Doing Business in Jordan: 

2013 Country Commercial Guide for U.S. Companies


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Market Overview

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 13 years.

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

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

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

- Energy/Power, including Renewable Energy
- Clean Tech
- Healthcare, including Medical Devices
- Medical Tourism
- Information Communication Technology
- Safety & Security
The global economic slump and a decline in sectors such as travel and tourism, construction, and defense have depressed the Gross Domestic Product (GDP) growth rate in Jordan. Jordan imports 96 percent of its energy from neighboring countries such as Egypt and Saudi Arabia. Insufficient supplies of water, oil, and natural gas make Jordan heavily dependent on foreign assistance. Of serious concern is the fact that Jordan ranks sixth in terms of water poverty after other Arab countries.

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

Jordan market opportunities can be summarized as follows:

- Jordan is beginning to invest heavily in alternative and renewable energy, including wind and solar. The renewable energy market for equipment and services is around $40 million and the U.S. share is five percent.
- The energy sector, particularly power generation, municipal gas systems, and oil shale development, are key sectors of growth.
- ICT sector is the fastest growing sector in Jordan’s economy with a 25 percent growth rate. The sector accounts for more than 84,000 jobs, contributing 14 percent of the GDP. There are 400 companies in telecom, IT, online and mobile content, business outsourcing, and games development.
- The telecommunications sector is liberalized; however, with a 30% internet penetration rate, there is room for growth, as the government hopes to increase that rate to 50% over the coming years. Jordan has more than 6.6 million mobile phone subscriptions, which represents a 108% penetration rate.
- Opportunities abound in e-health, with current pilot programs in three hospitals and a model based on electronic health solutions. Medical tourism is beginning to draw large numbers of patients to Jordan as a growing medical destination.
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 www.state.gov/r/pa/ei/bgn/3464.htm for the U.S. Department of State Background Notes.

U.S. – Jordan Relations

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

U.S. Assistance to Jordan

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

In 2009, the U.S. and Jordan signed a non-binding memorandum of understanding (MOU) to provide assistance to Jordan over a 5-year period, subject to the appropriation and availability of funds for this purpose. The MOU, which expires in October 2014, also reinforces the commitment to broaden cooperation and dialogue in a variety of areas. In 2011, a Millennium Challenge Corporation compact for Jordan entered into force that aims to increase income and reduce poverty in Zarqa Governorate. The compact seeks to increase water supplies available to households and businesses and improve the efficiency of water delivery, extend wastewater collection, and expand wastewater treatment.
The United States has provided significant aid to Jordan since the start of the Syrian conflict in order to help Jordan with the burden of assisting over half a million Syrian refugees who have entered the country in the past two and a half years. In March 2013, President Obama visited Jordan and pledged to deliver additional assistance support to alleviate the strain that the refugees have put on Jordan’s economy and government.

As a significant expression of U.S. support for Jordan, the USG negotiated a loan guarantee agreement (LGA) with the Government of Jordan (GOJ) in August, 2013. The LGA provides USG guarantees for the GOJ issuance of Eurobonds. The GOJ successfully issued a $1.25 billion Eurobond in October, 2013, in New York. The tenor of the bonds is seven years, with an interest rate of 2.5 percent. The bonds are fully backed by the USG. The USG guarantee allowed the GOJ to borrow at rates just above USG borrowing rates, which will save the GOJ hundreds of millions of dollars in debt servicing over the life of the bonds.

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

**Bilateral Economic Relations**

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

**Jordan's Membership in International Organizations**

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

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Using an Agent or Distributor

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

Establishing an Office

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

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

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

Franchising

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., FasTracKids, are also becoming of interest. Several new malls have opened in the capital 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**

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**

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 services where foreign ownership/share of companies cannot exceed 50%.

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

**Selling to the Government**

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 (www.usaidjordan.org/).

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

Jordan signed a $275 million Millennium Challenge Corporation (MCC) Threshold grant in 2010. The program in Jordan aims to increase the effective water supply in the city of Zarqa, Jordan’s second largest city, through expanding the water network and improving the city’s wastewater treatment capacity. Overall, MCC programs aim to strengthen democratic institutions, increase government transparency and accountability and enhance the efficiency and effectiveness of customs administration. For more information see www.mcc.gov.
Distribution and Sales Channels

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 www.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. On-line and mail ordering is popular. Marketing via internet is possible but this is still a nascent channel, as there is a low internet penetration rate in Jordan and consumers tend to consider internet shopping to be insecure.

Selling Factors/Techniques

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

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

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

Trade Promotion and Advertising

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 also 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: www.buyusa.gov/jordan/en/fuse.html.

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

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

**Pricing**

Local importers base their pricing on the export price, freight costs, applicable import tariffs and taxes, the 16% 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 www.jordanusfta.com.

**Sales Service/Customer Support**

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**

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

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

Protecting Your Intellectual Property in Jordan:

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

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

While the U.S. Government stands ready to assist, there is little that can be done 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 U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.
It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Jordan require constant attention. Work with legal counsel familiar with Jordanian laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

Though not required, it is 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 Jordanian-based and 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), whose regional office is now based in Dubai
- 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 register at 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.

- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: 1-202-707-5959.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For U.S. small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in in
more than 20 countries. For details please contact:
http://apps.americanbar.org/intlaw/intlproj/ipprogram_attorneys.html

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov. This site is linked to the USPTO website for registering trademarks and patents (both in the United States as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. U.S. Department of State also monitors IPR issues. You can get contact information for the IP attaché who covers Jordan at: David Rochford, Economic Office at RochfordDB@state.gov.

**Due Diligence**

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: www.buyusa.gov/jordan/en for more information.

**Local Professional Services**

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

**Web Resources**

- U.S. Commercial Service Jordan www.buyusa.gov/jordan/en
- USAID Jordan www.usaid.gov(locations)/middle_east
- Jordan-U.S. Free Trade Agreement www.jordanusfta.com
- National Library www.nl.gov/jo/ar/Pages/default.aspx
- American Chamber of Commerce (AmCham) www.sites.google.com/a/amcham.jo/ps
- Amman World Trade Center www.awtc.com
- Information Technology Association Jordan(Int@j) /www.int@j.net
- The Jordan Garments, Accessories & Textile Exporters Association (JGATE) www.jgate.org.jo
- Jordan Furniture Exporters & Manufacturers Association www.jfema.org
- Jordan Investment Board www.jordaninvestment.com
- Jordanian Association of Manufacturers of Pharmaceuticals and Medical Appliances (JAPM) www.japm.com

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

Commercial Sectors

- Healthcare Technology and Medical Devices
- Information and Communication Technology
- Renewable Energy
- Safety and Security Equipment
- Green Build
- Environment Technologies
- Agricultural Sectors

Overview

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

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

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

According to the World Health Organization (WHO), 10% of Jordan’s GDP goes toward health care, with the public sector financing over 45% of this total. Jordan spent $350 per capita on health in 2010 (more than twice the regional average). In 2013, Jordan has over 100 hospitals with a total bed capacity of more than 11,000, and nearly a third of these facilities are in the private sector.

Jordan has the highest per capita rate of health-related expenditures after Saudi Arabia and Lebanon. Through 44 public hospitals and 60 private hospitals, it provides health care services for its citizens and over 250,000 patients from neighboring countries annually. Imports of medical equipment and pharmaceuticals exceeded $370 million in the year 2008 and are expected to grow to $519 million by the end of 2013, representing a compound annual growth rate (CAGR) of 7.01%. The main drivers for growth in this sector include the continuing high-volume medicine export activity generated by Jordan’s domestic drug manufacturers. Additionally, the epidemiological profile of Jordan indicates an increasing burden of obesity and diabetes-related disorders, which will drive future spending in healthcare.

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

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

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

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

**Headline Expenditure Projections**

Healthcare: JOD1.97bn (US$2.78bn) in 2012 to JOD2.16bn (US$2.96bn) in 2013; +9.3% in local currency terms and +6.2% in U.S. dollar terms.

Pharmaceuticals: JOD602mn (US$849mn) in 2012 to JOD660mn (US$905mn) in 2013; +9.6% in local currency terms and +6.6% in U.S. dollar terms. Forecast increased from Q113 on account of new historical data.

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

Laws: As for improving standards, the focus of health care policy in Jordan is greater equity and accountability. The government has taken steps in areas such as medical responsibility and e-health care by creating a more accountable health care system through the implementation of accreditation and e-health care regulations. One of those actions was the drafting of the medical responsibility law. Expected to pass by the end of 2013, the current draft law protects patients’ rights, ensures compliance with clinical guidelines, and offers reasonable compensation in cases of
malpractice. The legislation should help with garnering international accreditation. Fourteen hospitals in Jordan have received national accreditation based on reducing medical errors and preventable harm in the hospital, and six hospitals have received Joint Commission International (JCI) accreditation.

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

Sub-Sector Best Prospects

There is a need in the next five years for 10 new hospitals in Jordan. (Focus to be on the cities of Amman, Zarqa, and Irbid)

Best Services Prospects include:

- Consulting in hospital administration, quality control and certification standards
- Training

Best Product Services include:

Given the hospital redesign projects and private clinic investments, the following equipment offers excellent sales prospects:

- Medical equipment, C-T scanners, MRI, PET scanner, Physiological monitoring, Kidney dialysis equipment reagents for automated laboratories, Laparoscopy surgery, Endoscopy, Cardiology equipment, Cardiology surgery, Ophthalmology, Neurosurgery, Oncology, Medical supplies, Electro medical equipment, Other medical & equipment instruments, Other electro-diagnostic apparatus, UV/IR apparatus; Surgical medical equipment, Radiology and Imaging equipment, Sonography equipment, Endoscopy equipment and flexible scopes, Anesthesia and operating theatres, Laparoscopic surgery, Hospital/Clinical furniture, Sterilization equipment, and Surgical instruments.

- Consumables for Clinical laboratories, i.e. Tubes/Glasses
- Equipment and supplies for plastic surgery
- Medical Surgical Sterilizers
- Medical x-ray, Alpha, Beta, Gamma Ray Equipment
- Orthopedic & Prosthetic Appliances
- Clinical Lab Diagnostic Equipment; and Clinical laboratories Equipment
- Organ transplant
- Mental health

Opportunities

Hospitals, both private and public, will continue to expand, and the demand for new hospitals and medical equipment and pharmaceuticals will continue to grow. The Queen Rania Pediatric Hospital is now in operation. Also, a new general military hospital is now under construction in Aqaba to
replace the old existing Princess Haya Hospital, managed by the Royal Medical Service (RMS), as the current location of Princess Haya does not allow any expansion.

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

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

Web Resources

Ministry of Health: www.moh.gov.jo
Medical Tourism Directorate: www.moh.gov.jo
Jordan Medical Council: www.jmc.gov.jo
Higher Health Council: www.hhc.gov.jo
Jordan Private Hospitals Association: www.pha-jo.com
Jordanian Association of Manufacturers of Pharmaceuticals & Medical Appliances: www.japm.org.jo

Information and Communication Technology

Overview

- Jordan’s nearly $2.3 billion ICT sector remains a success story amidst regional economic downturns, employing 1% of the population, but contributing 14% to GDP.
- Jordan’s ICT sector contains around 460 companies, including top U.S. firms.
- Three quarters of global online Arabic content is developed in Jordan.
- Sector leaders perceive the industry is at a crossroads after reaching peak revenues in 2008; they clamor for legislation conducive to sustainability.
- The sector’s revenues in 2013 are expected to reach JD1.8 billion ($2.54 billion).
- 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.

The Information and Communication Technology (ICT) sector consists of the Information Technology (IT) industry (content providers), the telecommunication (telecoms) industry with three main telecom companies (Orange, Zain, and Umniah), and the Business Process Outsourcing (BPO) industry (call centers). The ICT sector accounts for approximately 14% of GDP (10% direct and 4% indirect), and 84,000 jobs (direct employment figures for the IT industry reached 16,000, with indirect employment for ICT estimated at around 68,000). The sector attracts an average of $150 million in investments annually.

Despite its prominence in Jordan, the entire ICT sector has been struggling recently, especially the IT industry. Total IT industry revenues in Jordan have fallen from a 2008 high of $962.4 million to
$617 million in 2012. Domestic revenues halved from $735.6 million in 2008 to $317.1 million in 2012. IT export revenues, however, reached record highs of $300 million in 2012, registering a 30% increase.

Jordan’s telecommunications sector is dominated by the three mobile phone providers. Privatized incumbent carrier Jordan Telecom Group is majority owned by France Telecom and operates as Orange Jordan. It has a 36% market share. Despite liberalization, Jordan Telecom Group/Orange is the only integrated operator in the country, offering mobile, fixed-line, wholesale telecoms and internet services. Mobile communications provider Zain leads the industry with a 38% market share, while Umniah has 26% market share. There are 8.9 million mobile phone subscribers in Jordan representing a 140% penetration rate. Telecommunications operators Orange, Umniah, and Zain contribute more than $500 million to the economy. The sector’s revenue in 2013 is expected to reach JD1.8 billion ($2.54 billion).

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

The TRC floated a bid in 2013 offering new spectrums to allow the entry of a fourth mobile operator and a new provider for Fixed Broadband Wireless Access (FBWA). The spectrums include; 800 MHz, 1800 MHz, 2100 MHz, 2300 MHz, and 2600 MHz. The tender will allow the winning bidder to offer fourth generation (4G) technology for an exclusive period of time. Two consortiums have submitted their bid proposals. TRC is expected to announce a final decision before the end of 2013.

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.

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.

Licensed WiMAX operators entered the market in late 2009, with over 17% market share of the small broadband market. According to recent reports, Jordan has the lowest WiMAX rates in the region (8%). 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% 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 FREINDI banner. FREINDI launched its services officially in July 2012, though it only has a market share of 0.7%.

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

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

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

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

**Jordanian Government Initiatives**

The planned $1 billion Telecom, Media, and Technology (TMT) City in the Amman’s Naour suburb will function as a hub for ICT companies, startups and training centers. The TMT City, to be built on a 240,642-square-metre area, will include offices, conference halls, research and development facilities, training centers, and the headquarters of ICT companies. The city endeavors to make Jordan an ICT hub in the Middle East. The project concept goes back to 2008, but implementation was delayed due to the global financial crisis and a decline in investment activity. Orange Jordan signed an agreement with a consortium comprised of the Engineering Consultants Group and Smart Village-Egypt that entails starting technical studies on the project immediately. The initiation-phase studies are scheduled to be completed by the end of 2013, followed by another agreement to
begin implementation of the project. Construction work on the city is expected to start in early 2014.

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

The GOJ has worked with the private sector on initiatives to reduce the gap between academia and the labor market by supporting startup incubators and creating jobs. One such initiative is an Int@j Public-Private-Partnership (PPP) with both the MOICT and the Ministry of Labor called Graduates Internship Program (GIP). GIP is designed to increase employment in the ICT sector and to equip graduates to meet the sector needs. The internship program duration is 18 months. The GOJ subsidizes 50% of the graduate’s salary of JD300 ($420) per month for the first 12 months, and then reduces it to 25% for the internship’s duration. In 2012, more than 1,000 graduates/students have benefited from the program.

ICT Sector Challenges

- The sector needs a PPP law to facilitate joint projects between the government and the private sector.
- The income tax rate on ICT companies is 24%, compared with 14% for most other sectors.
- 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 hesitant to invest in Jordan.
- The quality of education received by Jordanian graduates is insufficient to meet companies’ needs. (Close to 5,700 ICT students graduate every year; however, companies are concerned they have the right skill sets to meet industry demand.)

Sub-Sector Best Prospects

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

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

Opportunities

- The relocation of the Port of Aqaba will require an upgrade and relocation of the coastal telecommunications station in Aqaba. This project is considered a significant opportunity for U.S. companies seeking to increase their ICT share in the Jordanian market.
- The health, finance, education, and energy sectors, particularly utilities, need companies offering vertical ICT solutions and services and ICT integration.

- Data segment, broadband, cyber security, Arabic content, mobility and cloud, new media, data mining, and data backup are other areas with opportunities for investment.

**Infrastructure:**
- Platform for converged data, voice, media, and content.
- Broadband.
- National Broadband Network (NBN). The government has indicated its willingness to allocate funds to complete this project, which will link the southern and middle regions of the country with the current network present in Amman and the northern region.
- Virtual e-learning (schools and universities).
- 4G/3G.
- E-government project, outsourcing, Information Technology Outsourcing, Business Process Outsourcing, Arabization and Localization Services, local, national and international fixed services, Public wireless Internet service provision, Call Centers, Convergence of services, and electronic service areas of banking, commerce, governance, health, education, energy, accounting, information security and 3D animation.

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

Overall: 47 out of 144 countries

Environment: 42
- Political and Regulatory: 48
- Business and Innovation: 40

Readiness: 55
- Infrastructure and Digital content: 81
- Affordability: 27

Skills: 34

Impact: 54
- Economic: 49
- Social: 54

**Upcoming Events**


**Web Resources**

Ministry of Information and Communication Technology: www.moict.gov.jo
Recently, the Jordanian Government gave the final approval for twelve MOUs signed "Reference Price List" which includes the indicative prices for each type of renewable energy projects. In addition, the by-laws and regulations related to renewable energy projects for electricity generation have been issued by the Electricity Regulatory Commission providing the "Reference Price List" which includes the indicative prices for each type of renewable source.

Recently, the Jordanian Government gave the final approval for twelve MOUs signed between the Ministry of Energy and Mineral Resources (MEMR) and developers under the Energy and Energy Efficiency Strategy, ia the construction of a pipeline from Basra to Haditha to increase the energy security. The government is seeking an investment of $18 billion in this sector by 2020. The most prominent proposals include developing civil nuclear power, oil shale and renewable energy. The government is further exploring with the government of Iraq the construction of a pipeline from Basra to Haditha and onward to Aqaba.

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

In 2012 alone, Jordan imported 96 percent of its energy, which accounts for almost 20 percent of the Country’s Gross Domestic Product (GDP). The rising cost of importing energy resources has forced the government to reconsider its energy consumption policies and address the issue of reliance on international energy markets for direct imports. To this end, the government has authored a new National Energy Strategy. Under this strategy, renewable and nuclear energy are set to transform the kingdom into a net exporter by 2030, despite a rapidly growing population. As the price of oil increases, energy security has become even more of a priority to Jordan. The government is seeking an investment of $18 billion in this sector by 2020. The most prominent proposals include developing civil nuclear power, oil shale and renewable energy. The strategy aims to increase the renewable energy share in the energy mix from two to seven percent by 2015 and to 20 percent by 2020. Jordan is further exploring with the government of Iraq the construction of a pipeline from Basra to Haditha and onward to Aqaba.

Jordan does not have the natural resources of its neighbors and has traditionally imported nearly all of its energy and fuel requirements. In 2012 alone, Jordan imported 96 percent of its energy, which accounts for almost 20 percent of the Country’s Gross Domestic Product (GDP). The rising cost of importing energy resources has forced the government to reconsider its energy consumption policies and address the issue of reliance on international energy markets for direct imports. To this end, the government has authored a new National Energy Strategy. Under this strategy, renewable and nuclear energy are set to transform the kingdom into a net exporter by 2030, despite a rapidly growing population. As the price of oil increases, energy security has become even more of a priority to Jordan. The government is seeking an investment of $18 billion in this sector by 2020. The most prominent proposals include developing civil nuclear power, oil shale and renewable energy. The strategy aims to increase the renewable energy share in the energy mix from two to seven percent by 2015 and to 20 percent by 2020. Jordan is further exploring with the government of Iraq the construction of a pipeline from Basra to Haditha and onward to Aqaba.

Overview

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012 (not available)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Size</td>
<td>45,861,586</td>
<td>39,390,375</td>
<td>66,919,381</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Local Production</td>
<td>4,219,865</td>
<td>10,474,439</td>
<td>9,426,995</td>
<td>N/A</td>
</tr>
<tr>
<td>Total Exports</td>
<td>4,875,312</td>
<td>12,265,025</td>
<td>11,038,522</td>
<td>N/A</td>
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<tr>
<td>Total Imports</td>
<td>46,517,033</td>
<td>41,180,961</td>
<td>68,530,908</td>
<td>N/A</td>
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<tr>
<td>Imports from the U.S.</td>
<td>1,434,646</td>
<td>1,983,096</td>
<td>5,427,688</td>
<td>N/A</td>
</tr>
<tr>
<td>Exchange Rate: 1 USD</td>
<td>0.708</td>
<td>0.708</td>
<td>0.708</td>
<td>0.708</td>
</tr>
</tbody>
</table>

*The figures above are from Jordan Department of Statistics

**Total Market Size = (Total Local Production + Total Imports) – (Total Exports)
direct proposals submission, which should add 170MW of solar power energy to the grid. These projects will sell power under the current price list, while future projects will have new pricing. The next step for the current projects is for developers to sign the Power Purchase Agreement (PPA) with National Electric Power Company (NEPCO) and submit their financial clause.

Sub-Sector Best Prospects

**Wind**

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

Recently, the government approved the first 115MW wind project in Tafila area. Other wind projects are either under final award, such as 90MW Fujeij project, or still under prequalification, such as 70MW Maan wind project.

**Solar Energy**

Jordan is blessed with an abundance of solar energy, which is evident from the annual daily average solar irradiance on a horizontal surface range of between five to seven Kilowatts/hr (kWh)/m2, one of the highest figures in the world. The government is aiming to generate around 300-600MW from solar energy by 2020.

The first solar power project has been approved by the government to install 10MW in Mafraq area. Furthermore, proposals for another two solar projects are under evaluation, the first one is 2MW PV project in Azraq area and the other is 70MW PV project in Quweirah area.

On the household level, the Greater Amman Municipality is now requiring real estate developers to install solar water heaters before issuing building permits. Currently, about 15 percent of total households are equipped with solar water heating systems, with a goal to increase this rate by 30 percent in 2020. Solar water heating systems contribute up to one percent of the total energy consumption at present.

**Waste to Energy**

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

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

Web Resources

- EDAMA Association: [www.edama.jo](http://www.edama.jo)
- American Chamber of Commerce, Jordan: [www.amcham.org.jo](http://www.amcham.org.jo)
Environment Technologies

Overview

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% of Jordan’s urban population; therefore, increasing sewage coverage and ancillary water treatment capabilities will help Jordan conserve its scarce water resources.

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
- Increased Irrigation, industrial use, commercial and tourism use
- Climate Change

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.

With regards to energy efficiency, Jordan has to resolve its energy security issue, as 96 percent of its energy is imported, at a cost of 20 percent of its GDP. The government is implementing different solutions to reduce its dependency on imported energy. One part of the solution was included in the New Energy Strategy that Jordan is using as a road map to solve its energy issues. With $14-18
billion of expected projects in the energy sector, energy efficiency is considered an important part of the strategy to reduce energy’s overall budget impact.

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

MCC in Jordan in Brief:

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

- The Water Network Project will improve the overall drinking water system efficiency in the governorate through the construction and rehabilitation of pump stations, reservoirs and hundreds of kilometers of water transmission and delivery pipes.
- The Wastewater Network Project is rehabilitating and extending hundreds of kilometers sewer lines to urban areas in the governorate.
- The As-Samra Wastewater Treatment Plant Expansion Project (building on USAID investment) is expanding the capacity for high quality treatment of nearly all wastewater generated in Amman and Zarqa, creating new supplies of water that can be used in agriculture in the fertile Jordan Valley.

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

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

Sub-Sector Best Prospects

Water and Environment

The following summarizes the best prospects in this sector:

- With the recent efforts for reducing water losses in networks and reducing the losses associated with non-revenue water, there are tremendous opportunities for the provision of leak detection technology and equipment.
- Outsourcing of some water utility services is expected to become a trend in the coming years. This trend will also constitute opportunities for U.S. firms specialized in the water management sector.
- There is still a need for expanding the wastewater treatment capacity and quality throughout Jordan. Several donor agencies are expected to continue their funding of a number of wastewater collection and treatment projects. The most promising services in the sector are for engineering services, contracting, and treatment/desalination technology.

The main best prospects in the water efficiency market in Jordan include: water heaters, insulation, materials, heat exchanger and programmable thermostats. There are a number of opportunities in the areas of engineering services and construction for major infrastructure project, such as wastewater networks and treatment plants. Furthermore, the government decided that the entire Jordan MCC compact agreement would be in the water and wastewater sector. Those investments
will concentrate on the areas of wastewater treatment and re-use, as well as leak reduction. Projects in the value of $400 million are expected to result from the Compact Agreement, which will create several sales opportunities for U.S. service providers. There are ongoing studies for a desalination plant to be located in the port city of Aqaba, especially on a PPP basis, which will offer opportunities for U.S. desalination technology. The continued interest of the government to turn over the management of its water company to private sector management will create opportunities for U.S. water management firms.

**Opportunities**

Below are the key upcoming projects in the water, environment, and wastewater treatment areas.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Demand Projects</td>
<td>$735 million</td>
</tr>
<tr>
<td>Water Supply Projects</td>
<td>$233 million</td>
</tr>
<tr>
<td>Wastewater Projects</td>
<td>$514 million</td>
</tr>
<tr>
<td>Irrigation Projects</td>
<td>$55 million</td>
</tr>
<tr>
<td>Unconventional Resources Projects</td>
<td>$57 million</td>
</tr>
<tr>
<td>Institutional Reform</td>
<td>$17 million</td>
</tr>
</tbody>
</table>

**Web Resources**

Water Authority of Jordan [www.waj.gov.jo](http://www.waj.gov.jo)
Ministry of Water and Irrigation [www.mwi.gov.jo](http://www.mwi.gov.jo)
Government Tenders Department [www.gtd.gov.jo](http://www.gtd.gov.jo)
Jordan Valley Authority [www.jva.gov.jo](http://www.jva.gov.jo)
American Chamber of Commerce, Jordan: [www.amcham.org.jo](http://www.amcham.org.jo)

**Safety and Security Equipment**

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

The safety and security market in Jordan is divided into four segments: premises security equipment, personal protection equipment, security services operations, and fire-fighting. Although most of the needed equipment is imported, there is an increasing amount of security equipment and devices being assembled or made in Jordan through King Abdullah II Design and Development Bureau’s different entities. On the commercial side, the demand for safety and security equipment can be confined to three main sectors: banking, residential and commercial construction, and tourism (hotels and resorts). For these categories to meet the government’s policy for the highest security conditions, there is a strong demand for the import of related equipment.
A new and fast growing market in the safety and security sector is the ICT security segment. With advanced technologies being used over a wide range of applications, providing security for their use is becoming increasingly necessary for both the public and the private sectors.

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

**Sub-Sector Best Prospects**

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

1. **Safety and Property Security Systems**
   - Fire protection systems, alarms
   - Fire and smoke detection
   - Passive fire protection products
   - Fireproofing
   - Automatic fire sprinkler
   - Fire suppression, including water and chemical extinguishing
   - Fire trucks
   - Ambulances
   - Safety headgear
   - Metal detectors
   - x-ray and handheld scanners

2. **Bank Fraud / Electronic Security**
   - Financial and Network ICT Security, LAN / WAN / Wireless technology
   - Forensic software
   - Encryption equipment

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

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

**Opportunities**

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

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

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

**Web Resources**

- King Abdullah II Design and Development Bureau: [www.kaddb.com](http://www.kaddb.com)
- Jordanian Armed Forces: [www.jaf.mil.jo](http://www.jaf.mil.jo)
- General Intelligence Department: [www.jid.gov.jo](http://www.jid.gov.jo)
- Saraya Aqaba: [www.sarayaholdings.com](http://www.sarayaholdings.com)
- Abdali: [www.abdali.jo](http://www.abdali.jo)
- Ayla Oasis: [www.oasis.com](http://www.oasis.com)
- Marsa Zayed: [www.marsazayed.org](http://www.marsazayed.org)

**Green Building**

**Overview**

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

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

Jordan could be an important player in the region in this niche market by improving access to emerging opportunities and therefore generating incremental revenues for building owners. Billions of dollars of green-focused grants and loans are available through the EU, USAID and the World Bank that can offset and even eliminate capital costs. In May 2009, the Jordan Green Building Council (Jordan GBC) was established to spread awareness of Green Building concepts, provide training and conduct audits on buildings to award the LEED certifications.

**Best Prospects**

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

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

Figures from the Department of Land and Survey in 2012 show that there was 8% increase in real estate trading with a total of $9 billion worth of transactions.

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

Opportunities

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

The current situation in the Jordan market reveals the following:

- “Green Building” concepts are just being launched in Jordan, with the National Building Council taking the lead in developing National building Codes.
- There are over 20 projects in Jordan who have applied directly to the U.S. Green Building Council (USGBC) for LEED certification and the number of locally-based LEED AP accredited professionals is on the rise.
- The top 30 companies in Jordan are all interested in Green Building practices.
- Green Building certification and consultancy has been added to the A/E firm qualification criteria of the Government Tenders Department. This criterion is used to technically prequalify A/E firms to implement Government projects.

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

Web Resources

Ministry of Housing and Public Works
P.O. Box 1220
Amman 11118 Jordan
Tel: +962 6 580-3838
Fax: +962 6 585-7590
E-mail: mpwh@mpwh.gov.jo
Agricultural Sector

Overview

Jordan is a net food-importing country, a small market of six million consumers. Jordan imports up to 98% 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% of Jordan’s water resources, agriculture accounted for only about 2.8% of GDP in 2012. The agriculture sector employs 15% 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**

U.S. agricultural exports to Jordan were $340 million in 2012, and are expected to increase by the end of 2013. Trade has seen an increase in imports of rice, poultry, beef and fish, in addition to high value supermarket items. Most recently, the market has opened up for live dairy cattle.

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

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

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

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

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

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

**Web Resources**

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

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Chapter 5: Trade Regulations, Customs and Standards

- Import Tariffs
- Trade Barriers
- Import Requirements and Documentation
- U.S. Export Controls
- Temporary Entry
- Labeling and Marking Requirements
- Prohibited and Restricted Imports
- Customs Regulations and Contact Information
- Standards
- Trade Agreements
- Web Resources

**Import Tariffs**

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 [www.customs.gov.jo](http://www.customs.gov.jo).

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 [www.istd.gov.jo](http://www.istd.gov.jo).

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

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

**Trade Barriers**

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 [www.customs.gov.jo](http://www.customs.gov.jo)
Import Requirements and Documentation

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

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

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

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

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

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

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

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

For shipments to Jordan, exporters are required to provide a certificate of origin, a commercial invoice, an airway bill, and a packing list. A customs declaration is also required, but only an authorized forwarding agent in Jordan can process the declaration, which must be filed electronically.
Regarding a U.S. Certificate of Origin for Exporting to Jordan, a general certificate of origin is acceptable and can be downloaded from the Trade Information Center's Web site www.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 www.nusacc.org.

A list of the Jordanian consulates can be accessed at www.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


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

### Temporary Entry

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 www.customs.gov.jo.

### Labeling and Marking Requirements

Imported products must comply with labeling and marking requirements issued by (JSMO); refer to www.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 www.moh.gov.jo.
**Prohibited and Restricted Imports**

**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 [www.export.gov/tic](http://www.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:

<table>
<thead>
<tr>
<th>Product</th>
<th>Relevant Ministry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arms and ammunition, explosives, switch-blade knives, fuel-operated toy cars, remote control operated toy planes, electric and electronic games for commercial use, self-defense electric tools</td>
<td>Ministry of Interior/Public Security Directorate</td>
</tr>
<tr>
<td>Military clothing</td>
<td>Jordan Armed Forces</td>
</tr>
<tr>
<td>Radioactive materials and uranium</td>
<td>Ministry of Energy and Mineral Resources</td>
</tr>
<tr>
<td>Wireless receivers and broadcast stations, wireless alarm devices, remote control devices (including motor, garage, window and shutter control; excluding television and video devices), site mapping equipment, wireless receivers and broadcast devices, cellular-phone equipment, wireless microphones, communication terminals, remote control toy-planes (also to be cleared by the Public Security Department of the Ministry of the Interior), mobile TV equipment</td>
<td>Telecommunications Regulatory Commission</td>
</tr>
<tr>
<td>Decoders and satellite receivers</td>
<td>Radio and Television Corporation</td>
</tr>
<tr>
<td>Color photocopiers</td>
<td>Central Bank of Jordan</td>
</tr>
<tr>
<td>Medical drugs and antibiotics, food supplements for athletes, potassium bromide, food dyes, asbestos</td>
<td>Ministry of Health</td>
</tr>
</tbody>
</table>
pipes and panels, frozen ice cream, baby food and milk, laser pens, oxygen and nitrogen oxide

<table>
<thead>
<tr>
<th>Item</th>
<th>Ministry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halogen use materials, Freon gas</td>
<td>Ministry of Municipal Affairs and Ministry of Environment</td>
</tr>
<tr>
<td>Postal clearing devices</td>
<td>Ministry of Information and Communications Technology</td>
</tr>
<tr>
<td>Artesian well drills</td>
<td>Ministry of Water and Irrigation</td>
</tr>
<tr>
<td>Small monitoring cameras</td>
<td>Military Security</td>
</tr>
</tbody>
</table>

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).

<table>
<thead>
<tr>
<th>Product(s)</th>
<th>Title of Certificate</th>
<th>Attestation Required on Certificate</th>
<th>Purpose</th>
<th>Requesting Ministry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Powder Milk For direct consumption – needs no import license</td>
<td>Country of origin certificate (COOC).</td>
<td>U.S. Government Or Chamber of Commerce</td>
<td>Custom Valuation, Health, Risk control</td>
<td>CA, MoA</td>
</tr>
<tr>
<td></td>
<td>Sanitary and Phyto Sanitary (SPS) Veterinary Animal Health Certificate (VAHC).</td>
<td>USDA-FSIS or APHIS</td>
<td>Human Health</td>
<td>JFDA</td>
</tr>
<tr>
<td>Product(s)</td>
<td>Title of Certificate</td>
<td>Attestation Required on Certificate</td>
<td>Purpose</td>
<td>Requesting Ministry</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Fitness for Human Consumption Certificate (FHCC)</td>
<td>FDA or USDA-FSIS</td>
<td>Human Health</td>
<td>JFDA</td>
<td></td>
</tr>
<tr>
<td>Product Validity for Consumption in the Country of Origin (PVCCOOC)</td>
<td>FDA or USDA-FSIS</td>
<td>Human Health</td>
<td>JFDA</td>
<td></td>
</tr>
<tr>
<td>Flavored Milk</td>
<td>COOC, VAHC, FHCC, PVC00C, Approved flavor and/or coloring material.</td>
<td>FDA or USDA-FSIS</td>
<td>Human Health</td>
<td>MOA, JSMO, JFDA, CA</td>
</tr>
<tr>
<td>Bovine Meat</td>
<td>SPS-VAHC</td>
<td>USDA-FSIS or APHIS</td>
<td>Free from infectious and contagious diseases- food safety</td>
<td>MOA</td>
</tr>
<tr>
<td></td>
<td>HC</td>
<td>Supplier/ Manufacturer</td>
<td>Verification that slaughter conforms to Islamic traditions. Food quality and consumer protection.</td>
<td>MOA, JSMO</td>
</tr>
<tr>
<td>Processed meat</td>
<td>SPS-VAHC</td>
<td>USDA-FSIS or APHIS</td>
<td>Free from infectious and contagious diseases. Food safety.</td>
<td>MOA</td>
</tr>
<tr>
<td></td>
<td>HC</td>
<td>Supplier/ Manufacturer</td>
<td>Verification that slaughter conforms to Islamic traditions. Food quality and consumer protection.</td>
<td>MOA, JSMO</td>
</tr>
<tr>
<td>Poultry meat</td>
<td>COOC</td>
<td>U.S. Government Or Chamber of commerce</td>
<td>Custom Valuation, Health, Risk control</td>
<td>MOA, JSMO, JFDA, Customs</td>
</tr>
<tr>
<td>Product(s)</td>
<td>Title of Certificate</td>
<td>Attestation Required on Certificate</td>
<td>Purpose</td>
<td>Requesting Ministry</td>
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<tr>
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</tr>
<tr>
<td>HC</td>
<td>Supplier/Manufacturer</td>
<td>Verification that slaughter conforms to Islamic traditions. Food quality and consumer protection.</td>
<td>MOA, JSMO</td>
<td></td>
</tr>
<tr>
<td>Residues monitoring Program certificate</td>
<td>National Residue Control System (FSIS-EPA &amp; FDA)</td>
<td></td>
<td>MOA, JSMO, JFDA</td>
<td></td>
</tr>
<tr>
<td>Poultry meat from flocks that have not been fed on bovine bone and meat meals certificate.</td>
<td>FDA, USDA-FSIS or APHIS</td>
<td>Food safety.</td>
<td>MOA, JFDA</td>
<td></td>
</tr>
<tr>
<td>Pisces (Fish and sea fruits) Frozen and or Processed</td>
<td>Validity certificate</td>
<td>Food quality.</td>
<td>MOA, JSMO</td>
<td></td>
</tr>
<tr>
<td>COOC</td>
<td>U.S. Government Or Chamber of commerce</td>
<td>Custom Valuation, Health, Risk control.</td>
<td>MOA, JSMO, JFDA, CA</td>
<td></td>
</tr>
<tr>
<td>SPS-VAHC</td>
<td>USDA-FSIS</td>
<td>Free from infectious and contagious diseases- food safety.</td>
<td>MOA, JFDA</td>
<td></td>
</tr>
<tr>
<td>Cheese</td>
<td>COOC</td>
<td>Custom Valuation, Health, Risk control.</td>
<td>MOA, JSMO, JFDA, CA</td>
<td></td>
</tr>
<tr>
<td>SPS-VAHC</td>
<td>USDA-FSIS or APHIS</td>
<td>Free from infectious and contagious diseases. Food safety.</td>
<td>MOA, JFDA</td>
<td></td>
</tr>
<tr>
<td>Hazard Analysis and Critical Control Point (HACCP)</td>
<td>Accredited by FDA, USDA-FSIS or APHIS</td>
<td>Food quality.</td>
<td>JFDA</td>
<td></td>
</tr>
<tr>
<td>Product(s)</td>
<td>Title of Certificate</td>
<td>Attestation Required on Certificate</td>
<td>Purpose</td>
<td>Requesting Ministry</td>
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<tr>
<td>-------------------------</td>
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</tr>
<tr>
<td>Honey</td>
<td>COOC</td>
<td>U.S. Government Or Chamber of Commerce</td>
<td>Custom Valuation, Health, Risk control.</td>
<td>MOA, JSMO, JFDA, CA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Residues free certificate</td>
<td>Food safety.</td>
<td>MOA, JFDA</td>
</tr>
<tr>
<td>Fresh fruits and Vegetables</td>
<td>COOC</td>
<td>U.S. Government Or Chamber of commerce</td>
<td>Custom Valuation, Health, Risk control.</td>
<td>MOA, JSMO, JFDA, CA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Quarantine pests free Sanitary and Phyto Sanitary certificate SPS</td>
<td>Plant health.</td>
<td>MOA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>USA-FSIS or APHIS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


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

**Customs Regulations and Contact Information**

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: [www.customs.gov.jo](http://www.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: [www.customs.gov.jo](http://www.customs.gov.jo)
Standards

- Overview
- Standards Organizations
- Conformity Assessment
- Product Certification
- Accreditation
- Publication of Technical Regulations
- Labeling and Marking
- Contacts

Overview

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

Standards Organizations

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: www.nist.gov/notifyus/

Conformity Assessment

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
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/.

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**

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**

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**

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 www.agreements.jedco.gov.jo.

**Web Resources**

Jordan Institution for Standards and Meteorology: www.jsmo.gov.jo
Jordan Ministry of Industry and Trade: www.mit.gov.jo
Jordan Food and Drug Administration: www.jfda.gov
Chapter 6: Investment Climate

- Openness to Foreign Investment
- Conversion and Transfer Policies
- Expropriation and Compensation
- Dispute Settlement
- Performance Requirements and Incentives
- Right to Private Ownership and Establishment
- Protection of Property Rights
- Transparency of Regulatory System
- Efficient Capital Markets and Portfolio Investment
- Competition from State Owned Enterprises
- Corporate Social Responsibility
- Political Violence
- Corruption
- Bilateral Investment Agreements
- OPIC and Other Investment Insurance Programs
- Labor
- Foreign-Trade Zones/Free Ports
- Foreign Direct Investment Statistics
- Web Resources

Openness to, and Restrictions Upon, Foreign Investment

Since King Abdullah’s 1999 ascension to the throne, Jordan has taken steps to encourage foreign investment and to develop an outward-oriented, market-based, and globally competitive economy. In particular, banking, information and communication technology, pharmaceuticals, tourism, and services sectors have all experienced key reforms in recent years. Foreign and domestic investment laws grant specific incentives to industry, agriculture, tourism, hospitals, transportation, energy, and water distribution. Jordan is also uniquely poised geopolitically to host large scale investment focused on the reconstruction of Iraq and other regional markets.

Jordan’s economy has been severely tested over the past several years. The degradation in natural gas supplies from Egypt proved especially challenging, and compelled electricity generation plants to use more expensive fuel alternatives. The costs resulting from this energy resource loss have been about $4 billion since 2011. To fill resulting near-term financing gaps, Jordan embarked in August 2012 on a $2.1 billion Stand-By Arrangement (SBA) with the International Monetary Fund (IMF).
The general investment outlook for Jordan is favorable, and generally speaking, Jordan is largely open to foreign investment. Jordan acceded to the World Trade Organization (WTO) in April 2000. In addition, the U.S.-Jordan Free Trade Area Agreement (FTA) entered into force in December 2001 and came into full effect in January 2010. The United States and Jordan entered into a Bilateral Investment Treaty in 2003.

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

A draft investment promotion law is currently pending parliamentary review. Investment promotion activities have been consolidated under the Jordan Investment Board (JIB), which provides a “one-stop shop” for investors seeking to do business in Jordan. Local and foreign investments are screened by the JIB’s Incentives Committee, which can offer tax breaks and other incentives for prospective investors. Visit: www.jordaninvestment.com

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

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

- Ownership of periodical publications is restricted to Jordanian citizens or entities wholly-owned by Jordanians.
- Foreigners are prohibited from wholly or partially owning investigation and security services, sports clubs (with the exception of health clubs), stone quarrying operations for construction purposes, customs clearance services, or land transportation services. The Cabinet, however, may approve foreign ownership of projects in these sectors upon the recommendation of the Investment Promotion Committee, comprised of senior officials from the Ministry
of Industry and Trade, Income Tax Department, Customs Department, the private sector, and the Jordan Investment Board. To qualify for exemption, projects have to be deemed by the Prime Ministry as highly valuable to the national economy and must employ a large number of Jordanians.

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

Over the last decade, the Jordanian government has engaged in a wide scale privatization program. Jordan's energy sector has witnessed the privatization of two distribution companies – the Electricity Distribution Company (EDCO) and the Irbid District Electricity Company (IDECO), and one generation company, the Central Electricity Generating Company (CEGCO). The Amman East Power Plant was built and is owned and operated by AES Jordan PSC, a consortium of AES Oasis (a subsidiary of U.S.-based AES Corporation) and Japan-based Mitsui and Company. AES Jordan PSC operates the plant on a 25-year build-own-operate (BOO) basis. The $300 million plant project was financed jointly by the U.S. Overseas Private Investment Corporation (OPIC), Japan Bank of International Cooperation (JBIC), and the Sumitomo Banking Corporation (SMBC), with International Bank for Reconstruction and Development (IBRD) risk guarantees. In December 2012, AES Jordan PSC concluded agreements to expand its current investment in Jordan through building an additional 250MW power plant near its existing facility. The project’s estimated cost is $350 million, to be financed by the shareholders ($80 million), OPIC ($170 million), and the European Bank Reconstruction and Development (EBRD) ($100 million).

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

The Executive Privatization Commission has initiated a number of important projects in recent years, including the establishment of a medical and industrial waste project. Jordan is also seeking investors for a passenger and cargo rail system, the postal
system, the nation’s sole refinery, a large scale water desalination plant in Aqaba, and other projects. In 2012, Jordan passed a Renewable Energy and Energy Efficiency Law to encourage investments in this vital sector. A new energy law has been drafted and is under review. The new law promises to open the hydrocarbon sector to local and foreign investors.

The Jordanian constitution establishes the judiciary as one of three separate and independent branches of government. Jordanian commercial laws do not distinguish between Jordanian and non-Jordanian investors. American laws and judicial orders have no legal authority in Jordan. Rulings by U.S. courts or other international arbitration committees, however, can be upheld through the successful filing in Jordanian courts of an “enforcement of ruling motion”. Plaintiffs complain of backlogs and subsequent delays in legal proceedings. The same holds true with regard to Jordanian laws and decisions in the United States. The following laws and regulations govern investments in Jordan: the Companies Law, the Investment Promotion Law, the Investment Law and Regulation for the year 2000, and Regulating Non-Jordanian Investments Regulation.

Jordan ranked 106th out of 185 countries on the World Bank’s 2013 Doing Business Report, down from its 2012 ranking. Jordan ranked tenth in the MENA region, behind Saudi Arabia, United Arab Emirates, Qatar, Bahrain, Oman, Tunisia, Kuwait, Morocco and Malta. Since 2010, Jordan has improved on several areas key to doing business:

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

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

<table>
<thead>
<tr>
<th>Measure</th>
<th>Year</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transparency International Corruption Index</td>
<td>2013</td>
<td>66/177</td>
</tr>
<tr>
<td>Heritage Economic Freedom</td>
<td>2012</td>
<td>32/179</td>
</tr>
<tr>
<td>World Bank Doing Business</td>
<td>2012</td>
<td>106/185</td>
</tr>
</tbody>
</table>
Jordan's liberal foreign exchange law entitles foreigners to remit abroad all returns, profits, and proceeds arising from the liquidation of investment projects. Non-Jordanian workers are permitted to transfer their salaries and compensation abroad.

The Jordanian Dinar (JD) is fully convertible for all commercial and capital transactions. Since 1995, the JD has been pegged to the U.S. dollar at an exchange rate of approximately JD1 to $1.41.

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

Other foreign exchange regulations include:

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

**Expropriation and Compensation**

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

**Dispute Settlement**

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

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

**Performance Requirements and Incentives**

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

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

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

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

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

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

Exporters are granted the following incentives:

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

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

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

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

**Protection of Property Rights**

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

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

Jordan's record on IPR enforcement has improved in recent years, but more effective enforcement mechanisms and legal procedures are still needed. As a result, the government's record on IPR protection remains mixed. A large portion of videos and software sold in the marketplace continues to consist of pirated goods. Enforcement action against audio/video and software piracy is growing in frequency and improving in its targeting capability, resulting in the first jail sentence in 2007 for software piracy in Jordan. Over the past decade, 4,296 violations of Jordan's current copyright law were referred to the judiciary, including 427 cases in 2012. Additionally, around 40 trademarks violation cases were referred to court during past year.
Transparency of the Regulatory System

The government is gradually implementing policies to improve competition and foster transparency. These reforms aim to change an existing system influenced in the past by family affiliations and business ties. Although the Jordan Investment Board (JIB) has worked to streamline the process, red tape and opaque procedures, particularly at the local government level, still present problems for foreign and domestic investors. A new Competition Law (similar to the Antitrust Law in the U.S.) to modernize the Competition Law of 2004 is expected to be passed by the Parliament in 2013. The new law aims to strengthen the local economic environment and attract foreign investment by providing incentives to improve market competitiveness, protect small and medium enterprises from restrictive anticompetitive practices, and give consumers access to high quality products at competitive prices. The Competition Directorate at the Ministry of Industry and Trade conducts market research, examines complaints, and reports violators to the judicial system. The government is continuing its e-government promotion strategy and pledging to make its services, regulations, and procurement procedures more accessible and transparent. Implementation to date has been slow, but programs to register businesses, file complaints, and view tax records, existing and pending legislation, and traffic violations online are now available.

Efficient Capital Markets and Portfolio Investment

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

In spite of recent reforms and technological advances, the ASE suffers from intermittent liquidity problems and decreased trading activity. The bourse remains prone to speculative movements. The ASE’s market capitalization has grown and shrunk rapidly and repeatedly since 2003. The ASE price index decreased by 1.9% from 1995 points in 2011 to 1958 at the end of 2012. Trading volume also decreased significantly, dropping 41.1% to 2.4 billion shares. The number of listed companies dropped to 243 companies at the end of 2012 compared to 247 at the end of 2011. The market capitalization of listed shares at the ASE amounted to $27 billion, equaling 93.5% of GDP.

Key ASE Market Indicators
<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Capitalization (USD billion)</td>
<td>27.0</td>
<td>27.9</td>
<td>30.9</td>
</tr>
<tr>
<td>Market Capitalization as percent of GDP</td>
<td>93.5</td>
<td>102.7%</td>
<td>122.7%</td>
</tr>
<tr>
<td>Index (points)</td>
<td>1958</td>
<td>1995</td>
<td>2374</td>
</tr>
<tr>
<td>Number of Shares Traded (billion)</td>
<td>2.4</td>
<td>4.1</td>
<td>7.0</td>
</tr>
<tr>
<td>Number of Brokerage Firms</td>
<td>62</td>
<td>65</td>
<td>92</td>
</tr>
<tr>
<td>Number of Companies on ASE</td>
<td>243</td>
<td>247</td>
<td>277</td>
</tr>
<tr>
<td>Percentage of Shares Owned: (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jordanians</td>
<td>48.3</td>
<td>53</td>
<td>50.9</td>
</tr>
<tr>
<td>Non Jordanians</td>
<td>51.7</td>
<td>47</td>
<td>49.1</td>
</tr>
</tbody>
</table>

Source: Amman Stock Exchange

The registered capital stock by owner at the end of 2012 (USD million) was as follows:

<table>
<thead>
<tr>
<th>Nationality</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jordan</td>
<td>14,548</td>
<td>14,785</td>
<td>16,852</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>1,763</td>
<td>1,852</td>
<td>2,127</td>
</tr>
<tr>
<td>United States</td>
<td>1,744</td>
<td>1,654</td>
<td>1,619</td>
</tr>
<tr>
<td>Kuwait</td>
<td>1,579</td>
<td>1,625</td>
<td>1,843</td>
</tr>
<tr>
<td>Qatar</td>
<td>1,247</td>
<td>1,304</td>
<td>1,235</td>
</tr>
<tr>
<td>Joint Arab</td>
<td>1,100</td>
<td>1,045</td>
<td>1,028</td>
</tr>
<tr>
<td>Lebanon</td>
<td>1,032</td>
<td>1,083</td>
<td>1,347</td>
</tr>
<tr>
<td>Libya</td>
<td>768</td>
<td>777</td>
<td>766</td>
</tr>
<tr>
<td>Bahrain</td>
<td>631</td>
<td>535</td>
<td>589</td>
</tr>
</tbody>
</table>

Source: Securities Depository Center as of December 31, 2012

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 $5.9 billion and Treasury bills in excess of $1.67 billion were issued in the local market in 2012.
Foreign investors are allowed to participate in auctions and to purchase government securities through banks. Jordan issued its first bonds on international markets in 2010 with the fully subscribed offering of $750 million in five-year bonds. The bonds were sold to approximately 220 international investors and carried a fixed annual interest rate of 3.875 percent, payable every six months.

In August 2012, the International Monetary Fund (IMF) approved a $2.1 billion Stand-By Arrangement (SBA) to assist Jordan in addressing fiscal and external challenges and foster growth. The first tranche of $380 million was transferred by the IMF to the Central Bank in August 2012, and $774 million has been disbursed since October 2013. The IMF has released another $256 million in November 2013, which should be disbursed either in late January or early February 2014. As part of this effort, the authorities removed subsidies on fuel derivatives in November 2012 and instituted a plan to reduce electricity subsidies in August 2013.

Similarly, the government of Jordan hired Citigroup, HSBC and JP Morgan for the government’s issuance of $1.25 billion, seven-year Eurobond issuance in October 2013. The issuance was backed by a loan guarantee issued by the United States. The Jordanian parliament also approved the legal framework for issuing sukuks, or Islamic bonds.

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. Government-guaranteed corporate bonds and bills in the amount of $489 million were issued in 2012, mainly 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 JD100 million in capital and raised the requirement for foreign banks to JD50 million. Jordan does not distinguish between investment banks and commercial banks. Jordan has 27 banks in total, including commercial banks, Islamic banks, and foreign bank branches.

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

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

The CBJ set up an independent Deposit Insurance Corporation (DIC) in 2000 that traditionally has insured deposits of up to JD10,000 ($14,000). DIC currently insures deposits up to JD50,000 (approximately $71,000) and is expected to maintain the guarantee through the end of 2013 at a minimum. The DIC also acts as the liquidator of banks as directed by the CBJ. The CBJ established a credit bureau for bounced checks in 2001, which requires banks to report the names of account holders with bounced checks. Following the report of one bounced check, the CBJ circulates the names of the account holders to all banks with recommendations to carefully evaluate the account holders’ access to banking services.

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

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

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

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

Corporate Social Responsibility

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

Political Violence

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

Corruption

Jordanian law defines corruption as any act that violates official duties, all acts related to favoritism and nepotism that could deprive others from their legitimate rights, economic crimes, and misuse of power. The use of family, business and other personal connections to advance personal business interests is endemic and regarded by many Jordanians as simply part of the culture and part of doing business. In 2006, Parliament approved a Financial Disclosure Law which officially required public office holders and specified government officials to declare their assets. Parliament also enacted an Anti-Corruption Law in 2006 that created a commission to investigate allegations of corruption. Currently, the commission has referred a number of high profile corruption cases to the judiciary for investigation. In 2013, the commission joined forces with the
American Chamber of Commerce to raise awareness of this issue throughout the private sector. In Transparency International's 2013 Corruption Perceptions Index, Jordan ranked 66th out of 177 countries, placing it ahead of several European Union member states like the Greece, Italy, Romania, Slovakia, and others.

**Bilateral Investment Agreements**

The U.S. Congress enacted the Qualifying Industrial Zone (QIZ) initiative in 1996 to support the Middle East peace process. Goods produced in the 13 designated QIZs in Jordan can be imported into the United States tariff and quota free under the agreement if 35 percent of the product's content comes from the QIZ, Israel, and the West Bank/Gaza. Of that 35 percent, a minimum 11.7 percent of value must be added in the QIZ, eight percent in Israel, and 15.3 percent in a Jordanian QIZ, Israel, or the West Bank/Gaza. The QIZs have attracted over $1 billion dollars in capital investments, generated around $8 billion dollars in exports to the U.S. between 2006 and 2012, and currently employ more than 40,000 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. A Bilateral Investment Treaty between Jordan and the United States entered into force in 2003. The agreement provides reciprocal protection of Jordanian and U.S. individual and corporate investments.

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

An economic association agreement between Jordan and the European Union (EU) entered into force in 2002 to establish free trade over a twelve-year period. This agreement calls for the free movement of capital as well as cooperation on development and political issues. Jordan also signed a Free Trade Area Agreement in 2001 with the European Free Trade Association (EFTA) states (Iceland, Liechtenstein, Norway and Switzerland); this agreement seeks complete trade liberalization by 2014.
Jordan signed a Free Trade Agreement with Singapore in 2004. In addition to enhancing bilateral trade ties, the agreement aimed to create new export opportunities for Jordanian products worldwide through the possibility of diagonal accumulation of origin with countries that have concluded free trade agreements with both Jordan and Singapore. That same year Jordan completed the Agadir trade agreement with Egypt, Morocco, and Tunisia, and upgraded its trade agreement with Israel to take advantage of accumulation of content provisions in the European Union's Pan Euro-Mediterranean trade rules of origin. Jordan signed a Free Trade Agreement with Canada in 2009 which came into effect in October 2012. The FTA with Canada eliminates all non-agricultural tariffs and most agricultural tariffs. A similar agreement with Turkey was also signed in November 2009 and entered into effect on March 1, 2011. Jordan has also signed with Iraq a number of Memoranda of Understanding for bilateral cooperation in various sectors such as education, health, energy, transportation and trade. The two countries have established a special free zone area at the Iraqi border to serve as a hub for industry and trade between the two countries.

**OPIC and Other Investment Insurance Programs**

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

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

**Labor**

The population growth rate is about 2.2 percent a year, according to a 2011 Jordan Department of Statistics 2011 estimate. The 2012 population is estimated by the Department of Statistics at 6.39 million. Nearly 68 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 2012 averaged 12.15 percent, an improvement from the 12.88 percent 2011 average.
Of the 1.8 million people in the labor force, roughly 322,000 are registered foreign workers. However, unofficial indicators speculate that unregistered foreign workers are nearly double this number. With the exception of the approximately 31,000 who work in the QIZs as textile workers, most foreign workers are employed in construction agriculture, and domestic service. The Ministry of Labor regulates foreign worker licensing, licensing fees, prohibited sectors, and employer liability. Along with the Ministry of Interior, the Ministry of Labor is responsible for approving the hiring of professional foreign workers by private businesses. Non-citizens are legally permitted to join unions, but do not enjoy the privilege of forming unions themselves or holding leadership positions in existing unions.

Labor unions serve primarily as intermediaries between workers and the Ministry of Labor and may engage in collective bargaining on behalf of workers. There are 17 recognized unions in Jordan, and they are all members of the General Federation of Jordanian Trade Unions. And there are 10 independent unions that the government does not recognize. 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 United States or Israel as of December 2010.

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. There are also several privately-run industrial parks in Jordan, including al-Mushatta, al-Tajamouat, al-Dulayl, Cyber City, al-Qastal, Jordan Gateway, and al-Hallabat. These estates provide basic infrastructure networks for a wide variety of manufacturing activities, reducing the cost of utilities and providing cost-effective land and factory buildings. Investors in the estates also receive various exemptions, including a two-year exemption on income and social services taxes, total exemptions from building and land taxes, and exemptions or reductions on most municipalities’ fees.

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

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

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

The following incentives are granted to investors in the designated free zones:

The Development Zones Commission (DZC) is the independent governmental body responsible for creating, regulating, and monitoring Jordan’s five development zones. DZC’s mission is to increase foreign direct investment (FDI) through the enhancement of the investment environments inside the Development Zones. The DZC Board of Commissioners and an administrative team supervise and centrally approve investment-related matters. The DZC can expedite the provision of government services and provide a number of investment incentives and tax and customs exemptions. The five DZC development areas are the King Hussein Bin Talal Development Area (KHBTDA) 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 DZC. It offers special tax exemptions, a flat five percent income tax,
and facilitates customs handling at Aqaba Port. In recent years, ASEZ has attracted projects mainly in hotel and property development valued at over $8 billion.

**Foreign Direct Investment Statistics**

Jordan does not maintain official detailed statistics of FDI but aggregate inflows tracked by the Central Bank of Jordan give an indication of the overall volume. The Jordan Investment Board approved 489 projects worth about $2.26 billion in 2012, reflecting a 58% increase over 2011 figures. About $1.79 billion of that investment went to the industrial sector for 218 different projects. Foreign investment represented 51 percent of all JIB-approved investments in 2012.

**Foreign Direct Investment**

<table>
<thead>
<tr>
<th>Period</th>
<th>($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012 (Jan-Jun)</td>
<td>636</td>
</tr>
<tr>
<td>2011</td>
<td>1,473</td>
</tr>
<tr>
<td>2010</td>
<td>1,706</td>
</tr>
<tr>
<td>2009</td>
<td>2,433</td>
</tr>
<tr>
<td>2008</td>
<td>2,833</td>
</tr>
<tr>
<td>2007</td>
<td>2,626</td>
</tr>
</tbody>
</table>

Source: Central Bank of Jordan

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Chapter 7: Trade and Project Financing

- How Do I Get Paid (Methods of Payment)
- How Does the Banking System Operate
- Foreign-Exchange Controls
- U.S. Banks and Local Correspondent Banks
- Project Financing
- Web Resources

How Do I Get Paid (Methods of Payment)

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

How Does the Banking System Operate

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

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

Foreign-Exchange Controls

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

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

Project Financing

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

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

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

Ex-im Country Limitation Schedule: www.exim.gov/tools/country/country_limits.html
OPIC: www.opic.gov
Trade and Development Agency:
SBA's Office of International Trade: www.sba.gov/oit
USDA Commodity Credit Corporation: www.fsa.usda.gov/ccc/default.htm

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- Travel Advisory
- Visa Requirements
- Telecommunications
- Transportation
- Language
- Health
- Local Time, Business Hours and Holidays
- Temporary Entry of Materials and Personal Belongings
- Web Resources

Business Customs

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

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

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

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

Travel Advisory

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

The State Department strongly advises U.S. citizens visiting the region to register with the U.S. Embassy at www.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 www.amman.usembassy.gov. The U.S. Embassy is open Sunday through Thursday 8:00 am-4:30 pm.
Visa Requirements

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 [www.jordanembassyus.org/new/index.shtml](http://www.jordanembassyus.org/new/index.shtml) or one of its consulates. The visas are valid for 30 days. A visa may also be obtained upon arrival at Queen Alia International Airport.

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

Foreigners who wish to stay fourteen days or more in Jordan must register at a Jordanian police station by their fourteenth day in the country. Failure to properly register may subject the traveler to a fine of JD 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 [www.travel.state.gov/travel/cis_pa_tw/cis/cis_1469.html](http://www.travel.state.gov/travel/cis_pa_tw/cis/cis_1469.html).

Telecommunications

Cell phone usage is widespread. Internet usage is growing in popularity.

Transportation

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

Language

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

Health

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

Local Time, Business Hours, and Holidays

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

Web Resources

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

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Chapter 9: Contacts, Market Research and Trade Events

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- Market Research
- Trade Events

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

Please note that these reports are only available to U.S. companies. Free registration for the site is required.

Trade Events
Please click on www.export.gov/tradeevents/index.asp for information on upcoming U.S. Commercial Service trade events.

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Chapter 10: Guide to Our Services

The President’s National Export Initiative aims to double exports over five years by marshaling Federal agencies to prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work with 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 visit www.export.gov.

For more information on the services the U.S. Commercial Service offers in Jordan, please visit www.buyusa.gov/jordan/en.

U.S. exporters seeking general export information/assistance can also contact the U.S. Department of Commerce's Trade Information Center at (800) USA-TRADE.

We value your feedback on the format and contents of this report. Please send your comments and recommendations to Market_Research_Feedback@trade.gov.

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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