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**Working Party on the
Accession of Jordan**

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ACCESSION OF JORDAN

Additional Questions and Replies

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

II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE

2. Economic Policies

(a) Main directions of ongoing economic policies

Pricing System

Question 1.

We seek completion of paragraph 29 of WT/ACC/SPEC/JOR/6, indicating how national treatment has been applied to price controls on chilled meat listed in table 1(b).

Answer:

Jordan made a decision to eliminate price controls on imported chilled meat. Legal measures to eliminate this practice will be adopted in October 1999.

Question 2.

We seek similar information in paragraph 29 of WT/ACC/SPEC/JOR/6 concerning the price controls on imported barley, bagged and loose, as noted in table 1(b).

Answer:

Jordan confirms that price cap applies equally on imported and domestically-produced barley (bagged and loose) and does not violate national treatment (Article III of the GATT 1994).

Question 3.

Please confirm in para 29 that the profitability controls applied to imports of human and veterinary medicaments noted in table 1(b) are applied equally in scope and incidence on domestic goods referenced in Table 1(a), or unify the tables to ensure that this is indicated.

Answer:

For veterinary medicaments, profitability control applies equally on imports and domestically-produced medicaments.

As for human medicaments, price control applies on domestically-produced medicaments whereas profitability control applies on imported ones.

Question 4.

We suggest the last sentence of paragraph 29 of WT/ACC/SPEC/JOR/6 be made a separate paragraph and redrafted as follows:

29. The representative of Jordan confirmed that prices for goods and services in every sector of Jordan were determined freely by market forces with the exception of those listed in Table1 (a and b)

29bis. The representative of Jordan confirmed that Jordan would apply, from the date of accession, the price and profitability controls described in paragraphs 26-29

and Table 1(a and b) and any applied in the future, in a WTO-consistent fashion, and would take account of the interests of exporting WTO Members as provided for in Article III.9 of the GATT 1994. Jordan would publish any list of goods and services subject to State price controls in the Official Journal, including any changes regarding existing price controls. The Working Party took note of these commitments.

Answer:

Jordan agrees to this suggestion.

(d) Foreign and Domestic Investment Policies

Question 5.

A high level of transparency should be maintained by Jordan on its investment regime in relation to its obligations under Article X of the GATT 1994. For example, the introduction of new laws and regulations, and the amendment thereto, should be duly publicised. Also, a reasonable period of time between the introduction and the enactment of the laws and regulations on the investment regime should be granted.

Answer:

The Jordanian Constitution provides that laws should be published in the Official Gazette. The Constitutional provision No. 93 (ii) provides:

A law shall come into force after its promulgation by the King and the lapse of thirty days from the date of its publication in the Official Gazette unless it is specifically provided in the law that it shall come into force on any other date.

Therefore, every law states in its first article that it shall come into force after thirty days or more of the date of publication.

Question 6.

We would like to expect that an official branch or agency as an inquiry point can be established to provide the relevant information on investment. Furthermore, the Jordanian authorities should set down conditions, in a manner as explicit as possible, whether or not foreign investment is permitted.

Answer:

The Investment Promotion Corporation, established through the Investment Promotion Law No. 16 of 1995, is the inquiry point in Jordan regarding relevant information on investment. Moreover, the Ministry of Industry and Trade will be the inquiry point under GATS, and since the Investment Law is a horizontal law under the GATS, both of these entities would serve the purpose.

Foreign investment is permitted in Jordan. A foreign investor can own 100 per cent of the equity in a Jordanian entity except in the following three sectors: Mining; Construction Contracting; Commerce and Commercial Services.

The Investment Promotion Corporation is preparing a new regulation to define what is meant by Commerce and Commercial Services.

(e) **Competition Policies**

Question 7.

The current situation and future action plan to introduce the relevant laws and regulations on competition should be informed to the Working Party. Also, the description in this paragraph should be up-dated, if necessary.

Answer:

The Draft Law on the Prevention of Monopolistic Practices and Encouragement of Competition has been submitted to the Parliament.

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

Question 8.

We appreciate the information noted in paragraph 39 of WT/ACC/SPEC/JOR/6, concerning the prerogatives of the central authorities in the national economy and foreign trade.

We seek the following commitment for inclusion in WT/ACC/SPEC/JOR/6:

39bis. The representative of Jordan stated that if Jordanian laws or other acts should be found to contradict international treaties or agreements, the provisions of the international treaty or agreement, such as the WTO, would apply. The representative of Jordan confirmed that sub-central entities had no autonomous authority over issues of subsidies, taxation, trade policy or any other measures covered by WTO provisions. He confirmed that the provisions of the WTO Agreement, including Jordan's Protocol, shall be applied uniformly throughout its customs territory and other territories under Jordan's control, including in regions engaging in border trade or frontier traffic, special economic zones, and other areas where special regimes for tariffs, taxes and regulations are established. He added that when apprized of a situation where WTO provisions were not being applied or were applied in a non-uniform manner, central authorities would act to enforce WTO provisions without requiring affected parties to petition through the courts. The Working Party took note of these commitments.

Answer:

Jordan commits to include the suggested paragraph 39bis in WT/ACC/SPEC/JOR/6.

IV. POLICIES AFFECTING TRADE IN GOODS

1. Import Regulation

(a) Registration requirements for Engaging in Importing

Jordan has confirmed in the response to question 11 in WT/ACC/JOR/18 that foreign ownership of firms in the area of trade and trade services may not exceed 50 percent. Earlier, Jordan had noted that this was provided for by Investment Regulation No. 39 for 1997, issued in accordance with Article 24 of the Investment Promotion Law No. 16 of 1996.

The response to questions 12 states that a profession license to import will be automatically conferred on foreign or domestic companies, and that this license allows an importer to get an import card, without which importers must pay a 5 percent penalty.

Jordan has also stated in the response to question 13 that foreign owned businesses registered in Jordan are licensed to import in exactly the same way as domestically owned enterprises, but that foreign companies not registered in Jordan do not have the right to import for commercial purposes.

These responses do not state clearly the situation for firms that wish to import in Jordan, or what their ability is (a) to get a importers license and hence an import card; or (b) to conduct trade. Jordan needs to review its responses and issue a clear description of what is and what is not possible for companies, foreign and domestically owned, in trade.

Question 9.

Does this 50 per cent foreign ownership rule, in effect, preclude foreign companies that engage in importation or exportation from being registered in Jordan and from importing or exporting? Does it preclude foreign companies from participating in trading services? If so, how then can partially or fully foreign owned businesses be a licensed to import in exactly the same way as domestically owned enterprises, as stated in the response to question 13? How is membership in the Chamber of Commerce, access to a professional license to import, and access to an import card related to the equity ownership of the firm?

Answer:

Please refer to the Report on the Right to Trade (WT/ACC/JOR/25).

Question 10.

Please define precisely what the term trade means and trading services for the purposes of these regulations. Does it include the basic right to import and to export? Does it refer only to the right to distribute imports, e.g., through wholesaling and retailing? Please address each element separately.

Answer:

Please refer to the Report on the Right to Trade (WT/ACC/JOR/25).

Question 11.

Do both foreign and domestic individuals, i.e., persons not registered as firms or corporate entities have the right to import for their own use? For resale to other individuals or to firms?

Answer:

Please refer to the Report on the Right to Trade (WT/ACC/JOR/25).

Question 12.

When a firm registers, must it include importing and exporting in its registration request in order to trade? If yes, how difficult is it for a firm already registered to alter its registration to include the right to trade?

Answer:

Please refer to the Report on the Right to Trade (WT/ACC/JOR/25).

Question 13.

We seek clarification from Jordan as to the trading rights of (a) fully domestically-owned firms; (b) firms with less than 50 percent foreign equity; (c) firms with more than 50 percent foreign equity; and (d) fully foreign owned firms. For each category:

- **Which can register as Jordanian firms with the right to import for their own use, e.g., in manufacturing?**
- **Which can register to import for further distribution?**
- **Which can export?**

Answer:

Please refer to the Report on the Right to Trade (WT/ACC/JOR/25).

Question 14.

We seek Jordan's assistance in clarifying the information provided to date on the right of firms and individuals to trade, so that we may better understand how Jordan's requirements relate to the requirement in GATT Article III:4 that imports from WTO members shall receive treatment no less favorable than that accorded to like products of national origin in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution or use

We seek confirmation from Jordan that its requirements on the right of foreign and domestic individuals and firms to import and export goods within Jordan's customs territory are consistent with WTO Agreements, in particular Articles III, XI, and VIII of the GATT; that individuals and firms are not restricted in their ability to import or export goods based on the scope of business of their registration and that they can easily change their registration to allow for trade; that the criteria for registration are published in the official journal and generally applicable to all.

Answer:

Please refer to the Report on the Right to Trade (WT/ACC/JOR/25).

(b) Characteristics of National Tariffs

Question 15.

As many items as possible should be bound at its current applied rate. The differences between the offer rates and the current applied rates should be reduced by Jordan as far as possible.

Answer:

The issue is being addressed in bilateral negotiations.

Question 16.

The response to question 18 of WT/ACC/JOR/18 states that the new Customs Law is currently being reviewed to determine whether or not it fully complies with the WTO requirements, and that a report will be provided during this Working Party meeting regarding that matter. We would appreciate having this report.

If Jordan does not intend to abolish its current compound tariff rates on bananas, grapes, calves, sheep and goats, yet has not incorporated any compound rates in its tariff offer, how does Jordan intend to ensure that the tariffs applied are lower than the bound rate of duty?

Answer:

The review of the new Customs Law No. 20 of 1998 was completed in March 1999. The report was forwarded in April 1999 to the WTO Secretariat as part of comments to the Elements of Draft Report. A summary of the report may be found in Paragraph 46 of WT/ACC/SPEC/JOR/6 dated June 1999.

Jordan prepared draft amendments to the Customs Law No. 20 to ensure full conformity with the WTO requirements. These amendments will be submitted to the Parliament in October 1999. A copy of the draft amendments will be submitted to the WTO Secretariat in September 1999.

Jordan intends to maintain compound duties on bananas, grapes, apple, calves, goats, and sheep and has incorporated them in its tariff offer.

(c) Tariff quotas, tariff exemptions

Question 17.

According to the response to question 24 in document WT/ACC/JOR/18, ten companies including the Jordanian Tanning Company and the Vegetable Oil Factories Company continue to receive tariff exemptions and that these terms will be phased-out automatically upon expiration of terms.

Which products from these companies receive tariff exemptions? Also, it is stated that duty exemptions will remain for companies that have Concessions and agreements with the government.

Please provide the terms of these concessions and agreements to the Working Party. What are the conditions these companies must meet under these agreements?

Please provide specifics on expiration of terms? Is there a large variation in the various expiration of terms in the agreements with the Government?

Answer:

The tariff exemptions apply on all imported products used for production, operations, and expansion except the following items: Cars and spare parts, tires, petroleum products, vans and buses and their spare parts, stationary, computers devices, air conditions, hand tools, consumption materials, goods and materials used for employees house, products similar to Jordanian products. As a condition, exempted goods must be used for companies production, operations, and expansion.

None of these companies is exempted from income tax and none of the customs exemptions are contingent upon export.

Customs duties exemptions for these companies will cease upon expiration of the terms of concessions.

Company Name	Terms of concessions and agreements; conditions; and expiration
Phosphate Mining Company	The company has exclusive mining rights of Phosphate for four different mines in Jordan, which are granted based on Law No. 12 of Natural Resources 1968. Mining rights are usually granted for thirty years and are subject to renegotiations and renewal once they expire. The company also has the exclusive right (indefinite term) to import, store and sell explosive materials used in the local market for mining and quarrying purposes.
Petroleum Refinery Company	The concession Law No. 19 of 1958 was issued to approve the concession agreement signed between the Jordanian Government and the Petroleum Refinery Company. The term of concession grants the company the exclusive right to refine oil and sell in Jordan. The company alone shall have the right to import oil and Hydrocarbon necessary to the local market. The concession expires in 2008.
Jordan Cement Factories Company	The Jordan Cement Factories has a concession for fifty years and it is valid from 1951 to 2001. The company has the exclusive right to search, extract and produce cement and its by-products in any area or land of the Hashemite Kingdom of Jordan for the purpose of supplying the local market with all its cement demand. The concession expires in year 2001.
Arab Potash Company	The Arab Potash Company has a concession Agreement which was granted in 1958 and for 100 years according to law No. 16 of 1958, issued to approve the concession agreement. The company has the exclusive right to mine and extract Dead Sea minerals from the Dead Sea. The concession expires in year 2058.
Jordanian Tanning Company	The Jordanian Tanning Co. has a concession agreement that was granted in 1962, for forty years, according to the Law No. 9 which approved the concession agreement. The company has the exclusive right to import and export rawhides and skins and also it has exclusive right to export tanned leather. The concession expires in year 2002.

Company Name	Terms of concessions and agreements; conditions; and expiration
Jordanian Electric Company	<p>The Jordanian Electric Co. has a concession agreement that was granted in 1961 for fifty years according to Law approving the concession agreement. The company has exclusive right to distribute electric power to Amman, Zarqa, Madaba, Salt areas and suburbs with electricity power. The concession expires in year 2012.</p> <p>The company is not engaged in international trade activities and does not have exclusive right to generate power. Its main objective is to distribute electric power in the above mentioned areas. (natural monopoly with regard to power distribution at the local level)</p>
Irbid Governorate Electric	<p>The Irbid Electric Co. has a concession agreement that was granted in 1961, for fifty years, according to Law No. 1 of 1961 approving the concession agreement. The company has the exclusive right to distribute electric power to Ajlun, Irbid, Mafraq and Jerash areas. The concession expires in year 2011.</p> <p>The company is not engaged in international trade activities and does not have exclusive right to generate power. Its main objective is to distribute electric power in the above mentioned areas. (natural monopoly with regard to power distribution at the local level)</p>
Vegetable Oil Factories Company	<p>The Vegetable Oil Factories Co. has exclusive right to Margarine to the local market. Concession agreement was granted in 1956 for thirty years according to agreement has been extended for another fifteen years for. The concession expires in year 2001.</p> <p>However this is not implemented in practice.</p>
Arab Company for Manufacturing White Cement	<p>There is no concession agreement between the Jordanian Government and the Arab Company for Manufacturing White Cement.</p> <p>The company is exempted from paying customs duties as per cabinet decision dated 10 November 1984.</p>
Arab Bridge Maritime Company	<p>The company has a concession agreement that was granted in 1985 for fifty years according to Maritime cooperation agreement between three Arab countries (Jordan, Egypt, and Iraq). The company has the exclusive right to transport cargo, mail and passengers from Aqaba to Noueibe and return.</p> <p>The company is registered in Panama; and , therefore, is not subject to Jordanian laws on income tax.</p>

As may be noticed from the table above, there is large variation in the various expiration of terms in the agreements with the government.

Question 18.

Jordan states that it does not consider the customs duty exemptions for these companies to be actionable subsidies under the WTO Agreement on Subsidies and Countervailing Measures. We continue to disagree with this statement, in that continued provision by the Government of Jordan of the benefit on contracts remaining meets the description of such a subsidy in the indicative list in Annex I. We seek Jordan's cooperation in identifying the remaining period during which these subsidies will apply, listing the scope of the subsidy, and addressing the need to eliminate its application in the context of the accession.

Answer:

These subsidies are not prohibited subsidies. Therefore, there is no WTO justification for eliminating these subsidies. Although these subsidies may be considered as actionable subsidies under the WTO Agreement on Subsidies and Countervailing Measures, their purpose is to encourage production. They are not intended to cause adverse effects to the interests of other countries. If other countries can prove according to the WTO Agreement on Subsidies and Countervailing Measures that such subsidies are causing injury to their industry, then Jordan will be ready to take appropriate actions including immediate elimination or reduction of such subsidies if warranted.

As for the scope of these subsidies and the remaining period for their application, please see the reply to Question 17 above.

(d) Other duties and charges

Question 19.

Jordan should brief the WP on the steps it has taken since the last meeting to address the issue of its non-tariff fees, taxes, and charges on imports to bring them into line with the WTO. Jordan's Law Unifying Taxes and Fees Applied to Imports and Re-exported Goods combines a number of taxes, charges, and fees applied to imports into the customs tariff. Has that already been done, i.e., do Jordan's applied tariffs already reflect this unification?

Answer:

Jordan's applied tariff already reflects this unification. In addition, please see the report on fees/charges.

Question 20.

This law also states that, in addition to the customs tariff, imports of sheep and goats are charged 2 JD per head and imported calves 10 JD per head. Is this tax applied to domestic livestock as well? If not, what is the WTO justification for this import tax?

Answer:

Prior to February 1997, these were part of customs duties:

- Sheep and goats: 5 per cent + 2 JD/head
- Calves: 5 per cent + 10 JD/head

In February 1997, a 2 JD/head for sheep and goats and 10 JD/head for calves were introduced in Law No. 7 of 1997 on Unification of Taxes and Duties

In March 1997, the 2 JD/head for sheep and goats and 10 JD/head for calves were eliminated from customs duties. Only 5 per cent customs duty remained for calves, sheep, and goats.

Jordan plans to (1) amend Law No. 7 before accession to the WTO to eliminate the 2 JD/head for sheep and goats and 10 JD/head for calves and (2) re-introduce in its customs tariff schedule these two compound rates as was the case prior to February 1997.

Question 21.

The response to question 31 states that currently, Jordan is evaluating the application an import fee on transistor radios. Can Jordan gives an update on its disposition of the current fee?

Answer:

Jordan made a decision to eliminate the import fee on transistor radio. Legal measures will come into effect to eliminate such practice before the end of October 1999.

Question 22.

Jordan states that it intends to address its seasonal exemptions for customs duties and import fees granted for certain agricultural products not currently applied on a most-favored nation basis by reviewing its current trade agreements. Jordan also states that non-tariff ad-valorem charges for exchange permits, re-exported goods tax, and overtime wage fees for re-exported and imported goods will be dealt with in the context of establishing its WTO tariff schedule. Please update the WP on efforts made to address these issues. What steps is Jordan taking to eliminate the non-MFN seasonal exemptions and the non-tariff charges on applied to imports and re-exports?

Answer:

Seasonal exemptions for customs duties are granted only to a number of Arab countries with which Jordan has currently protocol trade. Jordan intends to maintain these preferences within the context of the Arab Free Trade Area. As for other issues raised in this question, please see the Report on Fees/Charges (WT/ACC/JOR/27).

Question 23.

The reply to question 35 and 38 states that Jordan will brief the WP on what it will do to bring its remaining import fees applied on an ad valorem basis into line with WTO, i.e., Article VIII. These import fees include:

- the fine for importing without an importer card,
- the fee for overtime services,
- consular fees for certifying commercial bills
- 86.5 Fils on each imported packet of 20 cigarettes,
- JD 10 and JD 3 for viewing video films,
- overtime fee of 0.002 of the c.i.f. value of the imported good that exceeds JD 50
- an 0.001 on goods in transit,
- a mining fee of JD 25/per ton for the export of scrap iron,
- a valuation fee of 2 per cent on re-exported foreign goods.

Jordan should list all such remaining non-tariff charges, where necessary by HS tariff number, and indicate how it intends to address these measures.

We seek Jordan's cooperation in assuring that the non-tariff taxes, charges, and fees applied to imports meet WTO criteria, e.g., that customs charges are related to the cost of the service requiring the fee, and not the value of the import; that taxes are applied as well to domestic goods, and that all tariff charges are applied below the negotiated bindings.

We seek a commitment from Jordan that it levies no duties and charges on imports other than ordinary customs duties and charges for services rendered. Any such charges applied to imports after accession should be in accordance with WTO provisions. We seek confirmation that Jordan would not list any other charges in its Goods Market Access Schedule under Article II:1(b) of GATT 1994, binding such charges at "zero".

Answer:

Please see the Report on Fees/Charges (WT/ACC/JOR/27).

(e) **Quantitative Import Restrictions**

Question 24.

Concerning the response to question 41, on the importation of used cars, for Jordan's application of 34 different standards to the import of used cars to be WTO consistent, the same standards must be applied to used cars within Jordan, and applied in a similar manner.

Please indicate how Jordan intends to apply these standards to the sale and use of used cars produced domestically.

Answer:

Jordanian standards on cars are currently suspended and are likely to be totally withdrawn. When applied, however, the same standards are applied equally on imported and locally manufactured cars in Jordan.

Question 25.

Concerning the response to question 44, on the importation of sheep over age 1.5 years and the response to question 47 on diesel powered transport, Jordan's responses do not indicate that either current regime is consistent with WTO provisions. The explanations given cast doubt on Jordan's willingness or ability to implement the WTO Agreements on SPS and TBT in the near term. We seek Jordan's review of these responses with a view to proposing a plan with specific benchmarks for the elimination of the bans and their progressive replacement with appropriate, WTO consistent measures applied within the parameters of the TBT and SPS agreements. Can Jordan provide a timetable as to when these measures will be eliminated?

Answer:

Jordan decided to eliminate the ban on mineral water and replace it with automatic import licensing (Council of Ministers Decision dated 25 March 1999). Jordan also decided to eliminate the ban on table salt. The legal measure regarding decision on table salt will be adopted in October 1999.

Jordan decided to eliminate the restrictions on the import of cars that are older than 5 years (and recently older than 7 years). Legal measures for bringing this into effect will be adopted in October 1999.

Regarding the restrictions on the import of sheep older than 1.5 year, a technical committee consisting of representatives from the Ministry of Agriculture, the Jordan Institute of Standards and Metrology, and the concerned institutions with the private sector have been working on developing technical regulations for live sheep and carcasses. As soon as these technical regulations are adopted (expected in 1999), such restrictions will be eliminated.

Regarding the ban on the import of diesel powered vehicles, such restriction will not be lifted until Jordan's refinery is modernized to produce lower sulfur diesel fuel. The percentage of sulfur in the diesel fuel produced by Jordan petroleum Refinery is high. This percentage in Jordan reaches 1.5 per cent whereas acceptable ranges in other countries are much lower. The high sulfur content leads to high intensity of sulfur oxide that subsequently causes negative impacts on both the environment and the health of population.

At this point, Jordan does not plan to eliminate the current prohibition on the import of plastic waste. Processing plastic waste is a major environmental problem in Jordan. Until now, it has not been possible to control the process of gathering, transporting and processing plastic waste on the basis of scientific principles. In addition, recycling plastic waste is very limited in Jordan. Hence, importing plastic waste will aggravate the current problem and may lead to other problems. To date, Jordanian factories have not been able to process Jordanian plastic waste.

Question 26.

Jordan's ability to deal successfully with such clear and visible violations of WTO provisions will build confidence in its commitment to moving its trade regime into conformity with the WTO Agreement.

Concerning the ban on mineral water and table salt, we urge Jordan to eliminate this ban and establish appropriate tariff-based regulation for their importation. Could Jordan update the Working Party as to when these bans will be lifted?

Answer:

Please see the reply to Question 25 above.

Question 27.

The Jordanian authorities should indicate, in a manner as clear as possible, whether or not an import license can be granted. A comprehensive list of items subject to prior approval and import licensing should also be provided. The list should be based on the HS numbers, and an alleged justification with the WTO Agreement should be described. Prior approval of some items, such as certain electric apparatus and instruments listed in Table 4, cannot, in our view, be justified under national security, safety, health and environment.

Answer:

Please see the Report on Jordan's Import/Export Licensing Regime (WT/ACC/JOR/28).

(f) Import licensing procedures

Question 28.

Jordan has stated a number of times in this section that it will prepare a report for the Working Party in response to questions posed at the third WP meeting. We seek Jordan's circulation of that report for WP review, and that the specific questions posed receive response.

On several occasions, Jordan indicates that the Response to question 49 will answer other questions. The response to question 49 is inadequate in most cases, as it does not directly address the request for specific information on the requirements.

As indicated in WT/ACC/JOR/18, It is apparent from the responses that Jordan is still using quantitative restrictions, prior permits, and import licensing to restrict importation of many products. These restrictions cannot, in general, be justified as exceptions to the requirements of GATT Article XI or under other WTO provisions. Some of the measures appear to violate GATT national treatment and MFN provisions.

Jordan should indicate, prior to the next WP meeting, how it intends to deal with these measures, i.e., to eliminate the quantitative restriction and bring its licensing requirements into line with the WTO Agreement on Import Licensing.

Jordan should undertake to eliminate or amend these measures prior to accession. If a delay is sought, Jordan should make specific proposals on the timetable it seeks for the progressive removal of the barrier as soon as possible.

Answer:

Please see the Report on Jordan's new Import/Export Licensing Regime (WT/ACC/JOR/28).

Question 29.

Concerning the response to question 49 in WT/ACC/JOR/18 we are pleased to hear that Jordan is examining the list of products subject to prior approval and plans to eliminate those products that cannot be justified under WTO rules.

We suggest, however, that Jordan also review the application of the WTO Agreement on Import Licensing Procedures. Licensing for statistical purposes is, by definition, automatic. And Jordan must implement, prior to accession, the transparency and due process requirements of the Agreement in the administration of all-licensing requirements or prior permit restrictions that act as licenses.

We seek a report from Jordan, prior to its next WP, on its progress in removing the current restrictions and replacing them with WTO-consistent measures, including an updated list of products remaining subject to prior approval and a time frame for elimination or revision of these requirements.

Answer:

Please see the Report on Jordan's new Import/Export Licensing Regime (WT/ACC/JOR/28).

Question 30.

Concerning Jordan's prior approval safety justification for H.S. items 9501, 9503.20, 9504 why wouldn't a one-time approval of these products address Jordan's concerns?

Answer:

Please see the Report on Jordan's new Import/Export Licensing Regime (WT/ACC/JOR/28).

Question 31.

Concerning the category 8543, this tariff category is too broad and probably contains a number of subcategories. Would Jordan please breakdown these products by 6-digit HS and provide prior approval justification for each item.

Answer:

Actually there is only one item now: 85.43.89. This will be subject to non-automatic licensing under Jordan's new import/export licensing regime (WT/ACC/JOR/28).

Question 32.

For HS items: 8525,8531,8543.209,8526.91,8525, 8525.201, 8517.11, 8518.10, 8517, 8543.899, 8529, 8529.101, 8543.891, and 2106.90. We believe that if Jordan should find it necessary to maintain prior approvals, it could address its national security and health concerns with a one-time certification process (also known as type certification). This process would eliminate the prior approval requirement for each piece of equipment and provide for an efficient one-time approval.

Answer:

Please see Report on Jordan's New Import/Export Licensing Regime (WT/ACC/JOR/28).

Question 33.

Specific to HS items 2941, 3002, 3003, and 3004: Would certification from the U.S. Food and Drug Administration address Jordan's health concerns on this product for imports from the United States? What are Jordan's reasons for re-certification requirements?

Answer:

Jordan does not require re-certification for the following imports: HS items 2941, 3002, 3003, and 3004. Registration of all medicaments and antibiotics, however, is required in Jordan as the case in any other country. Once medicaments or antibiotics are registered in Jordan, then they may be imported into Jordan. Automatic licensing under the new import/export licensing regime is required to simply ensure that the imported medicaments or antibiotics are registered in Jordan.

FDA certification is required for importing every batch of products of human origin.

Question 34.

Concerning question 70, the Food and Drug Administration already requires pharmaceutical products (medicaments) to state the expiration date on each pharmaceutical container label. Since the Food and Drug Administration already requires pharmaceutical products (medicaments) to state the expiration date on each pharmaceutical container label, wouldn't this expiration date required by the FDA on all medicine containers address Jordan's concern? If not, please explain why.

Answer:

The expiration date required by the Food and Drug Administration addresses Jordan's needs and is honoured in Jordan.

Question 35.

The response to question 49 states that 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. 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.

Jordan should review these criteria and ensure their consistency with the Agreement on Import Licensing Procedures, as well as the substantive requirements of other relevant WTO Agreements, e.g., Articles XX and XXI of the GATT, and the WTO Agreements on Agriculture, TBT, and SPS.

Answer:

Please see Report on Jordan's New Import/Export Licensing Regime (WT/ACC/JOR/28).

Question 36.

Concerning the response to question 54: Would you elaborate on the eligibility requirements for enterprises applying to import goods, which require prior approval?

Answer:

Please see Report on Jordan's New Import/Export Licensing Regime (WT/ACC/JOR/28).

Question 37.

The response to question 55 is inadequate. Depending on the nature of the licensing requirement, Jordan is obligated under WTO provisions to provide an opportunity for prior comment, including notification that this opportunity exists. Jordan should review its procedures with a view to bringing them into conformity with the WTO.

Answer:

Please see Report on Jordan's New Import/Export Licensing Regime (WT/ACC/JOR/28).

(h) Customs valuation

Question 38.

Paragraph 72 of WT/ACC/SPEC/JOR/6 states that Jordan's new Customs Law No. 20 conform largely to the WTO Customs Valuation Agreement. It states further that the transaction value is to be used for customs purposes, and notes that the Jordanian representative has confirmed that the Article 5.2 valuation method would also be used. Presumably, the alternative valuation methodologies incorporated in the Customs Valuation Agreement are included in Articles 28 to 32 of Jordan's Customs Law No. 20 of 1998. Articles 28-32, however, do not contain all aspects of the Agreement.

Can Jordan states that Customs Law No. 20 in fact, comprises all aspects of the CV Agreement? If not, what portions seem to be missing.

Does Jordan have other laws or regulations that cover customs valuation? How does Jordan intend to proceed to implement the Agreement?

Answer:

The review of the new Customs Law No. 20 of 1998 was completed in March 1999. The report was forwarded in April 1999 to the WTO Secretariat as part of comments to the Elements of Draft Report. A summary of the report may be found in Paragraph 46 of WT/ACC/SPEC/JOR/6 dated June 1999.

Jordan prepared draft amendments to the Customs law No. 20 to ensure full conformity with the WTO Customs Valuation Agreement. Draft amendments will be submitted to Parliament in October 1999. A copy of the draft amendments will be submitted in September 1999 to the WTO Secretariat.

In October 1999, Jordan will be adopting the Interpretive Notes (as is) of the WTO Customs Valuation Agreement in the form of implementing regulations. In addition, instructions will be issued in December 1999 on customs valuation of carrier medium bearing software and interest charges.

(j) Preshipment inspection

Question 39.

As Jordan has stated on several occasions that it intends to implement a contract for pre-shipment inspection services, we expect that Jordan will submit information to the Working Party as soon as possible, e.g., the requirements of the tender for PSI services and the substance of the contract that develops.

Jordan should understand that it is responsible for ensuring that the operations of this firm meet WTO norms, after accession, including that charges and fees are consistent with Article VIII, that the firms observes the due process and transparency requirements of the relevant WTO Agreements, in particular, GATT Article X, the Agreement on Preshipment Inspection and the Agreement on the Implementation of Article VII of the GATT 1994, as well as the substantive provisions of these Agreements.

Answer:

Jordan does not have in place a system of pre-shipment inspection. In addition, Jordan does not intend to establish such system in the near future.

In case of the introduction of pre-shipment inspection in the future, however, Jordan will ensure that it will be in full conformity with the WTO Agreement on Pre-shipment Inspection. In addition, Jordan will ensure that the operations of the preshipment inspection firm will meet WTO norms including that charges and fees are consistent with Article VIII, that the firms observe the due process and transparency requirements of the relevant WTO Agreements, in particular, GATT Article X, the Agreement on Preshipment Inspection and the Agreement on the Implementation of Article VII of the GATT 1994, as well as the substantive provisions of these Agreements.

(k) Application of internal taxes on imports

Question 40.

Jordan's applied sales tax rates, which is applied at a higher rate on a wide range of imported products when compared to domestically-produced goods, discriminates against imported goods and violates Article III of the GATT 1994

Per the response to question 78-82, we take note of Jordan's stated intention to remove the differential rates of General Sales Tax prior to accession and its plans to enact legal measures to bring its regime into conformity with Article III of the GATT 1994 before the end of 1999, but we note that no plan is described to accomplish this goal, and no indication is given that any specific action has been taken since the last WP to address the issue.

What specifically has Jordan done to address this issue since the last WP meeting?

We are encouraged by Jordan's intention, but we would like to see draft legislation as soon as possible outlining how Jordan intends to change this practice. We also look forward to reviewing a table listing Jordan's new tax levels, as soon as possible.

Answer:

The Ministry of Finance is currently preparing amendments to the General Sales Tax Law in order to bring the application of General Sales Tax into full conformity with the Article III of the GATT 1994. Draft amendments will be ready for submission to the WTO during October 1999. Amendments are expected to be adopted by the Parliament during October/November 1999.

(1) Rules of origin

Question 41.

Articles 24-27 of the new Customs Code are inadequate in addressing the provisions of the Agreement on Rules of Origin. Does Jordan has any additional laws or regulations that address the Agreement?

Answer:

Jordan prepared draft amendments to the Customs Law No. 20 to ensure conformity with the WTO Rules of Origin. These amendments will be submitted to the Parliament in October 1999. A copy of the draft amendments will be submitted to the WTO Secretariat in September 1999.

Jordan plans to adopt the Harmonized Rules of Origin once passed by the Committee on Rules of Origin of the WTO in its final form.

Question 42.

In light of the lack of progress in addressing this issue, we re-submit the original questions for substantive response, in the hope that Jordan will develop real legislation establishing rules of origin based on international norms.

We welcome Jordan's statement from last year that it 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.**
- **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 WT/ACC/JOR/13 and to questions 83 and 84 of WT/ACC/JOR/18. Please provide a description, and as soon as possible, a copy of the legislation, to the Working Party.

While we appreciate Jordan's assurance that it will ensure conformity with the WTO Agreement on Rules of Origin prior to the date of WTO accession we need to see tangible evidence that Jordan is moving to develop legislation that would accomplish that objective.

Answer:

Please see the reply to Question 41 above.

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

Question 43.

We are reviewing the National Production Protection Law No. 4 for the year 1998 and the chart provided in response to question 86 of WT/ACC/JOR/18 in detail. We will have detailed comments later, in writing. We commend Jordan for its efforts in drawing up the law, which is a good attempt to capture basic elements of the WTO Safeguard Agreement. We look forward to receiving copies of the regulations as well. Is the law in operation yet? If so, have there been any cases yet and what was their disposition? Please submit the regulations for Antidumping and Countervailing Duty application as soon as possible, for WP review.

Answer:

Currently, Jordan is in the process of drafting regulations on countervailing, anti-dumping, and safeguard measures. These are expected to be finalized in October 1999. Draft will be submitted to the WTO Secretariat as soon as finalized by the Ministry of Industry and Trade.

The Law on Protection of National Production came into effect in December 1998. Seventeen cases have been filed at the Ministry of industry and Trade. No decisions were made regarding any of these cases.

Question 44.

The current situation of Jordan and its future action plan to introduce and anti-dumping legislation should be informed to the Working Party and reflected in its Report.

Answer:

The Law on Protection of National Production came into effect in December 1998. Jordan is in the process of drafting implementing regulations on countervailing, anti-dumping, and safeguard measures. These are expected to be finalized in October 1999. Drafts of these regulations will be submitted to the WTO Secretariat as soon as finalized by the Ministry of Industry and Trade.

2. Export Regulations

(d) Export licensing procedures

Question 45.

We are pleased Jordan is phasing out export prior approvals, which violate Article XI of the GATT. Please provide a timetable for the elimination of the prior approval requirement for the exportation of these items.

Answer:

Prior approvals for the following items were recently eliminated: Halibuna (milk), precious metals, including gold and silver bullion and coins. The following remaining products will be subject to automatic export licensing. Please see the report on the new import/export licensing regime.

Product
Wheat
Wheat flour and other wheat products (semolina, bran, broken wheat)
Sugar
Rice (ordinary brand)
Milk for industrial use
Ewes and cows
Marble slabs
Broken marble
Mineral ores
Radioactive materials and sources, and exhausted uranium
Fresh fruit and vegetables destined to protocol trade countries

(e) Other measures

Question 46.

Jordan's re-export fee for services rendered collected by the Customs Authority are assessed at the rate of 2 per cent of declared value as an inspection fees and 0.2 percent of declared value for customs overtime fees.

Neither of these fees is related to the cost of the service. By definition, they are based on the value of the good. This is not consistent with the provisions of Article VIII of the GATT and Jordan should revise it.

Answer:

Please see the Report on Fees/Charges (WT/ACC/JOR/27).

(f) Export Financing, Subsidy and Promotion Policies

Question 47.

Jordan's interest rate subsidies for loans to promote exports appear to be prohibited subsidies within the meaning of Article 3 of the SCM Agreement.

In addition, the exemption from income tax of profits from exports noted in the response to question 7, provided for in Ministerial Decision No. 3394 of 1994 (authorized by Article 3/C of the Income Tax Law No. 57 of 1985) would also appear to be the sort of subsidy prohibited by Article 3 of the SCM Agreement.

- **We seek the immediate elimination or revision of the programme, notification of the remaining subsidies in place from previous use of the programme, and a specific commitment from Jordan to terminate all remaining such subsidies prior to December 31, 2002.**

Answer:

Currently Jordan maintains the following two export subsidies:

1. The Income Tax Law No. 57 of 1985 and its amendments authorize the Cabinet of Ministers to grant profits on certain exports partial or total exemptions from income tax. Pursuant to this law, a Cabinet's decision (No. 3394 of 1994) was issued exempting profits on all exports (except phosphate and potash) to non-protocol countries from income tax. Non-protocol countries are all countries except Israel, Lebanon, the Palestinian National Authority, and Saudi Arabia
2. The Central Bank discounts commercial documents used to finance Jordanian exports to a lower than the going interest rate

Jordan commits to eliminate these two export subsidies prior to December 31, 2002. Appropriate legal measures will be taken prior to 31 December 2002.

The Ministry of Finance does not maintain statistics concerning the export subsidies on exports to non-protocol countries. The Central Bank of Jordan does not maintain requested statistics.

Question 48.

According to the response to question 93 of WT/ACC/JOR/18, Cabinet of Ministers Decision No 12/11/4 dated 30 December 1997 provides that companies registered according to the Jordanian Company Law and specialized in "external marketing, advertising and exporting local products" and are limited to the export, marketing, and promotion of Jordanian products abroad, with a minimum paid capital of (JD 2,000,000) are eligible to be Jordanian Export Companies, which are exempt from income tax on their profits.

- **The purpose of this measure is to promote exports through exemption from income tax of profits, and is directly linked to export activity. It would also appear to be a subsidy prohibited by Article 3 of the SCM Agreement.**
- **We seek the immediate elimination or revision of the programme and the phased elimination of any benefits already granted.**
- **It is very disappointing that, even after initiating discussions in the WP, Jordan has been enacting laws that directly conflict with WTO provisions.**

Answer:

Although Cabinet of Ministers Decision No. 12/11/4 dated 30 December 1997 has been in effect for approximately, no Jordanian Export Companies have been registered yet.

Jordan is evaluating this programme to determine whether or not it falls under Article 3 of the SCM agreement and will report on this issue early October 1999.

Question 49.

Jordan stated in response to question 96 of WT/ACC/SPEC/JOR/6 that it 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. Has Jordan provided this report? If not, when can we expect it?

Jordan states that it plans to seek transition for phasing out prohibited subsidies under Article 27 of the Agreement on Subsidies and Countervailing Measures.

Jordan is not automatically entitled to any phase out period for these subsidies, or to leave any provisions of them in place for the duration agreed upon when they were granted after accession.

Answer:

The report was forwarded in April 1999 to the WTO Secretariat as part of comments to the Elements of Draft Report. A summary of the report may be found in Paragraph 99 of WT/ACC/SPEC/JOR/6.

3. Internal Policies Affecting Foreign Trade in Goods

- (b) Technical regulations and standards**
- (c) Sanitary and phytosanitary measures**

Question 50.

In response to questions 97 to 104, Jordan states that it is in the process of reviewing its current legal regime for conformity with the SPS and TBT Agreements and will provide reports regarding these matters during the next Working Party meeting. Has Jordan provided this report? If not, when can we expect it? Could Jordan provide an update on its efforts in this regard?

We believe it would be useful for Jordan when it develops its implementation plan for SPS and TBT to provide a chart for each of these Agreements listing the requirements and the legal citation or draft legislation that will implement it.

Answer:

Jordan conducted an assessment of its legislation connected with TBT and SPS and determined that new laws have to be enacted in order to fully conform to the WTO TBT and SPS agreements. The following draft laws have been prepared and will be submitted to the Parliament and the WTO Secretariat early October 1999:

- Draft Law on Standards and Metrology to address TBT and SPS requirements (except seed control). This will replace Law No.15 on Standards and Metrology;
- Draft Law on Agriculture to address SPS plant and animal and TBT seed control;
- Draft Law on Food to address SPS food aspects.

The draft law on standards and metrology will be submitted to the WTO Secretariat on September 20. The draft law on Agriculture and the draft law on food will be submitted during period September 21-October 4.

The draft laws bring Jordan's foreign trade regime into full conformity with the WTO agreements on TBT and SPS. The TBT conformity chart is provided in Attachment A. This should be read in conjunction with the draft law on standards and metrology. The SPS conformity chart will be prepared and forwarded to the WTO Secretariat as soon as the Draft Law on Food is finalized. This is likely to take place during the first week of October 1999.

Quality Mark regulation 49/1997 and Quality Mark Instructions will be submitted to the WTO Secretariat in September 1999.

Jordan is ready to implement fully the TBT and SPS agreements upon accession provided that technical assistance and support (including financial) will be provided by WTO members with regard to modernization of testing laboratories in Jordan, border inspection, sampling procedures as well as training of personnel. Action plans for implementing WTO TBT and SPS agreements are provided in Attachment B.

Question 51.

In the response to question 102, Jordan outlined two standards for foodstuff shelf-life requirements. We are reviewing these and will provide written comments. Could Jordan confirm that it maintains no other standards with respect to shelf-life requirements? What procedures are in place for developing or modifying shelf-life requirements?

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.

Jordan maintains no other standards with respect to shelf-life requirements for foodstuff.

Shelf-life requirements, like any other Jordanian standards, are developed and modified by specialized technical committees taking into consideration the climate and storage conditions in Jordan. The process of preparing, amending, and adopting standards is according to the TBT Annex 3 Code of Good Practice. This is also stipulated in the draft law on standards and metrology.

Shelf life requirements for foodstuff apply equally on both imported and domestic goods.

Question 52.

Further information on the Jordanian action plan to implement the TBT and SPS Agreements should be informed to the Working Party. Additionally, the current situation and future action plan to establish and Enquiry Point and any other information centres should also be informed.

Answer:

Jordan conducted an assessment of its legislation connected with TBT and SPS and determined that new laws have to be enacted in order to fully conform to the WTO TBT and SPS agreements. The following draft laws have been prepared and will be submitted to the Parliament and the WTO Secretariat early October 1999:

- Draft Law on Standards and Metrology to address TBT and SPS requirements (except seed control). This will replace Law No.15 on Standards and Metrology.
- Draft Law on Agriculture to address SPS plant and animal and TBT seed control
- Draft Law on Food to address SPS food aspects

The draft law on standards and metrology will be submitted to the WTO Secretariat in September 1999. The draft law on Agriculture and the draft law on food will be submitted during period September - October 1999.

The draft laws bring Jordan's foreign trade regime into full conformity with the WTO agreements on TBT and SPS. The TBT conformity chart is provided in Attachment A. This should be read in conjunction with the draft law on standards and metrology. The SPS conformity chart will be prepared and forwarded to the WTO Secretariat as soon as the Draft Law on Food is finalized. This is likely to take place during the first week of October 1999.

Jordan is ready to implement fully the TBT and SPS agreements upon accession provided that technical assistance and support (including financial) will be provided by WTO members with regard to modernization of testing laboratories in Jordan, border inspection, sampling procedures as well as training of personnel. Action plans for implementing WTO TBT and SPS agreements are provided in Attachment B.

The Jordanian Institute of Standards and Metrology shall work as an inquiry point for TBT, and the Ministry of Agriculture shall work as an inquiry point for SPS.

Question 53.

We welcome Jordan's renewed commitment to implement WTO TBT and SPS Agreements.

We believe that Jordan should develop an action plan to accomplish this, and for each of the items detailed in the response to question 154 of WT/ACC/JOR/13 as being currently deficient, 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 Question 50 through Question 52 above.

(e) **State-trading practices**

Question 54.

Concerning the companies listed in response to question 43, 45, and 109 of WT/ACC/JOR/18: Please provide the legal justification for allowing these companies to have exclusive import and export rights.

Answer:

Please see the Report on State Trading (WT/ACC/JOR/26).

Question 55.

We understand that Jordan seeks to maintain these rights for the duration of the concessions.

Please define the duration of the concessions. Are these concessions accorded as conditions of investment or merely as preferences accorded to domestic producers, whether state trading enterprises or not? As conditions of investment in Jordan they would appear to be concessions that conflict with the TRIMs Agreement.

Answer:

Please see the Report on State Trading (WT/ACC/JOR/26).

Question 56.

Jordan states that it is analyzing which of these companies fall under the definition of State trading. Annex 6 of WT/ACC/1.

Jordan should notify all companies with state-sanctioned trade monopolies as state trading enterprises according to the definition provided under the Understanding of the Interpretation of Article XVII of the GATT 1994 and should submit information on their activities based on the questionnaire on state trading in Annex VI of WT/ACC/1.

We seek a commitment from Jordan along the following lines:

- xx. The representative of Jordan stated that his Government had identified the trading activities of the firms listed above as subject to the provisions of Article XVII of the GATT 1994, and is prepared to notify these firms as state trading enterprises within the meaning of Article XVII and the Understanding upon accession.**
- xx. The representative of Jordan confirmed that after accession to the WTO, Jordan would observe the provisions of Article XVII of the GATT 1994, the WTO Understanding on that Article, and Article VIII of the GATS regarding State trading, in particular abiding by the provisions for notification, non-discrimination, and the application of commercial considerations for trade transactions. The Working Party took note of these commitments.**

Answer:

Please see the Report on State Trading (WT/ACC/JOR/26).

- (l) Government procurement practices**

Question 57.

We seek a commitment from Jordan along the following lines:

- xx. The representative of Jordan confirmed that, upon accession to the WTO, Jordan would initiate negotiations for membership in the Agreement on Government Procurement by tabling an entity offer. He also confirmed that, if the results of the negotiations were satisfactory to the interests of Jordan and the other members of the Agreement, Jordan would complete negotiations for**

membership in the Agreement within a year of accession. The Working Party took note of these commitments.

Answer:

Jordan agrees to the proposed commitment above.

4. Policies Affecting Trade in Agricultural Products

Question 58.

Jordan stated in WT/ACC/JOR/18 that it would provide revised WT/ACC/4 documentation in March. When does Jordan expect to circulate the revised information?

Answer:

A revised WT/ACC/ 4 was sent to the WTO Secretariat in March 1999 (WT/ACC/SPEC/JOR/2/Rev.1).

V. TRADE-RELATED INTELLECTUAL PROPERTY REGIME

Question 59.

We are pleased to note recent progress by Jordan in the area of intellectual property rights protection, namely its accession to the Berne Treaty, which provides copyright protection in Jordan for foreign produced books, motion pictures, and software. We look to Jordan to build on this success by also joining Geneva Phonograms, to provide similar protection for sound recordings.

We advocate accession to the Geneva Phonograms Convention over the Rome Convention to insure protection of all foreign works, including sound recordings.

It will be helpful to hear from the Government of Jordan on the status of drafting efforts for Industrial Protection and other legislation needed to bring Jordan's IP regime in line with TRIPS standards. In general, we remain concerned by potentially overly broad compulsory licensing provisions, as we have already seen in the copyright area.

We are also interested in hearing more about Jordan's enforcement efforts, based on existing laws, or any changes that the Government of Jordan believes are necessary to come into compliance with Part III of TRIPS.

We look forward to our continued work together, in this and other fora, to work towards TRIPS compliance at the time of WTO accession.

We understand the Secretariat is providing a checklist on remaining actions needed for Jordan's full compliance with TRIPS. We request that Jordan complete this chart and circulate it to the WP for review. We believe this will be a helpful exercise.

Answer:

Jordan launched in 1999 a major reform of its intellectual property regime. The following table shows the status of such reform. A TRIPS conformity chart will be provided before the end of September 1999 to working party members.

Law	Status of Draft	Expected ¹ Approval Date (Parliament) ²
Amendments to the Law on Trademarks No. 33 of 1952	Approved by Parliament (both houses)	September 1999
Law on Patents	Approved by Parliament (both houses)	September 1999
Amendments to the Law on Copyrights No. 22 of 1992	Approved by Parliament (both houses)	September 1999
Law on Industrial Design	Being discussed at the Council of Minister (CM); submission to the Parliament is expected in October 1999	October/November 1999
Law on Integrated Circuits	Being discussed at the CM; submission to the Parliament is expected in October 1999	October/November 1999
Law on Geographical Indications	Finalized at the Ministry of Industry; submission to the CM is expected in September 1999 and to the Parliament in October 1999	October/November 1999
Law on Trade Secrets	Finalized at the Ministry of Industry and Trade; submission to the CM is expected at the end of September 1999 and to the Parliament in October 1999	October/November 1999
Law on Unfair Competition	Being prepared at the Ministry of Industry and Trade; submission to the CM is expected at the end of September 1999 and to the Parliament in October 1999	October/November 1999
Law on Plant Variety Protection	Being prepared at the Ministry of Agriculture; submission to the CM is expected in October 1999 and to Parliament in November 1999	October/November 1999
Regulations/ Instructions	Status of Draft	Expected Adoption Date
Regulations on Border Enforcement of Intellectual property Rights	Being drafted; submission to the CM is expected in November 1999	December 1999
Regulations on Copyrights	Being drafted; submission to the CM is expected in November 1999	December 1999
Regulations on Integrated Circuits	Being drafted; submission to the CM is expected in November 1999	December 1999

First, Jordan would like to report that the Council of Ministers approved accession to the Berne Convention. A Royal Decree in this regard was issued in July 1999.

¹ Draft laws (other than the first three draft laws) will be on the agenda of Parliament for its Ordinary Session (October 1999-March 2000) with the expectation of securing the approval of Parliament for these laws in October/November 1999

² Royal Ascent and publication in official gazette are required after the approval of Parliament in order for the law to be enacted

Jordan's replies to the specific issues raised are the following:

- Regarding the new regime governing copyrights, the amendments passed the Parliament in September 1999. The new law covers all artistic, literary works and neighboring rights for all the producers without any distinction regarding nationality.
- Compulsory licenses: As for the Copyright Compulsory Licensing Provisions, the Copyright Law is in full compliance with Berne Convention Appendix. The provisions in the Copyright Amendment Law, and specifically Article (3) amending Article (11) of the Original Law, is in full compliance with Article 2,3,4 of Berne Appendix. Article (3) states that there will be regulations issued to implement the compulsory licenses. The compulsory license provisions in other laws are in full compliance with the mentioned agreements. In the patent Law, Articles 22,23,24,25, and 26 are in full compliance with Article 31 of TRIPS. The draft Law for the protection of Integrated Circuits in Article 16 is in full compliance with Article 31 of TRIPS.
- Enforcement: The provisional measures as mentioned in TRIPS were adopted in all the intellectual property Laws: Article 13 amending Article 46, and Article 14 amending Article 47 of The Copyright Law, Article 29 of the Patent Law, Article 14 amending Article 39 of the Trademark Law, and the same provisions will be adopted in the other drafts.
- Criminal and civil procedures: Article 28 of the Patent Law, Article 13 amending Article 38 of the Trademarks Law, Article 51 of the original Copyright Law, all those provide penalties according to TRIPS.
- The draft amendments to the Customs Law contain provisions to comply with Articles (51,58) of TRIPS. In addition, regulations will be issued regarding the border enforcement to comply with TRIPS.
- Regarding patent protection for Pharmaceutical products at the time of WTO accession, we would like to clarify that the new Patent Law gives protection for patents in respect of pharmaceutical products in Articles 2/36 of the Law. But the time to implement is still a matter of negotiations. Article 36 of the mentioned Law gives the Cabinet authority to begin implementing these provisions. So protection is provided but it will be implemented after the negotiations with the WTO about the grace period. Article 36/E/2 provides: "The provisions of paragraphs(C) and (D) of this Article shall come into force one month after the issuance of a decision to the effect by Cabinet during a period which does not exceed three years from the date of Jordan's accession to the World Trade Organization."

In establishing its new regime on intellectual property, Jordan took into account provisions of the Geneva Phonograms Convention to insure protection of all foreign works. A decision, however, has not been made to become a signatory of these two conventions. The current priority of the Government of Jordan is to accede to the WTO and fulfill WTO requirements.

VI. TRADE-RELATED SERVICES REGIME

1. General

Question 60.

We thank Jordan for the answers provided in WT/ACC/JOR/18, and for the additional information on the services regime in WT/ACC/SPEC/JOR/4. However, we still are not clear on the procedures that a service supplier must follow in order to establish a commercial presence in Jordan. Apart from equity limitations in certain sectors, does Jordan provide automatic rights for commercial presence? Or is Ministry approval required, including for sectors not subject to equity limitations? Does Jordan guarantee the right to establish direct investments - that is, not through Jordanian agents?

Answer:

Jordan has followed the GATS scheduling guidelines very carefully in drafting its service commitment offers. (As indicated in GATS and MTN.GNS/w/164 and MTN.GNS/W/164/Add.1). Accordingly, where existing measures (including regulatory procedures) were found to involve market access restrictions in accordance with GATS:XVI, or national treatment qualifications, or inconsistencies with GATS:VI, these have been explicitly indicated in Jordan Service Offers. Otherwise, it may be assumed that no such restrictions apply.

Moreover, Jordan's service offers are very explicit as to the forms of commercial presence allowed. Where provision of service is restricted to Jordanian agents, this is clearly indicated. Otherwise, it is to be assumed that no such restriction exists.

Question 61.

In WT/ACC/SPEC/JOR/4 and elsewhere, Jordan notes that it maintains minimum foreign investment for all sectors (other than public limited companies) of JD 50,000. Why does Jordan feel that this is necessary?

In the answers to questions 154 and 155, Jordan provides information about plans to prepare legislation to define the scope of current foreign equity restrictions applying to the construction, trading and mining services. While it is useful that Jordan is considering such a step, it may also wish to keep in mind the priorities expressed by WTO members in WTO bilateral market access negotiations and modify legislation accordingly.

Answer:

The JD 50,000 minimum capital requirement reflects Jordan's concern to deter non serious foreign investors.

In modifying necessary legislation to clearly define the scope of construction, trading, and mining services, Jordan will keep in mind the priorities expressed by WTO members in WTO bilateral market access negotiations

Question 62.

In Table 1 of WT/ACC/SPEC/JOR/4, Jordan includes reference for almost all-professional services and some business services to Mode 4 restrictions in the form of nationality condition although it would seem that foreign service supply through commercial presence is allowed. In contrast, in Table 3 of the same document, it is stated that many of these activities are reserved for Jordanians although other Arab nations are allowed to participate based on trade agreements.

- **What is the actual situation in the market? Are Foreign Service suppliers from non-Arab countries permitted to provide professional and business services through Mode 3 commercial presence? Cross-border?**

Answer:

Jordan understands that an unqualified positive commitments in mode 3 (i.e none) means that there are no restrictions on provision of service through establishment, though not necessarily on the provision of service through natural persons. (Note: in Jordan, sole proprietorship establishments do not have a juridical entity status.) Therefore, a none entry in mode 3 is not inconsistent with an unbound or nationality restriction in mode 4. This distinction between the two modes may be slightly blurred in certain professional service sectors, where there are regulatory requirements that the owners of any professional establishment be licensed professionals. (e.g: Law firms, medical clinics). In such cases, restrictions in mode 4, imply restrictions in mode 3. Otherwise, as indicated in WT/ACC/SPEC/JOR/5/Rev.1, Jordan grants right to establishment through mode 3 in many professional services, but retains overall a reservation with regards to commitments in mode 4. (See for example, engineering services)

Regarding the situation for Arab non-Jordanians, please note that WT/ACC/SPEC/JOR/5/Rev.1 has eliminated the reference to preferential treatment of Arab nationals with regards to movement of natural persons.

Question 63.

Please also address the question above in regard to the legal services sub-sector of foreign legal consultancy specifically.

In WT/ACC/SPEC/JOR/4, Jordan provides information on commission agents services but neglects to cover other types of distribution services - wholesaling, retailing and franchising.

Please provide such information.

Answer:

In WT/ACC/SPEC/JOR/Rev.1, Jordan indicated clearly its commitment to allow unrestricted market access to provision of advisory services on foreign law in modes 1, 2, and 3.

In WT/ACC/SPEC/JOR/Rev.1, Jordan indicated clearly that commission agent's services, wholesale trade, and retail trade are subject to the same commitments in all modes of service provision.

Question 64.

In WT/ACC/SPEC/JOR/4, Jordan includes information on insurance services. Does the category of non-life insurance include marine, aviation and transport insurance? If not, please provide the same information on that sub-sector.

Answer:

Yes. The category of non-life insurance includes marine, aviation and transport insurance. Such sectors, accordingly are subject to the localization requirement provided for in Jordanian legislation, as stated in Jordan's service offers.

The Insurance Businesses Control Law No. 30 for the year 1984 divides insurance services to the following types while stating that any related type not mentioned hereunder shall be considered included within the relevant sector:

1. Life Insurance
2. Money gathering and saving insurance
3. Insurance against fire and emergency risks
4. Transportation risks insurance
5. Insurance against accidents
6. Other insurance.

It is worthy to note that marine and aviation insurance is considered to be covered in the above Law, and specifically under the category of Transportation Insurance, be it air, sea or land.

Question 65.

Regarding trade agreements, para. 19 of WT/ACC/SPEC/JOR/6 stating that the AFTA does not include trade in services seems to conflict with the information in para.16 that the Arab economic agreements contained some provisions on facilitating movement of workers. Please review the AFTA and provide information on whether and how it addresses all four modes of supply of services.

Answer:

While the Agreement on Facilitating and Developing Commercial Exchange between Arab States provides for the legal establishment of AFTA, the declaration of AFTA should be read in conjunction with the Agreement. This Agreement addresses, inter alia, liberalization of tariffs and barriers in commercial exchange between Arab States.

Furthermore, the Agreement aims to provide special facilitation to services related to commercial exchange between member states.

Therefore, the Agreement is mainly concerned with commercial exchange of goods in commercial transactions between member states, and with facilitating or liberating services related to commercial exchange. This is confirmed by the Social and Economic Council of the Arab League in its Decision No. (1317 d. c. 59) dated February 19th, 1997 laying down the Executive Programme for the Agreement to establish the Great Arab Free Trade Area. The main points of relevance in the Executive Programme are:

1. Liberating all Arab goods exchanged between member states in accordance with the gradual liberating principal implemented as of January 1, 1998.
2. Due to the relation of trade liberalization with several other economic activities, members states shall consult regarding:
 - Services and particularly those related to trade.
 - Scientific research and technological cooperation.
 - Coordinating commercial policies and legislation.
 - Protection of intellectual property rights.

Therefore, the AFTA declaration includes an executive programme and a clear mechanism regarding liberating trading in goods. However, the declaration postponed discussion of trading in services and particularly that related to commercial exchange within AFTA.

In any event, Article 18 of the Agreement refers to transport services where it states that members shall cooperate in facilitating transportation between each other on preferential basis and facilitating transit trade of Arab goods among member states.

Question 66.

Regarding paragraph 21 of WT/ACC/SPEC/JOR/6, does the Jordan - EC Agreement contain any provisions pertaining to trade in services?

Answer:

The EU Agreement refers the subject of services to commitments that Jordan will make as results of Jordan's service negotiations for accession to the WTO.

2. Policies Affecting Trade in Services

Question 67.

We are still requesting further liberalisation in such sectors as legal services, construction, environment, tourism and transportation services. With regard to legal services, no foreign lawyers are permitted to provide any kind of legal services; only Jordanian lawyers are permitted to do so. Moreover, Jordanian nationality is required to actually become a lawyer in Jordan. We therefore request the opening of Jordan's market on legal services. Further negotiations are expected on this issue after our analysis of Jordan's revised offer to be provided shortly, as indicated in its opening statement.

Answer:

Jordan has submitted its revised offer on services in July 1999 and looks forward for bilateral negotiations on services.

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

1. Bilateral or plurilateral agreements relating to foreign trade in goods and trade in services

Question 68.

The current situation to conclude and negotiate trade agreements with other countries (e.g. the EC and Arab countries), including preferential treatment, should be informed to the Working Party and described in the relevant sections of its Report. A high level of transparency should be maintained by Jordan on trade agreements in relation to Jordan's obligations under the relevant articles, such as Article XXIV of the GATT 1994 and Article V of the GATS. Furthermore, Jordan should undertake commitments to observe these obligation on the relevant paragraph of the Working Party Report. Jordan should notify in due courses all regional trade agreements to the Committee on Regional Trade Agreements, and such commitment to do so should be reflected in the Working Party Report. Jordan should also respect the WTO rules related to regional trade agreements.

Answer:

In previous communications, Jordan provided significant details on the EC Partnership Agreement and its trade agreements with Arab countries including the Arab Free Trade Area (please see WT/ACC/JOR18)

After accession, Jordan will notify according to WTO rules all regional trade agreements to the Committee on Regional Trade Agreements. Jordan commits to respect the WTO rules related to regional trade agreements.

ATTACHMENT A
TBT CONFORMITY CHART

Commitments (by the time of accession)	WTO REFERENCE	Draft Law on Standards & Metrology Reference
1. Standstill: the introduction of new standards, technical regulations and conformity assessment procedures should be fully compatible with the TBT Agreement	1. Generally agreed principal in WTO accession negotiations	1. All requirements of the TBT Agreement are clearly set out in the Law on Standards & Metrology.
2. Submission of Statement on Implementation	2. Article 15.2 and TBT Committee Decision (G/TBT/1)	2. Article 18.a.2
3. Establishment and operation of a single Contact Point for Information (“inquiry point”)	3. Article 10	3. Article 20
4. Identification of authority responsible for notifications, publications and other internal procedures to ensure transparency obligations are met on an ongoing basis:	4. Articles 2, 3, 5, 7, 10, 15.2, Annex 3 and G/TBT/1	4. Articles 18, 20
(A) identification of publication where notices of proposed technical regulations and conformity assessment procedures will appear;	(A) Articles 2.9.1, 3.1, 5.6.1, 7.1, 10.1.5	(A) Article 18.a.1
(B) identification of authority responsible for making notifications to the WTO;	(B) Article 2.9.2, 2.10.1, 3.2, 3.3, 5.6.2, 5.7.1, 7.2.7, 7.3, 10.7, 10.10	(B)
(C) guidance/law to ensure regulatory authorities afford non-discriminatory consideration of comments in the preparation of a final regulation;	(C) Articles 2.9.4, 2.10.3, 3.1, 3.3, 5.6.4, 5.7.3, 7.1, 7.3	(C) Article 18.a.2
(D) guidance/law to ensure regulatory authorities allow a reasonable period of time between the final publication of a technical regulation and	(D) Articles 2.11, 2.12, 3.1, 5.8, 5.9, 7.1	(D) Article 18.b

Commitments (by the time of accession)	WTO REFERENCE	Draft Law on Standards & Metrology Reference
<p>conformity assessment procedures and its entry into force so that suppliers can adapt;</p> <p>(E) publication and notification of work programme for standards and non-governmental conformity assessment procedures, including publication of notices of draft standards and an opportunity for public comment.</p>	<p>(E) Article 4, Annex 3 (J, K, L, N, O), Article 8.1</p>	<p>(E) Implied in Article 11.10</p>
<p>5. Development and Application of Technical Regulations and Conformity Assessment Procedures: Existence of legal and/or administrative underpinnings (or “reasonable measures” as appropriate) to ensure ongoing compliance with provisions of the agreement concerning, in particular:</p> <p>(A) non-discrimination with respect to the treatment of products;</p> <p>(B) the prohibition of unnecessary obstacles to international trade and the consideration of less trade-restrictive alternatives to fulfilling legitimate objectives;</p> <p>(C) the ongoing review of technical regulations to ensure they are appropriate to achieve the desired legitimate objective;</p> <p>(D) the consideration of appropriate international standards, guides and recommendations as a basis for technical regulations and conformity</p>	<p>5. Articles 2, 3, 5, 6, 7</p> <p>(A) Articles 2.1, 3.1, 5.1, 5.2, 7.1</p> <p>(B) Articles 2.2, 3.1, 5.1, 5.2, 7.1</p> <p>(C) Article 2.3, 3.1, 7.1</p> <p>(D) Article 2.4, 3.1, 5.4, 7.1</p>	<p>5. Articles 11, 12, 13, 14, 15,</p> <p>(A) Article 12.b, 13.a</p> <p>(B) Article 11.6, 11.8, 12.a</p> <p>(C) Article 11.8</p> <p>(D) Article 11.7, 12.a</p>

Commitments (by the time of accession)	WTO REFERENCE	Draft Law on Standards & Metrology Reference
<p>assessment procedures;</p> <p>(E) the consideration of equivalent technical regulations of other Members;</p> <p>(F) the acceptance of the results of conformity assessment procedures conducted by bodies in an exporting Member country;</p> <p>(G) non-discriminatory and cost-based fee structure.</p>	<p>(E) Article 2.7, 3.1, 7.1</p> <p>(F) Article 6, 7.1</p> <p>(G) Article 5.2, 7.1, 10.4</p>	<p>(E) Article 11.9</p> <p>(F) Article 12.c</p> <p>(G) Article 21.c</p>
<p>6. Development and Application of Standards and Conformity Assessment Procedures: Existence of legal and/or administrative underpinnings (or “reasonable measures” as appropriate) to ensure ongoing compliance with provisions of the agreement concerning, in particular:</p> <p>(A) non-discrimination with respect to the treatment of products;</p> <p>(B) the prohibition of unnecessary obstacles to international trade;</p> <p>(C) the consideration of appropriate international standards, guides and recommendations as a basis for standards;</p> <p>(D) non-discriminatory and cost-based fee structure</p>	<p>6. Article 4 and Annex3, Article 8</p> <p>(A) Annex 3 (D), Article 8.1</p> <p>(B) Annex 3 (E), Article 8.1</p> <p>(C) Annex 3 (F), Article 8.1</p> <p>(D) Annex 3 (M), Annex 3 (P), Articles 8.1, 10.4</p>	<p>6. Articles 11&12</p> <p>(A) Article 12.b</p> <p>(B) Article 11.6, 12.a</p> <p>(C) Article 11.7, 12.a</p> <p>(D) Article 21.c</p>

ATTACHMENT B

ACTION PLAN FOR IMPLEMENTING TBT AGREEMENT

No.	Goals and Activities	Indicators	Implementation period Year 2000-2002 in 6 months period						
			1	2	1	2	1	2	
1	Time needed for checks on borders is decreased.	Time is decreased by 30% by end of year 2001 (basis end of year 2000).	---	---	---	---			Employment of qualified personnel at Customs' Centers
1.1	Samples are sent directly from Customs' Centers to testing labs.								
1.2	Giving the samples from borders the priority to be tested by the labs within the shortest possible time.								
2	Certificates of conformity are accepted if issued by bodies recognized / accredited by JISM	Instructions on acceptance of certificates of conformity are approved by JISM's Board of Directors by end of year 2001.	---	---	---	---			Training on accreditation of Certification Bodies
2.1	Identify foreign Certification Bodies accredited in their countries								
2.2	Prepare a list of the Certification Bodies recognized by JISM and distribute it to all Customs' Centers and Chambers of Commerce.								
3	Raw materials for industry is not checked except for food industry	Instructions on permitting of raw materials to be entered without checks is approved by JISM's Board of Directors by end of year 2000	---	---					
3.1	Identify raw materials to be checked in a list								

No.	Goals and Activities	Indicators	Implementation period						
			Year 2000-2002 in 6 months period						
			1	2	1	2	1	2	
3.2	Distribute the list to all Customs' Centers								
4	Sampling is in compliance with international guides	Procedures and work instructions are implemented by mid of year 2002	---	---	---	---	---		- Training on sampling procedures - Providing sampling tools and techniques - A short term expert
4.1	Issue procedures and work instructions on sampling								
4.2	Train employees on sampling procedures								
5	Overlapping in checks on borders is eliminated	Time for checks is decreased by another 10% by the end of year 2001 (basis end of 2000)	---	---	---	---			
5.1	Define responsibilities of each inspection body								
5.2	Increase coordination between them								
6	Needed references and documents are acquired	10 documents on inspection and sampling are acquired by end of year 2000	---	---					Funds
7	Computerization of checks on borders for retrieval of information on non-compliance	A computerized system is working effectively by end of year 2002	---	---	---	---	---	---	Equipment Software Training of personnel

ACTION PLAN FOR IMPLEMENTING SPS AGREEMENT

No	Goals and Activities	Indicators	Implementation Period Years 2000-2002 in 6 month periods					Needs
			2	1	2	1	2	
1	Adequate veterinary laboratory capacities build up							
1.1	Enhance existing veterinary laboratories in Amman, Zarka, Karak, Mafraq, Maan, Irbid and Balqa.	Main reference laboratory in Amman enhanced by 2002	---	---	---	---	---	Equipment
1.2	Establish new laboratories in Aqaba and Ramtha			---	---	---	---	Physical structures, equipment
2	Feed analysis laboratory capacity adequate							
2.1	Modernize feed laboratory in Amman	Laboratory in Amman functional by 2002	---	---	---			
2.2	Build up new facility in Aqaba and Mafraq				---	---	---	Physical structures, equipment
3	Fumigation facilities fully operational							
3.1	Modernize existing facilities in Amman, Jaber and Ramtha	Facilities operational by 2002	---	---	---			
3.2	Build up facility in Aqaba			---	---	---		
4	Modernize quarantine laboratories							
4.1	Enhance pesticide residue, pesticide analysis and toxin laboratory facilities		---	---	---	---		
4.2	Establish new quarantine stations		---	---	---	---	---	
4.3	Enhance existing quarantine posts				---	---	---	
5	Implement support measures							

No	Goals and Activities	Indicators	Implementation Period Years 2000-2002 in 6 month periods					Needs
			2	1	2	1	2	
5.1	Train staff	100 PM staff trained by 2002,	---	---	---	---	---	External Trainers
5.2	Promote privatization			---	---	---	---	External Expertise
5.3	Establish and adopt adequate standards	Standards established for feed by 2002		---	---	---	---	
5.4	Draft new SPS articles within the agricultural law	All related regulations drafted by 2001	---					
