in Jordan, tackling one of the largest impediments to e-commerce development in Jordan and the Middle East. A new Electronic Transaction Law was recently passed and published in the Official Gazette; this law will facilitate and support e-payment and electronic signature applications. E-Commerce firms consist of Gonabitm, MarkaVIP, Maktoob Group, Jabbar, Internet Group, Souq.com, Jeeran, Jamalou, and Sallaty.

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

Infrastructure:

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

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- Ministry of Information and Communication Technology: moict.gov.jo
- Telecommunications Regulatory Commission (TRC): trc.gov.jo
- General Supplies Department: www.gsd.gov.jo
- General Tenders Directorate: www.gtd.gov.jo
- Jordan's Information & Communications Technology Association (Int@j): intaj.net
- American Chamber of Commerce, Jordan: Amcham.jo

Renewable Energy

The National Energy Strategy includes ambitious targets to increase the contribution of renewable energy sources to the national energy supply. The share of renewable energy in the total energy mix is anticipated to reach 10% by 2020. Plans are in place for up to 2,000 MW in solar and wind energy projects by the end of the decade. A 117 megawatt wind farm in Tafileh is coming online in 2015, and a 200 megawatt solar park in Ma'an already broke ground for completion in 2016.

Jordan does not have the natural resources of its neighbors and imports 97 percent of its energy and fuel requirements, nearly 20% of the country's Gross Domestic Product (GDP).

The current use of renewable energy sources in Jordan is marginal, accounting for a share of less than 2% of electricity generation. In 2012, of the 16.5 MW generated by renewable energy resources, 60.4% were hydropower, 21.1% biomass, 9.7% PV and 8.8% wind. Potentials for generating power from renewable energy resources in the country are to be found primarily in the areas of wind and solar energy.

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The rising cost of importing energy resources has forced the government to reconsider its energy consumption policies and address the issue of reliance on international energy markets for direct imports. The government has authorized a National Energy Strategy FY 2007 - 2020. Under this strategy, renewable energy is major priority. As the price of oil increases, energy security has become even more of a priority to Jordan. The government is seeking an investment of USD 18 billion in the energy sector by 2020. The most prominent proposals include developing civil nuclear power, oil shale and renewable energy. The strategy aims to increase the renewable energy share in the energy mix from one to five percent by 2015 and to 10 percent by 2020. A Liquefied Natural Gas (LNG) terminal in Aqaba began operating in July 2015. A five-year contract (with the option to extend to 10 years) has been signed with Royal Dutch Shell to secure 150 million cubic feet per day of LNG. The state-owned National Electric Power Company (NEPCO) also contracted an additional 100 million cubic feet per day with Royal Dutch Shell to cover the period from July to December; additional LNG resources may be acquired through tenders. An agreement has been signed with a private sector consortium for purchasing power from a new shale oil power plant. Jordan is still exploring with the Government of Iraq the construction of a pipeline from Basra to Haditha and onward to Aqaba. However, due to the political and the security situation in Iraq, this project is on hold.

To meet its renewable energy targets, the GOJ has issued the Renewable Energy (RE) and Energy Efficiency (EE) Law 13 of 2012 and a RE and EE fund. The Government of Jordan, through the Ministry of Planning and International Cooperation, has received financing in the amount of USD 1 million from the Global Environmental Facility (GEF) through the World Bank and Euro 1.56 million from the French Global Environmental Facility (FFEM) through the Agence Francaise de Developpement (AFD) for the development of a framework for supporting Energy Management in Jordanian industrial and service sectors. The Ministry of Energy and Mineral Resources will be the implementing agency of the grants. <http://www.dgmarket.com/tenders/np-notice.do?noticeId=5308659> The government is further developing procedures to establish a “one-stop shop” for the efficient licensing of renewable energy projects.

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

The Reference Price List Record for the calculation of Electrical Energy purchase prices from Renewable Energy Sources Issued by the Council of Commissioners of the Council of Commissioners of (ERC) pursuant to Article (2/A) of the Renewable Energy and Energy Efficiency Law No. (13), for the Year 2012:

<u>Resource</u>	<u>Tariff US \$ CENTS / kWh</u>
Wind Energy	11
Thermal Solar Energy (SCP)	19
PV	14
Bio mass	12.7
Bio gas	8.5

The mentioned Reference Pricelist Record will be used in order to evaluate the direct proposal for investment in the RE sources.

The Reference Pricelist Record work as the Feed in Tariff but it is considered as a Ceiling Tariff and developers can compete under this upper limit.

In case that the winning bidder from direct proposals installs a fully Jordanian origin Renewable Energy Facility, then an extra of (15%) on the tariff that has been submitted in advance, shall be awarded.

Recently, the Jordanian Government, represented NEPCO, signed Power Purchase Agreements (PPAs) with 12 developers under direct proposals submission to generate 200MW of solar power energy to the grid. These projects will sell power under the current price list, while future projects will have new pricing.

The Ministry of Energy and Mineral Resources has launched phase II under the direct proposal submission to generate an additional 650MW of solar and wind energy. In phase II, four developers will be selected to generate 50MW each. Recently the Ministry of Energy and Mineral Resources has opened the financial

proposal of 23 companies and four companies that were selected for further negotiations. Phase III was cancelled due to grid capacity constraints.

NEPCO is planning to increase the grid capacity to absorb additional renewable energy projects into the electricity grid. Jordan had signed an agreement with France and the European Investment Bank to finance Jordan's green corridor – a multi-component program to reinforce Jordan's high voltage electricity backbone network. The project will cost about USD 160 million. The project will add about 700-800 MW worth of additional capacity to the grid.

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Wind

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

The government approved the first 117W wind project in the Tafila area that will be commissioned in the second half of 2015. Four wind projects from round one are in their final stages of signing Power Purchase Agreements (PPA) with a total capacity of 230MW.

Solar Energy

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

Twelve PPAs were signed to produce 200MW. All twelve projects will be located within Ma'an Development Area. Furthermore, proposals for another two solar projects are under evaluation, the first one is a 2MW PV project in the Azraq area under a Spanish government grant and the other is 75 - 100MW PV project in the Quweirah area financed by the Gulf Corporation Council fund.

Waste to Energy

Jordan aims to generate 30-50MW of power from waste-to-energy (WtE) projects by 2020. The Greater Amman Municipality launched a waste-to-energy result-oriented tender in March 2015 seeking bid proposals by the second half of 2015. WtE projects in Jordan have primarily focused on landfill gas capture.

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

batteries and energy software management. Tenders can be followed either on the Ministry's or NEPCO's Website.

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- Ministry of Energy and Mineral Resources (MEMR): memr.gov.jo
- National Electrical Power Company (NEPCO): nepco.com.jo
- Electricity Regulatory Commission (ERC): erc.gov.jo
- EDAMA Association: edama.jo
- The two primary governmental entities implementing public sector procurement process in Jordan are the Government Tenders Directorate (GTD) www.gtd.gov.jo and General Supplies Department (GSD) www.gsd.gov.jo

Safety and Security Equipment

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

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

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

The market is more than USD 60 million, of which U.S. companies hold a 15-20 percent market share.

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

1. Safety and Property Security Systems
 - Fire protection systems, alarms

- Fire and smoke detection
- Passive fire protection products
- Fireproofing
- Automatic fire sprinkler
- Fire suppression, including water and chemical extinguishing
- Fire trucks
- Ambulances
- Safety headgear
- Metal detectors
- X-ray and handheld scanners

2. Bank Fraud / Electronic Security

- Financial and Network ICT Security, LAN / WAN / Wireless technology
- Forensic software
- Encryption equipment

3. Theft/Intrusion

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

4. Public Safety

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

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

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

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

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- King Abdullah II Design and Development Bureau: www.kaddb.com
- Ministry of Interior: moi.gov.jo
- Jordanian Armed Forces: jaf.mil.jo
- General Intelligence Department : jid.gov.jo
- Public Security Directorate: psd.gov.jo
- General Directorate of Civil Defense cdd.gov.jo
- Saraya Aqaba: sarayaholdings.com
- Abdali: abdali.jo
- Ayla Oasis: oasis.com
- Marsa Zayed: marsazayed.org
- The two primary governmental entities implementing public sector procurement process in Jordan are the Government Tenders Directorate (GTD) www.gtd.gov.jo and General Supplies Department (GSD) www.gsd.gov.jo

Environment Technologies

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Water and Environment

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

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

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

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

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

Managing water scarcity is Jordan Water Company's (Miyahuna) main priority. Most of the water losses occur in the network closest to the households. Miyahuna will replace

this segment of the network in the next five years as part of its water losses control program.

Water and Environment challenges:

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

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

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

- The Water Network Project will improve the overall drinking water system efficiency in the governorate through the construction and rehabilitation of pump stations, reservoirs and hundreds of kilometers of water transmission and delivery pipes. Progress reached 82 percent and is expected to be completed in March 2016. Once completed, water loss will drop from the current 50 percent to less than 35 percent and water supply will increase from 36 to 70 hours per week.
- The Wastewater Network Project is rehabilitating and extending hundreds of kilometers sewer lines to urban areas in the governorate. Progress reached 88 percent and is expected to be completed early 2016. Once completed, sewage networks coverage shall increase from 72 to 82 percent of residents with reduced health risks and odor, and more captured wastewater for treatment and re-use.
- The As-Samra Wastewater Treatment Plant Expansion Project, building on a USAID investment, is expanding the capacity for high quality treatment of nearly all wastewater generated in Amman and Zarqa, creating new supplies of water that can be used in agriculture in the fertile Jordan Valley. 94 percent of the expansion work on the treatment plant has been completed and will be ready in October 2015. It will treat over 70 of wastewater generated in the country.

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Steps are being taken on public and private sectors levels to reduce, prevent and mitigate pollution; increase private sector participation and commercial practices;

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

Energy efficiency is considered an important part of the New Energy Strategy to reduce energy’s overall budget impact. There are also other projects underway to develop pumping stations in various regions and to make use of renewable energy for the water sector through the use of bio, solar and hydro energies, as well as organic waste. These projects should help reduce the financial pressure on the water sector due to huge energy costs, currently accounting for 60 percent of the water sector’s total running costs.

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For more information on the MCC and MCA-Jordan Program, please see mcc.gov.

Agricultural Sector

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Jordan is a net food-importing country, a small market around seven to eight million consumers including refugees. Jordan imports up to 98 percent of consumable items from abroad, including wheat, barley, sugar, rice, powdered milk, tea, coffee, corn, vegetable oil (excluding olive oil), cheese, chick peas, vermicelli, and lentils.

Due to the scarcity of water, agriculture has been declining as a component of the overall economy for years. Although it consumes 65-75 percent of Jordan's water resources, agriculture is around 3% of the country's GDP.

The agriculture sector employs 15 percent of the labor force of the country, though many agricultural workers hail from Egypt and Syria. The horticultural product sector, the poultry industry, and small-scale herding are major components of the agriculture sector.

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

Market Requirements

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U.S. agricultural exports to Jordan were US USD 247 million in 2014, a minor decrease from the 2013 total of USD 256 million. This decrease can be attributed to a drop in commodity exports such as wheat and corn due to price competitiveness from Black Sea origins. Trade has seen an increase in imports of rice, poultry, beef and fish, in addition to high value supermarket items.

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

The Jordanian Ministry of Agriculture (MoA) selectively imposes sanitary and phytosanitary measures on meat and poultry import licenses. The MoA is currently practicing trade impeding policies that include, but are not limited to, restriction on the issuance of import licenses. Advance approvals to import goods are required for specific food and agricultural goods. Officials at the ministries of Health and Agriculture are responsible for granting such licenses and approvals.

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

The Jordan Food and Drug Administration (JFDA) holds the primary responsibility for accepting or rejecting incoming food consignments; the Jordan Standards and Meteorology Organization (JSMO) performs the tests and drafts food safety standards. JSMO's current product standards generally reflect existing U.S. standards; however,

JSMO is also working with EU agencies to review its standards. JSMO has already licensed several local laboratories to test for compliance with applicable standards.

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

More details can be found on USDA FAS attaché reports on at: www.fas.usda.gov

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- Ministry of Agriculture: moa.gov.jo
- Jordan Institution for Standards and Metrology: jsmo.gov.jo
- Jordan Food and Drug Administration: jfda.jo
- Jordan Customs Department: customs.gov.jo
- U.S. Foreign agricultural Service fas.usda.gov
- The two primary governmental entities implementing public sector procurement process in Jordan are the Government Tenders Directorate (GTD) www.gtd.gov.jo and General Supplies Department (GSD) www.gsd.gov.jo

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Chapter 5: Trade Regulations, Customs and Standards

- [Import Tariffs](#)
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Import Tariffs

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Customs tariffs are based on the harmonized system coding practice. Tariff tables for different products and commodities can be found on the Customs Department website at customs.gov.jo.

Jordan Customs launched the Customs Integrated Tariff System (CITS) in August 2005. Importers can use this system to track down commodity tariffs, import conditions and commodity trade agreements, regulations and requirements of the commodity trade. For further information on customs procedures, please refer to the following website: customs.gov.jo.

The U.S. – Jordan FTA, which came into full force in January 2010, eliminated most duties and tariffs on commerce between the U.S. and Jordan.

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

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

Electricity Tariffs in Jordan http://www.nepco.com.jo/en/electricity_tariff_en.aspx

Trade Barriers

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

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

For more information customs.gov.jo

Import Requirements and Documentation

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

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

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

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

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

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

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

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

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

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

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

A list of the Jordanian consulates can be accessed at jordanembassyus.org/new/consular/consulates.shtm.

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

U.S. Export Controls

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A list that consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single search as an aid to industry in conducting electronic screens of potential parties to regulated transactions is available here: <http://developer.trade.gov/consolidated-screening-list.html>.

Temporary Entry

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

Labeling and Marking Requirements

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Imported products must comply with labeling and marking requirements issued by (JSMO); refer to jsmo.gov.jo. Importers are responsible for informing foreign suppliers of any applicable labeling and marking requirements. All labels must either be in Arabic or have a stick-on label in Arabic. Nutritional labeling is mandatory in certain categories of food, including infant

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

Prohibited and Restricted Imports

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Prohibited Imports

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

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

Restricted Imports

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

Special Import Provisions

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

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

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

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

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

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

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

Product(s)	Title of Certificate	Attestation Required on Certificate	Purpose	Requesting Ministry
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Product(s)	Title of Certificate	Attestation Required on Certificate	Purpose	Requesting Ministry
Powder Milk For direct consumption – does not need an import license	Country of origin certificate (COOC).	U.S. Government Or Chamber of Commerce	Custom Valuation, Health, Risk control	CA, MoA
	Sanitary and Phyto Sanitary (SPS) Veterinary Animal Health Certificate (VAHC).	USDA-FSIS or APHIS	Human Health	JFDA
	Fitness for Human Consumption Certificate.(FHCC)	FDA or USDA-FSIS	Human Health	JFDA
	Product Validity for Consumption in the Country of Origin.(PVCCOOC)	FDA or USDA-FSIS	Human Health	JFDA
Flavored Milk	COOC, VAHC, FHCC, PVCCOOC, Approved flavor and/or coloring material.	FDA or USDA-FSIS	Human Health	MOA, JSMO, JFDA, CA
Bovine Meat	SPS-VAHC	USDA-FSIS or APHIS	Free from infectious and contagious diseases- food safety	MOA
	HC	Supplier/Manufacturer	Verification that slaughter conforms to Islamic traditions. Food quality and consumer protection.	MOA, JSMO
Processed meat	SPS-VAHC	USDA-FSIS or APHIS	Free from infectious and contagious diseases. Food safety.	MOA

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

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

For more information on exporting American food items to Jordan, visit: fas.usda.gov/scripts/AttacheRep.

Customs Regulations and Contact Information

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

Key contact:

Jordan Customs Department
P.O. Box 90, Amman, Jordan
Telephone: 962-6-462-3186/8; 462-4394/6

Fax: 962-6-464-7791
E-mail: customs@customs.gov.jo
Web-site:

Standards

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Overview

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

Standards Organizations

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JSMO issues two types of standards:

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

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

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: nist.gov/notifyus/

Conformity Assessment

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

Product Certification

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

Accreditation

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

Publication of Technical Regulations

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

Labeling and Marking

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

Trade Agreements

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

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

Web Resources

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Jordan Institution for Standards and Meteorology: jsmo.gov.jo

Jordan Ministry of Industry and Trade: mit.gov.jo

Jordan Food and Drug Administration: jfda.gov.jo

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Attitude toward Foreign Direct Investment

Jordan is largely open to foreign investment. Jordan acceded to the World Trade Organization (WTO) in April 2000. In addition, the U.S.-Jordan Free Trade Area Agreement (FTA) was signed in October of 2000 and was fully implemented in January 2010. The United States and Jordan signed a Bilateral Investment Treaty in 1997 that went into force in 2003.

Other Investment Policy Reviews

Jordan has been a World Trade Organization (WTO) member since 2000. Jordan's first and only WTO Trade Policy Review was conducted in 2008.
[https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-
Html.aspx?Id=95627&BoxNumber=3&DocumentPartNumber=1&Language=E&Window=
L&PreviewContext=DP&FullTextSearch=#](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S009-Html.aspx?Id=95627&BoxNumber=3&DocumentPartNumber=1&Language=E&Window=L&PreviewContext=DP&FullTextSearch=#)

In 2012, the United States and Jordan agreed to Statements of Principles for International Investment and for Information and Communication Technology Services, and a Trade and Investment Partnership Bilateral Action Plan, each of which is designed to increase transparency, openness, and governmental and private sector cooperation.

The two parties also began discussions on a Customs Administration and Trade Facilitation Agreement. The government of Jordan underwent an investment policy review by the Organization for Economic Cooperation and Development (OECD) and in November 2013 subscribed to the OECD Declaration on International Investment and Multinational Enterprises. <http://www.oecd.org/countries/jordan/jordan-investment-policy.htm>

Laws/Regulations of Foreign Direct Investment

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

Industrial Promotion

The Executive Privatization Commission was replaced by the Public Private Partnership Unit at the Minister of Finance (PPP Unit) upon the passage of the Public Private Partnership Law in September 2014. The law aims to encourage the participation of the private sector in the Kingdom's economic development and provide a legislative environment for joint projects between the two sides. The PPP Unit currently has a number of important projects for consideration, including the establishment of a medical and industrial waste project. Jordan is also seeking investors for a passenger and cargo rail network, a postal system, the expansion and upgrading of the nation's sole refinery, and a large scale water desalination plant, among others. In 2012, Jordan passed a Renewable Energy and Energy Efficiency Law to encourage investments in this vital sector. A draft Energy and Minerals Law is currently under parliamentary review; this law promises to open the hydrocarbon sector to local and foreign investors. In 2014, Jordan established a new Energy and Minerals Commission linked to the Ministry of Energy and Mineral Resources. The new commission has the existing regulatory function of the Jordan Electricity Regulatory Commission and the National Resource Authority.

Limits on Foreign Control

Jordan's current investment law treats foreign and local investors equally. Regulations governing foreign ownership include the following exceptions:

- Ownership of periodical publications is restricted to Jordanian citizens or entities wholly-owned by Jordanians.
- Foreigners are prohibited from wholly or partially owning investigation and security services, sports clubs (exception; health clubs), stone quarrying operations for construction purposes, customs clearance services, or land transportation services. The Cabinet, however, may approve foreign ownership of projects in these sectors upon the recommendation of the Investment Council, which is comprised of the Prime Minister, ministers with economic portfolios, and

representatives from the private sector. To qualify for the exemption, projects have to be categorized as being highly valuable to the national economy and must employ a large number of Jordanians.

- Investors are limited to 50 percent ownership in a number of businesses and services, including printing/publishing companies and aircraft or maritime vessel maintenance and repair services. The most up-to-date listing of limitations on investments is available in the FTA Annex 3.1 and may be found at <http://www.ustr.gov/trade-agreements/free-trade-agreements/jordan-fta/final-text>.

Privatization Program

Over the last fifteen years, the Jordanian government has engaged in a wide-scale privatization program. Jordan's energy sector has witnessed the privatization of two distribution companies – the Electricity Distribution Company (EDCO) and the Irbid District Electricity Company (IDECO), and one generation company, the Central Electricity Generating Company (CEGCO). Jordan currently has four independent power producers, which supply 1,564 megawatts of the total power generation capacity of 3,987 megawatts, or 39 percent. The Amman East Power Plant is owned and operated by AES Jordan PSC, a consortium of AES Oasis (a subsidiary of U.S.-based AES Corporation) and Japan-based Mitsui and Company. AES Jordan PSC operates the plant on a 25-year build-own-operate (BOO) basis. The USD 300 million plant project was financed jointly by the Overseas Private Investment Corporation (OPIC), Japan Bank of International Cooperation (JBIC), and the Sumitomo Banking Corporation (SMBC), with International Bank for Reconstruction and Development (IBRD) risk guarantees. In October 2014, AES completed construction of the al-Manakher Power Plant, which produces 241 megawatts of power. The USD 360 million project also received OPIC financing.

The Jordan Civil Aviation Regulatory Commission provides separation between regulation and aviation management. Amman's Queen Alia International Airport is fully privatized and privately managed on the build-operate-transfer (BOT) model. The first phase of the airport expansion finished in March 2013 and completion of the second phase is expected by 2017. The second phase of the project allows the airport to grow its current capacity from approximately nine million passengers per year—an increase from the pre-privatization levels of 3.5 million—to 12 million per year. The few remaining government assets not privatized, including Jordan Silos and Supply Company, elicit little private sector interest. The majority of future projects in Jordan are expected to be public-private partnerships (PPP) rather than pure privatization deals.

Screening of FDI

Local and foreign investments are screened by the Jordan Investment Commission (JIC). In 2014 a new investment law was passed which consolidated three entities – the Jordan Investment Board and the two entities that oversee investment zones, the Jordanian Development Zones Commission and the Free Zones Corporation. They became a new entity called the Jordan Investment Commission. This law incorporates a statement of investors' rights and a legal framework for the newly established Investment Window, which is located at the Investment Commission's headquarters.

The new law requires new governing regulations for a number of investment aspects. Currently, thirteen new sets of regulations are under different stages of review and approval by the government. The government approved the regulations governing the operations of the Investment Window and Investment Incentives. They are available on the following link

http://www.pm.gov.jo/arabic/index.php?page_type=gov_paper&part=3&id=5338. Two other sets of regulations regarding registration procedures and taxation have been drafted and are awaiting government approval. Regulations regarding customs procedures and income tax incentives for investment in less developed areas are currently being drafted.

Competition Law

A newly-drafted Competition Law which will update the 2004 Competition Law is currently under parliamentary review. The new law aims to strengthen the local economic environment and attract foreign investment by providing incentives to improve market competitiveness, protect small and medium enterprises from restrictive anticompetitive practices, and give consumers access to high quality products at competitive prices. The Competition Directorate at the Ministry of Industry and Trade conducts market research, examines complaints, and reports violators to the judicial system.

Investment Trends

Jordan ranked 117 out of 189 countries in the World Bank's 2015 Doing Business Report, a two point improvement over its 2014 ranking. Jordan ranked 11th in the Middle East, North Africa (MENA) region maintaining the same ranking as in 2014, behind United Arab Emirates, Saudi Arabia, Bahrain, Oman, Qatar, Tunisia, Morocco, Malta, Kuwait, and Lebanon. Since 2010, Jordan has improved on several areas key to doing business:

- The minimum capital requirement for starting a business has been reduced from USD 1,410 to USD 1.41 (JOD 1,000 to JOD 1).
- Jordan has a single reception service for company registration.
- Cross border trade has been facilitated through the implementation of a risk-assessment inspection regime for pre-approved traders, reducing to 30 percent the number of containers subject to physical inspection by customs authorities.

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

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	55 of 175	transparency.org/cpi2014/results

Heritage Foundation's Economic Freedom index	2015	38 of 178	heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2015	117 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	64 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD11,670	data.worldbank.org/indicator/NY.GNP.PCAP.CD

Conversion and Transfer Policies

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Foreign Exchange

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

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

Other foreign exchange regulations include the following:

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

Remittance Policies

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

Expropriation and Compensation

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Article 11 of the Jordanian Constitution stipulates that expropriations are prohibited unless deemed in the public interest. In cases of expropriation, the law also mandates the provision of fair compensation to the investor in convertible currency.

Dispute Settlement

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Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Jordan has a mixed legal system based on civil law, Sharia Law (Islamic Law) and customary law. The Constitution establishes the judiciary as one of three separate and independent branches of government. Jordanian commercial laws do not make a distinction between Jordanian and non-Jordanian investors. Rulings by U.S. courts or other international arbitration committees, however, can be upheld through the successful filing in a local domestic court of a motion called Enforcement of Ruling. Plaintiffs complain of backlogs and subsequent delays in legal proceedings.

The following laws and regulations currently govern investments in Jordan: the Companies Law, Public Private Partnership Law number 31 of 2014 and the Investment Law 30 of 2014 with its subsequent implementing regulations and Regulating Non-Jordanian Investments Regulation.

Bankruptcy

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

Investment Disputes

Investment disputes are dealt with as any other commercial or civil dispute in the Jordanian judicial system. Large investment agreements with the Jordanian government as a party contain a dispute resolution clause that would refer cases to arbitration in Jordan.

International Arbitration

Under domestic law, foreign investors may seek third party arbitration as a means of settling disputes. Jordan abides by WTO dispute settlement mechanisms, and dispute settlement mechanisms under the U.S.-Jordan FTA are consistent with WTO commitments. Article IX of the United States-Jordan Bilateral Investment Treaty (BIT) establishes procedures for dispute settlements between Jordanians and U.S. persons.

ICSID Convention and New York Convention

Since 1972, Jordan has been a contracting state to the International Centre for Settlement of Investment Disputes (ICSID convention) only a small number of cases between foreign investors and the Jordanian government have been brought before ICSID tribunals. Jordan is also a signatory to the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York convention).

Duration of Dispute Resolution

It takes anywhere between three to four years for cases that go through the local court system to reach a verdict. Cases settled through arbitration take between 12 to 18 months. The main challenge regarding litigation cases is being able to conduct proper process of service upon all concerned parties. Another challenge is the lack of specialized investment and commercial courts limiting the judges capacity to review cases.

Performance Requirements and Incentives

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WTO/TRIMS

Investment and commercial laws in Jordan do not contain any trade-restrictive investment measures and have generally been in compliance with the WTO's Trade-Related Investment Measures (TRIMS). Investment incentives take the form of income tax and customs duties exemptions, which are granted to both Jordanian and foreign investors.

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

Investment Incentives

Under the current Investment Law Number 30 2014, the Council of Ministers, upon the recommendation of the Investment Council, may offer a number of investment incentives in accordance with the law and governing regulations for projects outside the Development and Free Zones. The Investment Council and Investment Commission can offer some types of exemptions for projects in the following sectors:

1. Agriculture and Livestock.
2. Hospitals and specialized medical centers.
3. Hotel and touristic facilities.
4. Touristic entertainment and recreation cities.
5. Contact and communication centers.
6. Scientific research centers and medical laboratories.
7. Technical and media production.

These incentives include customs exemptions, refunding of the general tax for production inputs, or zero sales tax. Automatic exemptions are also granted for specific services whether purchased locally or imported. The Income and Sales Tax Department will refund the general tax levied within thirty (30) days from submitting a written request in accordance with the terms and conditions determined by the Regulations Governing Investment Incentives number 33 of 2015.

A number of non-automatic exemptions will be granted for production requirements and assets of economic, industrial or handicrafts activities of dual-use. Such exemptions are subject to administrative procedures and approvals obtained from the Technical Committee and are also governed by the above regulation.

Investments in special economic zones and development zones will receive a minimum of 30 percent income tax waiver depending on the zone. Additional incentives are provided for projects under the Industrial Estate Corporation, and the Aqaba Special Economic Zone. For further details please visit:

- Jordan Investment Commission (<http://www.jic.gov.jo/>)
- Jordan Industrial Estate Corporation (<http://www.jiec.com>)
- Aqaba Special Economic Zone (<http://www.aqabazone.com/>)

Net profits generated from most export revenues are currently exempt from income tax. Exceptions include fertilizer, phosphate, and potash exports, in addition to exports governed by specific trade protocols and foreign debt repayment schemes. Under a WTO agreement, the exemptions are valid until the end of 2015.

Research and Development

The Royal Scientific Society (RSS) is the largest applied research institution and technical support service provider in Jordan and is a regional leader in the fields of science & technology.

RSS provides expert testing services through more than twenty-five specialized locally & internationally accredited laboratories and they pride themselves in offering both the public and private sectors a unique scientific resource and a wide range of project expertise.

RSS has no restrictions to partnering with local and international organizations.

Performance Requirements

Jordan does not mandate local employment, but encourages hiring Jordanians. Jordan has a well-educated and trained labor force of the 1.8 million people, of which approximately 350,000 are registered foreign workers. Unofficial indicators speculate that unregistered foreign workers are nearly double this number. Most foreign laborers are employed in construction, agriculture, and domestic housekeeping sectors. Approximately 35,000 also work in the QIZs as textile workers. The Ministry of Labor regulates foreign worker licensing, licensing fees, prohibited sectors, and employer

liability. Along with the Ministry of Interior, the Ministry of Labor is responsible for approving the hiring of professional foreign workers by private businesses.

Data Storage

Jordan does not follow forced localization policy, nor does it have requirements for foreign IT providers to turn over source code or provide access to surveillance.

Right to Private Ownership and Establishment

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

Foreign firms may not import goods without appointing an agent registered in Jordan; the agent may be a branch office or a wholly-owned subsidiary of the foreign firm. The agent's connection to the foreign company must be direct, without a sub-agent or intermediary. The Commercial Agents and Intermediaries Law govern contractual agreements between foreign firms and commercial agents. Private foreign entities, whether licensed under sole foreign ownership or as a joint venture, compete on an equal basis with local companies.

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

Protection of Property Rights

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Real Property

Interest in real property is recognized and enforced, through its recording in legal registries. The legal system facilitates and protects the acquisition and disposition of property rights.

Intellectual Property Rights

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

copyrights and on performances and phonographs, and it has been developing updated laws for copyrights, trademark standards, and customs regulations to meet international standards. Jordanian firms are able to seek joint ventures and licensing agreements with multinational partners.

Jordan's record on IPR enforcement has improved in recent years, but more effective enforcement mechanisms and legal procedures are still needed. As a result, the government's record on IPR protection remains mixed. A large portion of videos and software sold in the marketplace continues to consist of pirated goods. Enforcement action against audio/video and software piracy is growing in frequency and improving in its targeting capability, resulting in the first jail sentence in 2007 for software piracy in Jordan. Over the past decade, 5,258 violations of Jordan's current copyright law were referred to the judiciary, including 462 cases in 2013 and 460 cases in 2014. Additionally, 28 trademark violation cases were referred to court in 2013.

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

Resources for Rights Holders:

Embassy point of contact:
Ms. Shaden al Majali
Economic Analyst
Telephone: +962 (6) 5906317
e-mail: MajaliSA@state.gov

Local lawyers list:
<http://photos.state.gov/libraries/jordan/231771/PDFs/List%20of%20Attorneys%20-%20June%202012.pdf>

Transparency of Regulatory System

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The government is gradually implementing policies to improve competition and foster transparency. These reforms aim to change an existing system influenced in the past by family affiliations and business ties. The Jordan Investment Commission (JIC), with its newly established Investment Window, promises to streamline the process. However, historically red tape and opaque procedures, particularly at the local government level, presented problems for foreign and domestic investors.

For further details: please contact:

Investment Window
Jordan Investment Commission
Telephone: +962 (6) 5608400/9 Extn: 444
P.O. Box 893
Amman 11821 Jordan
E-mail: info@jic.gov.jo

Efficient Capital Markets and Portfolio Investment

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

In spite of recent reforms and technological advances, the ASE suffers from intermittent liquidity problems and decreased trading activity. The bourse remains prone to speculative movements. The ASE's market capitalization has grown and shrunk rapidly and repeatedly since 2003. The ASE price index increased by 4.8 percent, from 2066 points in 2013 to 2166 at the end of 2014. Trading volume decreased by 15 percent to 2.2 billion shares from 2.6 billion shares in 2013. The number of listed companies dropped to 236 companies at the end of 2014 compared to 240 at the end of 2013. The market capitalization of listed shares at the ASE amounted to USD 25.5 billion, equaling 75.8 percent of GDP.

Money and Banking System, Hostile Takeovers

The Central Bank of Jordan (CBJ) conducts regular government debt auctions of differing maturities on behalf of the Ministry of Finance. Treasury auctions traditionally take place on a monthly or biweekly basis, depending on maturity. The government issues development bonds as necessary. Treasury bonds in excess of USD 7.46 billion and Treasury bills in excess of USD 918 million were issued in the local market in 2014.

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

In August 2012, the International Monetary Fund (IMF) approved a three-year, USD 2.1 billion Stand-By Arrangement (SBA) program to assist Jordan in addressing fiscal and external challenges and foster growth through economic reform. The program will officially conclude in July 2015 with the final disbursement of approximately USD 400 million. As part of this program, the authorities reduced subsidies by increasing electricity prices, removed fuel subsidies, and raised revenues through income taxes.

In October 2013, Jordan issued a USD 1.25 billion, dollar-denominated Eurobond on the international market, guaranteed by the United States government and priced at a coupon rate of 2.053 percent. Jordan issued dollar-denominated Eurobonds worth USD 1 billion in 2014 and USD 1.5 billion in June 2015, again guaranteed by the United States. In 2012, the Jordanian parliament also approved the legal framework for issuing Sukuk, or Islamic bonds, although no bonds have been issued to date.

The corporate bond market remains underdeveloped and continues to be overshadowed by traditional direct lending, primarily due to the absence of proper mechanisms for corporate debt creation. A few banks, however, are introducing new products and

facilitating corporate bond issuances. The government of Jordan guaranteed USD 1.4 billion of corporate bonds and bills in 2013 to fund activities related to the National Electric Power Company and the Housing and Urban Development Corporation.

Due to strict regulations on lending, particularly mortgage lending, and limited integration with global financial markets, Jordanian banks were reasonably resilient to international shocks. The banking sector's indicators remain strong; banks continue to be profitable and well-capitalized, and deposits are still the major funding base. Liquidity ratios and provisioning remain high. Non-performing loan ratios increased modestly over the past few years. The CBJ in December 2010 directed Jordanian banks to maintain a minimum JOD 100 million in capital and raised the requirement for foreign banks to JOD 50 million. Jordan does not distinguish between investment banks and commercial banks. Jordan has 25 banks in total, including commercial banks, Islamic banks, and foreign bank branches.

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

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

The CBJ set up an independent Deposit Insurance Corporation (DIC) in 2000 that initially insured deposits up to JOD 10,000 (USD 14,000). DIC currently insures deposits up to JOD 50,000 (USD 71,000) and is expected to maintain the guarantee for the foreseeable future. The DIC also acts as the liquidator of banks as directed by the CBJ. The CBJ established a credit bureau for bounced checks in 2001 which requires banks to report the names of account holders with bounced checks. Following the report of one bounced check, the CBJ circulates the names of the account holders to all banks with recommendations to carefully evaluate the account holders' access to banking services.

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

In a highly publicized November 2012 case, Mohammed al-Dahabi, the former head of Jordan's General Intelligence Directorate from 2005 to 2008, was convicted of embezzlement of public funds, money laundering, and abuse of public office. The courts handed him a maximum prison sentence of 13 years. The courts also fined him nearly

USD 30 million and ordered the return of USD 34 million of embezzled funds. Al-Dhabi's lawyers have appealed the conviction to the Court of Appeal.

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

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

Competition from State Owned Enterprises

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A number of State-owned enterprises (SOEs) exist in Jordan, such as the National Electrical Power Company (NEPCO), the National Food Security Company, and the Yarmouk Water Company. These companies exercise delegated governmental powers and operate in fields that are not yet open for investment, such as managing the transmission and distribution of electrical power. The government supports these companies as necessary. As an example, the government has issued and guaranteed corporate bonds for NEPCO since 2011 to ensure continuous power supply for the country.

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

OECD Guidelines on Corporate Governance of SOEs

The government of Jordan underwent an investment policy review by the Organization for Economic Cooperation and Development (OECD) and in November 2013 subscribed to the OECD Declaration on International Investment and Multinational Enterprises.

Sovereign Wealth Funds

Jordan does not have a sovereign wealth fund (SWF).

Corporate Social Responsibility

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There is general awareness of corporate social responsibility (CSR) among both manufacturers and consumers in Jordan, with many local and multinational companies voluntarily developing and adopting CSR programs. CSR efforts focus on improving infrastructure in adjoining communities or providing better access to educational opportunities.

Political Violence

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The threat of terrorism remains high in Jordan. Transnational terrorist groups, as well as less sophisticated local elements, have the capability to plan and implement attacks in Jordan and have carried out a number of atrocities over the last fifteen years. The Jordanian security forces, however, have demonstrated high levels of professionalism in maintaining public security, containing numerous demonstrations, and preventing terrorist attacks.

Jordan has not been immune from the tumult of region wide Arab Spring protests, and the potential for politically-motivated violence remains. Violent extremist groups in Syria and Iraq, including the Islamic State of Iraq and the Levant (ISIL) and Jabhat al-Nusra continue to pose a threat. The potential for terrorist activity was heightened as Jordan took an active role in the coalition against ISIL. Visitors should consult current State Department public announcements at www.travel.state.gov before traveling to Jordan.

Corruption

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

Jordanian law defines corruption as any act that violates official duties, all acts related to favoritism and nepotism that could deprive others from their legitimate rights, economic crimes, and misuse of power. The use of family, business and other personal connections to advance personal business interests is endemic and regarded by many Jordanians as simply part of the culture and part of doing business. In 2006, Parliament approved a Financial Disclosure Law which officially required public office holders and specified government officials to declare their assets. Parliament also enacted an Anti-Corruption Law in 2006 that created the Anti-Corruption Commission (ACC) to investigate allegations of corruption. In 2013, the commission referred 230 cases to the judiciary and secured nine convictions. In Transparency International's 2014 Corruption Perceptions Index, Jordan ranked 55 out of 175 countries.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Jordan signed the UN Anti-Corruption Convention in 2003, which was ratified in 2005.

Jordan is not a party to the OECD Convention on Combatting Bribery.

Resources to Report Corruption

Abd al-Kharabseh
Chairman
Anti-Corruption Commission Board
P.O. Box 5000, Amman, 11953, Jordan
+962 6 550 3150

Contact at "watchdog" organization:
Tharwat Abzakh

Acting Director
Rasheed Coalition
P.O. Box 582662, Amman, 111585, Jordan
+962 5 585 2528
t.abzakh@rasheedcoalition.org

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

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

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which generally makes it unlawful for U.S. persons and businesses (domestic concerns), and U.S. and foreign public companies listed on stock exchanges in the United States or which must file periodic reports with the Securities and Exchange Commission (issuers), to offer, promise or make a corrupt payment or anything of value to foreign officials to obtain or retain business. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. In addition to the anti-bribery provisions, the FCPA contains accounting provisions applicable to public companies. The accounting provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit individuals and businesses from knowingly falsifying books or records or knowingly circumventing or failing to implement a system of internal controls. In order to provide more information and guidance on the statute, the Department of Justice and the Securities and Exchange Commission published *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, available in PDF at:

<http://www.justice.gov/criminal/fraud/fcpa/guidance/>. For more detailed information on the FCPA generally, see the Department of Justice FCPA website at:
<http://www.justice.gov/criminal/fraud/fcpa/>.

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (negotiated under the auspices of the OECD), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law

Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party].

OECD Antibribery Convention: The Antibribery Convention entered into force in February 1999. As of January 2015, there are 41 parties to the Convention, including the United States (see <http://www.oecd.org/corruption/oecdantibriberyconvention.htm>). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Antibribery Convention. The Antibribery Convention obligates the Parties to criminalize bribery of foreign public officials in international business transactions, which the United States has done under U.S. FCPA.

UN Convention: The UN Convention entered into force on December 14, 2005, and there are 174 parties to it as of March 2015 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption, from basic forms of corruption such as bribery and solicitation, embezzlement, and trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of January 2015, the OAS Convention has 34 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) and the follow-up mechanism created in 2001 (MESICIC) has 31 members (see http://www.oas.org/juridico/english/mesicic_intro_en.htm).

Council of Europe Criminal Law and Civil Law Conventions on Corruption: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on whistleblower protection, compensation for damage relating to corrupt acts, and nullification of a contract providing for or influenced by corruption, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). See http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp. As of January 2015, the Criminal Law Convention has 44 parties and the Civil Law Convention has 35 (see <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=173>; <http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=174>).

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>. The U.S.-Jordan FTA entered into force in 2001 and came into full effect in January 2010.

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

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

The United States provides commercial advocacy on behalf of exporters of U.S. goods and services bidding on public sector contracts with foreign governments and government agencies. An applicant for advocacy must complete a questionnaire concerning its background, the relevant contract, and the requested U.S. Government assistance. The applicant must also certify that it is in compliance with applicable U.S. law, that it and its affiliates have not and will not engage in bribery of foreign public officials in connection with the foreign project, and that it and its affiliates maintain and enforce a policy that prohibits bribery of foreign public officials. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel, and reported through the Department of Commerce Trade Compliance Center “Report a Trade Barrier” Website at tcc.export.gov/Report_a_Barrier/index.asp. Potential violations of the FCPA can be reported to the Department of Justice via email to FCPA.Fraud@usdoj.gov.

Guidance on the U.S. FCPA: The Department of Justice’s (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals and issuers to request a statement of the Justice Department’s present enforcement intentions under the anti-bribery provisions of the FCPA regarding actual, prospective business conduct. The details of the opinion procedure are available on DOJ’s Fraud Section Website at www.justice.gov/criminal/fraud/fcpa and general information is contained in Chapter 9 of the publication *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, at <http://www.justice.gov/criminal/fraud/fcpa/guidance/>. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general information to U.S. exporters who have questions about the FCPA and about

international developments concerning the FCPA. For further information, see the Office of the General Counsel, U.S. Department of Commerce, website, at <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>. More general information on the FCPA is available at the websites listed below.

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

Anti-Corruption Resources

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

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, translations of the statute into numerous languages, documents from FCPA related prosecutions and resolutions, and press releases are available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa> and <http://www.justice.gov/criminal/fraud/fcpa/guidance/>
- The U.S. Securities and Exchange Commission FCPA Unit also maintains an FCPA website, at: <https://www.sec.gov/spotlight/fcpa.shtml>. The website, which is updated regularly, provides general information about the FCPA, links to all SEC enforcement actions involving the FCPA, and contains other useful information.
- General information about anticorruption and transparency initiatives, relevant conventions and the FCPA, is available at the Department of Commerce Office of the General Counsel website: <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>
- The Trade Compliance Center hosts a website with anti-bribery resources, at <http://tcc.export.gov/Bribery>. This website contains an online form through which U.S. companies can report allegations of foreign bribery by foreign competitors in international business transactions
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: <http://www.oecd.org/corruption/oecdantibriberyconvention.htm> See also Antibribery Recommendation <http://www.oecd.org/daf/anti-bribery/oecdantibriberyrecommendation2009.htm> and Good Practice Guidance Annex for companies: <http://www.oecd.org/daf/anti-bribery/44884389.pdf>.

- GRECO monitoring reports can be found at:
http://www.coe.int/t/dghl/monitoring/greco/evaluations/index_en.asp
- MESICIC monitoring reports can be found at:
http://www.oas.org/juridico/english/mesicic_intro_en.htm
- The Asia Pacific Economic Cooperation (APEC) Leaders have also recognized the problem of corruption and APEC Member Economies have developed anticorruption and ethics resources in several working groups, including the Small and Medium Enterprises Working Group, at <http://businessethics.apec.org/>, and the APEC Anti-Corruption and Transparency Working Group, at <http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Anti-Corruption-and-Transparency.aspx>. For more information on APEC generally, <http://www.apec.org/>.

There are many other publicly available anticorruption resources which may be useful, some of which are listed below without prejudice to other sources of information that have not been included. (The listing of resources below does not necessarily constitute U.S. Government endorsement of their findings.)

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in approximately 180 countries and territories around the world. The CPI is available at: <http://www.transparency.org/research/cpi/overview>. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/research/gcr>.
- The World Bank Institute's Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for 215 economies over the period 1996-2013, for six dimensions of governance (Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption). See <http://info.worldbank.org/governance/wgi/index.aspx#home>. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>. See also the World Bank Group *Doing Business* reports, a series of annual reports measuring regulations affecting business activity, available at: <http://www.doingbusiness.org/>
- The World Economic Forum publishes every two years the *Global Enabling Trade Report*, which assesses the quality of institutions, policies and services facilitating the free flow of goods over borders and to their destinations. At the core of the report, the Enabling Trade Index benchmarks the performance of 138 economies in four areas: market access; border administration; transport and communications infrastructure; and regulatory and business environment. See <http://www.weforum.org/reports/global-enabling-trade-report-2014>.

Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which typically assesses anti-corruption and good governance mechanisms in diverse countries. (The 2012 and 2013 reports covered a small number of countries as the organization focused on re-launching a modernized methodology in mid-2014.) For more information on the report, see <https://www.globalintegrity.org/global-report/what-is-gi-report/>.

Bilateral Investment Agreements

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

The U.S.-Jordan FTA, which entered into force in 2001 and came into full effect in January 2010, does not supersede or eliminate the QIZ initiative. Nevertheless, exports under QIZ requirements considerably shrank as exporters took advantage of the FTA's broader mandate. FTA rules of origin simply require 35 percent Jordanian content without other restrictions. Total two way trade equaled USD 3.3 billion during 2013; U.S. goods exported to Jordan equaled USD 2.1 billion and Jordanian goods imported into the United States equaled USD 1.2 billion. A Bilateral Investment Treaty between Jordan and the United States entered into force in 2003. The agreement provides reciprocal protection of Jordanian and U.S. individual and corporate investments.

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

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

With respect to other agreements, Jordan signed a Free Trade Agreement with Singapore in 2004. In addition to enhancing bilateral trade ties, the agreement aimed to create new export opportunities for Jordanian products worldwide through the possibility of diagonal accumulation of origin with countries that have concluded free trade

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

OPIC and Other Investment Insurance Programs

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Investments in Jordan are eligible for Overseas Private Investment Corporation (OPIC) insurance and private financing. Projects require a minimum of 25 percent U.S. equity in order to qualify. Over the past several years, OPIC backed significant investments in Jordanian private equity ventures and in mortgage financing. In fact, OPIC has over USD 1 billion in investments in Jordan. In December 2012, OPIC announced the financing of a USD 170 million, 241-megawatt electrical power plant construction project in Jordan; this plant opened for business in October 2014. OPIC is also active in financing projects in Jordan's burgeoning renewable energy sector. In 2011, OPIC signed a USD 250 million loan guarantee program to support small and medium sized enterprises (SMEs) in Jordan. OPIC previously extended a USD 250 million loan to support the USD 1 billion Disi water project to bring water to Amman from the Disi aquifer in the south.

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

Labor

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Jordan's population growth rate is about 2.2 percent a year, according to a 2012 Jordan Department of Statistics estimate. As of year-end 2013, the population is estimated by the Department of Statistics at 6.7 million. Nearly 63 percent of the population is estimated to be under the age of 30. Literacy rates are approximately 96.4 percent for men and 90.1 percent for women. Jordan has a generally well-educated labor force of about 1.8 million. According to the Department of Statistics, official unemployment in 2014 averaged 12.3 percent, a slight improvement from the 12.6 percent 2013 average.

Labor unions serve primarily as intermediaries between workers and the Ministry of Labor and may engage in collective bargaining on behalf of workers. There are 17 recognized unions in Jordan, and they are all members of the General Federation of Jordanian Trade Unions. Estimates put union membership at less than 10 percent of the labor force. Additionally, there are 40 professional associations active in Jordan, including many that have mandatory membership. According to official figures, about 30 percent of the total labor force, including government workers, belongs to either a union

or a professional association. The law does not require employers to include retirement plans in employment packages. However, if the employer agreed to provide retirement benefits when the worker was contracted, the employer must fulfill that commitment.

The government has been reforming and strengthening its legal framework and labor inspections since 2006. It amended its labor law in 2008 to expand coverage to domestic workers, formalize a tripartite Labor Affairs Committee, increase fines for violations of the labor law, and include sexual harassment provisions. Over the past few years, the Ministry expanded efforts to investigate allegations of child labor and to monitor hazardous working conditions in the country. In the past, Ministry of Labor inspections identified problems at some QIZ factories related to delayed payment of wages, length of overtime, and physical abuse of workers. The Better Work Jordan program was launched in 2008 as a five-year joint project between the Ministry of Labor, the International Labor Organization (ILO), and the International Finance Corporation to improve garment sector labor standards and conditions and raise compliance levels through public reporting and technical assistance. The Ministry of Labor made the program mandatory for all factories and subcontracting factories exporting to the U.S. or Israel as of December 2010. In 2013, the GOJ and stakeholders in the garment industry reached the first collective-bargaining agreement in Jordan's history.

Foreign-Trade Zones/Free Ports

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Jordan's new investment law merged the Development and Free Zones Commission (DFZC) into the newly formed Jordan Investment Commission, an independent governmental body responsible for creating, regulating, and monitoring Jordan's free trade zones, industrial estates and the five development zones. The Investment Commission's mission is to increase foreign direct investment (FDI) through the enhancement of the investment environments inside these zones. The President of the Commission and the administrative team supervise and centrally approve investment-related matters within the guidelines set by the Investment Council and approved by the government. The Investment Commission can expedite the provision of government services and provide a number of investment incentives, tax and customs exemptions. The five development areas are the King Hussein Bin Talal Development Area (KHBTD) in Mafraq, the Ma'an Development Area, the Irbid Development Area (IDA), the Dead Sea Development Zone, and the Jabal Ajloun Development Zone.

The Aqaba Special Economic Zone (ASEZ) is an independent economic zone not governed by the Investment Commission or the articles in the Investment Law 30/2014 governing investments in free zones or development zones. It offers special tax exemptions, a flat five percent income tax, and facilitates customs handling at Aqaba Port. In recent years, ASEZ has attracted projects mainly in hotel and property development valued at over USD 8 billion. The government continues to implement development projects aimed at attracting commerce and tourism through the Port of Aqaba. The Aqaba New Port project, initiated in 2010 with completion expected in late 2016, includes relocating the current port 20 km south, adding four new terminals, and expanding ship berthing, marine services, and capacity, including for energy resources such as natural gas, phosphates, and propane. In early 2014, Jordan announced a new public-private partnership committee tasked with enhancing Aqaba's investment climate.

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

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

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

Both nationals and foreign investors have few restrictions in trade, services, and industrial projects in free zones. Industrial projects must be related to one of the following industries:

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

Foreign Direct Investment Statistics

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Key Macroeconomic Data, U.S. FDI in Host Country/Economy

Economic Data	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (\$M USD)	2013	\$33,631	2014	\$35,753	www.worldbank.org/en/country

Foreign Direct Investment	Host Country Statistical source*	USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (\$M USD, stock positions)	N/A	2013	\$217	http://bea.gov/international/factsheet/factsheet.cfm?Area=505
Host country's FDI in the United States (\$M USD, stock positions)	N/A	2013	\$81	http://bea.gov/international/factsheet/factsheet.cfm?Area=505
Total inbound stock of FDI as % host GDP	N/A	N/A		

Sources of Portfolio Investment

Portfolio Investment Assets

Top Five Partners (Millions, US Dollars)

Total			Equity Securities		Total Debt Securities	
All Countries	24,857	100%	All Countries	100%	All Countries	100%
Lebanon	1,700	6.5				
Kuwait	1,587	6.1				
Qatar	1,403	5.4				
Saudi Arabia	1,366	5.2				
Bahrain	820	3.3				

Source: Securities Deposit Center

Contact Point at Post

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Chapter 7: Trade and Project Financing

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

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

Visa, Mastercard, and American Express credit cards are widely used and accepted.

How Does the Banking System Operate

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For information on the Central Bank of Jordan, visit their website at: cbj.gov.jo

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

Foreign-Exchange Controls

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

U.S. Banks and Local Correspondent Banks

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

Project Financing

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

Investments in Jordan are eligible for Overseas Private Investment Corporation Insurance and project financing. For more info, go to opic.gov

For loan guarantees and export-credit insurance, U.S. companies should contact the Export Import Bank at exim.gov

The Export-Import Bank of the United States (EXIM) is the official export credit agency of the United States. EXIM is an independent, self-sustaining Executive Branch agency with a mission of supporting American jobs by facilitating the export of U.S. goods and services.

Web Resources

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- Export-Import Bank of the United States: <http://www.exim.gov>
- Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html
- OPIC: <http://www.opic.gov>
- Trade and Development Agency: <http://www.tda.gov/>
- SBA's Office of International Trade: <http://www.sba.gov/oit/>
- USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>
- U.S. Agency for International Development: <http://www.usaid.gov>
- Trade Finance Guide: A Quick Reference for U.S. Exporters, published by the International Trade Administration's Industry & Analysis team: <http://www.export.gov/tradefinanceguide/index.asp>

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Business Customs

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

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

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

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

ATM machines are widely available.

Currency Code JOD

The Jordanian Dinar has been pegged to the US dollar since 1995. One (1) US dollar buys 0.709 Jordanian Dinars.

Travel Advisory

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

The State Department strongly advises U.S. citizens visiting the region to register with the U.S. Embassy at step.state.gov.

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

Visa Requirements

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U.S. citizens are required to have a visa to enter Jordan. A visa may be obtained in advance from the Jordanian Embassy in Washington, DC jordanembassyus.org/new/index.shtml or one of its consulates. The visas are valid for 30 days. A visa may also be obtained upon arrival at Queen Alia International Airport. The cost of a one-entry visa for all nationalities is JOD 40.

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

Foreigners who wish to stay more than a month in Jordan must register at a Jordanian police station before their thirtieth day in the country to get an extension of stay. Failure to properly register may subject the traveler to a fine of JOD 1.5 per day of overstay. This fine is usually assessed at departure. Failure to pay the fine will restrict a visitor from leaving Jordan.

For entry and exit requirements pertaining to dual nationality and the prevention of international child abduction, read our information at travel.state.gov/travel/cis_pa_tw/cis/cis_1469.html

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links:

State Department Visa Website: <http://travel.state.gov/visa/>

Telecommunications

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Cell phone usage is widespread. Internet usage is growing in popularity. Cell phone and 3G and 4G services are reliable in cities and in tourist destinations.

Transportation

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In Amman, official yellow taxis are plentiful and inexpensive. Cars with drivers can also be arranged at the major hotels. The Embassy does not recommend the use of unmarked taxis or buses. Women traveling alone should sit directly behind the driver at all times. Culturally, it is inappropriate for women to take the front seat next to the driver.

Language

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The official language is Arabic. English is widely understood and spoken among the middle and upper classes.

Health

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

Local Time, Business Hours, and Holidays

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Jordan is seven hours ahead of Eastern Standard Time.

The standard business hours for most banks are 8:30am-3:00pm. Most businesses are open 8:30 am-1:30 pm and 3:30 pm-6:30 pm. The work week is Sunday through Thursday

Government Offices Standard Business Hours:

Sunday – Thursday : 8: 20 –12:00

Banking sector:

Monday: 8:30 – 15:00

During the month of Ramadan, business hours are usually 6 hours. It is generally not possible to arrange business appointments on Fridays.

Holidays observed by businesspersons in Jordan for 2015

Businesspersons should avoid making appointments on public holidays.

New Year's Day, Thursday, January 1

Palm Sunday, Sunday, April 5

Easter, Sunday/Monday, April 12,13

Jordanian Labor Day, Thursday, April 30

Jordanian Independence Day, Sunday, May 25

*Eid Al-Fitr, Sunday/Monday, July 19-20

*Eid Al-Adha, Thursday/Sunday, September 24, 27

*Islamic New Year, Wednesday, October 14

Christmas Day, Thursday, December 24

Temporary Entry of Materials and Personal Belongings

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

For up to date customs information from the Jordanian government, visit customs.gov.jo/English/customs_en.shtm.

- State Department Travel Advice: travel.state.gov
- State Department Visa Website: travel.state.gov/visa/index.html
- Online Internet Registration for U.S. citizens: step.state.gov
- U.S. Commercial Service Jordan: buyusa.gov/Jordan

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Chapter 9: Contacts, Market Research and Trade Events

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Contacts

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Market Research

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

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

Trade Events

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

<http://www.export.gov/tradeevents/index.asp>

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Chapter 10: Guide to Our Services

SelectUSA:

SelectUSA was created by President Obama in June 2011 through Executive Order 13577, as the U.S. government-wide program to promote and facilitate business investment into the United States, including foreign direct investment (FDI) and reshoring.

The program is housed within the Commerce Department and coordinates investment-related resources across more than 20 federal agencies through the Interagency Investment Working Group (IIWG).

SelectUSA provides services to two types of clients: investors and U.S. economic development organizations at the state and local level. Services include:

Information Assistance:

- SelectUSA provides information to investors on the benefits of establishing operations in the United States, as well as the information needed to move investments forward. Investors can access facts, data and local contacts for the U.S. market.
 - SelectUSA also works closely with state, local and regional economic developers to provide counseling on strategy, best practices, and on-the-ground intelligence from the Foreign Commercial Service network across more than 70 foreign markets.
- Ombudsman Services: SelectUSA coordinates federal agencies to address investor concerns relating to a wide range of federal regulatory issues – helping them to navigate an unfamiliar system.

Investment Advocacy:

U.S. state and local governments often find themselves competing with a foreign location for a project. SelectUSA can coordinate senior U.S. government officials to advocate to the investor to bring those jobs to the United States.

Promotional Platform:

SelectUSA brings the power of the “USA” brand to high-profile events, such as the upcoming 2015 Investment Summit, to attract investors to learn about our nation’s investment opportunities. SelectUSA organizes international Road Shows and missions to trade fairs, while also offering tailored on-the-ground assistance in more than 70 markets.

Note: SelectUSA exercises strict geographic neutrality, and represents the entire United States. The program does not promote one U.S. location over another U.S. location.

For more information on SelectUSA and services provided for investors and economic development organizations please click on the following link:
<http://selectusa.commerce.gov/>

National Export Initiative:

The President's National Export Initiative/NEXT marshals Federal agencies to provide customer service-driven services and actionable information resources that ensure American businesses are able to capitalize on expanded opportunities to sell their goods and services abroad.

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

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

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

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

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact **(800) USA-TRAD(E)**.

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

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