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**Working Party on the
Accession of Jordan**

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Additional Questions and Replies

The Government of the Hashemite Kingdom of Jordan has submitted the following additional replies to questions raised Members, with the request that they be circulated to members of the Working Party.

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II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE
2. Economic Policies
(a) Main directions of ongoing economic policies
- Subsidies

Question 1.

In document WT/ACC/JOR/13, Question 4, we note that there was no response to the question which asked Jordan to provide further details on the nature and administration of the interest rate subsidies and the question regarding whether the subsidies paid are contingent upon export. We would appreciate a response from Jordan to these questions.

Answer:

In order to promote local exports, the Central Bank of Jordan (CBJ) provides facilities to local banks in the form of financial guarantees such as documentary credit, bills of lading under collection, and guaranteed and accepted bills and drafts.

The programme targets exporters in all economic sectors, including agriculture, industry and services. The following are the main features of export promotion facilities extended to licensed banks and financial institutions against bills, letters of credit, and drafts:

- export loans eligible for refinancing must relate to exports with a domestic value added of not less than 25 per cent;
- the maximum percentage of pre-shipment credit eligible for refinancing by CBJ is equal to 75 per cent of the value of exports' letters of credit, while the maximum percentage of post-shipment credit is equal to 90 per cent of the value of bills of lading and drafts;
- any company officially registered in the Jordanian Official Registry of Companies is eligible for such refinancing;
- the interest rate charged on these facilities by the CBJ is currently set at two percentage points below the prevailing discount rate;
- the maximum duration of advances extended against export letters of credit, bills of lading, and guaranteed drafts is 9 months;
- interest and commission charged on advances extended by licensed banks and financial institutions to the exporter should not exceed 2.5 per cent annually.

Question 2.

Has Jordan come to a decision on the period it considers necessary to phase out its subsidies?

Answer:

Jordan plans to seek transition for phasing out prohibited subsidies (as defined in Article 3 of the Agreement on Subsidies and Countervailing Measures) under Article 27 of the Agreement on Subsidies and Countervailing Measures. However, prohibited subsidies, granted prior to repealing the laws authorising them, will remain valid for the duration agreed upon when they were granted.

As described in WT/ACC/SPEC/JOR/2, domestic support in the agriculture sector is below the *de minimis* percentage allowed under Article 6 of the Agreement on Agriculture. Therefore, no

reduction or elimination of subsidies will be implemented with regard to domestic support in the agriculture sector.

Question 3.

Which exporters, in addition to those of agricultural products, benefit from the interest rate subsidies on loans granted by the Central Bank?

Answer:

All exporters regardless of sector benefit from the interest rate subsidies on loans granted by the Central Bank of Jordan.

- **Pricing system**

Question 4.

Jordan states that wheat and wheat products, barley, yoghurt and labaneh, imported chilled meat and fresh cow milk are still subject to price controls. Are there any industrial products subject to price controls? Could Jordan indicate whether it intends to liberalise the prices of the products remaining under price control before acceding to the WTO?

Answer:

In addition to wheat and wheat products, and barley, the following items are subject to price control: utilities (electricity, water, solar for heating, natural gas) and oil products except lubricants. In addition, pharmaceutical products are subject to price control and profitability control. Yoghurt, labaneh, imported chilled meat and fresh cow milk are subject to price cap. A complete report on price/cap/profitability control will be provided during the next Working Party meeting.

Jordan does not intend to liberalise the prices of the products remaining under price control before acceding to the WTO. However, Jordan commits to ensure that the price control mechanisms applied in Jordan are in conformity with Articles I and III of the GATT 1994 and with the transparency requirements of WTO.

Question 5.

The use of price controls for imported chilled meat, but not domestically-produced chilled meat, would appear to violate the national treatment obligations of GATT Article III. How does Jordan intend to bring this item into conformity with WTO requirements? We seek a commitment from Jordan that it will observe the provisions of Article III concerning the application of maximum prices to imports, with particular emphasis on the provisions of paragraphs 4 and 9, that Jordan will notify its current price controls on imports and domestic goods and services to the Working Party, and that any subsequent such controls will be published in an official journal for the information and review of traders.

Answer:

Jordan intends to ensure conformity with national treatment with regard to the use of price cap for chilled meat and meat from imported live animals slaughtered in Jordan. This matter is currently before the Cabinet of Ministers. A report will be provided during the next Working Party meeting.

Jordan commits that it will observe the provisions of Article III concerning the application of maximum prices to imports. Jordan will notify its current price controls on imports and domestic

goods and services to the Working Party, and any subsequent such controls will be published in an official journal for the information and review of traders.

Question 6.

We commend Jordan for its efforts in amending the price fixing mechanism. Has Jordan devised a plan for gradually freeing the price of the remaining products? If a time frame for this liberalisation has been devised, could Jordan provide details to the Working Party.

Answer:

Jordan does not intend to liberalise the prices of the products remaining under price control/cap before acceding to the WTO.

However, Jordan commits to ensure that price control mechanisms applied in Jordan are in conformity with Articles I and III of GATT 1994 and with the WTO transparency requirements. Jordan will notify its current price controls on imports and domestic goods and services to the Working Party, and any subsequent such controls will be published in an official journal for the information and review of traders.

(b) Monetary and fiscal policies

Question 7.

Could Jordan specify the conditions for obtaining the exemption from tax for the export income of manufactured products to non-protocol countries?

Answer:

Article 7 of the Income Tax Law No. 57 of 1985 exempts from income tax all income generated from agriculture.

The tax exemption described in the reply to Question 20 of WT/ACC/JOR/13 is based on the tax exemption stipulated in Article 3/C of the Income Tax Law No. 57 of 1985:

- Article 3/C of the Income Tax Law No. 57 of 1985 authorises the Council of Ministers, per recommendation of the Minister of Finance, to exempt the profits of exports from income tax wholly and partially.
- The Council of Ministers issued Decision No. 3394 in 1994 exempting from income tax profits of income generated from export of all products (including manufactured goods except phosphate and potash) to non-protocol countries.

Non-protocol countries are all countries except Israel, Lebanon, the Palestinian national Authority and Saudi Arabia.

The determination of this income tax exemption is not left to the discretion of the Minister of Finance and the Council of Ministers. It is pursuant to governmental economic policies (e.g. encouraging export to non-Arab countries – most Arab countries were protocol countries then-- after the Gulf war). In order to obtain such exemptions, businesses must provide to the Income Tax Department official documents (e.g. customs declaration) demonstrating income from exports.

(d) Foreign and domestic investment policies

Question 8.

Are the tax incentives listed in the answer to this question granted in a non-discriminatory basis?

Answer:

The Government of Jordan is assuming that this question refers to the reply to Question 21 of WT/ACC/JOR/13. In accordance with Article 24 of the Investment Promotion Law No. 16 of 1995, tax incentives listed in the answer to Question 21 are granted on a non-discriminatory basis. Article 24 stipulates that, "Non-Jordanian investor investing in any project governed by the Investment Promotion Law No. (16) of 1995 shall be afforded the same treatment as the Jordanian investor".

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

Question 9.

We note that the Government of Jordan intends to provide copies of several legislative items to the WTO Secretariat for review by the Working Party. Among the most important of these items are the Investment Promotion Law and its recent amendments, the draft Customs Law, the Import/Export Law, the General Sales Tax Law, the draft Safeguards Law and bylaw covering anti-dumping and countervailing measures, the Supplies Regulations Nos. 32 and 37 of 1993 (regarding government procurement), the Agricultural Law No. 20 for 1973. We strongly encourage Jordan to provide these documents to the Secretariat as soon as possible, in order to allow review by the Working Party members - and to provide ample time for implementation of any required technical amendments prior to WTO accession.

Answer:

The new Customs Law was enacted on 1 August 1998 and became effective on 1 January 1999. The new Customs Law of 1998 replaces the Customs Law No. 16 of 1983. The new Customs Law is currently being translated into English and will be submitted to the WTO in early March 1999 (WT/ACC/JOR/17).

The National Production Protection Law ("The Law on Safeguards") No. 4 was enacted on 1 October 1998. The Law was submitted in English to the WTO (WT/ACC/JOR/16). The Law on Agriculture No. 20 of 1973 was also submitted in English to the WTO Secretariat (WT/ACC/JOR/15).

The Law on Investment Promotion No. 16 of 1995 was never amended. A copy of this Law was submitted to the WTO Secretariat (WT/ACC/JOR/4). Regulation No. 39 ("Non-Jordanian Investments Promotion Regulation") based on this law was adopted in 1997. A copy of this regulation is being translated into English and will be submitted to the WTO in early March 1999.

The Law on Imports and Exports No. 14 of 1992, the Regulations of Imports and Exports No. 74 of 1993, the General Sales Tax Law, and the Supplies Regulations No. 32 and No. 37 of 1993 (regarding government procurement) are being translated. These laws will be submitted in English to the WTO in early March 1999.

Regulations are being drafted to implement the Agreement on Subsidies and Countervailing Measures and the Agreement on Implementation of Article VI of the GATT 1994 (Anti-Dumping).

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

Question 10.

The response to Question 22 in document WT/ACC/JOR/13 would seem to indicate that appeals from administrative rulings by Jordanian customs authorities and Ministries in matters of trade, e.g., customs valuation, licensing, classification, taxation, etc., would be referred to the Higher Court of Justice after exhaustion of internal appeals, not the civil courts. Could Jordan clarify the right of appeal to a separate Judicial authority in matters covered by WTO Agreements?

Answer:

As a matter of legal theory Jordan adopts the so called system of two-tier litigation. As such, and as matter of principle all cases should be litigated on the merits twice. This rule applies in the civil or administrative courts. Therefore, every decision, which has a judicial character, is subject to appeal in Jordan in one form or another. In the absence of a special court of first instance, all administrative related decisions are considered to be a decision of the first court and are subject to appeal to the High Court of Justice. The High court of justice has jurisdiction to hear a limited list of appeals mentioned in the High Court Law or in other special laws, i.e. trade marks and patents.

Yet, not all administrative decisions are subject to appeal in front of the High Court of Justice. The notable exceptions are customs, income tax, and compensation under eminent domain. All of these decisions are appealed to the civil system of courts as provided by special provision in the relevant laws. Thus, there is a court called the Income Tax Court of Appeal, and the Customs Court of Appeal. Compensation under eminent domain falls within the jurisdiction of the Court of First Instance. Both of these courts are subject to the review of the Court of Cassation.

The Court of Customs and the Customs Court of Appeal have jurisdiction to hear all customs related issues and penalties, however, regarding prior approval for importation, they would be subject to appeal to the High Court of Justice in accordance with the general theory of Administrative Law

IV. POLICIES AFFECTING TRADE IN GOODS

1. Import Regulation

(a) Registration requirements for engaging in importing

Question 11.

The response to Question 23 in document WT/ACC/JOR/13 states that "There are limitations in ownership of a number of companies in the fields of construction, trade and trading and trade services, and mining". Foreign ownership is limited to 50 per cent as stipulated by the Investment Regulation No. 39 for 1997, issued in accordance with Article 24 of the Investment Promotion Law No. 16 of 1996. Please explain in detail the limitations in ownership of companies in the fields of "trade and trading and trade services". How do these limitations relate to the right of a company, whether foreign or domestically owned, to import.

Answer:

Limitations on ownership of companies in the "trade and trading services" are as follows:

- foreign ownership may not exceed 50 per cent;

- minimum foreign capital requirement is Jordan Dinars 50,000 (except public share holding companies).

Foreign companies (not registered in Jordan) do not have the right to import for commercial purposes.

Domestic companies in the areas of trade and trade services, whether fully domestically owned or partially foreign-owned (50 per cent maximum foreign ownership), have the right to import.

Question 12.

The response to Questions 25 and 86 of document WT/ACC/JOR/13 state that one of the requirements to obtain an import card (without which importers must pay a 5 per cent penalty) is that "the application should be accompanied by a valid profession licence belonging to the category importer". This appears to be an absolute requirement. Please describe how one gets a professional importers licence. What are the requirements and what are the criteria applied? Can foreigners get such a licence?

Answer:

Companies (whether domestic or foreign owned) registered in Jordan can get professional licences if: (i) they are members of the Chamber of Commerce or Chamber of Industry and (ii) their premises are inspected/approved by the local municipality. Membership in the Chamber of Commerce or the Chamber of Industry is automatic. There is no difference in obtaining professional licences between Jordanian companies, which are fully domestically owned, and Jordanian companies, which are foreign, owned (partially or fully).

Natural persons can obtain the professional licence after they are registered at the Ministry of Industry and Trade and are members of the Chamber of Commerce or Chamber of Industry. In addition, the approval of premise by the local municipality is required.

Question 13.

What steps are different for a foreign enterprise not registered in Jordan to be licensed to import as compared with a Jordanian-owned business, a joint venture, a foreign-owned business registered in Jordan? Can foreign owned businesses registered in Jordan be licensed to import in exactly the same way as a domestically owned enterprise?

Answer:

Foreign companies (not registered in Jordan) do not have the right to import for commercial purposes. Foreign owned businesses registered in Jordan are licensed to import in exactly the same way as domestically owned enterprises.

Question 14.

The response to Question 93 in document WT/ACC/JOR/13 states that the 5 per cent penalty fee for importing without an import card "has been incorporated into the Customs Duty Schedule provided to WTO". The response to Questions 51, 52, and 94 state, however, that the 5 per cent penalty is still in place. Can Jordan confirm that the 5 per cent penalty is still in place and is applied evenly to imports from all sources?

Answer:

The 5 per cent of the value of imported goods applied as a penalty for not having the import card is still in place. Such fee is evenly applied to imports from all sources.

There was another fee of 5 per cent that applied on all imported goods. Such fee was eliminated.

Question 15.

How long does it take to obtain the import card? Are there any other consequences, besides a fine of 5 per cent of the value of the imported good, for importing without the import card?

Answer:

The process of obtaining an import card takes approximately 30 minutes if all required documents are provided as described in the replies to Questions 25 and 82 of WT/ACC/JOR/13.

In the case of importing without an import card, the importer is only charged a fine of 5 per cent of the value of the imported good.

(b) Characteristics of national tariff**Question 16.**

Did Jordan use the HS 96 nomenclature in its tariff offer in WT/ACC/SPEC/JOR/1?

Answer:

Yes.

Question 17.

Please confirm that HS 96 is used in the tariff schedule made available to the Working Party.

Answer:

Jordan confirms that HS 96 is used in the tariff schedule made available to the Working Party.

Question 18.

Jordan stated at the last meeting that it would provide its new Customs Law after enactment by Parliament. We need a sense now of its content. If Jordan cannot provide a copy of the draft law in translation, could it please describe for the Working Party, section-by-section, the provisions of the law relevant to WTO provisions. Can Jordan state that there are no provisions of the draft law inconsistent with WTO obligations? What needs to be done to complete the legislative process for the draft Customs Law? When does the Government of Jordan expect the Customs Law to be enacted? When will the Customs Law be implemented?

Answer:

The new Customs Law was enacted on 1 August 1998 and became effective on 1 January 1999. The new Customs Law of 1998 replaces the Customs Law No. 16 of 1983. The new law is being translated into English and will be submitted to the WTO in early March 1999 (WT/ACC/JOR/17).

The new Customs Law is currently being reviewed to determine whether or not it fully complies with the WTO requirements. A report will be provided during the next Working Party meeting regarding this matter

Question 19.

Please describe to the Working Party the relationship of the tariff offer in WT/ACC/SPEC/JOR/1 to the applied tariff levels, e.g., is there a fixed ratio or margin between the applied rates and those in the tariff offer?

Answer:

The proposed tariff binding rates in the offer are higher in most cases than the applied tariff rates. There is no fixed ratio or margin. The trade-weighted average rate (for currently applied import duties) is approximately 17 per cent based on import data of 1998. The trade-weighted average rate (for proposed binding level) is approximately 26 per cent based on import data of 1998.

Question 20.

There are no compound rates in Jordan's tariff offer. Does this mean that Jordan intends to abolish its current compound rates on bananas, grapes, calves, sheep and goats when it joins the WTO?

Answer:

Jordan does not intend to abolish compound rates for goods listed in this question.

Question 21.

We note that Jordan submitted its initial market access offer for goods in WT/ACC/SPEC/JOR/1. However, format of the schedule needs to be revised to facilitate negotiations. In particular, the schedule should be in the order of the HS system, not in order of the offered tariff rates. Additionally, the schedule will need to have product descriptions, as well as columns for base duty rates and offered bound rates.

Answer:

Jordan resubmitted its offer on goods in August 1998 taking into account the suggestions outlined in this question.

Question 22.

Could Jordan provide a translated copy of the Customs Law to the WTO Secretariat when approved by the National Parliament?

Answer:

The new Customs Law No. 20 was enacted on 1 August 1998 and became effective on 1 January 1999. The new customs law of 1998 replaces the Customs Law No. 16 of 1983. The new customs law is currently being translated into English and will be submitted to the WTO in early March 1999 (WT/ACC/JOR/17).

Question 23.

Is there any production of tobacco products and alcoholic drinks in Jordan? If so, could Jordan please give full details (number of producers, amount produced, etc.) of these product, if any?

Answer:

There are 5 companies producing tobacco and 13 companies producing alcoholic drinks. In 1996, approximately 8 million litres of alcoholic drinks were produced and approximately 2.8 billion cigarettes were produced.

(c) Tariff quotas, tariff exemptions**Question 24.**

The responses to Questions 35, 36, and 42 in document WT/ACC/JOR/13 indicate that Jordanian Government-owned firms receive tariff exemptions that may not be enjoyed by all firms. What are the products subject to import duty exemptions noted in the replies to Questions 35 and 36 used for?

Answer:

The new Customs Law No. 22 of 1998 cancelled all import duty exemptions for Jordanian Government-owned firms and government institutions (except grants and donations). Duty exemptions remain only for companies that have concessions and agreements with the government at the time of their establishments. These are:

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

The above mentioned companies are sharing holding companies with significant private participation.

Remaining exemptions do not apply to the following items: cars and spare parts, tyres, petroleum products, vans and buses and their spare parts, stationary, computers devices, air-conditions, hand tools, consumption materials, goods and materials used for employees housing, products similar to Jordanian products.

The products subject to import duty exemptions are used by exempted companies for production purpose and operations.

Question 25.

When Jordan states in the response to Question 37 in document WT/ACC/JOR/13 that the exemptions are to be eliminated "gradually", does this include the general exemptions provided for imports of capital goods, raw materials, etc., or is this confined to exemptions for

government firms? Could Jordan please give a sense of what "gradually" would mean, both in terms of the length of time and the nature of the gradual phasing out?

Answer:

Jordan has recently implemented gradual reductions with regard to import duty exemptions. The new Customs Law of 1998 cancelled all import duty exemptions for Jordanian-owned firms referred to in the question except those enjoyed by the ten companies that have concessions and agreements with the government at the time of their establishments (see reply to Question 24 above). Remaining exemptions provided to companies listed under the reply to Question 24 above will be phased out automatically upon the expiration of terms negotiated under concessions and agreements.

Cabinet of Ministers Decision No. 7846 limited the list of products for which government-owned firms can obtain exemptions. Currently, government-owned-firms, that are still eligible to obtain import duty exemptions, do not enjoy exemptions for the following items: cars and spare parts, tyres, petroleum products, vans and buses and their spare parts, stationary, computers devices, air-conditions, hand tools, consumption materials, goods and materials used for employees housing, products similar to Jordanian products.

Question 26.

Please describe in more detail how the duty exemption for government institutions operates.

Answer:

The new Customs Law No 22 of 1998 eliminates all import duty exemptions for all government institutions (except grants and donations).

Question 27.

According to the responses to Question 41 of document WT/ACC/JOR/8 and Question 42 of WT/ACC/JOR/13, the procurement by eleven specified companies of imports (other than cars and spare parts, tyres, petroleum products and office equipment) is exempt from customs duties. What are Jordan's plans for the elimination of the duty exemptions currently enjoyed by the eleven specified companies? Which of the exempt import categories listed in the response to Question 41 will be gradually returned to dutiable status?

Answer:

Please see the reply to Questions 24 and 25 above.

Question 28.

Does Jordan consider the customs duty exemptions for these companies to be actionable subsidies under the WTO Agreement on Subsidies and Countervailing Measures? If not, please explain why not.

Answer:

Jordan does not consider the customs duty exemptions for these companies to be actionable subsidies under the WTO Agreement on Subsidies and Countervailing Measures. The purpose of these subsidies is to encourage production. They are not intended to cause adverse effects to the interests of other countries.

Question 29.

According to the information provided in the table in the response to Question 41 of document WT/ACC/JOR/13, 60 per cent of imports in 1996 and 50 per cent of imports during the period January-July 1997 were exempted from duties. Imports by governmental departments and public share holding companies accounted for 44 per cent of the import exemptions in the 1997 period. Such extensive use of tariff exemptions based upon the identity of importing parties undermines the transparency and utility of the tariff schedules. We strongly encourage the Government of Jordan to consider limiting its use of specified tariff exemptions, by incorporating the imported products as zero duty items in its tariff schedule.

Answer:

Jordan limited the application of import duty exemptions. Please see the reply to Questions 24, 25 and 26 above.

Question 30.

We disagree with the answer given by Jordan. Article 3 of the Agreement on Subsidies and Countervailing Measures (ASCM) dealing with prohibited subsidies, refers to Annex I. Among the prohibited subsidies listed in Annex I are “the provision by governments or their agencies either directly or indirectly through government mandated schemes, of imported or domestic products and services for use in the production of exported goods, on terms or conditions more favourable than for provision of like or directly competitive products or services for use in the production of goods for domestic consumption”. Arguably the duty free importation of at least some of the products, other than those in the list, will be used in the production of goods for exports. Therefore, such imports would constitute prohibited subsidies.

Answer:

The new Customs Law No. 22 of 1998 cancelled all import duty exemptions for Jordanian Government-owned firms and government institutions (except grants and donations). Duty exemptions remain only for companies that have concessions and agreements with the Government at the time of their establishments. The following companies still enjoy import duty exemptions:

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

Remaining exemptions do not apply to the following items: cars and spare parts, tyres, petroleum products, vans and buses and their spare parts, stationary, computers devices, air-conditions, hand tools, consumption materials, goods and materials used for employees housing, products similar to Jordanian products.

The ten companies listed above are share holding companies with significant private participation. Therefore, item (d) of Annex I (Illustrative List of Export Subsidies) of the Agreement on Subsidies and Countervailing Measures does not apply in this case. Given in addition that the

import duty exemptions provided to these companies is not contingent upon export or import substitution, these import duty exemptions should not be considered prohibited subsidies.

(d) Other duties and charges

Question 31.

Please explain the purpose of the fees levied on imports of transistor radios. Also, please confirm that these fees are applied on a national treatment basis.

Answer:

The Regulation of Wireless Receivers and Transmitters No. 30 of the year 1966 and Article 4 of the Wireless Telegraph Law of the year 1934 did not specify the purpose of the fees levied on imports of transistor radios (Jordan Dinars 0.2 to Jordan Dinars 2 per transistor radio). Currently, Jordan is evaluating the application of such fees. Please note that Jordan does not produce transistor radios.

Question 32.

According to the response to Question 46 of document WT/ACC/JOR/13, the law aimed at unifying a number of customs fees and charges and bringing the Jordanian legislation in line with GATT Article VIII was passed at the beginning of March 1997. Please provide a translated copy of this legislation to the Secretariat for review by the Working Party.

Answer:

A translated copy of the Unification of Taxes and Fees Law will be provided to WTO Secretariat in early March 1999 (WT/ACC/JOR/17). This Law did not take into account conformity with Article VIII of the GATT 1994.

Question 33.

According to the response to Question 47 of document WT/ACC/JOR/13, the seasonal exemptions for customs duties and import fees granted for certain agricultural products (i.e., those listed in the reply to Question 42 of WT/ACC/JOR/8) are not applied on a most-favoured nation basis. How does Jordan intend to bring these customs fees exemptions into conformity with the WTO MFN requirements?

Answer:

Jordan intends to conform to the WTO MFN requirements. Jordan is currently evaluating its trade arrangements with other countries to determine proper mechanisms for conforming to the WTO MFN requirements.

Question 34.

Concerning the response to Question 48 of document WT/ACC/JOR/13, please confirm that the charges listed in this question will be eliminated or brought into WTO conformity at the time of accession. If the latter, please explain how.

Answer:

The charges listed in the response to Question 48 of document WT/ACC/JOR/13 will be brought into WTO conformity at the time of accession. Jordan will ensure that these fees will reflect

the cost of services rendered and will be either fixed or *ad valorem* with a floor and ceiling. Jordan plans to take necessary measures for bringing these fees into conformity with Article VIII of the GATT 1994.

Question 35.

The responses to Questions 52 and 53 of document WT/ACC/JOR/13 confirms that a number of Jordan's remaining import fees are applied on an *ad valorem* basis and must be altered or eliminated to meet the requirements of Article VIII of the GATT. These include the fine for importing without an importer card, fee for overtime services, and consular fees for certifying commercial bills. The consular fees charged in the exporting country may also be inconsistent with Article VIII. What does Jordan intend to do, specifically, and in what time frame, to address the requirements of Article VIII in this regard?

Answer:

Jordan intends to bring all trade and customs related fees into conformity with Article VIII of the GATT 1994 at the time of accession to the WTO. Fees will be either fixed or *ad valorem* with a floor and ceiling. Jordan plans to take necessary measures for bringing these fees into conformity with Article VIII of the GATT 1994. A time frame will be provided during the next Working Party meeting.

Question 36.

We seek a commitment from Jordan that it will eliminate prior to accession all duties and charges on imports other than the ordinary customs duties or customs charges reflecting the cost of services rendered, and that it will bind at "zero" the charges referred to in Article II:1(b) of the GATT 1994 for all products in the goods market access schedule annexed to its Protocol of Accession.

Answer:

Jordan is currently evaluating this matter and is not ready to make this commitment at this point.

Question 37.

Could Jordan confirm if it intends to extend the exemptions, resulting from bilateral agreements with Arab countries, on a MFN basis?

Answer:

Jordan intends to conform to the WTO MFN requirements (Article I of the GATT 1994). Jordan is currently evaluating its agreements with Arab countries in order to determine proper mechanisms for conforming to the WTO MFN requirements.

Question 38.

We commend Jordan for its commitment to bring charges currently imposed into conformity with GATT Article VIII. Could Jordan supply more details on this process?

Answer:

Jordan is in the process of reviewing all fees connected with trade and customs to identify those fees that do not conform to Article VIII of the GATT 1994. Jordan will ensure that trade and

customs related fees will reflect the cost of services rendered and will be either fixed or *ad valorem* with a floor and ceiling. Jordan will take necessary measures for bringing these fees into conformity with Article VIII of the GATT 1994.

Question 39.

It is clear that for a limited range of products, Jordan applies differential sales tax rates between imported and domestically produced goods. This is clearly in breach of GATT Article III. Could Jordan provide more details on what steps it will take to eliminate this differential treatment?

Answer:

Jordan intends to remove prior to accession to the WTO the differential general sales tax rates between imported and domestically produced goods. Jordan plans to enact legal measures to bring Jordan's legal regime into conformity with Article III of the GATT 1994.

Question 40.

What is the service rendered according to GATT Article VIII, that justifies the payment of the following fees:

- **86.5 Fils on each imported packet of 20 cigarettes,**
- **Jordan Dinars 10 and Jordan Dinars 3 for viewing video films,**
- **overtime fee of 0.002 of the c.i.f. value of the imported good that exceeds Jordan Dinars 50 and 0.001 on goods in transit,**
- **a mining fee of Jordan Dinars 25/per ton for the export of scrap iron,**
- **a valuation fee of 2 per cent on re-exported foreign goods.**

Answer:

Please see the reply to Question 38 above.

(e) Quantitative import restrictions

Question 41.

In response to Question 70 of document WT/ACC/JOR/13, Jordan acknowledges that its ban on used cars five years or older “might not satisfy certain Articles of the WTO Agreements”. Yet Jordan argues that it “does not think it is wise to import used cars” for environmental and safety reasons. While we appreciate Jordan’s goal of promoting vehicle safety, Jordan’s policy of pursuing this goal by means of an import ban is trade restrictive. How does Jordan plan to bring its import regime for used cars into conformity with the WTO, e.g. can Jordan specify the environmental and safety features it wishes to require of imports of used vehicles?

Answer:

Jordan recently adopted Jordanian Standard 1050:1998 that outlines the safety requirements for motor vehicles. This new standard is identical to the following EEC directives:

1.	EEC	80/1269
2.	EEC	70/220
3.	EEC	72/306
4.	EEC	88/177
5.	EEC	71/320

6.	EEC	70/157
7.	EEC	76/757
8.	EEC	76/760
9.	EEC	76/762
10.	EEC	77/538
11.	EEC	76/758
12.	EEC	70/761
13.	EEC	76/756
14.	EEC	78/932
15.	EEC	77/541
16.	EEC	78/115
17.	EEC	74/408
18.	EEC	70/371
19.	EEC	74/297
20.	EEC	78/317
21.	EEC	78/318
22.	EEC	92/22
23.	EEC	77/389
24.	EEC	89/297
25.	EEC	74/483
26.	EEC	74/60
27.	EEC	78/316
28.	EEC	92/21
29.	EEC	92/24
30.	EEC	75/443
31.	EEC	78/549
32.	EEC	92/23
33.	EEC	70/221
34.	EEC	72/245
35.	EEC	70/387
36.	EEC	91/226
37.	EEC	70/222
38.	EEC	76/114
39.	EEC	78/548
40.	EEC	70/388
41.	EEC	77/540
42.	EEC	77/539
43.	EEC	78/318
44.	EEC	76/759

Instructions are being prepared to address the import of used vehicles in light of this new standard. In the mean time, the import of cars older than five years continues to be prohibited except for the purpose of using them for spare parts.

Question 42.

Jordan has stated, e.g., in the responses to Questions 60 and 61 of document WT/ACC/JOR/13, that some of its legislation has not yet been translated for review by the Working Party. Could Jordan supply descriptions of the relevant provisions of the legislation requested, with translations to follow when they have been completed?

Answer:

Please see the reply to Question 9 above.

Question 43.

In its response to Question 63 of document WT/ACC/JOR/13, Jordan notes that a number of firms have exclusive import and export rights in eight products. Do these firms have the right to restrict the quantities of the goods imported and exported, or must they import or export upon demand of other individuals and firms? Do these firms pay the same taxes and charges on imports and exports as other firms? If not, why not? If these firms do have the right to restrict trade, how does Jordan intend to amend this practice to bring it into conformity with Article XI of the GATT?

Answer:

The firms which have the exclusive right to import certain products are the following:

Product	Enterprise
Natural raw leather	Jordan Tanning Co.
Petroleum and derivatives, excluding mineral oils	Jordan Petroleum Refinery Company (JPRC)
Gas cylinders for house use	JPRC
Black cement	Jordan Cement Factories Co.
Ammonium nitrate	Jordan Phosphates Mining Co. (JPMC)
Raw phosphates	JPMC
Gun powder salt and explosives	JPMC
Used automobile tyres	Tyre factories

These companies conduct trade based on market demand and their internal needs for production purpose. All five companies (except tyre factories) have exemptions from import duties (see the replies to Questions 24 and 25 above). As for tax and other privileges, these will be described in the reply to the questionnaire on State trading which will be provided soon (see the reply to Question 109 below).

Question 44.

The response to Question 200 in document WT/ACC/JOR/13 indicates that Jordan still restricts imports of sheep to animals less than a year old. Why does the Government of Jordan restrict the importation of sheep over the age of one year? Does the Government of Jordan impose similar age restrictions on the sales of domestically-produced sheep? This would appear to be a violation of Article XI as well as Article III:4, national treatment. Please indicate how Jordan plans to bring it into WTO conformity.

Answer:

Jordan currently restricts the importation of sheep over the age of 1.5 years. The reasons are the following:

- sheep older than this age are likely to carry diseases;
- due to technological limitations, Jordan is currently unable to properly cope with the inspection of imported sheep.

This practice will be eliminated as soon as Jordan has the means to modernise veterinary inspection of imports.

The Ministry of Agriculture conducts periodic and systematic inspection on domestic farms to control any disease.

Question 45.

Could Jordan provide reasons for the legal requirements restricting import and export transactions of certain products to certain agencies? When does Jordan intend to liberalise the import/export of the products concerned?

Answer:

The exclusive rights provided to these companies are part of a concession package and agreements with these companies. These rights will continue to be in effect for the duration of the concession.

Question 46.

We commend Jordan's intention to eliminate the bans on the import of mineral water and table salt. Could Jordan provide a time frame for the elimination of these measures?

Answer:

The decision on lifting the ban on the importation of mineral water and table salt has not been taken yet. No time frame has been set for the elimination of these measures. A report on this matter will be provided during the next Working Party meeting.

Question 47.

We understand Jordan's safety and environmental concerns. These, however, take a form that is clearly WTO-incompatible and which should be removed before accession to comply with the provisions of the WTO Agreements. What are the conditions for importing diesel cars and lorries? Is the import of diesel operated saloon cars and taxis allowed in Jordan? If not, could Jordan explain the reason why?

Answer:

The import of diesel operated saloon cars and taxis is not allowed in Jordan due to environmental pollution that would result from the use of such cars. The import of diesel operating lorries is allowed as they mostly operate outside congested areas.

Question 48.

Could Jordan provide a WTO justification for maintaining the rule of having to hold an import card to be able to import. Could Jordan also provide a reason for the disproportionate fine, 5 per cent of the value of the good, charged in the case of importing without the import card.

Answer:

The import card is used for identification and statistical purposes. Not having an import card does not restrict import; a fine of 5 per cent of the declared value of shipment is charged for not having the import card. This fine is designed to ensure that importers comply with the requirement to have the import card.

(f) Import licensing procedures**Question 49.**

Please supplement the table, provided in the response to Question 64 in document WT/ACC/JOR/13, to include, for each item subject to import prohibition or requiring prior approvals, the GATT justification and, where applicable, the date for elimination.

Answer:

Jordan is in the process of examining the list of products subject to prior approval and plans to eliminate those products that can not be justified under WTO rules by the date of accession to the WTO. Jordan plans to enact legislation to bring the current regime into full conformity with the WTO prior to accession. A time frame to complete this work will be provided during the next Working Party meeting.

Prior Approvals

	Product	HS Code	Party Granting Approval	Justification
1.	Rice	10.06	Ministry of Industry and Trade (MIT)	Statistical purpose
2.	Wheat flour	11.01	MIT	Statistical purpose
3.	Sugar	17.01	MIT	Statistical purpose
4.	Wheat	10.01	MIT	Statistical purpose
5.	Barley	10.03	MIT	Statistical purpose
6.	Corn	10.05	MIT	Statistical purpose
7.	Milk for industrial use	04.02	MIT	Health
8.	Used automobile tyres	40.12	MIT	Safety
9.	Live animals	Chapter 1	Ministry of Agriculture	Health
10.	Frozen animal semen	0511.10	Ministry of Agriculture	Health
11.	Fresh chilled and frozen meat	Chapter 2	Ministry of Agriculture	Health
12.	Olive oil	1509	Ministry of Agriculture	Social
13.	All kinds of arms and ammunition	Chapter 93	Ministry of Interior, Public Security Dept. (PSD)	National security
14.	All kinds of explosives	36.01 36.02 36.03 36.04	PSD	National Security
15.	Pen knives and similar articles	82.11	PSD	National Security Public order
16.	Children automobile toys operated with fuel	95.01	PSD	Safety
17.	Remote control and toy aeroplanes	9503.20	PSD	Safety
23.	Electrical and electronic video games machines	95.04	PSD	Public moral
24.	Self-defence electrical equipment	85.43	PSD	National Security Public order
25.	Radio-active materials and uranium	28.44	Ministry of Energy & Mineral Resources	National Security Health Safety Environment
26.	Wireless transmitters and receivers	85.25	Telecommunications Regulatory Commission (TRC)	National Security Safety Health

	Product	HS Code	Party Granting Approval	Justification
27.	Wireless alarm equipment	85.31	TRC	National Security Health
28.	All kinds of remote control equipment (except those for television and video)	8543.209 8526.92	TRC	National Security Safety Health
29.	Radar apparatus	8526.91	TRC	National Security Safety Health
30.	Transmission and reception stations	85.25	TRC	National Security Safety Health Environment
31.	Cellular telephone systems	85.25.201	TRC	National Security Safety Health Environment
32.	Cordless telephones	85.17.11	TRC	National Security Health
33.	Cordless microphones	8518.10	TRC	National Security Health
34.	Electrical equipment for line telephony and telegraphy	85.17	TRC	Safety Environment
35.	Decoders	8543.899	TRC	National Security Health
36.	Satellites	85.29 8529.101 8543.891	TRC	National Security Safety Health
37.	Coloured photocopying machines	90.09	Central Bank of Jordan	National Security
38.	Medicaments, antibiotics, human blood, vaccines	29.41 30.02 30.03 30.04	Ministry of Health (MOH)	Health
39.	Food preparations used by athletes	2106.90	MOH	Health
40.	Bromides of potassium	2827.51	MOH	Health
41.	Food colourings	13.02	MOH	Health
42.	Sheets and pipes of asbestos	68.11	MOH	Health
43.	Milk and foods for children	04.02 2106.90	MOH	Health
44.	Ice cream and other edible ice	21.05	MOH	Health
45.	Postage franking machines	84.70	Ministry of Post and Communications	National Security
46.	Halogenated derivatives of hydrocarbons	2903.4 2903.46	Public Corporation for Protection of the Environment	Safety Environment
47.	Frion gas	2903	Public Corporation for Protection of the Environment	Safety Environment
48.	Boring machinery for water	8430.4	Ministry of Water & Irrigation	Conservation of Natural Resources
49.	Military clothing	Chapters 61+62	General Command of the Armed Forces	National Security

The legislation governing prior approvals vary from one government institution or ministry to another. In general, the main criterion to provide a prior approval is to determine whether or not the product in question has impact on health, safety, environment, national security, public order and

moral, and conservation of natural resources. In certain cases (imports of arms and ammunitions, explosives, pen knives), importers must be licensed in order to apply for prior approval. Most ministries do not charge fees for the issuance of prior approvals. There is no time limit provided in legislation for issuing prior approvals. It, however, varies from one ministry to another; from one day to one year provided that all required documents are submitted.

Question 50.

The response to Question 64 in document WT/ACC/JOR/13 indicates that the Ministries of Supply and Agriculture must grant prior approval for a number of agricultural imports, and the Ministry of Industry and Trade for used automobile tyres. It would appear that these requirements, and the import bans on plastic waste, mineral water, table salt, used cars, and cars using other than benzene as fuel are intended to limit imports and are inconsistent with Article XI of the GATT and the Agreement on Agriculture. We request that Jordan confirm that all of these restrictions (e.g., not just the one on mineral water) will be eliminated or amended no later than upon accession to bring them into line with WTO provisions. We request as soon as possible a report from Jordan on how it intends to accomplish this.

Answer:

Jordan intends to conform to Article XI of the GATT 1994 no later than upon accession and to eliminate or amend all restrictions that are inconsistent with Article XI. Currently, the Cabinet of Ministers is examining the application of bans on plastic waste, mineral water, table salt, used cars, and cars using other than benzene as fuel. A report on this matter will be provided during the next Working Party meeting.

Question 51.

According to the response to Question 103 of document WT/ACC/JOR/13, the Government of Jordan does not have a specific import quota imposed on the importation of rice, wheat and sugar. However, the prior approval system is being used to control the strategic reserve of these products. If there is no specific import quota system, how does the Government of Jordan determine whether or not to grant approval for the importation of these products?

Answer:

There is no maximum limit on the importation of these products into Jordan. Therefore, there is no import quota system in place. The main criterion to provide a prior approval is to determine whether or not the product in question has impact on health, safety, and environment, national security, public order and moral, in conservation of natural resources.

Question 52.

Why is prior approval required for telecommunications equipment and toys, and what criteria for approval are applied?

Answer:

Prior approval are granted to the applicant after examination of the catalogue or laboratory analysis of samples in order to determine whether or not the product in question is likely to threaten national security, safety, environment, health (see the reply to Question 49 above for respective telecommunications equipment and toys).

Question 53.

What are the “general safety conditions” required for prior approval of chemical imports?

Answer:

The “general safety conditions” required for prior approvals of chemical imports are the following:

- availability of appropriate storage facilities;
- proper transport, handling and appropriate labelling.

Question 54.

What are the eligibility requirements for enterprises applying to import goods which require prior approval? What are the time-limits provided for the issuance of the approvals? What fees are charged?

Answer:

Please see the reply to Question 49 above.

Question 55.

Is there an opportunity for other countries to comment in writing on new procedures and products that are added to the list of goods requiring prior approval?

Answer:

There are no restrictions on other countries to comment in writing on new procedures and products that are added to the list of goods requiring prior approval.

Question 56.

Please confirm that there are no cases in which exchange permits can be denied if the importer presents an import card and no prior approval is necessary?

Answer:

Exchange permits are no longer required.

Question 57.

Jordan states that it is possible to appeal if prior approval for importation is denied (Question 70, document WT/ACC/JOR/8). To what juridical or administrative bodies are importers to appeal in the event that prior approval for import is denied?

Answer:

Please see the reply to Question 10 above.

Question 58.

Regarding countries with which Jordan has no preferential trading agreement, can Jordan confirm that no import licences are required unless prior approval is required?

Answer:

Regarding countries with which Jordan has no preferential trading agreement, import licences are required as described to the reply to Question 69. There is no linkage between prior approvals and import licences.

Question 59.

In response to Question 80 in document WT/ACC/JOR/13, Jordan lists a number of products in trade with other countries that are subject to prior approval because they receive preferential treatment. Do the preferences extend beyond tariff cuts and exemptions? If so, how? Are these preferences part of any larger preference system, or are they simply bilateral agreements?

Answer:

For trade with countries with which Jordan has bilateral agreements, import licences are required for all products imported from these countries. In addition, prior approvals are required to import from all countries (including ones with which Jordan has bilateral agreements) for certain products listed in the reply to Question 49 above.

Preferences for products listed under the response to Question 80 in document WT/ACC/JOR/13 do not extend beyond tariff cuts and exemptions. These preferences are simply bilateral agreements.

Question 60.

We note in the response to Question 97 of document WT/ACC/JOR/13 that Jordan does not have a time table for the elimination of its system of prior approvals, which it has the intention to eliminate gradually. We seek Jordan's commitment to the elimination or revision to meet WTO provisions of the system of prior approvals prior to its date of accession to the World Trade Organization.

Answer:

Please see the reply to Question 49 above.

Question 61.

Could Jordan provide GATT or WTO justification for the measures indicated in its answer to Question 79 (WT/ACC/JOR/13)

Answer:

See the reply to Question 49 above.

Question 62.

Could Jordan specify the conditions for obtaining the prior approval for importing certain goods?

Answer:

Please see the reply to Question 49 above.

Question 63.

We commend Jordan for its commitment to gradually eliminate the prior approval system. Could Jordan specify how the dismantling will proceed and when it will be completed?

Answer:

Please see the reply to Question 49 above.

Question 64.

What is the purpose of using import licensing for imports from countries with which Jordan has preferential trade agreements? Can Jordan confirm that the licences are required only for those products that benefit from the bilateral preference?

Answer:

The purpose of using import licensing for imports from countries with which Jordan has a preferential trade agreement is to: (i) keep track of statistics and (ii) to manage the exemptions provided by the respective agreements. The licences are required for all products imported from these countries, not only for those products that benefit from the bilateral preference.

Question 65.

It is apparent from the responses provided to Questions 60-80 in document WT/ACC/JOR/13 that Jordan is still using quantitative restrictions and import licensing for many products that cannot be justified as exceptions to the requirements of GATT Article XI. Some of the items also appear to violate GATT national treatment and MFN provisions. Jordan has indicated that, in some cases, it wishes to eliminate the quantitative restriction gradually. Jordan should undertake to eliminate or amend these measures prior to accession. Please provide a timetable for the elimination of each of these non-tariff trade measures. If a delay is sought, Jordan should make specific proposals in this regard as soon as possible.

Answer:

Please see the reply to Question 49 above.

Question 66.

Could Jordan provide the Working Party with a copy of the Import/Export Law in a WTO language.

Answer:

The Import/Export Law of No. 14 of 1992 is being translated into English and will be provided to the WTO in early March 1999.

Question 67.

Could Jordan specify the criteria for refusal of automatic import licensing. This reply also seems to indicate that Jordan maintains separate arrangements with Arab countries and Israel in this field; could Jordan provide details of these arrangements?

Answer:

Import licences in Jordan are automatic. Refusals may only occur if necessary documents (see Annex 3 of WT/ACC/JOR/3) are not submitted.

The following require import licences:

- imported goods from countries which have trade agreements and protocols with Jordan provided that these goods originate in those countries: Bahrain, Egypt, Iraq, Israel, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine National Authority, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen;
- imported goods in the name of the following agencies: banks, companies under establishment, farms, handicraft businesses, hospitals, hotels, ministries and public institutions, newspaper, religious, scientific and charitable organisations;
- imports of individuals for personal non-commercial use;
- goods, brought into the country by passengers, which are neither prohibited nor restricted and whose total value does not exceed Jordan Dinars 2,000;
- companies, organisations and individuals registered with official bodies to establish development projects in Jordan;
- foreign contractors and companies including their branches which are registered in Jordan as foreign entities;
- foreign entities which are permitted to operate a resident branch in Jordan to conduct business outside Jordan and non-Jordanian individuals working in media establishments.

The following items require import licences: biscuits, used vehicles, and used electronic equipment.

The licensing system is described in Annex 3 of WT/ACC/JOR/3 (Questionnaire on import licensing procedures). No fees are charged to obtain these licences. There is no legal requirement limiting the period required to issue a licence. In practice, licences are issued in less than one hour. Required documents are described in section VI of Annex 3 of WT/ACC/JOR/3.

Question 68.

According to the response to Question 80 of document WT/ACC/JOR/13, the Government of Jordan requires import licences for many items being imported from the Palestinian National Authority, Saudi Arabia and Israel on items that receive preferential tariff treatment. Are these licences discretionary? Do they constitute a restrictive regulation of commerce within the meaning of Article XXIV:8 of the GATT?

Answer:

These licences are not discretionary. They are automatic and are not linked to any quotas. The trade agreements between Jordan and these countries do not fall under the definition of Article XXIV:8. These trade arrangements are not free trade or customs unions. Therefore, the application of Article XXIV:8 of GATT is irrelevant in this case.

Question 69.

At the Working Party meeting in July 1997, we asked Jordan to revise and expand its response to the Questionnaire on Import Licensing Procedures, contained in document WT/ACC/JOR/3, specifically to identify the imports requiring import licences and prior import authorisations, to clearly outline the criteria that must be met to receive import prior approvals, permits or licences, to specify the time-limits provided for the issuance of the documents, and to report the fees, if any, charged. We appreciate the list provided of imported goods subject to prior approval. We will need additional information, however, to evaluate the WTO consistency of Jordan's licensing regime. What information must be provided to receive licences to import these products? What are criteria for deciding if approval for import is to be given?

Answer:

The following require import licences:

- imported goods from countries which have trade agreements and protocols with Jordan provided that these goods originate in those countries: Bahrain, Egypt, Iraq, Israel, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine National Authority, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen;
- imported goods in the name of the following agencies: banks, companies under establishment, farms, handicraft businesses, hospitals, hotels, ministries and public institutions, newspaper, religious, scientific and charitable organisations;
- imports by individuals for personal non-commercial use;
- goods, brought into the country by passengers, which are neither prohibited nor restricted and whose total value does not exceed Jordan Dinars 2,000;
- companies, organisations and individuals registered with official bodies to establish development projects in Jordan;
- foreign contractors and companies including their branches which are registered in Jordan as foreign entities;
- foreign entities which are permitted to operate a resident branch in Jordan to conduct business outside Jordan and non-Jordanian individuals working in media establishments.

The following items require import licences: biscuits, used vehicles, and used electronic equipment.

The licensing system is described in Annex 3 of WT/ACC/JOR/3 (reply to the questionnaire on import licensing procedures). No fees are charged to obtain these licences. There is no legal requirement limiting the period required to issue a licence. In practice, licences are issued in less than one hour. Eligibility requirements and required documents are described in Annex 3 of WT/ACC/JOR/3.

As for prior approvals, please see the reply to Question 49 above.

Question 70.

Jordan states that it does not want to become a market for "outdated medicines". On the basis of what criteria will the Ministry of Health approve medicines for importation?

Answer:

In order to import medicines, the importer must register the imported medicine at the Ministry of Health (MOH). Documents that must be submitted to the MOH for the purpose of registration include: (i) full information about the medicine and manufacturer; and (ii) proof of circulation of medicine in the country of origin.

There are no Jordanian standards with respect to medicines. Medicines are registered at the MOH according to manufacturer's specification and/or international standards (e.g. USP, BP, EP, etc.).

At the time of importation, imported medicine is subject to laboratory analysis by the MOH to ensure conformity to the information provided at the time of registration.

Question 71.

Jordan states that goods imported for banks, companies under establishment, hotels and private universities require licences (document WT/ACC/JOR/13, Question 95). Does Jordan confirm that imports of such goods are subject to licensing, even if Jordan has no preferential trading agreement with the exporting country?

Answer:

Importation by banks, companies under establishment, hotels and private universities require import licences regardless of the exporting country (including countries with which Jordan has no preferential trading agreement).

(h) Customs valuation

Question 72.

In document WT/ACC/JOR/13, in response to Question 108, Jordan states that the new draft Customs Law is still being discussed in Parliament and there is no copy in any of the WTO languages. We would appreciate a description, section-by-section, of the provisions of the Customs Law as they relate to customs valuation, indicating what Articles and paragraphs of the WTO Agreement on Customs Valuation are covered by this part of Jordan's customs law. We would like an update on the status of the Parliament's discussions. Does Jordan have a target date for passage of the law? We request a copy of the Customs Law at Jordan's earliest opportunity.

Answer:

The new Customs Law was enacted on 1 August 1998 and became effective on 1 January 1999. The new customs law of 1998 replaces the Customs Law No. 16 of 1983. The new Customs Law is currently being translated into English and will be submitted to the WTO in early March 1999 (WT/ACC/JOR/17).

Please see Articles 28-32 of the Customs Law that primarily deal with customs valuation (WT/ACC/JOR/17).

Question 73.

In document WT/ACC/JOR/13, in response to Question 109, Jordan explains that one of reasons the registration date of the declaration has an effect on the c.i.f. value of imports, is

because of the daily swing in prices of goods. Could Jordan please explain how the daily swing in prices of goods is factored into the determination of the customs value?

Answer:

The new Customs Law of 1998 follows the WTO rules in this regard and specifies the transaction value rather than the normal price for the purpose of customs valuation.

Question 74.

In reviewing Jordan's responses to Questions 109-120 of document WT/ACC/JOR/13, as well as the information provided in Annex 4 of document WT/ACC/JOR/3, it appears that there are several provisions of the current law and possibly provisions of the draft customs laws that are inconsistent with the requirements of the WTO Agreement on Customs Valuation. We strongly encourage the Government of Jordan to submit a copy of the draft customs law to the WTO Secretariat and to the World Customs Organization for technical review, at the earliest opportunity. Once we receive a description or a copy of the new Customs Law, we will provide further comments and questions.

Answer:

The new Customs Law of 1998 is based on the WTO Customs Valuation Agreement. A copy of the new law in English will be provided to the WTO Secretariat in early March 1999. Please see Articles 28-32 of the Customs Law which primarily deal with customs valuation (WT/ACC/JOR/17).

Question 75.

The Customs Valuation Agreement is a fundamental component of the Uruguay Round Agreement and full implementation of it, as of the date of WTO accession, is being requested from all acceding countries. We encourage Jordan to incorporate the WTO Valuation Agreement into its legislation as soon as possible and certainly no later than the date of accession.

Answer:

Please see the reply to Question 74 above.

Question 76.

Could Jordan provide a copy of the new Customs Law in a WTO Language once approved by the National Parliament?

Answer:

Please see the reply to Question 22 above.

(j) Pre-shipment inspection

Question 77.

We appreciate Jordan's offer to report in detail the nature of its contract on pre-shipment inspection prior to the next Working Party, as well as its commitment to ensure that the operations of this firm are consistent with the relevant WTO Agreements, in particular, GATT Article VIII, the Agreement on Pre-shipment Inspection and the Agreement on the Implementation of Article VII of the GATT 1994.

Answer:

Jordan does not yet have in place a system of pre-shipment inspection. In case of the introduction of pre-shipment inspection in the future, Jordan will ensure that it will be in full conformity with the WTO Agreement on Pre-shipment Inspection.

(k) Application of internal taxes on imports**Question 78.**

According to the response to Question 49 of document WT/ACC/JOR/13, imported goods subject to General Sales Tax receive national treatment in the application of the tax with exceptions for certain specified products. Please describe how the General Sales Tax is levied on imported goods. Is the tax assessed at the border or at the point of sale?

Answer:

When importation occurs, the tax on imported goods is assessed on the basis of the custom value plus assessed custom duties. The General Sales Tax is paid at the border after the payment of customs duties.

Question 79.

For each of the products listed in paragraph (a) of the response to Question 49 of document WT/ACC/JOR/13, relating to Table No. 1 of the General Sales Tax Law, please describe how the application of the general sales tax differs as between imported and domestically-produced items.

Answer:

The following table lists the products for which the General Sales Tax is higher for imported than domestically produced items.

Sales Tax

	Product	Unit	Domestic JD.	Imported JD.
1.	Beer, including non-alcoholic:			
	(a) In containers up to 35 cl	container	0.175	0.285
	(b) In containers from 35 cl to 2/3 litre	container	0.245	0.385
	(c) Other	one litre	0.420	0.585
2.	Alcohol: Pure	litre	0.325	0.330
3.	Wines with less than 25 per cent alcohol:			
	(a) Sparkling wine	litre	0.500	1.155
	(b) Other	litre	0.500	0.891
4.	Liquors including Wines with 25 per cent or more alcohol.			
	(a) Arak	litre	0.600	0.850
	(b) Cognac	litre	0.650	1.000
	(c) Other	litre	0.850	1.200
5.	Cigarettes for local consumption	pack	0.197-0.385	0.385

The following products are not subject to the General Sales tax if produced locally. However, a General Sales Tax of 10 per cent is applied if these products are imported:

- clothing and shoes;
- agricultural plastic houses;
- kerosene or gas operated heaters;
- furniture;
- fibre glass and its products;
- wool blankets, covers, and mattresses, quilts, and towels;
- yeast and bread improvements;
- active and inactive lime and calcareous masonry;
- smoke stack stoves and their parts;
- dried leguminous vegetables subjected to any manufacturing process such as: peas, chick peas, beans, kidney beans, lentils of field beans;
- egg carton holders;
- solar heaters;
- knitted textiles;
- mills products including spices, thyme, and other herbs;
- plastic agricultural sheets and other plastic products for the irrigation network;
- energy-saving insulation materials for building purposes.

Question 80.

How does the Government of Jordan intend to remove the discriminatory general sales tax rates applied to the items listed in paragraph (b) of the response to Question 49 of document WT/ACC/JOR/13, relating to Table No. 2 of the General Sales Tax Law?

Answer:

The reply to Question 79 above provides the list of items where WTO national treatment does not apply. Jordan intends to remove the discriminatory general sales tax rates applied to these items prior to accession to the WTO. Jordan plans to enact/adopt legal measures to bring Jordan's legal regime into conformity with Article III of the GATT 1994. A time frame will be provided during the next Working Party meeting.

Question 81.

The response to Question 49 in document WT/ACC/JOR/13 states that there is an extensive list of imported goods that do not receive exemption from the national sales tax along with similar domestic products, and also lists imports that are charged a higher rate than similar domestic goods. This would appear to violate the national treatment provisions of Article III of the GATT. What does Jordan intend to do, specifically, and in what time frame, to eliminate this discrimination?

Answer:

Please see the reply to Questions 79 and 80 above.

Question 82.

We seek a commitment from Jordan to observe Article III in the application of domestic taxes to imports, and to eliminate or revise its current measures by the date of accession in order to bring its regime into WTO conformity.

Answer:

Please see the reply to Question 80 above.

(l) Rules of origin

Question 83.

According to the responses to Question 133 of document WT/ACC/JOR/13, Jordan does not have specific laws and regulations on rules of origin, but instead applies the rules of origin of the country it exports to. We welcome the response to Question 131 of document WT/ACC/JOR/13 which states that Jordan is working on developing its rules of origin and shall do its best to assume the obligations under the Agreement on Rules of Origin as soon as possible. We look forward to receiving a description of the rules of origin under development. Please provide a description, and as soon as possible, a copy of the legislation, to the Working Party. We also would appreciate a translation of the relevant provisions for the rules of origin of Jordan's preferential arrangements.

Answer:

Articles 24-27 of the new Customs Law set the legal framework for applying the rules of origin. These Articles are attached. Jordan plans to adopt the Harmonised Rules of Origin once finalised by the WTO in co-operation with the World Customs Organisation.

For Arab countries having preferential trading arrangements with Jordan, the applied rule of origin is at least 40 per cent value added. The rule of origin with Israel is at least 35 per cent value added. With regards to the European Association Agreement, the Agreement is not ratified yet. Such rules will be notified as soon as ratification takes place.

Question 84.

Please provide an update on the Government of Jordan's efforts to implement the WTO Agreement on Rules of Origin, including the status of draft legislation or regulations. What is Jordan's time table for the implementation of the Rules of Origin Agreement prior to the date of WTO accession? We look forward to receiving a description of the rules of origin under development, as noted in response to Question 131 of document WT/ACC/JOR/13.

Answer:

Please see the reply to Question 83 above. Jordan will ensure conformity with the WTO Agreement on Rules of Origin prior to the date of WTO accession.

(m-o) Anti-dumping, countervailing duties and safeguards regimes

Question 85.

Please explain what is meant by the answer to Question 138 of document WT/ACC/JOR/13 when Jordan states "A by-law will be issued in accordance with the Safeguard Law, once this law is enacted to deal with anti-dumping and countervailing".

Answer:

The National Production Protection Law ("The Law on Safeguards") was enacted on 1 October 1998. The Law was submitted in English to the WTO. Regulations are being drafted to

implement the Agreement on Subsidies and Countervailing Measures and the Agreement on Implementation of Article VI of the GATT 1994 (Anti-Dumping).

Question 86.

Please describe, section-by-section, the relevant provisions of the Safeguard Law as they relate to WTO provisions, and with specific reference to the nature of the injury test and the other aspects of the investigation.

Answer:

The National Production Protection Draft Law No. 4 for the Year 1998 ("the Law on Safeguards") conforms to the WTO Agreement on Safeguards. However, it is important to state that the Law requires the Cabinet to issue the following regulations as provided in Article 14 of the Law:

Article 14: The Cabinet shall issue the Regulations needed for implementing this Law, which shall cover the following:

- (a) The fees to be collected from petitioners for protection;
- (b) The conditions to be fulfilled by protection petitioners, as well as details about the evidence and documents to be submitted with the petition;
- (c) The procedures for investigating the petitions and the scope of investigations;
- (d) The matters to be addressed by the report that includes the recommendation to the minister regarding the protection petition;
- (e) The maximum period for applying the protection measures as well as the procedures and conditions pertaining to the extension and re-imposition of such measures.

Currently, Jordan is in the process of drafting these regulations.

Below is a table comparing the National Production Protection Law No. 4 for the year 1998 with WTO Agreement on Safeguards.

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>ARTICLE 1 General Provision This Agreement establishes rules for the application of safeguard measures which shall be understood to mean those measures provided for in Article XIX of GATT 1994.</p>	
<p>ARTICLE 2 Conditions 1. A Member¹ may apply a safeguard measure to a product only if that Member has determined, pursuant to the provisions set out below, that such product is being imported into its territory in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products.</p>	<p>Article (3): The provisions of this Law shall apply to those goods imported to the Kingdom, which are similar to, or compete with a domestically produced good. Article (4): (a) National producers who suffer or are likely to suffer serious injury due to an increase in the imports of a good which is similar to, or which competes with their production, may submit a petition in writing to the Minister or to whomever the latter authorises, to have their goods protected, provided they furnish documents and evidence which would assist the Ministry in establishing actual or probable damage to their production sector.</p>

¹A customs union may apply a safeguard measure as a single unit or on behalf of a member State. When a customs union applies a safeguard measure as a single unit, all the requirements for the determination of

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>2. Safeguard measures shall be applied to a product being imported irrespective of its source.</p>	<p>(b) For the purposes of this Law, serious injury is considered the direct and real negative effect on the production sector of a good, which is similar to or subject to competition by the imported good.</p> <p>(c) If it is established that damage to a production sector has resulted from importing a good which is dumped or subsidised at origin, then the provisions of the Regulation referred to in Article (15) of this law shall apply.</p>
<p>ARTICLE 5 Investigation</p> <p>1. A Member may apply a safeguard measure only following an investigation by the competent authorities of that Member pursuant to procedures previously established and made public in consonance with Article X of GATT 1994. This investigation shall include reasonable public notice to all interested parties and public hearings or other appropriate means in which importers, exporters and other interested parties could present evidence and their views, including the opportunity to respond to the presentations of other parties and to submit their views, <i>inter alia</i>, as to whether or not the application of a safeguard measure would be in the public interest. The competent authorities shall publish a report setting forth their findings and reasoned conclusions reached on all pertinent issues of fact and law.</p> <p>2. Any information which is by nature confidential or which is provided on a confidential basis shall, upon cause being shown, be treated as such by the competent authorities. Such information shall not be disclosed without permission of the party submitting it. Parties providing confidential information may be requested to furnish non-confidential summaries thereof or, if such parties indicate that such information cannot be summarised, the reasons why a summary cannot be provided. However, if the competent authorities find that a request for confidentiality is not warranted and if the party concerned is either unwilling to make the information public or to authorise its disclosure in generalised or summary form, the authorities may disregard such information unless it can be demonstrated to their satisfaction from appropriate sources that the information is correct.</p>	<p>Investigation procedure subject to Regulations to be issued by the Cabinet. See Article 14(c).</p> <p>Article (14): The Cabinet shall issue the Regulations needed for implementing this Law, which shall cover the following:</p> <p>(c) The procedures for investigating the petitions and the scope of investigations;</p> <p>See Articles (5) and (6) below</p> <p>Article (12): Neither the Ministry nor any other official authority shall disclose any confidential information obtained in the course of carrying out its duties in implementing the provisions of this Law.</p>

serious injury or threat thereof under this Agreement shall be based on the conditions existing in the customs union as a whole. When a safeguard measure is applied on behalf of a member State, all the requirements for the determination of serious injury or threat thereof shall be based on the conditions existing in that member State and the measure shall be limited to that member State. Nothing in this Agreement prejudices the interpretation of the relationship between Article XIX and paragraph 8 of Article XXIV of GATT 1994.

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>ARTICLE 4 Determination of Serious Injury or Threat Thereof</p> <p>1. For the purposes of this Agreement: "serious injury" shall be understood to mean a significant overall impairment in the position of a domestic industry; "threat of serious injury" shall be understood to mean serious injury that is clearly imminent, in accordance with the provisions of paragraph 2. A determination of the existence of a threat of serious injury shall be based on facts and not merely on allegation, conjecture or remote possibility; and in determining injury or threat thereof, a "domestic industry" shall be understood to mean the producers as a whole of the like or directly competitive products operating within the territory of a Member, or those whose collective output of the like or directly competitive products constitutes a major proportion of the total domestic production of those products.</p> <p>2.(a) In the investigation to determine whether increased imports have caused or are threatening to cause serious injury to a domestic industry under the terms of this Agreement, the competent authorities shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry, in particular, the rate and amount of the increase in imports of the product concerned in absolute and relative terms, the share of the domestic market taken by increased imports, changes in the level of sales, production, productivity, capacity utilisation, profits and losses, and employment.</p> <p>(b) The determination referred to in subparagraph (a) shall not be made unless this investigation demonstrates, on the basis of objective evidence, the existence of the causal link between increased imports of the product concerned and serious injury or threat thereof. When factors other than increased imports are causing injury to the domestic industry at the same time, such injury shall not be attributed to increased imports.</p> <p>(c) The competent authorities shall publish promptly, in accordance with the provisions of Article 3, a detailed analysis of the case under investigation as well as a demonstration of the relevance of the factors examined.</p>	<p>The law does not mention "significant overall impairment".</p> <p>See Article (4)(b) above</p> <p>Article (5): The Minister shall decide, on the basis of a studied recommendation by the competent authority in the Ministry, whether to grant the petition preliminary approval or to deny it. If the petition is denied, the competent authority in the Ministry shall notify the petitioners of the decision within fourteen days from the date of the decision. If the minister grants the petition preliminary approval, then he shall instruct the competent authority in the Ministry to investigate it.</p> <p>Article (6):</p> <p>(a) After completing the investigation mentioned in Article (5), and drawing conclusions therefrom, the competent authority in the Ministry shall make a recommendation to the Minister to grant or deny the protection petition, which recommendation must be justified and based upon objective evidence. If approval is recommended, suggestions must be made as to the appropriate protection measures to be taken in order to counter actual or probable damage, as well as to the actions and procedures which national producers must observe in their production to safeguard consumers during the period of implementing the protection measures.</p> <p>(b) If the Minister denies the protection petition- after reviewing the recommendation- the Ministry shall notify the applicant of the rejection decision and its justification. If the Minister grants the petition, he shall submit a recommendation in its regard to the Tariff Council, specifying therein what he considers to be the appropriate protection measures and the period required to implement the actions and procedures which local producers must observe.</p>

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>ARTICLE 5</p> <p>Application of Safeguard Measures</p> <p>1. A Member shall apply safeguard measures only to the extent necessary to prevent or remedy serious injury and to facilitate adjustment. If a quantitative restriction is used, such a measure shall not reduce the quantity of imports below the level of a recent period which shall be the average of imports in the last three representative years for which statistics are available, unless clear justification is given that a different level is necessary to prevent or remedy serious injury. Members should choose measures most suitable for the achievement of these objectives.</p> <p>2.(a) In cases in which a quota is allocated among supplying countries, the Member applying the restrictions may seek agreement with respect to the allocation of shares in the quota with all other Members having a substantial interest in supplying the product concerned. In cases in which this method is not reasonably practicable, the Member concerned shall allot to Members having a substantial interest in supplying the product shares based upon the proportions, supplied by such Members during a previous representative period, of the total quantity or value of imports of the product, due account being taken of any special factors which may have affected or may be affecting the trade in the product.</p> <p>(b) A Member may depart from the provisions in subparagraph (a) provided that consultations under paragraph 3 of Article 12 are conducted under the auspices of the Committee on Safeguards provided for in paragraph 1 of Article 13 and that clear demonstration is provided to the Committee that:</p> <p>(i) imports from certain Members have increased in disproportionate percentage in relation to the total increase of imports of the product concerned in the representative period,</p>	<p>Article (7)</p> <p>(a) The Cabinet may decide, after reviewing the Tariff Council's recommendation, either to deny the protection petition, or to grant it and take appropriate protection measures in accordance with Article (8) of this Law. In the latter case, the Ministry shall notify the applicant of the decision and publicise it in two daily local newspapers.</p> <p>(b) Petitioners whose requests have been denied by the Minister or the Cabinet may not submit another petition based on the same circumstances and causes provided in their initial petition, before (180) days from the date of issuance of the denial decision.</p> <p>Article (8):</p> <p>(a) The Cabinet shall determine on the basis of the Tariff Council's recommendation, which of the following protection measures would be appropriate:</p> <ol style="list-style-type: none"> 1. Imposing a new tariff or increasing the tariff on the imported good. 2. Limiting the quantity of the imported good. 3. Eliminating or reducing the tariff(s) on the imported good or goods, which are inputs in the production of the domestic good. 4. Measures which would assist national producers in adapting to imports of the said good. <p>(b) The new tariff or tariff increase levied on the imported good in keeping with the protection measures shall apply regardless of the country of origin exporting the good.</p>

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>(ii) the reasons for the departure from the provisions in subparagraph (a) are justified, and</p> <p>(iii) the conditions of such departure are equitable to all suppliers of the product concerned. The duration of any such measure shall not be extended beyond the initial period under paragraph 1 of Article 7. The departure referred to above shall not be permitted in the case of threat of serious injury.</p>	<p>(c) The Cabinet may, on the basis of the Tariff Council's recommendation, exempt from the provisions of paragraph (b) of this Article any developing country, provided the following two conditions are fulfilled:</p> <ol style="list-style-type: none"> 1. The developing country's share of the imports of the said good into Jordan does not exceed 3%; 2. The total share of developing countries, which fulfil the former condition, does not exceed 9% of the Kingdom's total imports of the said good. <p>(d) The quota for the imported good shall not be set at a quantity lower than the average rate of its import during the last three years for which adequate statistical data is available, unless there are grounds necessitating otherwise.</p> <p>(e) All measures regarding the protection period, the rate of the tariff or tariff increase, the import quota, shall be set in the amount deemed by the Cabinet appropriate to ward off serious injury, enable domestic producers to adjust their situation and adapt to imports of the said good, and to protect the Kingdom's interest.</p> <p>Article (9):</p> <p>(a) The Cabinet may decide, on the basis of the Tariff Council's recommendation, to distribute shares of the quota of the imported good between countries, which export the good to Jordan, or between those countries from which it is in Jordan's fundamental interest to import the good.</p> <p>(b) The allotment of shares mentioned in paragraph (a), shall be based on each of the said countries' share of the total quantity or total value of the imported good during the last three years for which appropriate statistical data is available, provided factors affecting trade in the imported item are taken into consideration.</p>
<p>ARTICLE 6 Provisional Safeguard Measures</p> <p>In critical circumstances where delay would cause damage which it would be difficult to repair, a Member may take a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury.</p>	<p>Article (10):</p> <p>(a) If the protection petition is submitted for review on an urgent basis in order to prompt a swift protection decision, and if the Minister finds valid grounds for such a petition, then he shall recommend to the Tariff Council, to recommend in turn to the Cabinet, the imposition of a tariff or tariff increase on an urgent basis.</p>

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<p>The duration of the provisional measure shall not exceed 200 days, during which period the pertinent requirements of Articles 2 through 7 and 12 shall be met. Such measures should take the form of tariff increases to be promptly refunded if the subsequent investigation referred to in paragraph 2 of Article 4 does not determine that increased imports have caused or threatened to cause serious injury to a domestic industry. The duration of any such provisional measure shall be counted as a part of the initial period and any extension referred to in paragraph 1, 2 and 3 of Article 7.</p>	<p>(b) The Cabinet may decide, on the basis of the Tariff Council's recommendation, to adopt an urgent protection measures by imposing a tariff or tariff increase. .</p> <p>(c) The Ministry shall notify the applicant about the decision and shall publicise it in two local newspapers. The urgency petition is to be considered denied if the applicant is not notified about it within fourteen days from the date of its submission.</p> <p>(d) For the purposes of paragraph (a) of this Article, the following are two of the cases, which warrant the implementation of urgent protection measures:</p> <ol style="list-style-type: none"> 1. If it is not possible to eliminate the impact of the actual or probable serious injury without taking urgent protection measures; 2. If it would be difficult for national producers to adjust their situation and to adapt to the competition from importing the said good unless urgent protection measures are applied at the appropriate time. <p>Article (11):</p> <p>(a) Even after implementing urgent protection measures at the petitioner's request, the Minister may nonetheless investigate the petition in accordance with the procedures stated in Articles (5-8) of this Law.</p> <p>(b) An urgent protection measure may not be applied for more than (200) days.</p> <p>(c) The Cabinet, upon the Tariff Council's recommendation, which in turn is based upon the Minister's recommendation, may decide at any time during the period stated in paragraph (b) of this Article, to cancel the urgent protection measures in any of the following cases:</p> <ol style="list-style-type: none"> 1 .If investigation establishes that implementing the urgent protection measures affected national producers negatively. 2. If investigation rules out the actual occurrence or likelihood of occurrence of serious injury. 3. If the Cabinet decides in the same regard to apply protection measures in accordance with Articles (7) and (8) of this Law.
<p>ARTICLE 7 Duration and Review of Safeguard Measures</p> <p>1. A Member shall apply safeguard measures only for such period of time as may be necessary to prevent or remedy serious injury and to facilitate adjustment. The period shall not exceed four years, unless it is extended under paragraph 2.</p>	<p>Article 14 of the law provides that regulations shall be issued specifying the upper limit for the duration of the safeguard measures, revisions and re-impositions thereof.</p>

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>2. The period mentioned in paragraph 1 may be extended provided that the competent authorities of the importing Member have determined, in conformity with the procedures set out in Articles 2, 3, 4 and 5, that the safeguard measure continues to be necessary to prevent or remedy serious injury and that there is evidence that the industry is adjusting, and provided that the pertinent provisions of Articles 8 and 12 are observed.</p> <p>3. The total period of application of a safeguard measure including the period of application of any provisional measure, the period of initial application and any extension thereof, shall not exceed eight years.</p> <p>4. In order to facilitate adjustment in a situation where the expected duration of a safeguard measure as notified under the provisions of paragraph 1 of Article 12 is over one year, the Member applying the measure shall progressively liberalise it at regular intervals during the period of application. If the duration of the measure exceeds three years, the Member applying such a measure shall review the situation not later than the mid-term of the measure and, if appropriate, withdraw it or increase the pace of liberalisation. A measure extended under paragraph 2 shall not be more restrictive than it was at the end of the initial period, and should continue to be liberalised.</p> <p>5. No safeguard measure shall be applied again to the import of a product which has been subject to such a measure, taken after the date of entry into force of the WTO Agreement, for a period of time equal to that during which such measure had been previously applied, provided that the period of non-application is at least two years.</p> <p>6. Notwithstanding the provisions of paragraph 5, a safeguard measure with a duration of 180 days or less may be applied again to the import of a product if:</p> <ul style="list-style-type: none"> (a) at least one year has elapsed since the date of introduction of a safeguard measure on the import of that product; and (b) such a safeguard measure has not been applied on the same product more than twice in the five-year period immediately preceding the date of introduction of the measure. 	

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>ARTICLE 8</p> <p>Level of Concessions and Other Obligations</p> <p>1. A Member proposing to apply a safeguard measure or seeking an extension of a safeguard measure shall endeavour to maintain a substantially equivalent level of concessions and other obligations to that existing under GATT 1994 between it and the exporting Members which would be affected by such a measure, in accordance with the provisions of paragraph 3 of Article 12. To achieve this objective, the Members concerned may agree on any adequate means of trade compensation for the adverse effects of the measure on their trade.</p> <p>2. If no agreement is reached within 30 days in the consultations under paragraph 3 of Article 12, then the affected exporting Members shall be free, not later than 90 days after the measure is applied, to suspend, upon the expiration of 30 days from the day on which written notice of such suspension is received by the Council for Trade in Goods, the application of substantially equivalent concessions or other obligations under GATT 1994, to the trade of the Member applying the safeguard measure, the suspension of which the Council for Trade in Goods does not disapprove.</p> <p>3. The right of suspension referred to in paragraph 2 shall not be exercised for the first three years that a safeguard measure is in effect, provided that the safeguard measure has been taken as a result of an absolute increase in imports and that such a measure conforms to the provisions of this Agreement.</p>	
<p>ARTICLE 9</p> <p>Developing Country Members</p> <p>1. Safeguard measures shall not be applied against a product originating in a developing country Member as long as its share of imports of the product concerned in the importing Member does not exceed 3%, provided that developing country Members with less than 3% import share collectively account for not more than 9% of total imports of the product concerned.²</p>	

²A Member shall immediately notify an action taken under paragraph 1 of Article 9 to the Committee on Safeguards.

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>2. A developing country Member shall have the right to extend the period of application of a safeguard measure for a period of up to two years beyond the maximum period provided for in paragraph 3 of Article 7. Notwithstanding the provisions of paragraph 5 of Article 7, a developing country Member shall have the right to apply a safeguard measure again to the import of a product which has been subject to such a measure, taken after the date of entry into force of the WTO Agreement, after a period of time equal to half that during which such a measure has been previously applied, provided that the period of non-application is at least two years.</p>	<p>See Article (8)(c) above.</p>
<p>ARTICLE 10 Pre-existing Article XIX Measures Members shall terminate all safeguard measures taken pursuant to Article XIX of GATT 1947 that were in existence on the date of entry into force of the WTO Agreement not later than eight years after the date on which they were first applied or five years after the date of entry into force of the WTO Agreement, whichever comes later.</p>	<p>Article (17): The provisions of any law, which are in conflict with this law, shall not be applied.</p>
<p>ARTICLE 11 Prohibition and Elimination of Certain Measures 1(a) A Member shall not take or seek any emergency action on imports of particular products as set forth in Article XIX of GATT 1994 unless such action conforms with the provisions of that Article applied in accordance with this Agreement. (b) Furthermore, a Member shall not seek, take or maintain any voluntary export restraints, orderly marketing arrangements or any other similar measures on the export or the import side.^{3,4} These include actions taken by a single Member as well as actions under agreements, arrangements and understandings entered into by two or more Members. Any such measure in effect on the date of entry into force of the WTO Agreement shall be brought into conformity with this Agreement or phased out in accordance with paragraph 2.</p>	<p>To the extent possible see Article (18)</p>

³An import quota applied as a safeguard measure in conformity with the relevant provisions of GATT 1994 and this Agreement may, by mutual agreement, be administered by the exporting Member.

⁴Examples of similar measures include export moderation, export-price or import-price monitoring systems, export or import surveillance, compulsory import cartels and discretionary export or import licensing schemes, any of which afford protection.

Provisions Agreement On Safeguards	Provisions of The National Production Protection Draft Law No. () for the Year 1998
<p>(c) This Agreement does not apply to measures sought, taken or maintained by a Member pursuant to provisions of GATT 1994 other than Article XIX, and Multilateral Trade Agreements in Annex 1A other than this Agreement, or pursuant to protocols and agreements or arrangements concluded within the framework of GATT 1994.</p> <p>2. The phasing out of measures referred to in paragraph 1(b) shall be carried out according to timetables to be presented to the Committee on Safeguards by the Members concerned not later than 180 days after the date of entry into force of the WTO Agreement. These timetables shall provide for all measures referred to in paragraph 1 to be phased out or brought into conformity with this Agreement within a period not exceeding four years after the date of entry into force of the WTO Agreement, subject to not more than one specific measure per importing Member⁵, the duration of which shall not extend beyond 31 December 1999. Any such exception must be mutually agreed between the Members directly concerned and notified to the Committee on Safeguards for its review and acceptance within 90 days of the entry into force of the WTO Agreement. The Annex to this Agreement indicates a measure which has been agreed as falling under this exception.</p> <p>3. Members shall not encourage or support the adoption or maintenance by public and private enterprises of non-governmental measures equivalent to those referred to in paragraph 1.</p>	

Question 87.

We note in the response to Question 141 of document WT/ACC/JOR/13 that Jordan hopes that WTO-consistent anti-dumping, countervailing and safeguard legislation will be passed by Parliament by the time Jordan accedes to the WTO. We are concerned, however, that Jordan's Safeguard Law may not fully reflect WTO provisions concerning safeguards, anti-dumping, and countervailing duties. We seek a commitment from Jordan that it will not apply any such measures until WTO-consistent legislation is in place. If Jordan is unable to complete the implementation of WTO-consistent legislation by the date of accession, does the Government of Jordan commit to refrain from imposing any anti-dumping, countervailing or safeguard measures until WTO-consistent legislation has been enacted and properly notified to the appropriate WTO Committees?

⁵The only such exception to which the European Communities is entitled is indicated in the Annex to this Agreement.

Answer:

The National Production Protection Law No 4 of 1998 (Safeguard Law) was passed and it was published in the Official Gazette and forwarded to the WTO Secretariat on 28 November 1998. Regulations are being drafted to implement the Agreement on Subsidies and Countervailing Measures and the Agreement on Implementation of Article VI of the GATT 1994 (Anti-Dumping).

- 2. Export Regulation**
(d) Export licensing procedures

Question 88.

We are pleased to note in the response to Question 144 of document WT/ACC/JOR/13, that Jordan is phasing out prior approvals for the exportation of several products, including wheat, wheat flour and other wheat products, sugar, rice, halibuna (milk) and milk for industrial use; ewes and cows; marble slabs, broken marble and mineral ores and fresh fruits and vegetables destined for protocol countries. Please provide a time table for the elimination of the prior approval requirement for the exportation of these items.

Answer:

This matter is currently before the Cabinet of Ministers. A report will be provided during the next Working Party meeting.

- (e) Other measures**

Question 89.

It is clear from the response to Question 55 of document WT/ACC/JOR/13 that the fee on exports of scrap iron is an export duty, and not a fee for services. It is clear from the response to Question 56 that the "valuation fee" is related to the value of the export and not to any specific service provided. We expect Jordan to acknowledge this, and other similar export "fees" and notify them as export taxes or tariffs.

Answer:

An export fee of Jordan Dinars 25 per ton is applied on iron, brass, and aluminium scraps and remains. This fee is an export charge collected by the Customs Authority toward the national budget. Although referred to in Instruction No. 1 of 1997 as an export fee, it may also be considered an export duty.

Please see the reply to Question 90 below.

Question 90.

Please list all current export charges, whether called fees, taxes, or tariffs.

Answer:

The current export charges in Jordan are the following:

1. Export licence fee: Jordan Dinars 2 for stamps (export licences are only required to export to Syria and Iraq) collected by the Ministry of Industry and Trade.

2. Export fee of Jordan Dinars 25/ton on the export of iron, brass and aluminium scraps and remains. This fee is collected by the Customs Authority.

3. Export fee on mining and quarry products:

Good	Fee
Crushed stones	0.2 JD/ton.
Building stones	0.3 JD/ton.
Marble and granite	1 JD/ton.
Travertine and marble crushes	0.5 JD/ton.
Crude xyolite	1 JD/ton.
Clay, clay derivatives and kaolin	0.5 JD/ton.
Tripine biotite and diatomite	0.3 JD/ton.
Silicate, gypsum, pure limestone, feldspar, volcanic turf and bituminous mineral oil	0.2 JD/ton.
Dolomite and basalt	0.1 JD/ton.

These mining fees are collected by the Natural Resources Authority.

4. Export fees on agricultural products collected by the Ministry of Agriculture (US\$1 = 708 Fils):

Type of Fee	Amount
1. Fumigation of consignments	250f/ton
2. Inspection and checking	250f/ton
3. Inspection of live animals:	
Bovines, camels and pigs	50 f/head
Horses	50 f/head
Sheep, goats and deer	20 f/head
Cats, dogs and wild animals	100 f/head
Birds	20 f/bird
4. Animal interdiction fees/quarantine	
Bovines, camels and pigs	80 f/head
Horses	90 f/head
Sheep, goats and deer	20 f/head
Cats, dogs and wild animals	100 f/head
Birds	20 f/bird
5. Animal watering	
Camels, horses, bovines and big animals	10 f/head/day
Sheep, goats and small animals	5 f/head/day
6. Disinfection fees:	
Ships transport 1-100 head	2 JDs
Ships transport 1000 tons.	3 JDs
Ships transport 4000 tons.	5 JDs
Ships transport more than that	7 JDs
Any other vehicles	0.5 JD each

5. Re-export fees for services rendered collected by the Customs Authority:

- inspection fees: 2 per cent of declared value;
- customs overtime fees: 0.2 per cent of declared value.

6. Fees charged by Jordan Export Development Corporation for services provided to exporters.

(f) Export financing, subsidy and promotion policies

Question 91.

According to the response to Question 20 of document WT/ACC/JOR/13, the profits of export income of manufactured products to non-protocol countries are exempt from income tax. Is this tax exemption the same as that described in the response to Question 21 of the same document, which is provided pursuant to the Income Tax Law No. 57 of 1985 and its amendment, Article 3/C? Is the determination of this income tax exemption left to the discretion of the Minister of Finance and the Council of Ministers?

Answer:

Article 7 of the Income Tax Law No. 57 of 1985 exempts from income tax all income generated from agriculture.

The tax exemption described in the reply to Question 20 of WT/ACC/JOR/13 is based on the tax exemption stipulated in Article 3/C of the Income Tax Law No. 57 of 1985:

- Article 3/C of the Income Tax Law No. 57 of 1985 authorises the Council of Ministers, per recommendation of the Minister of Finance, to exempt the profits of exports from income tax wholly and partially.
- The Council of Ministers issued Decision No. 3394 in 1994 exempting from income tax profits of income generated from export of all products (including manufactured goods except phosphate and potash) to non-protocol countries.

Non-protocol countries are all countries except Israel, Lebanon, the Palestinian national Authority and Saudi Arabia.

The determination of this income tax exemption is not left to the discretion of the Minister of Finance and the Council of Ministers. It is pursuant to governmental economic policies (e.g. encouraging export to non-Arab countries – most Arab countries were protocol countries then—after the Gulf war). In order to obtain such exemptions, businesses must provide to the Income Tax Department official documents (e.g. customs declaration) demonstrating income from exports.

Question 92.

Please identify the industrial products to which income tax exemption applies, the non-protocol countries, and the criteria for determining whether the export income of manufactured products is exempt from income tax.

Answer:

The income tax exemption applies to all industrial products except phosphate and potash. Protocol countries are all countries except Israel, Lebanon, the Palestine National Authority, and Saudi Arabia.

In order to obtain such exemptions, businesses must provide to the Income Tax Departments official documents (e.g. customs declaration) demonstrating income from exports.

Question 93.

According to the response to Question 21 of document WT/ACC/JOR/13, the Higher Council for Investment has approved recently the establishment of Jordanian Export Companies specialised in exporting national products and goods. These companies which will be exempt from paying income tax were recommended for the Cabinet's endorsement and are still awaiting the decision. Please describe in more detail this export incentive scheme. What companies are eligible to be Jordanian Export Companies? What criteria are applied in determining whether the companies are eligible, or retain eligibility, for the income tax exemption.

Answer:

A Cabinet of Ministers Decision No 12/11/4 dated 30 December 1997 was adopted in this regard. All companies registered according to the Jordanian Company Law and specialised in "external marketing, advertising and exporting local products" with a minimum paid capital of (Jordan Dinars 2,000,000) are eligible to be Jordanian Export Companies. The functions of these companies should be limited to the export, marketing, and promotion of Jordanian products abroad. These companies must also buy the local product from the local producer and can not act as a paid agent only.

Question 94.

According to the response to Question 21 of document WT/ACC/JOR/13, trade protocols with other countries usually determine special provisions relating to exporting products and goods. Please identify the trade protocols and describe the special export provisions.

Answer:

Trade Protocols are defined as the implementing agreements of bilateral treaties that provide for specific treatment of specific goods. Annex 7 of the WT/ACC/JOR/3 provides a list of bilateral agreements between Jordan and other countries. Trade Protocols currently exist with the following countries: Israel, Lebanon, Palestinian National Authority (PNA), and Saudi Arabia. Please refer to the answer to Question 283 of WT/ACC/JOR13 for export provisions in protocols with Israel, PNA, and Saudi Arabia. As for Lebanon, duty exemptions are provided for live animals, natural resources, fruits and vegetables in accordance with an agricultural calendar, and any manufactured products of Lebanese origin (40 per cent added value).

Question 95.

We have made note of the response in Question 145 of document WT/ACC/JOR/13 regarding the application of the export subsidies only to non-Arab countries. What steps are being undertaken to bring Jordan's export subsidy regime into conformity with WTO most-favoured nation obligations?

Answer:

Jordan intends to conform to the WTO MFN requirements. Jordan is currently evaluating the application of export subsidies to non-protocol countries in order to determine proper mechanisms for conforming to the WTO MFN requirements.

Question 96.

We appreciate Jordan's statement in response to Questions 146 and 147 in document WT/ACC/JOR713 that it recognises that it has measures in place that violate the WTO

Agreement on Subsidies and Countervailing Measures, and that it intends to phase out such practices. Please list all such measures, with legal citations, and indicate the timeframe in which they will be eliminated. Please indicate if there will be any residual legal rights to such incentives even after the laws authorising them are repealed.

Answer:

Jordan will provide before the next Working Party meeting a report on its current measures (prohibited subsidies) which violate the WTO Agreement on Subsidies and Countervailing Measures. Jordan plans to seek transition for phasing out prohibited subsidies under Article 27 of the Agreement on Subsidies and Countervailing Measures. However, prohibited incentives, provided prior to repealing the laws authorising them, will remain valid for the duration agreed upon when they were granted.

3. Internal Policies Affecting Foreign Trade in Goods
(b) Technical regulations and standards

Question 97.

We appreciate the information on its standards applications to imports provided in response to Question 154 in document WT/ACC/JOR713. What additional legislation or regulations does Jordan believe will be necessary to implement the Agreement on Technical Barriers to Trade? How long should all this take?

Answer:

Jordan is currently in the process of reviewing its current legal regime for conformity with the TBT Agreement and will provide a report regarding this matter during the next Working Party meeting.

Question 98.

Could Jordan provide more details on the implementation schedule of the plan to develop inspection services mentioned in its answer.

Answer:

Currently, green channel inspection services are being applied to imported and exported goods. Feasibility study is being prepared for the implementation of x-ray inspection services on large scale on all borders crossing points to facilitate the inspection of lorries, trucks and tankers.

With regard to pre shipment inspection the competent authority recently issued a qualification tender for international pre-shipment inspection companies to carry out the pre-shipment inspection activities. The company will provide its services to Jordanian importers upon their request, and the importer will pay for the services rendered by the company. This activity is only applicable on the FCL kind.

Question 99.

Where Jordanian standards fail to exist, or imported products are manifestly conform to accepted international (and/or EN) standards, is any automatic recognition procedures allowed for, equally covering acceptance of relevant conformity assessment instruments (tests and certificates)?

Answer:

All products except medicines and medical equipment:

Samples of imported products for which there is a Jordanian standard are subject to verification through laboratory testing in Jordan. Testing is conducted by any of the laboratories accredited by JISM, per request of JISM. No certificate of conformity to standards is required. Simply, the approval ("equivalent to certification") by JISM, based on the results of laboratory testing, is required to ensure conformity with applicable standards.

If Jordanian Standards do not exist for products, no verification procedures are applied on imported goods. In cases where Jordan has a standard for imported product that is different from International or EN standard, JISM amends Jordanian Standards to conform to international or EN standards. Jordan is constantly working on harmonising its standards with international standards.

Medicines and medical equipment

There are no standards for medicines or medical equipment.

When importing medical equipment, the importer must simply show document(s) indicating circulation of the imported medical equipment in the country of origin.

In order to import medicines, the importer must register the imported medicine at the Ministry of Health (MOH). Documents that must be submitted to the MOH for the purpose of registration include: (i) full information about the medicine and the manufacturer; and (ii) proof of circulation of medicine in the country of origin.

There are no Jordanian standards with respect to medicines. Medicines are registered at the MOH according to manufacturer's specification and/or international standards (e.g. USP, BP, EP, etc.).

At the time of importation, imported medicine is subject to laboratory analysis by the MOH to ensure conformity to the information provided at the time of registration.

No certification required for the import of medicine or medical equipment.

Question 100.

Jordan does not explain what criteria is used in granting certification. Could Jordan please supply more details?

Answer:

Please see the reply to Question 34 above.

Question 101.

In part (b)(iv) of their answer to this question Jordan said that all goods must conform with "Jordanian mandatory standards except in certain cases, and for specific reasons". Under what circumstances would a product not have to comply with these standards?

Answer:

Imported products may not have to comply with the Jordanian mandatory standards under certain circumstances; when the imported product has a minor non-conformity in the product that will not affect the performance, safety and health of the user, or the environment.

(c) Sanitary and phytosanitary measures

Question 102.

Please outline Jordan's shelf-life requirements and how they are applied to imports and to domestic goods.

Answer:

There are two Jordanian standards for shelf-life requirements of foodstuff:

- Jordan Standard 288: 1994 on Shelf Life for Foodstuff issued and administered by the Jordan Institution for Standards and Metrology;
- Jordan Standard 401: 1997 on Shelf Life for Infant and Children's Foodstuff issued and administered by the Jordan Institution for Standards and Metrology.

These two standards are currently being translated into English and will be submitted to the WTO Secretariat in March 1999. These two standards outline Jordan's shelf-life requirements.

These standards were prepared by specialised technical committees taking into consideration the climate and storage conditions in Jordan. Shelf life requirements for foodstuff apply equally on both imported and domestic goods.

As for medicine, shelf-life is assessed by the Ministry of Health on a case-by-case basis for each product. The shelf-life is determined based on assessment by the Ministry of Health of the stability study provided by the manufacturer.

Question 103.

Does Jordan require additional legislation to implement the WTO Agreement on Sanitary and Phytosanitary provisions? Is there a functioning enquiry point?

Answer:

Jordan is currently in the process of reviewing its current legal regime for conformity with the SPS Agreement and will provide a report regarding this matter during the next Working Party meeting.

Question 104.

We welcome the commitment provided in the response to Question 151 of document WT/ACC/JOR/13 that Jordan is committed to the implementation of WTO TBT and SPS Agreements. However, we note that the Government of Jordan believes it will need time to bring its measures into conformity with the TBT and SPS Agreements through changing the SPS legislation and increasing the efficiency of existing laboratories. For each of the items detailed in the response to Question 154 of document WT/ACC/JOR/13 as being currently deficient, please describe the steps that are being taken and the expected time table for bring them into conformity with the WTO TBT and SPS Agreements.

Answer:

Please see the replies to Questions 97 and 103 above.

(d) Trade-related investment measures

Question 105.

Please confirm that Jordan will be able to implement the WTO TRIMs Agreement as of the date of WTO accession and that currently has no measures in place that violate that Agreement.

Answer:

Jordan will be able to implement the WTO TRIMs Agreement as of the date of WTO accession. Jordan does not currently have any measures that violate TRIMs agreement.

(e) State-trading practices

Question 106.

According to the response to Question 100 of document WT/ACC/JOR/8, the Agricultural Marketing Organisation (AMO) regulates the import and export of agricultural products from and to Arab countries with whom Jordan has bilateral trade agreements or trade protocols, according to a yearly plan and quarterly agenda. However, according to the response to Questions 174 and 175 of document WT/ACC/JOR/13, AMO is not engaged in the commercial activities of importing, exporting, selling or distributing goods. Please describe how the AMO regulates the import and export of agricultural products.

Answer:

The Agricultural Marketing Organisation (AMO) has never been involved in any commercial activity of importing, exporting, selling or distributing of any goods. Also, AMO has never been involved in any trade operation on behalf of the Jordanian Government.

Moreover, the importation and exportation of fresh fruits and vegetables from and to Jordan are subjects to the following;

1. In principle imports of fresh fruits and vegetables are allowed year round from all countries without any restrictions and subject to a pre-set custom duty.
2. Imports from member countries of the Arab Free Trade Area (AFTA) are subject to an Arab Calendars set by AFTA that allows members countries to charge the full customs tariff on their imports of fresh produce from the member countries if they take place during the time periods agreed upon in the above mentioned calendars.
3. Imports from some Arab countries whom Jordan has bilateral trade agreements are subject to the terms and conditions of the signed agreements and their attached calendars which enables the imports to enjoy a full exemption of the custom duties if they take place during the periods set in the calendars.
4. AMO role in this regard, is to manage this process through issuing recommendations to the customs department on whether to exempt or not the imports from the customs duties in compliance with each of the above mentioned agreements, and to monitor the quality of the imports and make sure that they complies with the Jordanian quality of the imports and to make sure that they complies with the Jordanian quality standards.

Moreover, AMO other responsibilities are the following:

- conducting market studies on both local and international markets;
- assists and organise the private sector participation in international trade fairs and exhibitions;
- introduce new high value horticultural products;
- publishing guides books, brochures, newsletters on the production, marketing, handling, backing and exportation of horticultural products;
- monitoring and controlling the quality fresh produce in the local markets and for both the imports and exports of such products;
- AMO carries a complete data base of the local and international prices, production, imports and exports of fresh horticultural products.

Question 107.

Please indicate how the AMO can regulate trade in certain commodities with Arab countries and not "engage in commercial activities of importing, exporting ...", or operate in trade on behalf of the Government of Jordan.

Answer:

Please see the reply to Question 106 above.

Question 108.

According to the response to Question 178 of document WT/ACC/JOR/13, private enterprises are allowed to compete with the Ministry of Supply in the importation and exportation of wheat, barley, corn, sugar, rice, one brand of milk (Halibuna) and cigarettes. There also are no price or quantity limitations imposed on imports by the private sector of these products. However, we note in the response to Question 64, of the same document, that prior approvals are required for these products. Are private importers permitted to import Halibuna milk? If not, why not? Given that there are no price or quantity restrictions imposed on these products, please describe the circumstances in which the Government of Jordan has refused to provide the prior approval necessary to import these products?

Answer:

The Ministry of Supply is no longer engaged in the importation of Halibuna milk (powdered milk imported and packaged under the name Halibuna). The right to use this local brand name was sold to a private person. Please note that any other private person may import powdered milk into Jordan. However, no other person can import powdered milk and package it under the name Halibuna.

There has not been any case where the Government of Jordan has refused to provide the prior approval necessary to import the products referred to in this question.

Question 109.

As noted in Question 179 of document WT/ACC/JOR/13 and in the response to Question 63 of WT/ACC/JOR/13, it appears that some private enterprises have exclusive or special rights to import and export several important products, including phosphates, petroleum, cement, fertilisers, potash, leather and vegetable oils. Please describe the special or exclusive privileges relating to importation and exportation for each of the following enterprises in the form of a response to the Questionnaire on State trading: Jordan Tanning Company, Jordan Petroleum Refinery Company, Jordan Cement Factories Company, Jordan Phosphates Mining Company,

Fertilisers Company, Arab Potash Company and the Arab Company for Manufacturing White Cement.

Answer:

Jordan is currently in the process of analysing these companies to identify those which fall under the definition of State trading. Annex 6 of WT/ACC/1: (i) will be prepared for all companies that will be identified as State trading companies according to the definition provided under the Understanding of the Interpretation of Article XVII of the GATT 1994; and (ii) will be submitted to the WTO Secretariat no later than the end of June 1999.

Question 110.

The responses to Questions 35, 36, and 42 in document WT/ACC/JOR/13 indicate that Jordanian Government-owned firms receive tariff exemptions that may not be enjoyed by all firms. This would also appear to constitute a special trading benefit. Could Jordan please list these firms and provide information on these firms in the form of an additional response to the State trading questionnaire contained in WT/ACC/1? Please confirm that Jordan is prepared to notify these firms as State trading enterprises within the meaning of Article XVII of the GATT and the Understanding, and to observe the provisions of the WTO, including Article XVII of the GATT in their operation.

Answer:

The fact that these firms receive tariff exemptions does not qualify them to be State trading companies. Jordan, however, is in the process of evaluating whether or not these companies are State trading companies according to the definition provided under the Understanding of the Interpretation of Article XVII of the GATT 1994. Jordan will fill in the State trading questionnaire contained in WT/ACC/1 for those companies identified as State trading companies and will submit it to the WTO Secretariat no later than the end of June 1999.

Jordan is prepared to notify firms identified as trading enterprises within the meaning of Article XVII of the GATT and the Understanding, and to observe the provisions of the WTO, including Article XVII of the GATT in their operation.

(l) Government procurement practices

Question 111.

We are disappointed that Jordan has not yet indicated that it intends to join the Agreement on Government Procurement (GPA) in the context of its accession to the WTO. We strongly urge all acceding countries to join the WTO GPA. Jordan should reconsider its decision and commit to acceding to the GPA prior to WTO accession. The WTO GPA works to assure that countries bidding on government procurement projects in foreign countries will have a transparent and open process with recourse to unbiased dispute settlement procedures. Greater transparency and rule of law reinforce good government and economic efficiency.

Answer:

Jordan will consider joining the WTO Government Procurement Agreement and will initiate negotiations for accession to the WTO Agreement on Government Procurement after joining the WTO.

Question 112.

We would appreciate a statement from Jordan addressing our request at the last Working Party meeting that Jordan commit to initiate negotiations for accession to the WTO Agreement on Government Procurement when it joins the WTO.

Answer:

Please see the reply to Question 111 above.

4. Policies Affecting Foreign Trade in Agricultural Products

Question 113.

According to the response to Question 214 of document WT/ACC/JOR/13, Jordan plans to stimulate agricultural growth and improve resource management by “directing and encouraging the farmers toward growing agricultural products that have high economic value”. What policy instruments is the Government of Jordan using to direct and encourage the farmers to grow high value agricultural products? Are any subsidy or support programmes to be used to accomplish this objective? If yes, please revise document WT/ACC/SPEC/JOR/2 to include this information.

Answer:

Several indirect means will be used to encourage farmers to grow agricultural products that have high economic value. First, the Ministry has identified high value agricultural products that are suitable to Jordan's climatic and agronomic conditions but are not yet commonly produced here. These products are being suggested to producers as alternatives to current crops by the extension and advisory personnel of the Ministry of Agriculture. In addition, the Agricultural Marketing Organisation is featuring these products at international trade fairs and experimenting with shipments of such products to potential export markets. Other than these "Green box" policies, there are no producer subsidy or support programmes being used to encourage farmers to grow these products

Question 114.

According to the response to Question 215 of document WT/ACC/JOR/13, the Government is encouraging farmers to raise Shami goats and Awasi sheep, by offering farmers agricultural loans. Are these loans being provided pursuant to commercial terms and conditions? If not, please describe how they differ from commercial loans.

Answer:

The agricultural loans for raising Shami goats and Awasi sheep are administered by the Agricultural Credit Corporation (ACC). Like all loans to agricultural producers by the ACC, loans to purchase Shami goats and Awasi sheep are available at below-market interest rates. Note that these laws are typically given to the most resource poor producers and therefore any credit subsidy under this and similar programmes are exempt from reduction commitments (per the Agreement on Agriculture) as "input subsidies available to low-income or resource-poor producers".

(b)(e) Exports and internal policies

Question 115.

We appreciate the hard work Jordan put into its first submission on domestic support and export subsidies. These tables are difficult for all countries to prepare, and it is evident that

your officials worked very hard to put together a comprehensive document. We note that Jordan did not use export subsidies during the base period of 1994-96, and we hope that Jordan will commit not to introduce export subsidies in the future.

Answer:

Jordan does not have any programmes providing export subsidies on agricultural commodities as stipulated in the Agreement on Agriculture. Therefore, Jordan has no reduction commitments with respect to export subsidies and does not expect to have such in the future.

Question 116.

We offer the following technical comments on Jordan's domestic support submission, document WT/ACC/SPEC/JOR/2, beginning with a few general remarks: In each Supporting Table, please provide data for each year of the base period (1994, 1995, and 1996). The totals should be averaged for each measure and for the total of all expenditures listed in these tables.

Answer:

Please see revised WT/ACC/4 table dated March 1999.

Question 117.

We seek clarification from Jordan that it plans to use 1994-96 as a base period for its domestic support and export subsidy submission. If this is the case, these 3 years should be the only years presented in each of the tables (e.g., historical and future years should not be included).

Answer:

Please see revised WT/ACC/4 table dated March 1999.

Question 118.

We also seek confirmation that Jordan intends to bind its AMS commitment in Jordanian Dinars. We appreciate the inclusion of the Jordan Dinar-United States' Dollar exchange rate for reference (and it should remain in the tables), but we do expect Jordan to bind its AMS in its local currency, the Dinar.

Answer:

Jordan intends to bind its AMS commitment as percentage of production.

Agriculture - additional points

Question 119.

Much of the additional information requested in our specific comments is contained in Jordan's excellent summary of its agriculture sector and policies (document WT/ACC/JOR/14), so it should be relatively easy to transfer the information to the Supporting Tables (either directly next to the measure, or in the explanatory notes). If Jordan requires additional assistance with the technical aspects of preparing these tables, we suggest that they consult with the WTO Secretariat.

Answer:

Please see the responses to specific comments and questions below.

Supporting Table DS:1: Measures exempt from the reduction commitment-"Green Box"

Question 120.

Please provide the name of each measure, along with a description of the measure and reference to the criteria for which exemption is claimed under Annex 2.

For example: what kinds of programmes are included under "marketing and promotion", and how do these programmes meet the criteria of paragraph 2(f) of Annex 2. This information should be included for each measure listed.

Answer:

Please see Supporting Table DS:1 in the revised WT/ACC/4 dated March 1999 for a detailed listing and description of "Green Box" programmes and expenditures.

Question 121.

Are purchases for domestic food aid made at market prices, as stipulated in paragraph 4, Annex 2? According to WT/ACC/JOR/14, purchases are also made to maintain a strategic food reserve (page 11), yet there are no expenditures listed for "public stockholding for food security purposes" in Supporting Table DS:1. Could you clarify these programmes?

Answer:

(a) During the 1994-96 base period, wheat for domestic food aid was either imported at world market prices or purchased from farmers at announced prices that were world market prices (see Table DS:5 in revised WT/ACC/4 dated March 1999). Government procurement of other essential domestic food aid commodities—rice, powdered milk, and sugar—were through imports as Jordan does not produce any of these commodities. Therefore, purchases for domestic food aid were made at market prices during the reporting period.

(b) During the 1994-96 base period, there were no expenditures explicitly for the purpose of "public stockholding for food security". Food security stockpiling was a by-product of the domestic food aid programme (whereby the Government imported essential commodities) and government procurement activities that were aimed at supporting producers of wheat, barley, lentils, and chickpeas. Total expenditures on the latter are reported in Supporting Table DS:5.

Note that in the last paragraph in the consumer policies section of WT/ACC/JOR/14, it is stated that (bold text added):

"... at this time, Jordan is in the very early stages of a completely free consumer market. The Government is closely monitoring the private sector's performance in making essential foods available to consumers. Over the next several years the government may maintain a strategic reserve of essential food items to counter disasters and other uncertainties. Wheat stocks during this transition phase are targeted at 3-4 months of consumption and stocks of other essentials such as fodder, rice, and sugar, are also targeted at about that quantity".

Therefore, if the Government decides to stockpile commodities for food security purposes, such expenditures will begin in 1998 and will be reported under the WTO notification and reporting requirements for that and subsequent years.

Supporting Table DS:2: Measures exempt from the reduction commitment-SDT

Question 122.

Please provide more information on the measure “interest rate subsidy on exempt developmental loans made by the ACC to agricultural producers”, including details on how this interest rate subsidy was calculated.

Answer:

Please see Supporting Table DS:2 and Documentation for Supporting Table DS:2 in the revised WT/ACC/4 dated March 1999 for a complete description of developmental loans and the derivation of the interest rate subsidy.

Note that an error was discovered in the formula used to derive the original estimate of the interest rate subsidy on developmental loans. The original estimate of Jordan Dinars 716,734 erred in two ways. First, it included “input subsidies available to low-income or resource-poor producers” which has now been reported separately in Supporting Table DS:2 and documented as noted above. Second, the interest subsidies for the second and subsequent years of loans were inadvertently omitted. When the life of the loan is correctly factored into the investment subsidy calculation, the revised value of the subsidy is Jordan Dinars 2.955 million.

Question 123.

In WT/ACC/JOR/14, in the section on credit policies, there are useful descriptions of the kinds of concessional credit provided to agricultural producers. However, it is not immediately apparent which types of credit (beyond the very general description of “developmental loans” are included in this category (DS:2) and which are included in the non-product-specific AMS (DS:9).

Answer:

Please see Supporting Table DS:2 and "Documentation for Supporting Table DS:2" in the revised WT/ACC/4 dated March 1999 for a complete description of developmental loans. Also see "Documentation for Supporting Table DS:9—Computation details for non-product-specific AMS" for what is included in the non-product-specific credit subsidy.

Supporting table DS:4: Calculation of the Total Aggregate Measurement of Support

Question 124.

It would be easier to read Supporting Table DS:4 if support that falls under the *de minimis* exclusion was entered as "0" in the first table. For example, instead of adding all of the AMSs together, and then subtracting the *de minimis* support in a second table, it would be easier to simply enter a "0" in the first table. The second table can be used to demonstrate that the support falls under the *de minimis* level and is therefore not required to be included in the total AMS.

Answer:

See Supporting Table DS:4 in the revised WT/ACC/4 dated March 1999.

Supporting Table DS:5: Product-Specific Aggregate Measurement of Support: Market Price Support

Question 125.

Is all production eligible for the administered price, or does the MOS set quantities for purchase at the same time it sets the minimum and maximum purchase price? If MOS does not set a quantity to be purchased at the applied administered price, then total production should be considered eligible for the price, even if a lesser amount is actually purchased.

Answer:

In theory, all production is eligible for the administered price. However, recall that many of Jordan's field crop producers are subsistence farmers (i.e., they produce only for family and farm consumption) and therefore their production would never be offered to the government for purchase. In addition, the minimum and maximum procurement prices are set for different qualities of the commodity. If a commodity does not meet the minimum requirements (in terms of protein content, moisture allowance, and such), the government will not purchase the commodity. The Government therefore does not expect to purchase all production. Based on these considerations and on our understanding that the purpose of the AMS is to measure the level of support actually provided to producers, we believe that the amount actually procured should be used in computing the market price support AMS.

Note that if total production is used as the "eligible quantity" in the market price support AMS, the values of the AMS during the 1994-96 base period, compared to the original estimate, are:

Commodity	Alternative estimate of market support		Original market support	
	AMS	Share of value of production	AMS	Share of value of production
	(JD)	(%)	(JD)	(%)
Wheat	107,488	1.3	60,617	0.7
Barley	834,798	22.1	503,699	13.3
Lentils	26,885	4.1	5,769	0.9
Chickpeas	40,632	8.2	56,184	11.3

Question 126.

The applied administered price should ideally be the price that was announced (or set) by MOS at the beginning of the marketing year.

Answer:

If the purpose of the market support AMS is to measure producers' expectations of support, then one may want to use the announced price to represent the "applied administered price". Even then, not all producers receive the maximum, minimum, or even average of the announced prices. In such a case, the best representation of a producer's expectation of the support price would be the announced price adjusted by any quality discounts the producer received in previous years. We believe this is best reflected by the actual weighted average price received by farmers. In addition, we believe that the term "applied" suggests that one would use the actual (i.e., applied) price instead of an announced price. Therefore, we believe our use of the weighted average price actually received by farmers is correct.

Note that if the simple average of the minimum and maximum procurement prices is used to compute market price support AMS, the values of the AMS during the 1994-96 base period, compared to the original estimate (using the quantity actually procured), are:

Commodity	Alternative estimates of market support		Original market support	
	AMS	Share of value of production	AMS	Share of value of production
	(JD)	(%)	(JD)	(%)
Wheat	125,712	1.6	60,617	0.7
Barley	432,788	11.4	503,699	13.3
Lentils	12,316	1.9	5,769	0.9
Chickpeas	82,901	16.7	56,184	11.3

Further note that combining the changes suggested in Questions 125 and 126 above results in the following revision to the AMS values for market support operations:

Commodity	Alternative estimates of market support		Original market support	
	AMS	Share of value of production	AMS	Share of value of production
	(JD)	(%)	(JD)	(%)
Wheat	182,303	2.3	60,617	0.7
Barley	706,918	18.7	503,699	13.3
Lentils	35,206	5.4	5,769	0.9
Chickpeas	90,433	18.2	56,184	11.3

The total AMS for Jordan with these changes, after *de minimis* exclusions, rises to Jordan Dinars 825,779 (or 0.2 per cent of the value of all agricultural production) compared to the original estimate of Jordan Dinars 588,312 (or 0.1 per cent of the value of all agricultural production).

Supporting Table DS:7: Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Question 127.

Please revise this table using the format given on page 13 of WT/ACC/4. For example, the table should be entitled "Product-Specific Aggregate Measurements of Support", not Equivalent Measurements of Support.

Answer:

Please see Supporting Table DS:7 in the revised WT/ACC/4 dated March 1999.

Question 128.

It would be easier to read this table if all calculation details were included in a separate table (for example, in the explanatory notes), and to keep the column headings consistent with the format given on page 13 of WT/ACC/4.

Answer:

Please see Supporting Table DS:7 in the revised WT/ACC/4 dated March 1999. For calculation details, please see "Documentation for Support Table DS:7 - Computation details for seed

subsidy for wheat, barley, lentils and chickpeas" and "Documentation for Supporting Table DS:7 - Computation details for livestock feed subsidy" in the revised WT/ACC/4 dated March 1999.

Question 129.

Please provide greater calculation details on how the livestock feed subsidy was calculated. The descriptions are useful, but it would be even more helpful to see all of the data and how the support was calculated.

Answer:

Please see "Documentation for Supporting Table DS:7 - Computation details for livestock feed subsidy" in the revised WT/ACC/4 dated March 1999.

Supporting Table DS:9: Non-product-specific AMS

Question 130.

Please provide greater numerical detail on the calculations for the water subsidy and the interest rate subsidy. These calculations can be added to the explanatory notes to ensure complete transparency in the way in which these figures were derived.

Answer:

Please see "Documentation for Supporting Table DS:9" in the revised WT/ACC/4 dated March 1999.

Question 131.

Generally speaking, tax concessions (such as an income tax exclusion for agricultural products) are not included in the AMS calculation and should be removed from Supporting Table DS:9.

Answer:

The value of the income tax exclusion has been removed from Supporting Table DS:9 in the revised WT/ACC/4 dated March 1999.

V. TRADE-RELATED INTELLECTUAL PROPERTY REGIME

1. General

Question 132.

Our position, shared by a number of other WTO Members, is that acceding countries should use the period of their accession negotiations to make the necessary changes in their trade regime to meet WTO norms. This is particularly important in the area of intellectual property rights. As a consequence we remain interested in seeing Jordan in conformity with the WTO TRIPS Agreement from the date of accession to the WTO, and without recourse to any transitional period of non-application.

Patent protection, including pharmaceutical patents, remains an essential element of Jordan's TRIPS compliance, and hence its preparation for WTO accession. In the area of copyright, among other things, we request clarification as to whether there are any provisions in the current or amended law which provide benefits to Jordanian nationals which are not provided to foreign nationals. We would like to see a draft of the law before it is acted upon by

parliament, to ensure that any WTO-inconsistent provisions can be addressed. In the area of trademarks, we have requested clarification as to the treatment to be accorded “well-known” or “famous” marks.

As soon as possible, Jordan should share with the Working Party, its plan of action for implementation of TRIPS provisions by the time of accession. While we recognise that enactment of IPR legislation will depend in some part on factors, such as parliamentary action, that cannot be predicted exactly, we would appreciate estimated dates by which the new provisions will be enacted.

Answer:

National treatment is accorded to all foreign nationals in the Copyright Law.

With regards to well-known trademarks, Article (8), paragraph 6 of the Trademark Law of 1952 provides:

"The following trademark may not be registered in Jordan:

- 6- Marks which indicate false origin, contrary to public policy, or encourage unfair competition".

This Article was used in courts to protect well-known marks since the use of a well-known mark indicates a false origin.

Moreover, the draft law amending trademark law provides for the prohibition of registration of the following marks:

"Trademarks that are identical or similar to an internationally recognised trademark and assumes the same reputation in the kingdom for some of its distinct commodities, even if this trademark was not registered in the kingdom, or if the use of the trademark indicates a kind of connection with the types of commodities which shall be carrying the trademark".

Article 25 of the Trademark Law provides for the invalidity of registration of a trademark registered in contradiction of Articles 6,7, and 8 of the Trademark Law. Such cancellation action should commence within 5 years from the date of actual registration of the contested mark. Moreover, Article 37 of the Trademark provides for the annulment of a trademark in Jordan after it was registered outside in the name of its original proprietor.

Finally, a new Copyright Amendment Law No. 14 was enacted in Jordan in 1998. A copy is being translated and will be submitted to the WTO Secretariat in March 1999. Furthermore, TRIPS based draft patent and draft amendment trademark laws have been finalised at the Ministry of Industry and Trade level. These two Laws shall be presented to the Bureau of legislation at the Prime Ministers Office. Upon being reviewed at the Bureau of legislation, the two acts shall be approved by the Cabinet and sent to Parliament. The process there involves being approved by the two houses and their respective judicial committees.

Furthermore, Jordan intends to enact plant varieties, integrated circuits and trade secrets Laws. The Government is preparing these draft laws.

Provisions for the protection of geographic indications are included in the draft amendment trademark law.

The process for the enactment of these laws has started.

Question 133.

What steps will be taken by the Kingdom of Jordan to bring its legislation into compliance with the TRIPS Agreement with respect to the protection of geographical indication, plant varieties, layout-designs of integrated circuits and undisclosed information, including data protection. Please also provide the timetable foreseen for each step.

Answer:

A draft TRIPS trademark law has been finalised at the Ministry of Industry and Trade level. It shall be presented to the Bureau of Legislation at the Prime Ministers Office. Upon being reviewed at the Bureau of Legislation, the two laws shall be approved by the Cabinet and sent to Parliament. The process there involves being approved by the two houses and their respective judicial committees.

Furthermore, Jordan intends to enact plant varieties, integrated circuits and trade secrets laws. The Government is preparing these draft laws.

Provisions for the protection of geographic indications have supplemented the draft amendments to the trademark law .

The process for the enactment of these laws has started.

Question 134.

Please provide an update on the latest state of the play of the legislative process with respect to each amendment concerning the copyright, patent and trademark laws.

Answer:

Amendments to the Copyright Law were enacted in October 1998. Also, new TRIPS draft patent and draft trademark laws have been finalised at the Ministry of Industry and Trade level. These two laws shall be presented to the Bureau of Legislation at the Prime Ministers Office. Upon being reviewed at the Bureau of Legislation, the two laws shall be approved by the Cabinet and sent to Parliament. The process there involves being approved by the two houses and their respective judicial committees.

- 2. Substantive Standards of Protection, Including Procedures for the Acquisition and Maintenance of Intellectual Property Rights**
- (a) Copyright and related rights**

Question 135.

Can Jordan please outline how its draft copyright law, will comply with Article 10 of TRIPS in terms of the protection of compilations of data.

Answer:

Article 3 of the Jordanian Copyright Law No. 22 of 1992 provides protection for any literary, artistic, scientific work if:

- it is original;
- it is expressed in writing, sound, representation, or movement.

Thus, any original work which is expressed in the above forms is protected as a general rule.

To be sure, Article 3 provides a list by way of an example of protected works. Paragraph D of Article 3 of the Copyright Law No. 22 of 1992 as amended by Law No. 14 of 1998 states:

"Compilations of artistic or literary works such as encyclopaedias, anthologies, or compilations of data, whether readable in machine form or any other form shall be protected under the law, if they constitute in their selection, arrangement original intellectual works. Protection also covers selected anthologies of poetry, prose, or music and others provided that these selections mention the source and authors of such works and without prejudice to the authors' rights with regard to each work forming a part of such compilations".

Question 136.

According to the answer to Question 226 (WT/ACC/JOR/13), Article 17 of the Copyright Law permits use of published works without the authorisation of the right holder under certain conditions. Could Jordan please explain in more details whether any specific conditions apply to the use of work in an educational cultural or social establishment that might be considered to fall within this category?

Answer:

Article (17) of the Copyright Law provides:

"It is permitted to use published works without the authorisation of the author in accordance with the following conditions:

- (c) To depend on the work for illustration in education through publications or audio-visual programs for educational, cultural, religious, or vocational training. Such use should be limited to the achievement of the above purposes, should not aim at generating profit, and the name of the author should always be mentioned".

This Article fully conforms to Article 10(2) and (3) of the Berne Convention.

(b) Trademarks, including service marks

Question 137.

Please clarify what "special circumstance in trade" would be regarded as justification for the non-use of a trademark (Question No. 242)?

Answer:

Special commercial circumstances include force majeure such as war, flood, Law of God, or Law of Government. They also include decision of government to prevent importation as decided by

courts. Finally they include any commercial circumstances which prevent the use of a product carrying the trademark such as recession.

Question 138.

Please clarify whether the registration of a trademark is refused or invalidated in cases such a trademark contains or consists or a geographical indication (Question No. 245, WT/ACC/JOR/13).

Answer:

Article (8) paragraph 6 of the Trademark Law of 1952 provides:

The following trademark may not be registered in Jordan:

- Marks which indicate false origin, contrary to public policy, or encourage unfair competition.

This Article was used in courts to protect geographic indications.

Furthermore, the Trademark Law prohibits the registration of any descriptive mark. Therefore, a case declared that the mark "Scottish Whiskey" could not be registered. Jordan plans to supplement its draft amendment of the trademark law with provisions for the protection of geographic indications. The Government is preparing the draft legal provisions.

Question 139.

Please clarify how well known marks are/will be protected under Jordanian legislation and in particular, how paragraphs 2 and 3 of Article 16 of the TRIPS Agreement are/will be reflected in the relevant law.

Answer:

Article (8) paragraph 6 of the Trademark Law of 1952 provides:

"The following trademark may not be registered in Jordan:

- marks which indicate false origin, contrary to public policy, or encourage unfair competition".

This Article was used in courts to protect well-known marks since the use of a well-known mark indicates a false origin.

Moreover, the draft law amending the trademark law provides for the prohibition of registration of the following marks:

- trademarks that are identical or similar to an internationally recognised trademark and assumes the same reputation in the kingdom for some of its distinct commodities, even if this trademark was not registered in the kingdom, or if the use of the trademark indicates a kind of connection with the types of commodities which shall be carrying the trademark.

Article 25 of the Trademark Law provides for the invalidity of registration of a trademark registered in contradiction of Articles 6,7, and 8 of the Trademark Law. Such cancellation action should commence within 5 years from the date of actual registration of the contested mark. Moreover, Article 37 of the Trademark provides for the annulment of a trademark in Jordan after it was registered outside in the name of its original proprietor.

Question 140.

In its reply to Question 258 (WT/ACC/JOR/13), the Kingdom of Jordan says that "the use of a well known trademark on goods or services not protected will be considered as infringement also". Please clarify this sentence and in particular, the reference to "infringement" with respect to a mark on "goods and services not protected".

Answer:

Well-known marks on goods and services may not be registered in Jordan in any class except in the name of its owner. As such no person can register such a mark unless, he or she is the legitimate proprietor thereof. For an infringement to occur there shall be a law of infringement such as use of a trademark registered in Jordan under the name of person other than the user. Therefore, well-known trademarks should be registered in one class at least prior to initiating the infringement proceedings for use of a trademark in any other class.

(e) Patents

Question 141.

Further to Question 246 of document WT/ACC/JOR/13, please explain how the new Jordanian Patent Law transposes the obligations of Article 27 of the TRIPS-Agreement. Are patents available for any inventions, whether products or processes, in all fields of technology?

Answer:

The Jordanian Draft Patent Law (DPL) satisfies the requirements of Article 27 of the TRIPS Agreement. Article 6 of (DPL) provides protection for an invention which is new, involves an inventive step, and capable of industrial application. An Invention is defined in Article 2 of (DPL) as an idea which practically solves a problem in technology and could be a process or a final product. Furthermore, Article 30 of (DPL) expressly states that pharmaceutical and chemical final products will be patentable. An invention is considered capable of industrial application if it could be manufactured or used in any agricultural or industrial activity in its largest scope. This includes artifacts, fishing, and services.

Question 142.

Which rights are granted to the patent owner according to the new Jordanian Patent Law?

Answer:

As for the rights under Article 28 of the TRIPS Agreement, Article 21 of DPL provides for the rights of the patentee:

- to prevent third parties from exploiting, commercially using, selling, offering to sell, or importing the product if the subject of the patent was a product;
- to prevent third parties from using without authorisation the process, selling, offering to sell, or importing a product produced by the process, if the subject of the patent was a process;
- the right to dispose of the patent *inter vivos*, in succession, or to licence the patent.

Question 143.

Concerning the answer to Question 249 of document WT/ACC/JOR/13, it is stated that the filing of patent applications that contain claims for medical drugs, pharmaceutical compositions and food products will be accepted as from the date of enforcement of the law. Article 70.8 of the TRIPS-Agreement, however, stipulates that the member shall provide as from the date of entry into force of the WTO Agreement a means by which applications for patents for such inventions can be filed. Please explain.

Answer:

The filing of patent applications that contain claims for medical drugs, pharmaceutical compositions and food products will be accepted as from the date the law comes into force (Mail Box Requirement). The law comes into force one month after its publication in the Official Gazette. However, the protection of the final products of a patent that can be used as medical drugs, pharmaceutical compositions and food products will commence at the first day following the end of the grace period Jordan is going to negotiate with Working Party members. Jordan wishes to take advantage of the grace period provided in Article 65 of the TRIPS Agreement for developing countries.

Question 144.

Could the Jordanian Authorities clarify their answer to Question 249 (WT/ACC/JOR/13)?

Answer:

The filing of patent applications that contain claims for medical drugs, pharmaceutical compositions and food products will be accepted as from the date the law comes into force (Mail Box Requirement). The law comes into force one month after its publication in the Official Gazette. However, the protection of the final products of a patent that can be used as medical drugs, pharmaceutical compositions and food products will commence at the first day following the end of the grace period Jordan is going to negotiate with Working Party members. Jordan wishes to take advantage of the grace period provided in Article 65 of the Trips Agreement for developing countries.

(f) Plant variety protection**Question 145.**

How does the new Jordanian Patent Law provide for the protection of plant varieties?

Answer:

The (DPL) does not deal with plant varieties. Jordan plans to have a new plant variety protection law. The Government is preparing the draft law.

(h) Requirements on undisclosed information, including trade secrets and test data

Question 146.

Further to Questions 254 and 255 of document WT/ACC/JOR13, how are the obligations contained in Article 39, paragraph 3 of the TRIPS-Agreement transposed in the new Patent Law? During which period of time is the named data protected against unfair commercial use and disclosure?

Answer:

The (DPL) does not deal with trade secrets. Jordan will prepare a trade secrets law. The Government is preparing the draft law.

Question 147.

How does Jordan intend to implement TRIPS Article 39.3 which provides for a special protection regime of registration date submitted for new pharmaceutical and agrochemical products?

Answer:

Jordan will prepare a trade secrets law. The Government is preparing the draft law.

4. Enforcement

(a) Civil judicial procedures and remedies

Question 148.

Please provide for each intellectual property the legislative measures-including timetables – which need to be taken to introduce a system of enforcement as foreseen in Part III of the TRIPS Agreement.

Answer:

The following are the provisions which exist in the Jordanian laws relating to enforcement.

The Government is undertaking a process to ensure the systematic applicability of these provisions to intellectual property rights.

TRIPS PROVISION	JORDANIAN PROVISIONS OF THE LAW
ARTICLE 42 Fair and Equitable Procedures Members shall make available to right holders civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement.	Article 256 of the Civil Code states: Every injurious law shall render the person who commits it liable for damages even if he is a non-discerning person.

TRIPS PROVISION	JORDANIAN PROVISIONS OF THE LAW
<p>Defendants shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims. Parties shall be allowed to be represented by independent legal counsel, and procedures shall not impose overly burdensome requirements concerning mandatory personal appearances. All parties to such procedures shall be duly entitled to substantiate their claims and to present all relevant evidence. The procedure shall provide a means to identify and protect confidential information, unless this would be contrary to existing constitutional requirements.</p>	<p>Article 62 of the Civil Code states: Injury does not justify injury and damage shall be abated.</p> <p>Article 266 of the Jordanian Civil Code Damages shall in all cases be estimated by the amount of the damage inflicted on the injured person and his loss of profit provided that the same shall be the natural result of the injurious act.</p> <p>Article 267 of the Jordanian Civil Code: The right of damages shall also include moral damage, so any trespass on others liberty, honour, reputation, social status, or financial standing, shall render the person who commits the trespass liable for damages.</p> <p>Article 287 of the Jordanian Civil Code: That which is equal to extortion by deprivation from the right to dispose shall be considered as extortion.</p> <p>Article 56 of the Jordanian Code of Civil Procedure states: A lawsuit commences with the plaintiff's request in a statement of claim deposited at the court's registry. The statement of Claim should include the following: - the Objective of the suit; - the details and basis of the claim; the plaintiff or his/her attorney shall sign the statement of claim.</p> <p>Article 57 of the Code of Civil Procedure states: The Plaintiff shall present the court's registry with his statement of claim including all documents supporting his suit and an itemised list of such documents and evidence... A memorandum enumerating all facts which requires testimony to prove</p>
<p>ARTICLE 43 Evidence 1. The judicial authorities shall have the authority, where a party has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to substantiation of its claims which lies in the control of the opposing party, to order that this evidence be produced by the opposing party, subject in appropriate cases to conditions which ensure the protection of confidential information.</p>	<p>Article 100 of the Code of Civil Procedure states: The court has the authority to compel any party to present documents in his possession or under his control if it was necessary to adjudicate the suit. See also Article 20 of the Law of Evidence.</p>

TRIPS PROVISION	JORDANIAN PROVISIONS OF THE LAW
<p>2. In cases in which a party to a proceeding voluntarily and without good reason refuses access to, or otherwise does not provide necessary information within a reasonable period, or significantly impedes a procedure relating to an enforcement action, a Member may accord judicial authorities the authority to make preliminary and final determinations, affirmative or negative, on the basis of the information presented to them, including the complaint or the allegation presented by the party adversely affected by the denial of access to information, subject to providing the parties an opportunity to be heard on the allegations or evidence.</p>	<p>Article 23 of the law of Evidence states: If the opposing party did not present the documents or the paper on the date specified or declined to take the oath, then any photocopy presented by the opponent is considered authentic. Moreover, if the opponent did not present a photocopy then his statements as the form and content of the document shall be accepted.. See also Article 107 of the Jordanian Code of Civil Procedure.</p>
<p>ARTICLE 44 Injunctions</p> <p>1. The judicial authorities shall have the authority to order a party to desist from an infringement, <i>inter alia</i> to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right, immediately after customs clearance of such goods. Members are not obliged to accord such authority in respect of protected subject matter acquired or ordered by a person prior to knowing or having reasonable grounds to know that dealing in such subject matter would entail the infringement of an intellectual property right.</p> <p>2. Notwithstanding the other provisions of this Part and provided that the provisions of Part II specifically addressing use by governments, or by third parties authorised by a government, without the authorisation of the right holder are complied with, Members may limit the remedies available against such use to payment of remuneration in accordance with subparagraph (h) of Article 31. In other cases, the remedies under this Part shall apply or, where these remedies are inconsistent with a Member's law, declaratory judgments and adequate compensation shall be available.</p>	<p>Article 313 of the Civil Code states: When the legal prerequisites of a right are fulfilled it shall be specifically performed against the debtor when due. See also cell opposite to the cell containing TRIPS Article 50.</p> <p>Merchandise Law</p> <p><u>Article (13) Preventing importation of goods subject to confiscation:</u></p> <p>1. It is prohibited to import goods which may, if sold, be subject to confiscation according to this law, also, any other goods which are manufactured abroad and bear the name of the factory owner or seller or merchant in the Kingdom or his trademark or refers to his name or his trademark unless he adds to that name or trademark the name of the country in which the goods were manufactured or produced. According to this Article, the importation of these goods is prohibited under the customs regulations, however, in case of their importation and entry to the kingdom, the Minister of Industry and Trade is entitled to consider whether they should be confiscated or delivered to the importer upon the conditions he deems right, in case the goods are confiscated, it may be destroyed or dealt with in any way the a Prime Minister deems necessary.</p> <p>2. The Minister of Industry and Trade or any employee authorised by the Prime Minister is entitled to replace pursuing a crime or an Law of violation of this Article by a financial fine that will not exceed the maximum range for each violation this law applies.</p>
<p>ARTICLE 45 Damages</p> <p>1. The judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity.</p>	<p>See above</p> <p>Article 166 of the Jordanian Code of Civil procedure states: In addition to the different fees and expenses, the court shall order the payment of attorney's fees upon the losing party.</p>

TRIPS PROVISION	JORDANIAN PROVISIONS OF THE LAW
<p>2. The judicial authorities shall also have the authority to order the infringer to pay the right holder expenses, which may include appropriate attorney's fees. In appropriate cases, Members may authorise the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity.</p>	
<p>ARTICLE 46 Other Remedies In order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimise the risks of further infringements. In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.</p>	<p>See also Article 13 of the Merchandise law above.</p> <p>Article (39) of the Trademark law states: 2. The Court prosecuting any person charged under this Article may order seizure, forfeiture and destruction of all infringing goods, wrapping, packaging and advertising materials, and plates, wooden or metal blocks, seals and other apparatus used for printing the mark or packaging, wrapping, advertising or other materials in respect of which the offence has been committed.</p> <p>The Government is considering providing for this remedy for the rest of intellectual property laws.</p>
<p>ARTICLE 48 Indemnification of the Defendant 1. The judicial authorities shall have the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse. The judicial authorities shall also have the authority to order the applicant to pay the defendant expenses, which may include appropriate attorney's fees. 2. In respect of the administration of any law pertaining to the protection or enforcement of intellectual property rights, Members shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith in the course of the administration of that law.</p>	<p>See above</p>
<p>ARTICLE 50 1. The judicial authorities shall have the authority to order prompt and effective provisional measures:</p>	<p>Article 32 of the Jordanian Code of Civil Procedure:</p>

TRIPS PROVISION	JORDANIAN PROVISIONS OF THE LAW
<p>to prevent an infringement of any intellectual property right from occurring, and in particular to prevent the entry into the channels of commerce in their jurisdiction of goods, including imported goods immediately after customs clearance;</p> <p>to preserve relevant evidence in regard to the alleged infringement.</p> <p>2. The judicial authorities shall have the authority to adopt provisional measures inaudita altera parte where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed.</p>	<p>The Judge of expedient matters may decide without prejudice to other competent courts to adjudicate cases on merit, in the following matters:</p> <ol style="list-style-type: none"> 1. Matters where time is the essence of the matter. 2. Expedient discovery to preserve evidence. 3. to hear a testimony ... <p>Article 115 of the Jordanian Code of Civil Procedure states:</p> <p>The plaintiff may request:</p> <ol style="list-style-type: none"> 4. any provisional or temporary injunction.
<p>ARTICLE 51</p> <p>Suspension of Release by Customs Authorities</p> <p>Members shall, in conformity with the provisions set out below, adopt procedures to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods may take place, to lodge an application in writing with competent authorities, administrative or judicial, for the suspension by the customs authorities of the release into free circulation of such goods. Members may enable such an application to be made in respect of goods which involve other infringements of intellectual property rights, provided that the requirements of this Section are met. Members may also provide for corresponding procedures concerning the suspension by the customs authorities of the release of infringing goods destined for exportation from their territories</p>	<p>The new Customs law contains language that provides for the prohibition of importation of goods which contradict the provisions of intellectual property laws. However, customs control and enforcement of intellectual property laws need further elaboration. The government is currently revising these provisions.</p> <p>The copyright law, trademark, and draft patent law contain language regarding prohibition of importation of infringing goods.</p> <p>See also provisions of the Civil Code above</p>

(d) Any special border measures

Question 149.

Further to the answer to Question 261 of document WT/ACC/JOR13, how long does it usually take to obtain a final court order? How does Jordanian Law comply with the obligation contained in Article 50 of the TRIPS-Agreement?

Answer:

To-date there are no studies to assess how long cases take in courts. The duration of case in front of a court largely depends on the parties and evidence to be heard. However, Jordanian Law provides for provisional measures in certain circumstances. Article 32 of the Jordanian Code of Civil Procedure provides:

"The judge of expedient matters may grant orders, without prejudice to other competent courts, which adjudicate cases on merit, in the following:

1. Cases where time is the essence of the matter.
2. Expedient discovery to preserve evidence.

3. To hear a testimony ...".

Article 115 of the Jordanian Code of Civil Procedure states:

"The plaintiff may request: ...

4. Any provisional or temporary injunction".

Invoking the process under the above-mentioned Articles imply the conditions, effects, and requirements mentioned in Article 50 of the TRIPS Agreement. The Government is undertaking a process to ensure the systematic applicability of these provisions to intellectual property rights.

Question 150.

Can Jordan please give details of the time-scales involved in the initiation and enforcement of special border measure, i.e. the taking out and enforcement of court orders?

Answer:

The new Customs Law contains language that provides for the prohibition of importation of goods which contradict the provisions of intellectual property laws. However, customs control and enforcement of intellectual property laws need further elaboration. The Government is currently revising these provisions. As for judgments, these are enforceable as soon as a announced unless challenged by appeal. If appealed, then judgments are enforceable when they are final.

Question 151.

From the answer to Question 261 appears that Jordan does not provide for provisional border measures which is contrary to TRIPS requirements. By when does Jordan intend to put the law in conformity with TRIPS on this point?

Answer:

See the reply to Question 43 above.

VI. TRADE-RELATED SERVICES REGIME

1. General

Question 152.

We would like to thank Jordan for the responses to our questions on services issues in document WT/ACC/JOR/13. We understand that Jordan's response to WT/ACC/5 is in preparation and that we can expect it to be circulated soon. We would appreciate confirmation of that.

Answer:

Jordan submitted its initial offer on services and WT/ACC/5 to the WTO Secretariat in December 1998 (WT/ACC/SPEC/JOR/5 and WT/ACC/SPEC/JOR/4, respectively).

Question 153.

Based on the existing liberal access for foreign providers of financial services, we look forward to Jordan's submission of a services offer that establishes this treatment in Jordan's schedule of services commitments. Does Jordan have a sense of when it might circulate an offer of commitments for trade in services?

Answer:

Please see the answer to Question 152 above.

Question 154.

Jordan describes its new Regulation No. 39 of 1997 for the Promotion of Non-Jordanian Investment and the reduction in the number of sectors subject to foreign equity limitations. We would like to be able to review this regulation, and request that a copy be provided, in translation, to the WTO Secretariat.

Answer:

Regulation No. 39 ("Non-Jordanian Investments Promotion Regulation) was adopted in 1997. A copy of this regulation is being translated into English and will be submitted to the WTO Secretariat in early March 1999.

Question 155.

Could Jordan indicate, using the Services Sectoral Classification list attached to document WT/ACC/5, the scope of construction, trading, and mining services covered by the foreign equity restrictions noted in the response to Question 23 in document WT/ACC/JOR/13?

Answer:

Legislation is currently being prepared by the Investment Promotion Corporation to clearly define the scope of construction, trading, and mining services covered by the foreign equity restrictions.

Question 156.

Jordan states that it currently allows foreigners to provide all financial services as defined in the GATS Annex on Financial Services, except for derivative products, and notes that new legislation for the banking sector will result in further liberalisation, with no discrimination against foreign banks. We would appreciate an opportunity to review this legislation at the earliest opportunity.

Answer:

Jordan is still in the process of drafting the new legislation for the banking sector.

VII. INSTITUTIONAL BASIS FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES**1. Bilateral or Plurilateral Agreements Relating to Foreign Trade in Goods and Trade in Services****Question 157.**

According to the response to Question 289 of document WT/ACC/JOR/13, the Agreement for Facilitating and Developing Trade Exchange among Arab States has been modified and it is now called the Arab Free Trade Area. The implementation should start as of 1 January 1998. So far, Morocco, Tunisia, Libya, Kuwait, Egypt, Bahrain and Jordan have announced their commitment to start implementation on a reciprocal basis. Tariffs between member countries will be eliminated over a ten year period at 10 per cent annually. What percentage of Jordan's trade value with these countries is currently subject to tariff reduction, with a view to duty elimination in ten years? What percentage of Jordan's tariff lines, at the six-digit level, will be subject to duty elimination pursuant to the full implementation of the Arab Free Trade Area?

Answer:

Pursuant to the full implementation of Arab Free Trade Area, approximately 94 per cent of Jordan's tariff line (at the six-digit level) will be subject to duty elimination.

Approximately 21 per cent of Jordan's total trade value will be traded under the Arab Free Trade Area upon implementation of all reductions within 10 years.

Question 158.

Is Jordan retaining any non-tariff measures, such as quantitative restrictions and import licensing, with respect to imports received from other members of the Arab Free Trade Area? If yes, please describe.

Answer:

The Agreement on the Arab Free Trade Area (AFTA) is silent with regard to the application of non-tariff measures. The implementation programme of the AFTA agreement prohibits the use of non-tariff measures, such as quantitative restrictions and import licensing, for non-exempted and non-prohibited products. The implementation programme of the AFTA agreement is silent regarding the application of non-tariff measures vis-à-vis prohibited and exempted products. Jordan, however, does not intend to use non-tariff measures except in cases where non-tariff measures are applied by other parties of the agreement (reciprocal treatment).

Question 159.

Please provide a translated copies of the Arab Free Trade Area Agreement, including annexes, and the Jordan-European Communities Partnership Agreement, to the WTO Secretariat for review by the Working Party.

Answer:

The Arab Free Trade Area Agreement including annexes and the Jordan-European Communities Association Agreement may be obtained from the WTO Secretariat.

Question 160.

According to the response to Question 294 of document WT/ACC/JOR/13, chapter 2 of the European Communities-Jordan Agreement on Agricultural Products and Protocol 2 attached to that Agreement, details the European Communities products that are excluded from the Jordan-European Communities Partnership Agreement. Please identify the European Communities agricultural products that are covered by chapter 2 of the European Communities-Jordan Agreement on Agricultural Products and Protocol 2 attached to that Agreement, and the trade terms that apply to the importation of those products into Jordan.

Answer:

The import duty rates for the agricultural products listed in the table below are bound according to the rates specified in the table. All other agricultural products are subject to Jordan's applied customs duties.

CN Code	Description	Duty % or specific duty
0102 10	Pure bred breeding live animals	JD 10/head
0102 90	Other live bovine animals	JD 10/head
0201 20	Fresh meat of bovine animals, with bones	5
0201 30	Fresh meat of bovine animals, boneless	5
0202 30	Frozen meat of bovine animals, boneless	5
0405 00	Butter/fats/oils derived from milk; dairy spreads	5
0406 30	Processed cheese not grated or powdered	20
0701 10	Potato seed, fresh	5
0713 10	Peas, dried	10
0713 50	Broad beans, dried	5
1002 10	Durum wheat	0
1001 90	Other wheat	0
1003 00	Barley	5
1005 90	Maize, other than seed	5
1006 30	Semi/wholly milled rice	5
1101 00	Wheat or meslin flour	0
1103 11 10	Groats and meal of durum wheat	15
1103 13	Cereal groats, meal and pellets of maize	10
1107 10	Malt, not toasted	10
2005 70	Preserved olives	40
2008 70	Peaches prepared or preserved	40
2301 10	Flours, meals and pellets, of meat/offal	5
2301 20	Flours, meals and pellets, of fish and aquatic invertebrates	5
2304 00	Oil-cake/residues deriving from soya oil	5
2309 90	Preparations of a kind used in animal feeding, other than cat or dog food.	10

Question 161.

What percentage of the total amount of goods imported from the European Communities is expected to receive preferential access pursuant to the partnership agreement, based upon historical trade flows? What is the estimated trade-weighted average tariff rate applicable to imports from the European Communities pursuant to the partnership agreement, based upon historical trade flows?

Answer:

According to the European Association Agreement between Jordan and European Communities, 64.7 per cent of the total amount of goods imported from European Communities is expected to receive preferential treatment. The estimated trade weighted average tariff rate applicable to imports from the European Communities is equal to 24.51 per cent.

Question 162.

Could Jordan provide the Working Party with details (and a copy) of its Agreement with the United States on duty free areas?

Answer:

The United States proposed the concept of Qualified Industrial Zones (QIZ) in President Clinton's proclamation No. 6955 of November 1996. This proclamation extends duty free status to products of the West Bank, Gaza and Qualified Industrial Zones. The QIZ provides duty free access to the United States' market without the requirement for any reciprocal benefits. As of today, only the Irbid (Al-Hassan) Qualifying Industrial Zone has been established in Jordan.

In order for QIZ products to gain duty free entry into the United States' market the following requirements must be met:

- at least 35 per cent of the appraised value of a product at the time it enters the United States must consist of the cost of value of content and direct cost of producing operations performed in the QIZ in one of two ways:
 - first, at least one-third (or 11.7 per cent) must be contributed by the Jordanian manufacturer in the QIZ and one-third by an Israeli manufacturer(s). The remainder of the 35 per cent content may be fulfilled by the production at the QIZ, the West Bank /Gaza strip, Israel or the United States;
 - second, Jordanian and Israeli manufacturers must each maintain at least 20 per cent of the total production cost of QIZ-produced good(s). Costs may include originating materials, wages and salaries, design, research and development, depreciation of capital investment, overhead expenses including marketing expenses, etc.

A copy of this agreement may be obtained from the WTO Secretariat.
