



Trade Policy Review Body

TRADE POLICY REVIEW

REPORT BY THE SECRETARIAT

Jordan

Revision

This report, prepared for the third Trade Policy Review of Jordan, has been drawn up by the WTO Secretariat on its own responsibility. The Secretariat has, as required by the Agreement establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), sought clarification from Jordan on its trade policies and practices.

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SUMMARY

1. This is the third Trade Policy Review of Jordan. During the period under review (2016-22), Jordan undertook important changes to its trade and investment regimes, including through a tariff reform and a new investment framework (see below). Over the same period, real GDP growth averaged 1.6% despite having, in 2020, the country's first economic contraction in more than three decades largely due to the pandemic, which significantly disrupted most economic activities, notably exports and tourism.

2. Jordan has one of the world's highest levels of workers' remittances and public grants (around 11% of GDP). Jordan's key structural challenge is to reduce its high unemployment rate, particularly among young female workers. In this regard, the National Strategy for Women 2020-2025 is being implemented. Other structural challenges that have constrained Jordan's sustainable development include stagnant productivity growth, labour market imbalances, and reliance on a few industries. Moreover, regional instability has cut off important trade corridors, leading to a significant drop in exports and a sharp increase in energy costs from imported fuels. The economy is also particularly vulnerable to the risks posed by climate change. To deal with this, Jordan's first Climate Change National Adaptation Plan was launched in 2021.

3. During the pandemic, fiscal and monetary policy measures were introduced to support the economy. According to the IMF, Jordan's peg to the US dollar, backed by adequate international reserves, has served as an effective anchor for macroeconomic stability. Annual inflation averaged 1.9% between 2016 and 2022, although it increased to 4.2% in 2022 due to rising fuel and food prices. Jordan has broadened the tax base and reduced tax evasion. This, together with measures to contain non-priority expenditures, created space for social and capital spending during the pandemic. Nonetheless, Jordan had persistent fiscal deficits during the review period. In the IMF's view, the authorities are making progress towards critical fiscal structural reforms, such as including through a major customs reform over 2022-2028.

4. In October 2020, the Government's Economic Priorities Program 2021-2023 (EPP) was introduced, with three main objectives: enabling the private sector to create jobs for Jordanians; stimulating local and foreign investments; and increasing national exports of goods and services. The EPP is based on three pillars: improving the business and investment environment; enhancing competition and increasing employment; and supporting priority sectors (tourism, IT, agriculture, and industry).

5. In June 2022, Jordan's Economic Modernization Vision 2033 was announced, aiming to enhance, over a 10-year period, growth, and quality of life by creating one million new jobs; improving Jordan's ranking on global competitiveness, environment, prosperity, and sustainability indexes; and expanding into high value-added service and industrial sectors.

6. Traditionally, Jordan has run current account deficits reflecting a long-standing structural savings-investment imbalance financed by overseas borrowing. This deficit averaged 7.4% of GDP between 2016 and 2022, fuelled by a large foreign trade deficit arising from imports of intermediate goods and high dependence on energy products. The capital and financial account, which traditionally finances the current account deficit, was also impacted by lower tourism and remittance receipts during the pandemic.

7. Because of Jordan's limited agricultural land and lack of oil resources, international trade plays an important role in its economy. Jordan's main goods exports are potash and potash-related products like fertilizers. During 2016-22, the chemical products industry increased their share in total merchandise exports. Jordan's largest single export destination is the United States, due mainly to exports of clothing (a quarter of total merchandise exports). The largest single import category continues to be fuels, although its share decreased over the review period. About half of total merchandise imports come from Europe and the Middle East combined.

8. Annual FDI inflows declined from around USD 1,800 million in 2016-17 to USD 768 million over 2018-21, recovering somewhat to USD 1,139 million in 2022. To promote larger FDI and reduce red tape/cost of doing business, the new Ministry of Investment (MOIN) was created in 2021 to replace the Jordan Investment Commission. Also, the new Investment Environment Law No. 21

of 2022 entered into force. Nonetheless, foreign investment is still prohibited in certain sectors, and some (e.g. air transport and other services) have equity restrictions of less than 50%.

9. Jordan participates actively in the WTO, having submitted several notifications during the review period. As of June 2023, Jordan had 20 outstanding notifications, notably in agriculture (its latest notification refers to 2014) and has not yet submitted any notification under the GATS. Jordan has never participated in dispute settlement proceedings at the WTO. Jordan is a signatory to the ITA and an observer to the GPA.

10. Jordan has 7 regional trade agreements (RTAs) in force with 52 economies. During the review period, Jordan signed a new RTA with the United Kingdom and terminated its FTA with Türkiye.

11. In January 2022, the Cabinet approved a major customs reform over the period 2022-28. According to the IMF, the reform is expected to reduce tax evasion and corruption, but also to lower customs revenue by 0.3% of GDP in the near term due to a lower average tariff. The simple average applied MFN tariff decreased from 10.2% in 2015 to 4% in 2023. The average rate for WTO-defined agricultural products in 2022 was 8.8% (down from 16.8% in 2015), and 3.3% for non-agricultural goods (WTO definition) (against 9.1% in 2015). All tariff lines are bound, with a simple average bound tariff rate of 16.3% overall; 24.1% for agricultural products (WTO definition); and 15.2% for non-agricultural products (WTO definition).

12. Jordan ratified the TFA in 2017 and amended its Customs Law in 2018 according to the TFA provisions. Almost all TFA provisions have been implemented. As provided for in the Amendments, Jordan abolished the consularization requirements for import invoices; the Amendments also allow for pre-arrival processing for customs procedures. Jordan began implementing the single window for customs procedures and advance ruling on classification and origin.

13. During the review period, Jordan reformed its tax and incentive system, with the aim of reducing the tax burden and stimulating the economy; the income tax incentives related to merchandise export performance were terminated on 31 December 2018. Taxes on international trade collected at the border from imports accounted for around 25% of total tax revenues each year on average. With these changes, tax incentives are now offered not only to firms operating in free zones and development zones, but also to firms across Jordan. Non-tax incentives (e.g. discounts on public land rent, energy, and water) are available for firms employing at least 50% of women in their work force.

14. The Jordan Petroleum Refinery Co. Ltd (JPRCL) and the Jordan Phosphate Mines Co. Ltd (JPMC) are state trading enterprises. The JPRCL has exclusive rights to import crude oil and hydrocarbon products for local use, while the JPMC has exclusive rights to import, store, and sell explosive materials used for mining and quarrying purposes. The JPMC also has exclusive mining rights over phosphates for four mines in Jordan. In addition, exports of raw hides and manufactured leather are restricted to the Jordan Tanning Company; Portland cement to the Jordan Cement Factories Company; and mineral extracts (e.g. stone, sand, gypsum, and clay derivatives) to the Natural Resources Authority.

15. Jordan modernized its government procurement framework with the entry into force of Government Procurement Regulation No. 8 of 2022. It established a unified public procurement system, and enhanced transparency and accountability of the procurement regime. Rules set out in the Regulation are applicable to all government entities, as well as public institutions including SOEs.

16. Jordan has recently improved its patent protection regime to align its international obligations and to encourage invention. Patents are protected for 20 years and industrial designs for 15 years. There are no specific provisions on utility models. Trademarks, including well-known marks, are protected for renewable periods of 10 years. Geographic indications are protected under the principle of collective marks. Most patent and trademark registrations are filed by applicants outside Jordan.

17. Agriculture and related activities contributed 5.3% to Jordan's GDP in 2022. The National Agricultural Development Strategy 2020-2025 aims at increasing agricultural GDP by around 40% over the period. The sector faces many constraints relating to the small size of farms, the dry climate, and the lack of irrigation water. The goals of the National Water Strategy 2023-2040 are to provide irrigation water and reduce the use of freshwater as irrigation water. Import licences are required

for a number of agricultural goods and foodstuffs. Some goods, particularly food from cereals, are subject to price controls and are subsidized by the Government, which also applies measures to support domestic producers of wheat and barley.

18. Mining and quarrying accounted for 3.1% of Jordan's GDP in 2022. During the review period, there was a large increase in total revenues of both extractive industries (notably phosphate and potash) and manufacturing mining industries (e.g. cement), and in the share of mining exports to total exports. This has been partly the result of the Government's exploration programmes for mineral ores, focusing on the added value of national strategic minerals. A new natural resource law was enacted in 2018 to regulate mining activities, aiming at natural resources development and their sustainable exploitation.

19. Jordan imports 84% of its total energy needs, mostly crude oil and gas. The Master Strategy for the Energy Sector 2020-2030 calls for a sustainable future energy supply, diversification of the national energy mix, increased dependency on the share of domestic energy resources, enhanced energy security, and reduced energy dependence and cost of electricity supply. The State is extensively involved in the electricity sector through full or partial ownership of several generating plants, and full ownership of the National Electric Power Company (NEPCO), which owns and operates the transmission network. A new electricity tariff system was implemented, reducing cross-subsidization. It is designed to be revenue neutral for NEPCO, and to reduce electricity tariffs for key business sectors and reform the household tariff system in a progressive manner.

20. The services sector remains the main contributor to GDP, with a share of about two thirds. In the IMF's view, the banking subsector has remained healthy despite the pandemic. The Central Bank of Jordan (CBJ) has strengthened its prudential supervision of the financial sector. In June 2021, the supervisory responsibilities of the insurance sector were transferred to the CBJ. The telecom and transport sectors' shares of GDP in 2022 were 3.5% and 5.3%, respectively. As Jordan is home to many religious and cultural sites, tourism contributes 12.2% to GDP and employs about 3.0% of the total workforce. Under its Tourism Strategy 2021-2025, Jordan aims to lessen the impact of the pandemic and double the number of tourists and revenues by 2025.

1 ECONOMIC ENVIRONMENT

1.1 Main features of the economy

1.1. Jordan is a lower middle-income country, with a population of about 11 million and a GDP per capita estimated at USD 4,666 for 2022 (USD 4,181 in 2016).¹ Youth (12-30 years) represents 36% of the total population, more than half of which is unemployed, with a higher percentage among young female workers.² Some 15.7% of Jordanians live below the poverty line.³ Jordan has approximately 1.3 million Syrian refugees (representing almost 13% of the total population).⁴ Jordan ranked 102nd of 191 countries on the basis of the latest UNDP Human Development Index.⁵

1.2. Jordan has one of the world's highest levels of workers' remittances and public grants: together they amount to 11.2% of GDP in 2022.⁶ The economy also benefits from a well-developed infrastructure and a strategic geographic location. According to the OECD, Jordan's key structural challenge is to reduce its high unemployment rate, particularly among youth.⁷ In addition, Jordan also faces other structural challenges that have constrained its sustainable development, notably stagnant productivity growth, labour market imbalances, and reliance on a few industries. Moreover, regional instability has cut off important trade corridors, leading to a significant drop in exports and a sharp increase in energy costs from imported fuels.⁸

1.3. The structure of the economy has not changed significantly over the past few years. The services sector continues to be the main contributor to GDP, led by finance, insurance, real estate, and business services (Chart 1.1). Next comes manufacturing, agriculture and related activities, construction, and mining and quarrying. Jordan's main natural resources are copper, industrial minerals, oil shale, potash, phosphate, and uranium. It has limited agricultural land⁹, and almost no oil resources.

¹ IMF, *GDP Per Capita, Current Prices*. Viewed at: <https://www.imf.org/external/datamapper/NGDPDPC@WEO/FRA/GBR/DEU/JOR>.

² Ministry of Planning and International Cooperation (2021), *Government's Economic Priorities Program 2021-2023*, p. 2. Viewed at: https://mop.gov.jo/EBV4.0/Root_Storage/EN/EB_HomePage/final_english_13-9.pdf.

³ This figure is based, according to the authorities, on the 2017-18 Household Income and Expenditure Survey (HIES). World Bank (2023), *Poverty and Equity Brief: Jordan*. Viewed at: https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_JOR.pdf.

⁴ According to a World Bank profile, "Jordan continues to play a role as an anchor for regional stability and for the global public goods it provides by hosting refugees and promoting cross-border regional cooperation and trade". World Bank, *The World Bank in Jordan: Overview*. Viewed at: <https://www.worldbank.org/en/country/jordan/overview>.

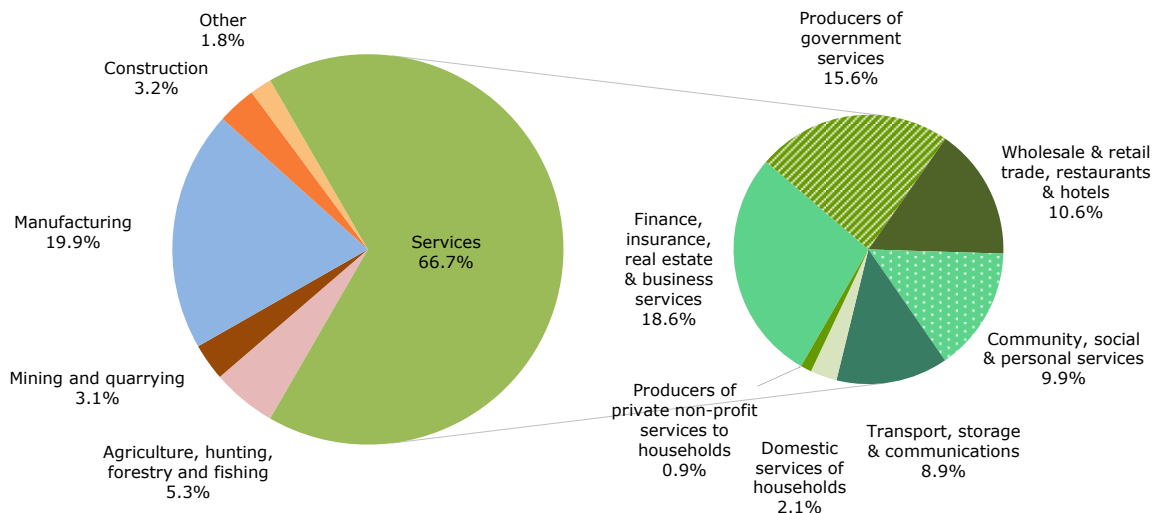
⁵ According to a UNDP profile, "[b]etween 1990 and 2021, Jordan's life expectancy at birth changed by 4.4 years, mean years of schooling changed by 5.4 years and expected years of schooling changed by -0.6 years. Jordan's GNI per capita changed by about 31.1 percent between 1990 and 2021". UNDP, *Human Development Index: Jordan*. Viewed at: <https://hdr.undp.org/data-center/specific-country-data#/countries/JOR>.

⁶ Data provided by the authorities.

⁷ OECD (2022), *FDI Qualities Review of Jordan: Strengthening Sustainable Investment*, p. 11. Viewed at: https://www.oecd-ilibrary.org/finance-and-investment/fdi-qualities-review-of-jordan_736c77d2-en.

⁸ OECD (2022), *FDI Qualities Review of Jordan: Strengthening Sustainable Investment*, p. 11.

⁹ Jordan's total land area is 89,342 km², of which 12% is agricultural land, 2.7% is arable land, 9.9% is rain-fed, and 1.1% are forests. About 75% of Jordan has a desert climate and receives less than 200 mm of rain annually. Trading Economics, *Jordan Agricultural Land (% of land area)*. Viewed at: <https://tradingeconomics.com/jordan/agricultural-land-percent-of-land-area-wb-data.html>. According to the authorities, Jordan has 89,000 million square meters of land for rain-fed agriculture; 2.47 billion square meters for residential use; and 1.049 billion square meters of forest land.

Chart 1.1 GDP by economic activity (at basic current prices), 2022

Source: Department of Statistics.

1.4. Climate change poses sustainability risks to Jordan since it is one of the world's most water-scarce country, with climate change significantly reducing its water supply in recent years.¹⁰ At the same time, climate change is pressuring supply, with scarcer precipitation limiting the replenishment of aquifers, and demand, with rising temperatures accelerating evaporation and increasing water needs in agriculture.¹¹ With the aim of addressing the impacts of climate change, Jordan ratified the Paris Agreement in November 2016, enhancing its commitment by raising its conditional greenhouse gas emissions reduction target from 14% to 31% by 2030.¹² Moreover, Jordan's first Climate Change National Adaptation Plan was launched in 2021, while the National Water Strategy 2016-26 aims at solving Jordan's water shortage.¹³

1.2 Recent economic developments

1.5. At the time of the previous Review, Jordan's real GDP growth had averaged over 3.5% annually between 2008 and 2015 despite facing adversity and a drain on its resources arising from regional crises, an influx of refugees from Syria and Iraq, the global financial crisis, disruption of the natural gas supply from Egypt, and strikes in potash and phosphate producing plants. In May 2015, Jordan launched its Vision 2025, a 10-year economic programme aimed revitalizing the economy by targeting poverty, unemployment, and the fiscal deficit, and boosting GDP growth. The strategy focuses on improving infrastructure, enhancing education and health services, and strengthening the role of the private sector and civil society institutions to achieve its objectives.¹⁴

1.6. Jordan's real GDP growth averaged 2.1% during 2016-19 and decreased by 1.6% in 2020 (its first economic contraction in more than three decades), mostly due to the COVID-19 pandemic.¹⁵ All economic sectors shrank with the exception of agriculture, mining and quarrying, finance and insurance services, real estate, and government services. In 2020, the external sector was one of the most affected, with a 75.7% decline in travel receipts and a reduction in total exports of 4.5%.¹⁶

¹⁰ Since the 1980s, annual temperatures increased by 1.4°C and annual precipitation declined about 13%. The level of per capita renewable water resources in Jordan is currently at 96 cubic meters per year, well below the internationally recognized water scarcity level of 500 cubic meters per capita per year. IMF (2022), *Jordan: Staff Report for the 2022 Article IV Consultation*, IMF Country Report No. 22/221, p. 79.

¹¹ IMF Country Report No. 22/221, p. 79.

¹² UNDP, *Climate Promise: Jordan*. Viewed at: <https://climatepromise.undp.org/what-we-do/where-we-work/jordan>.

¹³ Ministry of Environment, *The National Climate Change Adaptation Plan of Jordan 2021*. Viewed at: http://www.moenv.gov.jo/ebv4.0/root_storage/ar/eb_list_page/final_draft_nap-2021.pdf.

¹⁴ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

¹⁵ Central Bank of Jordan (CBJ) (2021), *Annual Report 2020*. Viewed at: <https://www.cbj.gov.jo/EchoBusV3.0/SystemAssets/3aa1e873-1f1a-4979-8583-ef68fd6249a5.pdf>.

¹⁶ CBJ (2021), *Annual Report 2020*. Viewed at: <https://www.cbj.gov.jo/EchoBusV3.0/SystemAssets/3aa1e873-1f1a-4979-8583-ef68fd6249a5.pdf>.

Moreover, the unemployment rate peaked at 25% in Q1 2021.¹⁷ The Central Bank of Jordan (CBJ) took a series of proactive measures with a total value of JOD 2.5 billion (8.0% of GDP).¹⁸

1.7. In 2021, real GDP growth rate was 2.2%, driven by supportive fiscal and monetary policies. Indeed, the CBJ raised its aid to JOD 2.7 billion (8.6% of GDP).¹⁹ In addition, the gradual reopening of all economic sectors resulted in an increase of 95.8% in travel receipts, 17.8% in total exports, and 1.0% in remittances.²⁰ In 2022, the Jordanian economy is estimated to have grown by 2.5% (Table 1.1), led by an expansion of almost all economic activities. For 2023, the IMF estimates GDP growth at 2.7%.²¹ Also according to the IMF, unlocking Jordan's growth potential will require promoting high-return investments, strengthening export competitiveness, and enhancing productivity.²²

Table 1.1 Selected economic indicators, 2016-22

	2016	2017	2018	2019	2020	2021	2022
GDP, unemployment, and inflation							
Nominal GDP (at market prices, JOD million)	28,324	29,542	30,793	31,946	31,369	32,478	33,691
Nominal GDP (at market prices, USD million)	39,893	41,608	43,371	44,994	44,182	45,744	47,451
GDP growth rate (%)	2.0	2.5	1.9	1.9	-1.6	2.2	2.5
GDP per capita (at market prices, USD)	4,071	4,139	4,207	4,263	4,089	4,137	4,199
Unemployment (%)	15.3	18.3	18.6	19.1	23.2	24.1	22.8
Inflation (CPI, % change)	-0.8	3.3	4.5	0.8	0.3	1.3	4.2
GDP by type of expenditure at current prices (% of GDP)							
Government final consumption expenditure	17.3	16.9	16.7	16.4	..	..	..
Private final consumption expenditure	79.3	79.0	76.6	74.7	..	..	..
Gross fixed capital formation ^a	23.4	24.7	24.4	21.4	..	..	..
Exports of goods and services	34.4	34.7	35.1	36.7	..	..	..
Imports of goods and services	54.3	55.4	52.8	49.2	..	..	..
Public finance (% of GDP)							
Public revenues	25.0	25.1	25.5	13.9	22.4	25.0	26.5
Domestic revenues	22.0	22.7	22.6	21.8	19.9	22.6	24.1
Tax revenues	15.0	14.7	14.7	14.7	15.8	17.3	..
Other revenues	6.9	8.0	7.8	7.1	4.1	5.2	..
Foreign grants	3.0	2.4	2.9	2.5	2.5	2.5	2.4
Total expenditures	28.1	27.7	27.8	27.6	29.4	30.4	31.1
Overall deficit/surplus including grants	-3.1	-2.5	-2.4	-3.3	-7.0	-5.3	-4.6
Overall deficit/surplus excluding grants	-6.1	-4.9	-5.3	-5.8	-9.5	-7.8	-7.0
Government domestic debt	55.8	52.1	52.7	55.5	60.4	62.4	..
External sector							
Nominal exchange rate (JOD per USD)	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Real effective exchange rate (end of period, 2010=100)	..	..	..	116.5	108.5	..	..
% change (end of period, + = appreciation)	..	..	..	-1.5	-6.9	..	..
Current account (% of GDP)	-9.7	-10.6	-6.9	-1.7	-5.7	-8.2	-8.8
Merchandise exports (% change)	-3.6	-0.5	3.2	7.3	-4.5	17.8	32.5
Merchandise imports (% change)	-5.7	6.2	-0.8	-5.5	-10.1	25.0	26.9
Service exports (% change)	-4.0	12.5	8.2	7.0	-68.1	80.2	76.7
Service imports (% change)	2.8	1.9	0.7	1.0	-37.0	34.2	36.7
External debt (USD million)	14,506	16,714	17,025	17,378	19,857	21,841	23,818
as a share of GDP (%)	36.4	40.2	39.3	38.6	44.9	47.7	50.2
Total reserves (including gold, USD million)	15,543	15,581	14,576	15,401	16,960	19,045	18,190
In months of imports	8.1	8.2	8.0	10.0	8.7	8.0	7.9

.. Not available.

a Includes the value of the change in livestock numbers.

Source: Department of Statistics; CBJ; and IMF, International Financial Statistics.

¹⁷ Ministry of Planning and International Cooperation (2021), *Government's Economic Priorities Program 2021-2023*, p. 2. Viewed at: https://mop.gov.jo/EBV4.0/Root_Storage/EN/EB_HomePage/final_english_13-9.pdf.

¹⁸ CBJ (2021), *Annual Report 2020*. Viewed at: <https://www.cbj.gov.jo/EchoBusV3.0/SystemAssets/07616a0e-b918-4e42-8ffa-3317fbac78bb.pdf>.

¹⁹ The CBJ also allowed banks to defer loan instalments for the affected sectors until the end of 2021. CBJ (2022), *Annual Report 2021*. Viewed at: <https://www.cbj.gov.jo/EchoBusV3.0/SystemAssets/07616a0e-b918-4e42-8ffa-3317fbac78bb.pdf>.

²⁰ CBJ (2022), *Annual Report 2021*.

²¹ IMF (2023), *World Economic Outlook Database*, April.

²² IMF Country Report No. 22/221, p. 14.

1.8. The unemployment rate remains high at 22.8% (Table 1.1), with youth unemployment still over 50%, reflecting, according to the World Bank, "the limited capacity of the private sector to generate ... jobs with the economy being dominated by small, low-productivity firms".²³ Jordan's National Strategy for Youth 2019-25 aims at "promot[ing] youth work and the development of young people in an educational, skilful and valuable way, enabling them to innovate, create, produce and participate in political life and public affairs".²⁴

1.9. In October 2020, the Government's Economic Priorities Program 2021-2023 (EPP) was launched (Section 2.2. and Table 2.2), with three main objectives: enabling the private sector to create jobs for Jordanians; stimulating local and foreign investments; and increasing national exports of goods and services. It is based on three pillars: improving the business and investment environment; enhancing competition and increasing employment; and supporting priority sectors (tourism, IT, agriculture, and industry). Capital expenditure for the EPP stands at JOD 480 million, of which JOD 280 million is financed from the general budget and JOD 200 million from foreign assistance.²⁵

1.10. In June 2022, Jordan's Economic Modernization Vision 2033 was announced, aiming to enhance, over a 10-year period, growth and quality of life by creating 1 million new jobs; improve Jordan's ranking on global competitiveness, environment, prosperity, and sustainability indexes; and expand into high value-added services and industrial sectors (Section 2.2). The authorities estimate the investment needed to realize the Vision is JOD 40 billion, 70% of which is expected to come from the private sector, and 30% from the public sector with donor support.²⁶

1.2.1 Monetary and exchange rate policies

1.11. The Jordanian dinar (JOD), the national currency, is fully convertible and has been linked to the US dollar at a fixed exchange rate (JOD = USD 1.41) since 23 October 1995. The objectives of the CBJ are to maintain monetary stability to ensure the convertibility of the JOD, and to help promote sustained economic growth.²⁷ Jordan accepted the obligations of Article VIII of the IMF Agreement on 20 February 1995. There are no restrictions on capital receipts or payments by residents or non-residents.²⁸

1.12. According to the IMF, Jordan's peg to the US dollar, backed by adequate international reserves (USD 17.3 billion in 2022), has served as an effective anchor for macroeconomic stability including through the pandemic.²⁹ Also, the CBJ has strengthened its prudential supervision of the financial sector, the banking sector has remained healthy and, in June 2021, the supervisory responsibilities of the insurance sector were transferred to the CBJ, which is to develop a risk-based solvency regime in line with international best practices (Section 4.3.1).

1.13. The inflation rate, as measured by the Consumer Price Index (CPI), averaged 1.9% between 2016 and 2022, although it increased to 4.2% in 2022 (Table 1.1). According to the IMF, the authorities have limited the impact on consumers of rising fuel and food prices resulting from geopolitical developments. Jordan's strategic wheat reserves, at 12 months, have so far avoided the need to import wheat at elevated prices. Moreover, Jordan's long-term stable-price import contracts for gas used in electricity generation have also helped to contain inflation, and the authorities

²³ World Bank (2022), "Jordan: Despite Global Headwinds, Economic Recovery Is Projected to Remain Steady in 2022", 18 July. Viewed at: <https://www.worldbank.org/en/news/press-release/2022/07/18/jordan-despite-global-headwinds-economic-recovery-is-projected-to-remain-steady-in-2022>.

²⁴ Ministry of Youth in Jordan (2019), *National Youth Strategy 2019-2025*, as cited in OECD (2021), *OECD Public Governance Reviews: Empowering Youth and Building Trust In Jordan*, p. 31. Viewed at: <https://www.oecd-ilibrary.org/docserver/8b14d38f-en.pdf?expires=1671023444&id=id&accname=ocid195767&checksum=42E5C260E9685EEFCF5A923A69F668D6>.

²⁵ Other priorities are linked to launching mega projects and public-private partnership (PPP) investments estimated at JOD 3.8 billion offered to the private sector as investment opportunities. Ministry of Planning and International Cooperation (2021), *Government's Economic Priorities Program 2021-2023*, pp. 4-5. Viewed at: https://mop.gov.jo/EBV4.0/Root/Storage/EN/EB_HomePage/final_english_13-9.pdf.

²⁶ IMF Country Report No. 22/221, p. 20.

²⁷ Article 4 of the CBJ Law (No. 23/1971). The CBJ started operations on 1 October 1964. It replaced the Jordan Currency Board established in 1950. The CBJ is an independent and autonomous body, although its capital is totally owned by the Government (CBJ). Viewed at: <http://www.cbj.gov.jo>.

²⁸ IMF Country Report No. 22/221.

²⁹ IMF Country Report No. 22/221, p. 13.

re-introduced blanket fuel subsidies in February 2022, reversing a decade-old reform, to mitigate passthrough to households.³⁰ For 2023, the IMF estimates an average inflation rate of 3.0%.³¹

1.14. As indicated above, during the pandemic the CBJ protected employment and production of small and medium enterprises (SMEs) and other businesses through two subsidized lending programmes. In March 2021, the CBJ increased its SME scheme help from JOD 500 million to JOD 700 million, raised the borrowing limits for sectors hard-hit by the pandemic, notably tourism and trade, and extended the scheme until April 2023. In March 2022, the CBJ also raised borrowing limits for firms that import basic commodities (e.g. wheat, sugar, and oil). According to the authorities, as the recovery firms up through 2023, and demand for the SME scheme declines, the CBJ will unwind the scheme.³²

1.2.2 Fiscal policy

1.15. During the review period, Jordan increased domestic revenues and grants by, *inter alia*, broadening the tax base and reducing tax evasion. This, together with measures to contain non-priority expenditures, has created space for increased social spending and a strong rebound in capital spending during the pandemic. However, Jordan has been running persistent fiscal deficits averaging 4.0% of GDP (including grants) during 2016-22 (Table 1.1). In 2022, the fiscal deficit (including grants) as share of GDP increased to 4.6% (above the 3.7% target), in light of the challenges created by temporary subsidies to smooth the passthrough of global commodity prices.³³

1.16. Government debt as a proportion of GDP increased over the last few years (Table 1.1). Nonetheless, according to the IMF, Jordan's public debt is sustainable and is expected to be reduced to 79.3% of GDP by 2027 (initially projected by 2025). The structure of its foreign and domestic debt, about half of the total each, is also considered by the IMF as favourable.³⁴

1.17. In view of the IMF, the authorities are making progress towards critical fiscal structural reforms. In January 2022, the Cabinet approved a major customs reform (Section 3.1.3). According to the IMF, the reform is expected to reduce tax evasion and corruption, but also to lower customs revenue (by 0.3% of GDP) in the near-term due to a lower average tariff. Efforts to integrate digital and administrative systems to facilitate bringing the Aqaba Special Economic Zone Authority (ASEZA) under the single tax and customs administrations are under way. Moreover, draft amendments to adopt General Sales Tax (GST) place-of-taxation rules were tabled for discussion in 2022. The GST applies to value added by a business with refunds of GST paid on inputs (Section 3.1.4.2).³⁵

1.2.3 Balance of payments

1.18. Traditionally, Jordan has run a current account deficit, averaging 7.4% of GDP between 2016 and 2022, ranging from 10.6% in 2017 to 1.7% in 2019 (Table 1.1). These deficits reflect a long-standing structural savings-investment imbalance financed by overseas borrowing. This was also the case during the review period, fuelled by a large foreign trade deficit arising from imports of intermediate goods and high dependence on energy products. The capital and financial account, which traditionally finances the current account deficit, was also hit by lower tourism and remittance receipts during the pandemic (Table 1.2). According to the IMF, Jordan's external position is broadly in line with the level implied by fundamentals and policies. Adequate levels of gross official reserves function as an important support for the exchange rate peg.³⁶

³⁰ IMF Country Report No. 22/221, p. 5.

³¹ IMF (2022), *World Economic Outlook Database*, October.

³² IMF Country Report No. 22/221, *Statement by the Executive Director of Jordan*, pp. 3-4, 29 June 2022.

³³ IMF Country Report No. 22/221, *Statement by the Executive Director of Jordan*, p. 2, 29 June 2022.

³⁴ IMF Country Report No. 22/221, pp. 7 and 46-47.

³⁵ IMF Country Report No. 22/221, pp. 9-10.

³⁶ IMF Country Report No. 22/221, p. 59.

Table 1.2 Balance of payments, 2016-22

(USD million)

	2016	2017	2018	2019	2020	2021	2022
Current account	-3,857	-4,399	-2,967	-774	-2,509	-3,743	-4,153
Goods balance	-9,601	-10,710	-10,317	-8,747	-7,396	-9,823	-11,918
Exports (FOB)	7,559	7,522	7,761	8,329	7,954	9,371	12,398
Imports (FOB)	17,161	18,232	18,078	17,076	15,351	19,194	24,316
Services (balance)	1,297	1,962	2,483	2,946	-595	353	2,297
Credit	6,044	6,798	7,353	7,864	2,505	4,514	7,975
Debit	4,747	4,836	4,870	4,918	3,099	4,160	5,678
Transport (net)	-1,299	-1,321	-1,293	-1,249	-1,424	-1,455	-1,690
Credit	1,249	1,257	1,336	1,343	488	955	1,532
Passenger	900	911	974	980	336	669	1,107
Freight	50	42	38	37	40	63	56
Debit	2,548	2,578	2,629	2,592	1,913	2,410	3,222
Passenger	109	110	106	108	27	63	97
Freight	1,735	1,844	1,828	1,727	1,552	1,941	2,459
Travel (net)	2,790	3,257	3,867	4,331	1,029	1,843	4,348
Credit	4,049	4,645	5,256	5,794	1,411	2,762	5,816
Debit	1,260	1,388	1,389	1,463	382	919	1,468
Construction (net)	47	53	31	38	19	55	45
Insurance and pension services (net)	-548	-501	-405	-465	-395	-526	-620
Financial services (net)	27	5	41	42	-7	81	77
Charges for the use of intellectual property (net)	-2	13	-2	-18	-18	-3	-19
Telecommunications, computer, and information services (net)	-21	-20	-42	-30	-24	-9	-35
Other business services (net)	191	154	112	105	127	144	72
Personal, cultural, and recreational services (net)	24	34	45	82	75	146	112
Government goods and services (net)	89	288	129	110	21	79	7
Primary income	-306	-207	-200	7	-125	-246	-506
Credit	762	869	1,039	1,272	915	757	1,075
Debit	1,068	1,076	1,239	1,265	1,039	1,003	1,582
Secondary income	4,753	4,556	5,067	5,020	5,606	5,973	5,974
Credit	5,424	5,270	5,737	5,620	6,016	6,535	6,532
Debit	671	714	670	600	409	562	557
Capital account	75	42	34	25	24	16	54
Credit	75	42	34	25	24	16	54
Debit	0	0	0	0	0	0	0
Capital transfers	75	42	34	25	24	16	54
Financial account	-3,439	-3,331	-3,966	-1,074	-2,650	-1,876	-2,785
Direct investment	-1,552	-2,026	-964	-687	-735	-607	-1,154
Portfolio investment	-1,193	-955	183	1,068	-425	233	687
Financial derivatives	0	0	0	0	0	0	0
Other investment	410	-220	-2,231	-2,027	-2,600	-3,889	-1,575
Reserve assets	-1,105	-130	-954	571	1,110	2,387	-744
Net errors and omissions	343	1,026	-1,033	-325	-165	1,851	1,314

Source: CBJ.

1.3 Trade and investment performance

1.3.1 Trade in goods

1.19. International trade plays a key role in Jordan's economy. Nonetheless, trade (exports and imports) of goods and services, as percentage of GDP, has been decreasing since 2007 when it reached 146%. In 2021, this share was 81%, up from 65% in 2020, but still below the 2019 level (85%).³⁷ According to the World Bank, the small size of Jordan's economy and limited participation in global value chains (GVCs) reduce the ability of local firms to exploit economies of scale and to export.³⁸

³⁷ Jordan's peak in terms of the share of trade to GDP was 149.0% achieved in 1990. World Bank, *Trade (% of GDP) – Jordan*. Viewed at: <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?locations=JO>.

³⁸ World Bank, *The World Bank in Jordan: Overview*. Viewed at: <https://www.worldbank.org/en/country/jordan/overview>.

1.20. In 2021, Jordan ranked 73rd among world merchandise exporters and 54th among importers (considering the member States of the European Union together and excluding intra-EU trade).³⁹

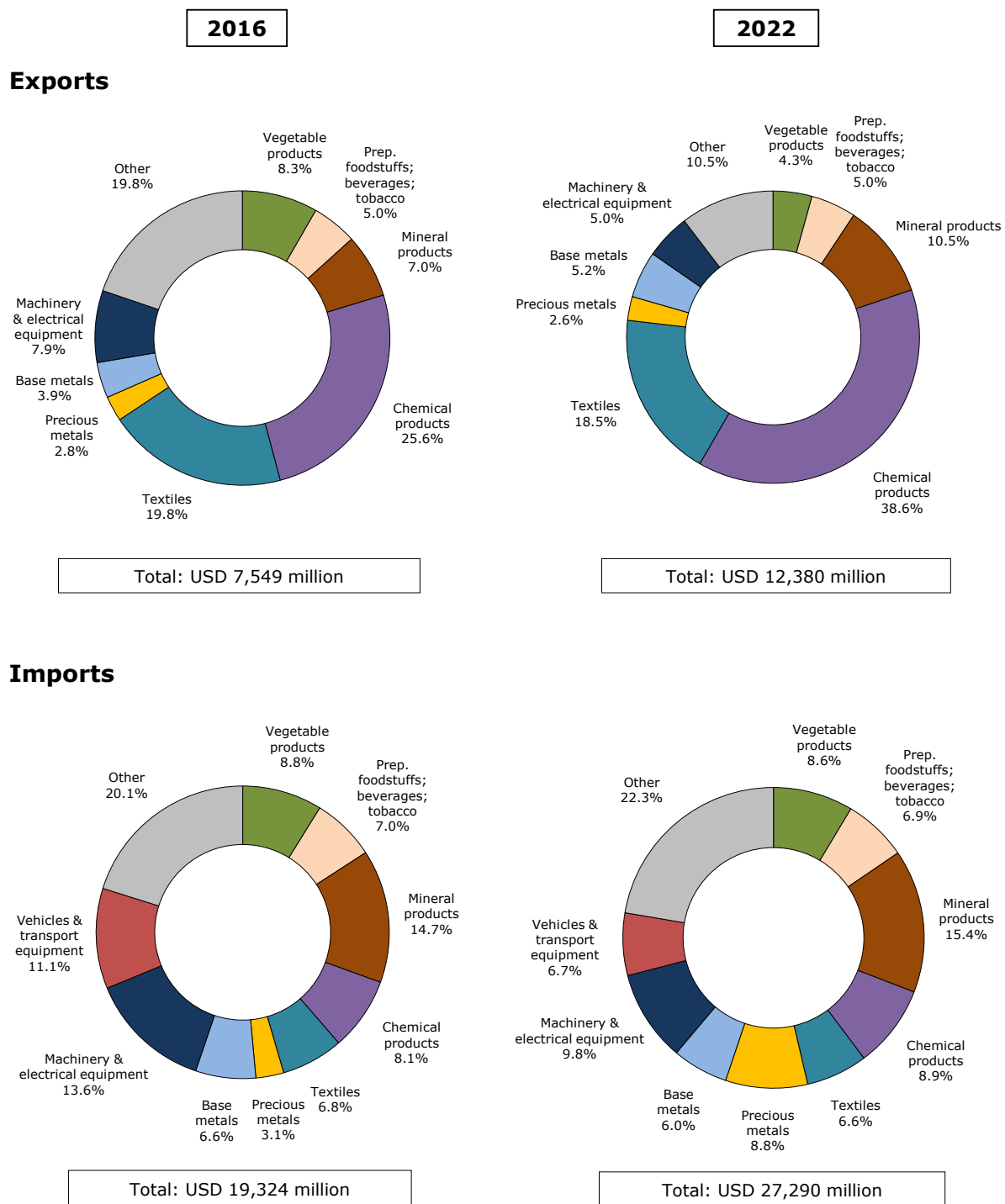
1.21. During the review period 2016-21, the share of chemical products, Jordan's most important export category, significantly increased its share in total merchandise exports (Chart 1.2 and Table A1.1). Textiles and mineral products also increased their participation, while that of machinery and electrical equipment, and vegetable products decreased. The contribution of prepared foodstuffs, beverages, and tobacco to total merchandise exports did not change.

1.22. Jordan's largest single export destination is increasingly the United States due mainly to increased exports of clothing, representing almost one quarter of Jordan's total merchandise exports in 2021 (Chart 1.3 and Table A1.3). The participation of the Middle East (e.g. the Kingdom of Saudi Arabia and the United Arab Emirates) and the EU-27 as destinations for Jordan's total merchandise exports declined over the period, while that of Asia, notably India, and Africa increased.

1.23. As in most countries, the structure of Jordan's imports is less concentrated than exports. The largest single import category continues to be mineral products, mostly fuels, although its share decreased over the review period (Chart 1.2 and Table A1.2). The participation of manufactures in total merchandise imports has fallen mainly due to a decrease in the share of machinery and transport equipment, and vehicles and transport equipment. The share of vegetable products and of prepared foodstuffs, beverages, and tobacco in total imports has remained relatively stable.

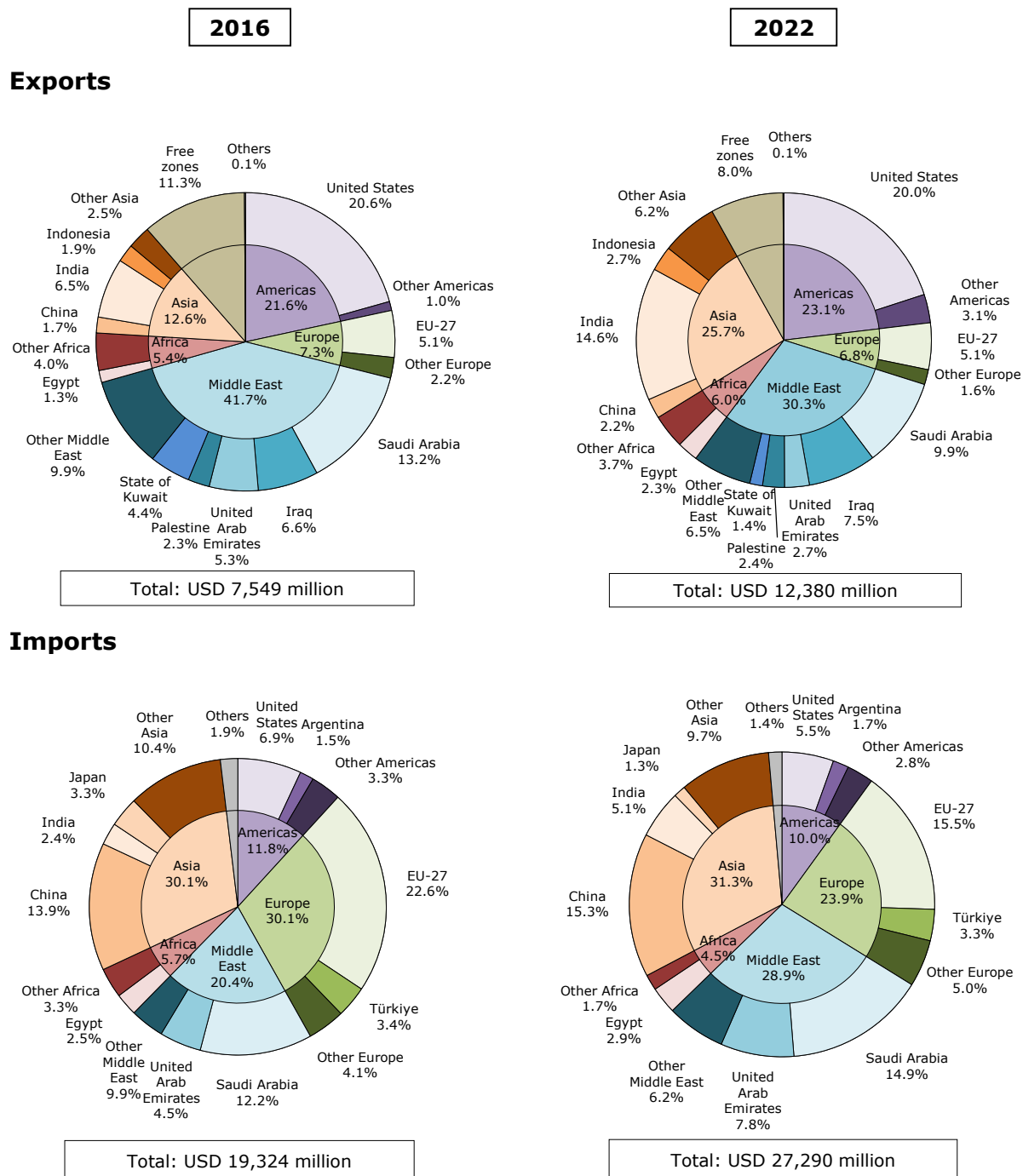
1.24. In 2021, about half of Jordan's total merchandise imports came from Europe and the Middle East combined (Chart 1.3 and Table A1.4). The shares of the EU-27 and the United States declined during the review period, while that of China and the Gulf Cooperation Council (GCC) members increased. The latter increase was mainly due to increased imports of petroleum products.

³⁹ WTO Statistics database, *Trade Profiles: Jordan*. Viewed at:
https://www.wto.org/english/res_e/statis_e/daily_update_e/trade_profiles/JO_e.pdf.

Chart 1.2 Product composition of merchandise trade, 2016 and 2022^a

^a Provisional data.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Chart 1.3 Direction of merchandise trade, 2016 and 2022^a

^a Provisional data.

Source: WTO Secretariat calculations, based on data provided by the authorities.

1.3.2 Trade in services

1.25. Balance-of-payments data indicate that Jordan is a net exporter of services (Table 1.2), an important source of foreign exchange. During 2016-21, Jordan's surplus in trade in services averaged USD 1,408 million per year. Nonetheless, the services balance became negative in 2020 as a result of the pandemic, where restrictions on international travel significantly impaired the ability to trade. Despite the pandemic, travel (tourism) remains the most important services category, contributing 61.1% of total services exports in 2021, followed by transport with 21.2%. Imports of services are led by transport, accounting for 57.9% of total services imports in 2021.

1.26. In services trade, Jordan ranked 52nd among exporters and 63rd among importers in 2021 (considering the member States of the European Union together and excluding intra-EU trade).⁴⁰

1.3.3 Foreign direct investment

1.27. According to the EPP, the business and investment framework under Investment Law No. 30 of 2014 and the Jordan Investment Commission somewhat inhibited FDI inflows partly because it comprised and dealt with a large number of direct and indirect regulations.⁴¹ To reduce red tape and the time/cost of doing business and to promote larger FDI inflows, the new Ministry of Investment (MOIN) was created in 2021 to replace the Jordan Investment Commission. Also, the new Investment Environment Law No. 21 of 2022 entered into force, replacing Investment Law No. 30 (Section 2.4).

1.28. Public investment in Jordan has dropped by half over the past decade, both as a percentage of GDP and as a share of total budget expenditure. Jordan attracts little FDI and private investment relative to GDP. According to the World Bank, the most important constraints faced by the private sector are high business costs, policy unpredictability and investment risks, excessive labour market segmentation, and shortcomings related to market competition. The COVID-19 pandemic has also had severe impacts on SMEs, which provide 52% of private-sector employment in Jordan. This has included a decline in demand, reduced supply, tightening credit conditions, and a fall in investment.⁴²

1.29. Annual FDI inflows declined from around USD 1,800 million in 2016-17 to USD 768 million over 2018-21, recovering somewhat to USD 1,139 million in 2022 (Table 1.3). Nonetheless, Jordan's inward stock of FDI as a percentage of GDP remained stable at around 82% during the review period despite the global economic uncertainty caused by the pandemic. According to the most recent data provided by the authorities, in 2020 25.2% of FDI stock went into financial and insurance activities, followed by manufacturing (15.9%), mining and quarrying (10.3%), construction (9.7%), and real estate (9.7%). The United Arab Emirates is the main investor in Jordan with 14.0% of FDI stock in 2020, followed by the United Kingdom (8.2%), the State of Kuwait (7.2%), the Kingdom of Bahrain (7.0%), and France (6.2%).

Table 1.3 FDI, 2016-22

(USD million)

	2016	2017	2018	2019	2020	2021	2022
FDI inflows	1,555.2	2,032.6	956.3	730.8	761.4	622.7	1,138.6
FDI inward stock	32,207.9	34,298.7	35,163.6	35,810.6	36,641.5	37,357.7	38,434.0
FDI inward stock (% of GDP)	80.6	82.3	81.0	79.5	82.8	81.6	80.9
FDI outflows	3.2	6.6	-7.6	43.4	26.4	15.9	15.8
FDI outward stock	613.4	619.9	612.3	655.7	682.1	698.0	682.2
FDI outward stock (% of GDP)	1.5	1.5	1.4	1.5	1.5	1.5	1.4

Source: UNCTAD (2022), *World Investment Report 2022*; and data provided by the authorities.

⁴⁰ WTO Statistics database, *Trade Profiles: Jordan*. Viewed at: https://www.wto.org/english/res_e/statistics_e/daily_update_e/trade_profiles/JO_e.pdf.

⁴¹ Including 44 laws, 1,000 regulations, and 800 instructions, involving over 50 public authorities. Ministry of Planning and International Cooperation (2021), *Government's Economic Priorities Program 2021-2023*, p. 9. Viewed at: https://mop.gov.jo/EBV4.0/Root_Storage/EN/EB_HomePage/final_english_13-9.pdf.

⁴² World Bank (2021), *Performance and Learning Review of the Country Partnership Framework for Hashemite Kingdom of Jordan for the Period FY17-22*. Viewed at: <https://documents1.worldbank.org/curated/en/597911622223722422/pdf/Jordan-Performance-and-Learning-Review-for-the-Country-Partnership-Framework-for-the-Period-FY17-FY22.pdf>.

2 TRADE AND INVESTMENT REGIMES

2.1 General framework

2.1. Jordan is a constitutional monarchy. Jordan's Constitution was adopted on 28 November 1947 and ratified on 1 January 1952. The Constitution establishes three separate and independent branches of government. Legislative power is vested in the National Assembly and the King.¹ The National Assembly is bicameral, with a Senate (the upper house) and a House of Representatives (the lower house).

2.2. Executive power is vested in the King, together with the Council of Ministers headed by the Prime Minister. The King appoints and dismisses the Prime Minister, the Ministers (upon the recommendation of the Prime Minister), and the members of the Senate. As the Head of State, the King has the right to propose laws, and is the ratification and promulgation authority.²

2.3. The judiciary is an independent and separate body.³ Courts comprise civil courts, religious (Shariah) courts, and special courts.⁴ Civil courts have jurisdiction over commercial disputes concerning private-sector parties, government departments or authorities, and general establishments. Religious courts, in addition to hearing cases involving marriages, divorces, wills, and legacies, also have jurisdiction in civil or criminal cases related to domestic and foreign trade. Special courts deal with issues such as customs and income tax.

2.4. During the review period, the Constitution was amended in 2016 and 2022. The aim of the 2016 Amendment was to "consolidate the separation of powers, to enhance the independence of the Constitutional Court and the judiciary".^{5,6} The 2022 Amendment added the word "women" to the title of Chapter 2 of the Constitution: "Rights and Duties of Jordanian Men and Women". Additionally, the 2022 Amendment created the National Security Council (NSC), headed by the King, overseeing all internal and external affairs of Jordan.⁷ The NSC holds wide-ranging political and security powers.

2.5. During the review period, no changes were made regarding the procedures to formulate laws. Bills, once prepared by the relevant ministry, are presented to the Council of Ministers, the House of Representatives, and the Senate. The King ratifies the bills passed by both the House of Representatives and the Senate. A law becomes effective 30 days after publication in the *Official Gazette* or as stipulated in the law.⁸

2.6. All policies (including trade policies) must be formulated and implemented by means of legal instruments. The instruments include Royal Decrees, laws, and ministerial decisions (in descending order of importance). Treaties and international agreements concluded by Jordan have legal power in national courts. In case of conflict between international and domestic laws, applicable international agreements take preference.

2.2 Trade policy formulation and objectives

2.7. The Ministry of Industry, Trade and Supply (MITS) remains responsible for devising and executing trade and industrial policies. The Foreign Trade Policy Directorate, under the MITS, deals with all matters relating to the WTO and to bilateral and regional trade agreements. The MITS is in charge of negotiating and preparing draft agreements, supervising their implementation, evaluating

¹ Constitution, Article 25.

² Constitution, Article 26.

³ Constitution, Article 97.

⁴ Judges of the civil and Shariah courts are appointed and dismissed by Royal Decree.

⁵ ConstitutionNet (2016), "Jordan's 2016 Constitutional Amendments", 27 May. The Constitutional Court was established in 2012 as part of the amendments made to the Constitution in 2011, with the aim of creating an independent judicial body with the specific task to settle disputes related to the unconstitutionality of laws and regulations in force, in addition to the power of interpreting the provisions of the Constitution. See Hashemite Kingdom of Jordan Constitutional Court. Viewed at: <https://cco.gov.jo/>.

⁶ The 2016 Amendment also strengthened the neutrality of the gendarmerie and permitted dual nationals to run for parliamentary elections and be appointed as senators and ministers.

⁷ The council comprises the Prime Minister, army chief, directors of the security forces, interior minister, and foreign minister, as well as two members directly appointed by the King.

⁸ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

their impact, and amending them. The Directorate is the focal point for the WTO, functioning as Jordan's Notification Point for all WTO Agreements, except for notifications related to agriculture, SPS, and TBT.⁹ The Directorate is responsible for ensuring that Jordan complies with all of its commitments to the WTO and its regional and bilateral agreements.

2.8. The main legislation on international trade remains the Import and Export Law No. 21 of 2001, which provides the general principles of foreign trade, and mechanism for imports, exports, and transit. During the review period, some trade-related laws or other legal instruments were issued, amended, or revised (Table 2.1).

Table 2.1 Main trade and investment-related legislation, 2023

Subject	Legislation
Customs procedures	Import and Export Law No. 21 of 2001 Customs Law No. 20 of 1998 and its amendments, including: <ul style="list-style-type: none"> • Law No. 33 of 2018 • Law No. 10 of 2019 • Prime Ministerial Resolution No. 1356 of 2021 • Advance Ruling Act of 2020
Import prohibitions, restrictions, and licensing	Import and Export Law No. 21 of 2001 Import Regulation No. 109 of 2015 Import licences for aluminium profiles of 2019 and 2020
Exports	Import and Export Law No. 21 of 2001 Export licences control list of 2018
Standards and technical requirements	Standards and Metrology Law No. 22 of 2000 and its amendments in 2015 and 2019
Sanitary and phytosanitary requirements	Food Safety Law No. 30 of 2015 Agriculture Law No. 13 of 2015
Government procurement	Government Procurement Instruction No. 28 of 2019 Government Procurement Act No. 8 of 2022 and its amendments Instructions regulating government procurement procedures of 2022
Economic Zones	Development and Free Zone Law No. 2 of 2008 Amendment Development Zone Law No. 38 of 2010 Investment Environment Law No. 21 of 2022 Aqaba Economic Zone Law No. 32 of 2000
Tax and incentives	General Sales Tax Law No. 29 of 2009 Income Tax Law No. 34 of 2014 Investment Incentives Regulation No. 33 of 2015 Decision of the Investment Council No. 1/1/2016 of 25 January 2016 Regulation No. 44 Corporate Income Tax of 2016 Income Tax Law No. 38 of 2018 Regulation No. 18 of 2020 Investment Environment Law No. 21 of 2022 Investment Environment Regulation No. 7 of 2023
Competition policy, price controls	Competition Law No. 33 of 2004 and its amendments Industry and Trade Law No. 188 of 1998 Market Monitor Instructions No. 13 of 2017 Integrity and Anti-Corruption Law No. 13 of 2016
State-owned enterprises, privatization, and state trading	Public-Private Partnership (PPP) Law No. 17 of 2020 PPP Act No. 23 of 2021 PPP Projects Account Act No. 24 of 2021 National Registry of Public Investment Projects Act No. 27 of 2021 Financial Surplus Law No. 30 of 2007 and its amendments

⁹ The Ministry of Agriculture is responsible for WTO notifications related to agriculture and SPS measures, while the Jordanian Standards and Metrology Organization (JSMO) is in charge of TBT notifications.

Subject	Legislation
Intellectual property rights protection	Trademark Law No. 15 of 2008 and its amendments Trademark Law No. 13 of 2000 Trademark Law No. 33 and its amendments Trademark Law No. 34 and its amendments Trademark Law No. 29 and its amendments Trademark Law No. 117 and its amendments Trademark Regulations No. 128 of 2009 and No. 22 of 2010 Copyright Protection Law No. 22 of 1992 and its amendments, including: <ul style="list-style-type: none"> • Law No. 23 of 2014 • Law No. 10 of 2019 amending Customs Law No. 20 of 1998 Patent Regulation Law No. 33 of 2018 (IP-related laws) and its amendments, including Regulation No. 5 of 2019 Regulation No. 97 of 2001 Patent Law No. 32 of 1999 and its amendments Patent Law No. 8 of 2016 Patent Law No. 16 of 2017 Patent Law No. 17 of 2017 Layout Designs of Integrated Circuits Protection Law No. 10 of 2000 Unfair Competition and Trade Secret Protection Law No. 15 of 2000 Plant Varieties Protection Law No. 24 of 2000
Financial services	Banking Law No. 28 of 2000 and its amendments Amended Regulations for Banks' Licensing Fees No. 85 of 2012 Anti-Money laundering and Counter Terrorist Financing Instructions No. 20 of 2021 Insurance Regulatory Law No. 12 of 2021 Temporary Credit Information Law No. 15 of 2010 Islamic Finance Sukuk Law No. 30 of 2012 Corporate Governance Code of 2008 Finance Company Act No. 107 of 2021 Security Law No. 18 of 2017 and its amendments Law No. 1 of 2017 Regulating the Dealing at Foreign Stock Exchange Law
Telecommunications	Telecommunications Law No. 21 of 2011 Telecommunications Law No. 13 of 1995 and its amendments
Transportation	Transportation Law No. 37 of 2008 and its amendments Railways Law No. 24 of 2012 Maritime Authority Law No. 38 of 2008 and its amendments Maritime Commercial Law of 1972 Land Transport Regulatory Commission Law No. 4 of 2011 Transportation of Passengers by Road Law No. 33 of 2010 Freight Transport on Roads Law No. 14 of 2012 Law No. 34 of 2012 Law No. 79 of 2014
Investment	Investment Environment Law No. 21 of 2022 Reconstruction of Public Institutions and Directorates Law No. 6 of 2022 Investment Environment Regulation No. 7 of 2023

Source: Information provided by the authorities.

2.9. Jordan's trade policy objectives include enhancing trade and economic openness through rapid integration into the global economy, boosting the competitiveness of the economy, improving trade performance, and promoting a stimulating environment for economic and investment activities.

2.10. In May 2015, Jordan released its 10-year economic blueprint, Jordan Vision 2025 Strategy, which aims to help Jordan move quickly to diversify resources, develop infrastructure, and capitalize on its strengths.¹⁰ The basic principles set out in the Strategy are "promoting the rule of law and equal opportunities, increasing participatory policy making, achieving fiscal sustainability and strengthening institutions".¹¹

2.11. In October 2020, the Government published the Economic Priorities Program for 2021-2023 (EPP), in which the authorities set out three main objectives: (i) enabling the private sector to create

¹⁰ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

¹¹ United Nations ESCWA, *Jordan 2025: A National Vision and Strategy*, p. 13.

jobs for Jordanians; (ii) stimulating local and foreign investments; and (iii) increasing national exports of goods and services.¹² The EPP selected 53 priority programmes across the following 3 pillars: improving the business and investment environment; enhancing competition and increasing employment; and supporting priority sectors (tourism, information technology, agriculture, and industry) (Table 2.2).¹³ Funds allocated to the programme stood at JOD 480 million (Section 1.2).

Table 2.2 EPP 2021-23

Pillars	Drivers/enablers
Improving the business and investment environment	Regulatory environment Develop new investment and doing business regulations Simplify and digitalize investment and doing business procedures Enhance competitiveness Reduce cost of production (mainly electricity tariffs) Restructure customs tariffs Improve access to finance Digitalization of government services Increase broadband access and connectivity, and implement necessary infrastructure to support a digitally enabled economy (e.g. e-payments, e-invoicing) Investment Attract foreign investments and stimulate local investment (mining and rare-earth minerals) Stimulate capital markets Mega infrastructure and Public-Private Partnership (PPP) projects Increase investments and growth by implementing mega infrastructure and PPP projects (e.g. cargo terminal, floating gas storage unit, thermal power projects, national railroad, regional electricity connectivity projects (Egypt, Palestine, Iraq, and Lebanon))
Enhancing competition and increasing employment	Free and fair markets Enhance fair competition (review legislation and empower entities) New social security law Amendments to Labour Law Employment and skill development Support private sector to sustain existing jobs and create new employment opportunities Extension of the Istidama Programme until October 2022 New National Employment Scheme (social security subsidies, wage subsidies and demand driven training)
Supporting priority sectors	Support to recover and unlock potential for increase growth, employment, and exports Tourism (attract 4.5 million tourists by 2023) Information technology (regional hub for digital transformation and IT services) Agriculture (productivity and export potential, increase output by 20% in comparison to 2020 levels) Industry (increase export of goods and services)

Source: MOPIC. Viewed at: https://www.mop.gov.jo/EN/Pages/new_page.

2.12. Following the EPP, the Cabinet approved a major customs reform in January 2022 that simplifies the tariff system (Section 3.1.3). According to the IMF, "the reform is expected to reduce tax evasion and corruption, but also to lower customs revenue (by 0.3 percent of GDP) in the

¹² Ministry of Planning and International Cooperation (MOPIC) (2021), *Government's Economic Priorities Program 2021-2023*. Viewed at: https://www.mop.gov.jo/EN/Pages/new_page.

¹³ The priorities have assigned their own delivery target, implementation timeline and allocated funds for implementation. The priorities will be updated every six to nine months. MOPIC (2021), *Government's Economic Priorities Program 2021-2023*, p. 5. Viewed at: https://www.mop.gov.jo/EBV4.0/Root_Storage/EN/EB_Info_Page/english_final_16-9_website.pdf.

near-term due to a lower average tariff".¹⁴ Moreover, during the review period, the framework of the General Sales Tax (GST) was amended (Section 3.1.4.2).

2.13. With regard to enhancing competitiveness, the EPP identified four priorities: (i) reducing electricity costs for specified economic sectors; (ii) restructuring customs tariffs; (iii) reducing cost of lending from the Central Bank of Jordan for licensed micro-financing institutions; and (iv) expanding Jordan's Loan Guarantee Corporation portfolio. In addition, one of the goals of the EPP is to enhance the competitiveness of national products in domestic and export markets through "upgrading" the quality of Jordanian products for local and global markets; developing infrastructure, testing capabilities, and capacities; and developing the "Made in Jordan" programme by adopting quality standards.¹⁵

2.14. According to the authorities, the customs reform also aims to establish a "unified umbrella" controlling export and imports. The goal is to reduce the time and cost for clearance of goods at borders (not to exceed three days and a 25% reduction in non-tariff indirect costs) by merging border control entities under one umbrella. The unified umbrella implemented by Customs includes the following processes: (i) electronic standardization through the single window; (ii) advance ruling and approvals; (iii) standardized risk management procedure based on international standards in all oversight bodies; and (iv) simultaneous inspection of merchandise by customs and control authorities.

2.15. In March 2020, the Government endorsed the National Strategy for Women (NSW) 2020-25 to promote the rights of women and enable them to be fully and effectively engaged in society. The Strategy consists of six pillars: (i) economic empowerment; (ii) political empowerment and participation in decision-making; (iii) human rights; (iv) combating violence against women and girls; (v) community culture; and (vi) institutional gender mainstreaming in the public and private sectors.¹⁶

2.16. In June 2022, Jordan's Economic Modernization Vision 2033 was announced by the Government, aiming to enhance, over a 10-year period, growth and quality of life by creating one million new jobs; improve Jordan's ranking on global competitiveness, environment, prosperity, and sustainability indexes; and expand into high value-added service and industrial sectors.¹⁷ The authorities estimate the investment needed to realize the Vision is JOD 40 billion (Section 1.2).

2.3 Trade agreements and arrangements

2.3.1 WTO

2.17. Jordan became a Member of the WTO on 11 April 2000, and its trade policies were reviewed in 2008 and 2015. Jordan has never participated in any dispute settlement proceedings at the WTO as a complainant, a respondent, or a third party. Regarding plurilateral agreements, Jordan is a signatory to the Information Technology Agreement (ITA)¹⁸, and an observer to the Agreement on Government Procurement (GPA). Jordan is a member of the WTO Arab Group and the Recently Acceded Members group (RAM). Jordan has submitted proposals as a small and vulnerable economy (SVE), and as a net food-importing developing country (NFIDC).

2.18. The authorities indicate that Jordan is strongly committed to the multilateral trading system and to the rules of the WTO as a mean to curb harmful protectionist measures, reduce barriers to

¹⁴ IMF (2022), *Jordan: Staff Report for the Article IV Consultation*, IMF Country Report No. 22/221, pp. 9-10.

¹⁵ Allocated funds total JOD 1.7 million for this specific goal. MOPIC (2021), *Government's Economic Priorities Program 2021-2023*, p. 98. Viewed at: https://www.mop.gov.jo/EBV4.0/Root_Storage/EN/EB_Info_Page/english_final_16-9_website.pdf.

¹⁶ The NSW, mainly developed by the Jordanian Commission for Women, includes 50 initiatives and 268 programmes and projects through 76 implementing partners at an estimated cost of JOD 216.2 million. The Jordanian National Commission for Women, *Action Plan of the National Strategy for Women in Jordan, 2023-2025* (unofficial translation), p. 10-11. Viewed at: <https://women.jo/en>.

¹⁷ IMF Country Report No. 22/221, p. 20.

¹⁸ WTO document G/IT/1/Rev.59, 25 March 2022.

global trade, and enhance market access conditions. Jordan grants at least most-favoured-nation (MFN) treatment to all of its trading partners/WTO Members.

2.19. During the review period, Jordan submitted a number of notifications to the WTO (Table A2.1), mainly in the area of agriculture, FTAs, safeguards, SPS, and TFA. As of June 2023, at least 20 outstanding notifications were identified by the WTO Central Registry of Notifications (Table 2.3). Jordan's unfulfilled notification obligations related to agriculture, IP, market access, and WTO rules.¹⁹ To date, Jordan has not submitted any notifications under the General Agreement on Trade in Services.

Table 2.3 Pending notifications, as of 30 June 2023

WTO Agreement	Requirement/content
Agreement on Agriculture	
Article 18.2	Domestic support (calendar years 2015 to 2022)
Article 10 and 18.2	Export subsidies (calendar years 2015 to 2022)
Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)	
Article 63.2	Legislation
Article 69	Contact points (subsequent changes)
Market Access	
Article 7.3	Questionnaire on import licensing (2021)
Article 7.3	Questionnaire on import licensing (2022)
Market access for goods: Quantitative restrictions	
	Notifications of quantitative restrictions in force (biennial period 2020-22)
	Notifications of quantitative restrictions in force (biennial period 2022-24)
Agreement on Subsidies and Countervailing Measures	
Art 25.1	Subsidies (full notification)
Article XVII:4(a)	Understanding on the interpretation of Article XVII – State trading enterprises (period 2020-21)

Source: WTO Central Registry of Notifications.

2.3.2 Regional and preferential agreements

2.20. As of end-June 2023, Jordan has eight regional trade agreements (RTAs) in force with 52 economies (Table 2.4). During the review period, Jordan signed a new RTA with the United Kingdom (see below) and terminated its FTA with Türkiye on 22 November 2018 (end of the implementation period was 2022).²⁰ On 1 October 2019, Jordan and Türkiye signed a new Agreement on Trade and Economic Cooperation; it entered into force on 21 September 2021.

Table 2.4 RTAs in force, 2023

Agreement	Date of entry into force	WTO document series
Pan-Arab Free Trade Area Agreement (PAFTA) ^a	1 January 1998 (end of implementation period 2005)	WT/REG223
Jordan – United States	17 December 2001 (end of implementation period 2010)	WT/REG134
European Union – Jordan	1 May 2002 (end of implementation period 2013)	WT/REG141
EFTA – Jordan	1 September 2002 (end of implementation period 2014)	WT/REG133
Jordan – Singapore	22 August 2005 (end of implementation period 2014)	WT/REG215
Agadir Agreement (Egypt, Jordan, Morocco, Tunisia) ^b	27 March 2007	WT/COMTD/N/48

¹⁹ WTO Central Registry of Notifications.

²⁰ The FTA with Türkiye entered into force on 1 March 2011, covering goods and intellectual property rights. WTO document WT/REG294/N/2, 7 October 2019.

Agreement	Date of entry into force	WTO document series
Jordan – Canada	1 October 2012 (end of implementation period 2016)	WT/REG335
United Kingdom – Jordan	1 May 2021	WT/REG453

- a Algeria, Kingdom of Bahrain, Egypt, Iraq, Jordan, the State of Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Kingdom of Saudi Arabia, Sudan, Syrian Arab Republic, Tunisia, United Arab Emirates, and Yemen.
- b The authorities indicate that the Agadir Agreement is separate from the PAFTA. It gives the same exemptions granted in the Agreement on the Development and Facilitation of Trade Exchange between the members of the League of Arab States. The purpose of the Agadir Agreement is to implement accumulation of origin with the EU member States.

Source: WTO RTA database.

2.21. On 5 November 2019, the United Kingdom and Jordan signed an Association Agreement. It entered into force on 1 May 2021 (Table 2.5). The Agreement preserved most of the links between the Parties under the 1997 Euro-Mediterranean Agreement establishing an Association between the European Union and Jordan. The Agreement provided for the elimination of customs duties between the two Parties, and the share of duty-free lines applicable to imports from the United Kingdom immediately at the entry into force of the Agreement was 97.1%, corresponding to 98.9% of total imports from the United Kingdom during the period 2018-20.²¹ According to authorities, a relaxed rules of origin scheme similar to the one in the EU-Jordan FTA is in force (Table 2.6).

Table 2.5 United Kingdom-Jordan Association Agreement

Agreement	Description
Title	Association Agreement between the United Kingdom and Jordan
Parties	United Kingdom of Great Britain and Northern Ireland and Jordan
Coverage and type	Goods, FTA; investment, government procurement, intellectual property rights
Date of signature	5 November 2019
Date of entry into force	1 May 2021
	United Kingdom-Jordan trade relations were previously governed by the Euro-Mediterranean Agreement establishing an Association between the European Communities and their member States, the "EU-Jordan Association Agreement" including associated agreements and protocols notably the Protocol Establishing a Dispute Settlement Mechanism applicable to disputes under the trade provisions of the EU-Jordan Association Agreement. The EU-Jordan Association Agreement ceased to apply to the United Kingdom as of 1 January 2021.
Factual Presentation	27 and 28 June 2022
Jordan merchandise trade with the United Kingdom (2020)	2.4% of Jordan's imports and 0.35% of its exports
WTO document series	WT/REG453

Source: WTO document WT/REG453/N/1, 4 May 2021.

²¹ WTO document WT/REG453/M/1, 26 July 2022.

Table 2.6 EU-Jordan relaxed rules of origin

	Description
Designated development zones and industrial areas and estates	Amman (Aljeeza industrial area, Alqastal industrial area, Marka industrial area, Muwaqqar industrial city, Al Tajamuar industrial city, King Abdullah II Bin Alhuussein city) Al Karak (Al Hussein Bin Abdullah II industrial city) Aqaba (Al Quwayrah industrial area) Irbid (Irbid development zone, El Hassan industrial city) Mafrq (King Hussein Bin Talal development zone (including Mafrq industrial city)) Ma'an (Ma'an development zone) Zarqa (Dulail industrial city, El-Hashmieh industrial area, El-Ressaiefeh industrial areas, El-Sukhneh industrial area, Wadi El-Eisheh industrial area)
Syrian Labour percentage	Not less than 15% of Syrian refugees. This percentage requirement will be dropped if the total number of 60,000 is reached.
Products covered	Apparel and clothing, electronic appliances, cables, furniture, cement, precious metals, cosmetics, paints, soaps, chemicals, and plastics
Participant	19 companies registered and 14 exporting their products
HS chapters	25; 27; 28; 29; 31; 32; 33; 34; 35; 37; 38; 39; 40; 41; 42; 43; 44; 51; 54; 55; 56; 57; 58; 59; 60; 61; 62; 63; 64; 65; 68; 69; 70; 71; 73; 74; 76; 78; 80; 82; 83; 84; 85; 86; 87; 90; 91; 94; 95; 96
Date of entry into force	19 July 2016
Date of expiration	31 December 2030
Competent authorities	MITs; Customs; Ministry of Labour; Ministry of Municipal Affairs; Ministry of Investment

Source: MITs, *Simplification of the Rules of Origin with the EU*. Viewed at: <https://www.moin.gov.jo/wp-content/uploads/2018/11/V9-English-Pamphlet-For-Website-Reduced.pdf>.

2.22. The EU-Jordan FTA was amended in 2016. A Decision of the EU-Jordan Association Committee to simplify rules of origin was signed on 19 July 2016 and is valid through 31 December 2030.²² Initially, the relaxed rules of origin ("Jordan Compact") applied to exports of Jordanian origin that are manufactured in 18 designated development zones and industrial areas. The relaxed rules of origin applied to a list of industrial products manufactured in the designated zones, as well as a percentage of Syrian refugees (Table 2.6). According to the authorities, the Decision was amended in December 2018 to cover all industrial areas and development zones in Jordan. Nineteen companies were registered to benefit from the relaxed rules of origin, and 14 of them exported their products to the European Union for EUR 241.5 million in 2022 (EUR 91.0 million in 2020).

2.23. Jordan also has an FTA with Israel in force and continues negotiating an FTA with Mexico.

2.24. Jordan also has a tripartite agreement with Israel and the United States, which established Qualifying Industrial Zones (QIZs) (Section 3.2.4). Products manufactured in the QIZs can be exported to the United States duty-free and quota-free. QIZs exported USD 1.8 billion in 2021, an increase of 12.0% compared with 2020.²³

2.3.3 Preferential trade arrangements

2.25. During the review period, Jordan received trade preferences under the Generalized System of Preferences (GSP)²⁴ scheme of Australia, Belarus, Japan, Kazakhstan, New Zealand, the Russian Federation, Türkiye, and the United States.²⁵

²² MITs, *Simplification of the Rules of Origin with the EU*. Viewed at: <https://www.moin.gov.jo/wp-content/uploads/2018/11/V9-English-Pamphlet-For-Website-Reduced.pdf>.

²³ Data provided by the authorities.

²⁴ UNCTAD (2018), *Generalized System of Preferences, List of Beneficiaries*. Viewed at: https://unctad.org/system/files/official-document/itcdtsbmisc62rev7_en.pdf.

²⁵ The US GSP programme expired on 31 December 2020. New legislation has been proposed to reinstate the GSP, but to date (June 2023) it has not been approved. For details, see WTO document WT/TPR/S/434, 9 November 2022.

2.26. Jordan does not participate in the Global System of Trade Preferences (GSTP).²⁶

2.4 Investment regime

2.27. Since its previous Review, Jordan has made significant changes to its legislative and institutional frameworks for investment. On 14 January 2023, Investment Environment Law No. 21 of 2022 entered into force²⁷, replacing Investment Law No. 30 of 2014.²⁸ The new Investment Environment Law aims at creating a more investment-friendly environment. It provides equal treatment to both local and foreign investors and guarantees free money transfers overseas.²⁹ On 12 February 2023, Investment Environment Regulation No. 7 of 2023 was enacted.

2.28. Investment Environment Law No. 21 of 2022 promotes automating procedures and services; determines the powers of the new Ministry of Investment (MOIN) and its Investment Council (see below); creates an Incentives and Exemptions Committee (see below); regulates free zones (Section 3.2.4); and defines economic activities as "[a]ny industrial, commercial, agricultural, service, tourism, information technology or creative industry activity, and shall not include banking, money exchange or regulated professional activities as per special legislations".³⁰ As well as targeting investment in strategic and entrepreneurial enterprises, R&D, and innovation, the new Law aims to establish a better environment for small and medium-sized enterprises (SMEs), while protecting the environment and encourage transition to a green economy.³¹

2.29. A new MOIN was created in 2021 under the Reconstruction of Public Institutions and Directorates Law No. 6 of 2022. The MOIN replaced the Jordan Investment Commission as the entity responsible for promoting and facilitating investments in Jordan. MOIN's mission is to "stimulate and activate investments ... by keeping pace with and developing infrastructures, and promoting investment opportunities and exports to increase the effectiveness of domestic and foreign investments and ensure financial sustainability".³²

2.30. MOIN provides "Comprehensive Investment Services" or a "One-Stop window" to assist investors with all related administrative procedures including registration and licensing applications. The window allows authorized representatives of relevant government authorities to issue approvals and licences for investment projects, and also allows qualified staff from the MOIN to facilitate procedures and follow-up. All applications submitted through the Comprehensive Investment Services should be processed within 15 days from the receipt of a completed application. If the application is not processed within 15 days, the application is considered approved.³³

2.31. The Investment Council, under MOIN, oversees the management and development of Jordan's investment policy. The Prime Minister presides over the Investment Council, with the Minister of Investment as vice-chair. The Council includes representatives from both the public and private

²⁶ UNCTAD, *Global System of Trade Preferences*. Viewed at: <https://unctad.org/topic/trade-agreements/global-system-of-trade-preferences>.

²⁷ Published in the Official Gazette No. 5821 on 16 October 2022.

²⁸ "[T]he economic activities that enjoy customs or tax exemptions or financial incentives under the Investment Law No. (30) for the year 2014 and any regulations, instructions or decisions issued pursuant thereto shall continue benefiting from the said exemptions and benefits until the end of the exemption period granted thereto under the aforesaid legislations and with the same conditions stipulated therein, or for seven years from the date in which the provisions of this Law came into effect in respect of the exemptions that have no specific period." Investment Environment Law No. 21 of 2022, Article 16. Viewed at: <https://www.jiec.com/uploaded/investmentlaw2022en.pdf>.

²⁹ Investment Environment Law No. 21 of 2022, Article 3. Viewed at: <https://www.jiec.com/uploaded/investmentlaw2022en.pdf>.

³⁰ Investment Environment Law No. 21 of 2022, Article 2. Viewed at: <https://www.jiec.com/uploaded/investmentlaw2022en.pdf>.

³¹ Investment Environment Law No. 21 of 2022, Article 3. Viewed at: <https://www.jiec.com/uploaded/investmentlaw2022en.pdf>.

³² MOIN, *Vision, Mission and Objectives*. Viewed at: <https://www.moin.gov.jo/en/mission-vision-and-objectives/>.

³³ MOIN, *The Comprehensive Investment Service Directorate*. Viewed at: <https://www.moin.gov.jo/en/the-investment-window/>.

sectors.³⁴ The decisions of the Investment Council do not need endorsement or approval by the Cabinet.

2.32. Investment Environment Law No. 21 of 2022 created an Incentives and Exemptions Committee. The Council of Ministers, upon the recommendation of the Committee, may provide any incentives, benefits, or exemptions for certain economic activities, including subsidizing energy and water costs and supporting renewable energy projects; granting tax or customs exemptions or reductions in return for employing a minimum number of Jordanian labour force. Certain criteria are considered in granting such incentives, exemptions, and benefits, e.g. employing at least 350 Jordanians; employing Jordanian women as no less than 50% of the total labour force, provided that the number shall not be less than 50 Jordanian women; engaging in economic activities that target export markets with a percentage of not less than 50%; and participating in activities with local added value, at a rate of not less than 50%.³⁵

2.33. The Law also requires formulating a national investment map to identify investment opportunities in different sectors, and to link these opportunities with the geographic location.

2.34. According to the EPP, Jordan's investment framework before these legislative and institutional changes was complex and burdensome, comprising a large number of direct and indirect regulations. This framework inhibited FDI inflows during the review period (Section 1.3.3), affected business and investment activities, and impacted Jordan's competitiveness, as well as its rankings in international reports.³⁶

2.35. Foreign investors in general have the same treatment as domestic investors, with some exceptions. Certain sectors are prohibited from foreign investment, and some have equity restrictions to less than 50% (Table 2.7).

Table 2.7 FDI restrictions, 2023

Foreign investment restrictions/prohibitions	Notes
Foreign ownership is limited to less than 50% in:	
Commercial activities	
Retail and wholesale trade, including distribution	
Import and export services	"[E]xcept for what is necessary for the purposes of performing the Economic Activity and exporting the product or commodities" (Article 11(A)). According to the authorities, foreign equity limit depends on the approval of the Cabinet based on recommendation by the Minister of Investment.
Services	
Engineering services and consultancy	
Construction contracting and related services	
Brokerage	Except brokering and financial intermediary services provided by banks, and financial services companies
Commercial agents and middlemen and insurance brokers	
Food and beverages	Except in tourist restaurants, hotels, and motels

³⁴ The Council also includes the Minister of Planning and International Cooperation; Minister of Finance; Minister of Industry, Trade, and Supply; Minister of Digital Economy and Entrepreneurship; Governor of the Central Bank; Chair of the Board of Directors of the Jordan Chamber of Industry; Chair of the Board of Directors of Jordan Chamber of Commerce; four representatives of the private sector, provided that one is female; and three representatives from agriculture, tourism, and financial services. Investment Environment Law No. 21 of 2022, Article 8.

³⁵ Investment Environment Law No. 21 of 2022, Articles 12-17. Viewed at: <https://www.jiec.com/uploaded/investmentlaw2022en.pdf>.

³⁶ The framework included 44 laws, 1,000 regulations, and 800 instructions, involving over 50 public authorities. MOPIC (2021), *Government's Economic Priorities Program 2021-2023*, p. 9. Viewed at: https://mop.gov.jo/EBV4.0/Root_Storage/EN/EB_HomePage/final_english_13-9.pdf.

Foreign investment restrictions/prohibitions	Notes
Maritime shipping services and its related services (maritime inspection; supply of ships; maritime freight brokers services; shipping agents services)	
Maritime transport of passengers and cargo	Excluding transport on vessels owned by non-Jordanians
Air transport related services (inspection, cargo transport agencies, air freight brokers)	
Road transports services (specialized tourist transport services; services related to road transport; cargo transportation agencies, inspection, and freight brokers)	
Foreign investment is prohibited:	
Stone saws and quarries of construction sand, rubble, natural construction stone and aggregates used for construction purposes	
Investigation and security services	
Private protection and guarding services (including training activities)	
Clearance services	Except those related to the listed transport services
Trading in, import, and maintenance of firearms and ammunition	
Private shooting activities	
Trading in fireworks, import and services	
Bakeries of all kinds	

Note: A foreign enterprise may own a project in full and not apply the percentage restrictions under the following conditions: Jordanians shall have shares not less than 50% of the capital; the company shall be corporatized and registered outside Jordan; the company shall not be a public shareholding company; and there shall be no restriction on ownership or participation in the related legislation.

Source: Regulation No. 7 of 2023, Regulating the Investment Environment Regulation for the Year 2023. Viewed at: <https://www.moin.gov.jo/wp-content/uploads/2023/06/Investment-Environment-Regulation-No-7-for-the-year-2023-English-2.pdf>.

2.36. Until the end of the year 2022, Investment Law No. 30 of 2014 fixed the equity restrictions to a maximum of 50% or 49%.³⁷

2.37. Since the previous Review, two new sectors have been added in the prohibited category. FDI is not allowed in bakeries or private shooting activities. FDI in passenger and freight road transport, sports clubs, and real estate services is no longer prohibited. Currently, passenger and freight road transport have an equity restriction of no less than 50%.³⁸

2.38. The equity cap may be increased by the Council of Ministers. The authorities state that there are no restrictions on investment abroad by Jordan nationals.

2.39. Investors may seek contract enforcement through the judicial system, or via alternative dispute resolution such as the United Nations Commission on International Trade Law (UNCITRAL) and the International Chamber of Commerce arbitration rules.³⁹

2.40. Under the Integrity and Anti-Corruption Law No. 13 of 2016, the Office of the Ombudsman merged with the Anti-Corruption Commission creating a new entity: the Integrity and Anti-Corruption Commission.⁴⁰ The Commission receives complaints and grievances regarding decisions taken by the public administration. It also aims to ensure that private sector and civil society institutions develop good governance standards.

³⁷ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

³⁸ At the time of the previous Review, FDI in dental services; pension consultancy; and geology-related sciences, scientific and technical services related to prospecting, surveying, exploration, exploitation, and map making were prohibited.

³⁹ Investment Environment Law, Article 45.

⁴⁰ An Investment Affairs Unit was created. It is a specialized unit operating in the Commission dealing with investment issues.

2.41. Jordan has signed 58 bilateral investment treaties (BITs), of which 49 have been ratified and 2 terminated (Italy in 2015 and India in 2020).⁴¹ Since its previous Review in 2016, Jordan has signed BITs with Japan, the Kingdom of Saudi Arabia, and Türkiye.

2.42. Jordan has double taxation avoidance agreements with 42 economies: Algeria; Azerbaijan; Kingdom of Bahrain; Belarus; Bosnia and Herzegovina; Bulgaria; Canada; Croatia; Cyprus; Czech Republic; Egypt; France; India; Indonesia; Islamic Republic of Iran; Italy; the Republic of Korea; the State of Kuwait; Lebanon; Malaysia; Malta; Morocco; Netherlands; Pakistan; Palestine; Poland; Qatar; Romania; the Kingdom of Saudi Arabia; Serbia; Singapore; Sudan; Syria; Chinese Taipei; Tajikistan; Tunisia; Türkiye; Ukraine; United Arab Emirates; United Kingdom; Uzbekistan; and Yemen.⁴²

2.43. On 19 December 2019, Jordan signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, becoming the 93rd jurisdiction to join the Convention.⁴³

⁴¹ Seven BITs are not in force: the Kingdom of Saudi Arabia, Türkiye, Iraq, Palestine, Tanzania, Democratic Republic of Congo, and China. UNCTAD Policy Hub, *International Investment Agreements*. Viewed at: <https://investmentpolicy.unctad.org/international-investment-agreements/countries/106/jordan>.

⁴² Ministry of Digital Economy and Entrepreneurship, *Double Taxation Avoidance Agreements*. Viewed at: https://istd.gov.jo/EN/ListDetails/Agreements_signed_with_the_Jordanian_government_Double_taxation_avoidance_agreements/1102/1.

⁴³ OECD (2019), "Jordan Signs Landmark Agreement to Strengthen Its Tax Treaties", 19 December. Viewed at: <https://www.oecd.org/tax/jordan-signs-landmark-agreement-to-strengthen-its-tax-treaties.htm>.

3 TRADE POLICIES AND PRACTICES BY MEASURE

3.1 Measures directly affecting imports

3.1.1 Customs procedures, valuation, and requirements

3.1. The principal legislation on Customs matters remains the Customs Law (Law No. 20 of 1998, as amended in 2012). During the review period, the Customs Law was amended twice, in 2018 and 2019, respectively. The 2018 Amendment, in particular, overhauled and modernized the Customs regime. Main features of the 2018 Amendment included introducing digitalization of Customs procedures, providing pre-arrival processing, updating the transit regime, and strengthening anti-smuggling enforcement.

3.2. The Customs Department (i.e. Jordan Customs) remains the enforcement authority at the border concerning Customs matter. The Jordan Standards and Metrology Organization (JSMO), the Jordan Food and Drug Administration (JFDA), the Ministry of Agriculture, and the Ministry of Energy and Natural Resources are also present at the border and involved in enforcing trade-related laws.

3.3. Jordan ratified the WTO Agreement on Trade Facilitation (TFA) on 22 February 2017 and has submitted to the WTO its notifications on the measures under Categories A, B, and C.¹ According to the authorities, the TFA provisions/obligations have been transposed into the 2018 Amendment (Law No. 33 of 2018). The authorities further indicate that almost all TFA provisions have been implemented.

3.4. On 29 November 2021, Jordan Customs launched the Jordan Trade Facilitation Portal, an online platform publishing all information, including Customs legislation, procedures, and paperwork, for all goods imported to, exported from, or transiting through Jordan.² A query facility on applied tariff is available on the Trade Portal for public reference.³ According to the authorities, any changes regarding to Customs legislations and procedures follow the same public-private consultation process as the one used for any policy formulation in Jordan.

3.5. Anyone, whether Jordanian and non-Jordanian, wanting to import or export goods across Jordanian borders at a commercial scale must first register with the Ministry of Industry, Trade and Supply (MITS) as a commercial trader. For a commercial trader, foreign equity must not exceed 50%. Upon registration, the trader acquires an Importer Card and/or an Exporter Card, which carries a unique number identifying the trader and facilitates Customs procedures. Commercial-scale imports not through a registered trader are possible, but subject to a penalty charged at 2.5% of the c.i.f. value of the imports. According to the authorities, natural persons are not eligible for an Importer or Exporter Card.

3.6. All imports, both commercial and non-commercial⁴, must be declared when entering Jordan. During the review period, the value thresholds for non-commercial imports including the ones through postal packages, remained unchanged at JOD 1,000. For imports below this value, Customs may apply a simplified procedure; however, Customs officers have discretion to reinstate the normal procedure depending on the classification of the declared goods.

3.7. A declaration of commercial imports must be filed electronically on the ASYCUDA World system, the single window that began its operation in March 2018. A pre-arrival declaration is encouraged to be lodged before cargo arrival.⁵ Customs declaration, in general, must include the commercial invoice⁶ and the certificate of origin. As provided by the 2018 Amendment, the requirement for

¹ WTO documents WT/PCTF/N/JOR/1, 18 September 2014; and G/TFA/N/JOR/1, 7 June 2018.

² Jordan Trade Facilitation Portal. Viewed at: <https://tradeportal.customs.gov.jo/?l=en>.

³ Jordan Trade Facilitation Portal, Customs Integrated Tariff. Viewed at: <https://services.customs.gov.jo/JCits/sections.aspx>.

⁴ Non-commercial imports include those of personal effects or of small parcels by post.

⁵ For entry from seaports, a manifest may be submitted to Customs 72 hours prior to shipment arrival; for entry at the airport, a manifest may be submitted six hours in advance.

⁶ It is not necessary for an invoice to be in Arabic, but the importer is required to provide an Arabic translation. Typically, this requirement is met by having the importer hand-write the translation on the invoice.

Consularization or legalization of invoices by the Jordanian Consular Missions or the Chambers of Commerce was abolished.⁷

3.8. Declaration must be lodged by the owners of the goods (or their representatives) or by a licensed customs broker. According to the authorities, using customs brokers is voluntary. However, no foreign firms may import goods in Jordan without appointing an agent registered with Jordan Customs; therefore, using a customs broker is necessary for temporary admission and for transit.

3.9. According to the authorities, risk profiling for imports is conducted with ASYCUDA World. Based on their risk profiles, goods may be cleared from Customs through one of three channels: the red channel for high-risk goods that need to be examined⁸; the yellow channel for medium-risk goods, requiring additional documentation, and possible further examining the goods; and the green channel, for goods deemed risk-free and which may be released immediately without document verification or inspection.

3.10. Upon payment of Customs duties and other internal taxes (Section 3.1.4), traders then apply for release of imports from Customs custody. According to the authorities, the average time of release is four days. The authorities indicate that further reforms on customs procedures are underway with an aim to reducing the average release time for goods to shorter than three days.

3.11. With regard to perishable goods, the 2018 Amendment allows the simplified procedures to be applicable – Jordan Customs may provisionally release the perishable goods under bond, pending submission of original documents including import licences. Importers may ship multiple consignments to Jordan using the same import licence until its expiration date or quantity filled.

3.12. Jordan does not operate an Authorized Economic Operators (AEOs) scheme. Instead, a "Golden List" programme has been in operation since 2005.⁹ Registered traders with low risks and strong records of compliance may apply for a status on the Golden List; traders on the list may benefit from trade facilitation privileges such as reduced Customs controls (i.e. fewer documentation checks and physical inspections), priority treatment, and choice of time and venues for Customs controls.

3.13. Transit goods, in general, are prohibited from being stored except in free zones or the Aqaba Special Economic Zone. However, under justified circumstances and upon payment of guarantees, transit goods may be authorized to store in public storage facilities for 90 days.

3.14. According to the authorities, Customs valuation is based on the WTO Agreement on Implementation of Article VII of the GATT 1994 (Customs Valuation Agreement). Transaction values are the primary basis for customs value determination. The transaction values used are c.i.f. values. Customs will perform value verification based on risk profiling. In the event of disagreement with Customs regarding the transaction value, Customs will determine the value using the methods in the order prescribed by the Customs Valuation Agreement. According to the authorities, most import declarations were accepted in accordance with the transaction value method.

3.15. Effective on 20 November 2020, Jordan Customs provides binding advance rulings with traders, upon request, on matters of classification and origin. An advance ruling is valid for one year from the date of issuance.

3.16. Jordan does not have a preshipment inspection requirement.

3.17. Appeals regarding customs matters must be lodged with Customs for reconsideration within 19 days of the decision being communicated to the trader. The decision by Customs is final in administrative terms. In the case that a trader is not satisfied with the final decision by Customs, the trader in question can seek judicial remedy from the Customs Court, and the Customs Court of

⁷ WTO document G/TFA/W/23, 25 August 2020.

⁸ The examination may include documentation verification and physical inspection in an intrusive or non-intrusive manner. An intrusive examination could also involve with sampling and laboratory testing.

⁹ Jordan Customs, *Golden List Program*. Viewed at: https://www.customs.gov.jo/en/Golden_List_Program_En.aspx.

Appeal in the second instance. During the review period, 891 contests were registered with Customs, 110 of which were taken to the Customs Court.

3.1.2 Rules of origin

3.18. Jordan maintains non-preferential and preferential rules of origin. Non-preferential rules of origin are applied for the purposes of, *inter alia*, implementation of anti-dumping and countervailing measures, quantitative restrictions, origin marking, and government procurement. Preferential rules of origin are those related provisions set out in reciprocal trade arrangements.

3.19. With regard to non-preferential rules, in cases that more than one country is involved in the production of a good, the country of origin is determined as the country where the product has undergone its "last substantial transformation", i.e. where the product underwent its last, substantial, economically justified processing or working in an undertaking equipped for that purpose and resulting in the manufacture of a new product or representing an important stage of manufacture. Substantial transformation usually has to meet one of the following:

- the change of HS tariff subheading criterion; or
- the value-add or *ad valorem* criterion.

3.20. Working or processing considered insufficient to confer origin "minimal operation" is defined in the relevant articles of individual preferential trade arrangements. In general, operations are considered "simple" when neither special skills nor machines, apparatus or tools especially produced or installed for those operations are required. Operations such as preserving operations to ensure that a product remains in good condition during transport and storage, breaking up and assembly of packages, simple mixing of products, simple assembling of parts are considered as insufficient operations.¹⁰

3.21. Jordan's preferential rules of origin vary among different reciprocal trade arrangements. However, there are general rules that are applied in most cases; exceptions for application of the "general rules" differ from trade arrangements. According to the authorities, a large proportion of Jordanian preferential rules share common features in the general provisions and in the list rules.

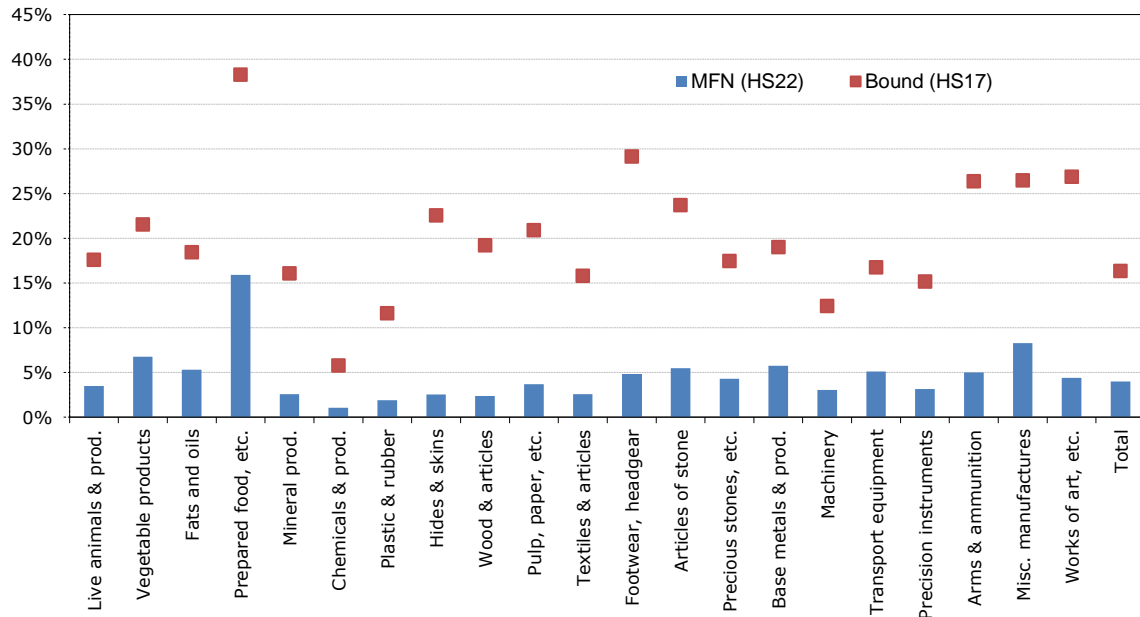
3.22. Most preferential rules of origin only allow bilateral cumulation of preference, except for the PAN-EURO-MED Convention where diagonal cumulation is feasible. Effective 1 September 2022, non-originating materials may not exceed 15% of the value of imported goods in order to maintain their preferences, compared to 10% before.

3.1.3 Tariffs

3.1.3.1 MFN bound and applied tariff

3.23. All MFN tariff lines are bound, with a simple average rate of bound tariffs at 16.3%: 24.1% for agricultural products (WTO definition), and 15.2% for non-agricultural products. There are significant differences in the simple average rates between the bound and the MFN applied tariffs, notably in the HS sections of hides and skins, mineral products, plastic and rubber, textiles, and footwear and headwear. Their simple average bound rates are six times higher than their corresponding MFN rates (Chart 3.1). The nomenclature of the bound schedule is HS17.

¹⁰ Instruction of Defining Jordanian Origin, Section 6.

Chart 3.1 Simple average applied MFN and bound tariff rates, by HS section, 2023

Note: Averages excluding AVEs.

Source: WTO Secretariat calculations, based on information provided by the authorities.

3.24. The applied tariff schedule may be amended by a decision of the Council of Ministers, upon the recommendations of the Customs Tariff Council, composed of ministers from the Ministry of Finance (as the Chairperson) and the MITS. During the review period, Jordan took steps to reform its MFN applied tariff schedule, with an aim of revitalizing the economy as well as reducing smuggling¹¹ (by lowering tariff tax burden). In 2020, some tariff lines subject to high *ad valorem* rates (180% and 200%) were converted to specific duties; in 2022, the tariff structure was significantly simplified, with almost all tariff lines (99%) falling into 4 bands of *ad valorem* rates, compared to 16 bands before.

3.25. The nomenclature of MFN applied tariff and preferential tariffs for 2023 are HS22. The 2023 MFN schedule contains a total of 6,997 lines at the 8-digit level, among which 99% of total lines with a rate not higher than 25%: 54.7% of total lines are duty-free; 35.7% are rated at 5%; 8.8% are rated at 25%. Twenty lines bear rates higher than 25% (Chart 3.2).¹²

3.26. Almost all tariff lines are at *ad valorem* rates. There are no seasonal duties or tariff quotas in operation. Thirty-six tariff lines are at non-*ad valorem* rates, most of which cover agricultural products; the number of lines with non-*ad valorem* rates in 2015 was eight. The increase in the number of lines with non-*ad valorem* rates resulted from the tariff schedule revision in 2020 when specific rates, rather than *ad valorem* rates, were assigned to 28 lines of alcoholic beverages. Based on the available trade statistics for 2022, the majority of the *ad valorem* equivalents (AVEs) of these lines are lower than 150%, compared to 180% or 200% at the *ad valorem* rates before. The exceptions were three lines of wines with a value lower than JOD 4 per litre (i.e. HS lines 220421000, 220430100, and 220870900); the AVEs for these three lines were higher than 200%.¹³

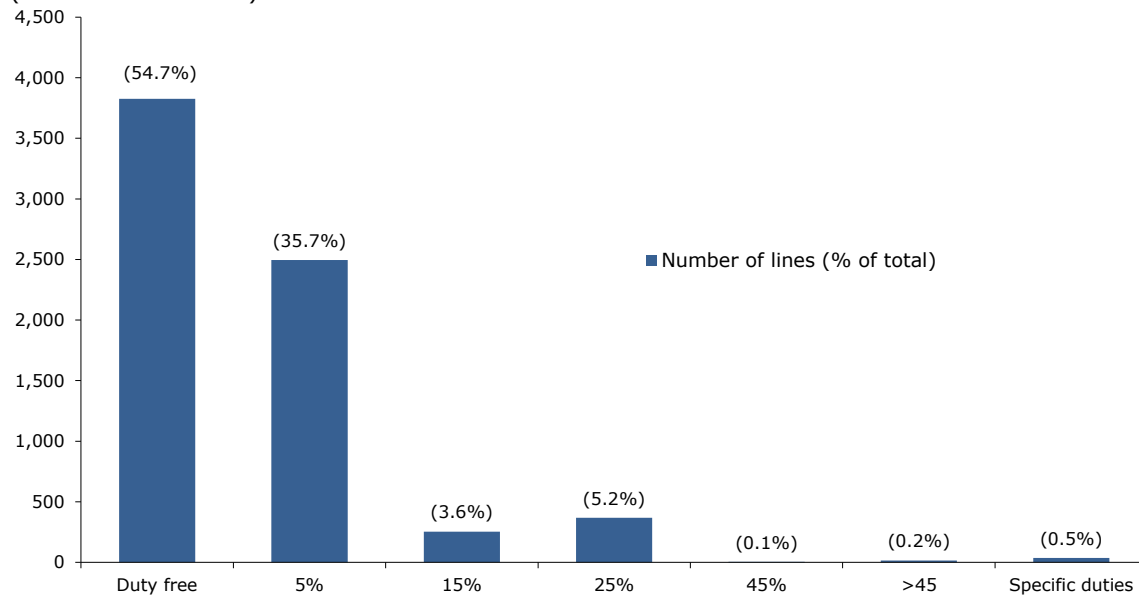
¹¹ See the Government Economic Priorities Program 2021-2023 (EPP) (Section 2.2).

¹² According to the authorities, from 1 January 2025 to 31 December 2026, the 25% rate will be reduced to 20%, and to 15% as of 1 January 2027, i.e. the MFN applied tariff will have three categories: duty-free, 5%, and 15%. See IMF (2022), *Jordan: Staff Report for the Article IV Consultation*, IMF Country Report No. 22/221, pp. 9-10.

¹³ The corresponding bound rates for these three lines are 200% at *ad valorem*.

Chart 3.2 Frequency distribution of MFN tariff rates, 2023

(Number of tariff lines)



Note: Figures in parentheses above the bars denote the share in total tariff lines.

Source: WTO Secretariat calculation, based on data provided by the authorities

3.27. During the review period, the simple average applied MFN tariff decreased significantly from 10.2% in 2015 to 4% in 2023: 8.9% for WTO-defined agricultural products (down from 16.8% in 2015)¹⁴, and 3.3% for WTO-defined non-agricultural goods (down from 9.1% in 2015) (Table 3.1). The authorities note that the big decline in the average applied tariff rates reflected Jordan's efforts in its tariff reforms, including lowering rates and simplifying the structure, as effective on 12 January 2022.

Table 3.1 Structure of the tariff schedules, 2015 and 2023

	2015 (HS12)	2023 (HS22)
Total number of tariff lines	6,676	6,997
<i>Ad valorem</i> duties (>0%)	3,169	3,137
Duty-free lines	3,499	3,824
Non- <i>ad valorem</i> duties	8	36
Non- <i>ad valorem</i> tariffs (% of all tariff lines)	0.1	0.5
Non- <i>ad valorem</i> with no AVEs (% of all tariff lines)	0.1	0.5
Lines subject to tariff quotas (% of all tariff lines)	0	0
Duty-free tariff lines (% of all tariff lines)	52.4	54.7
Dutiable lines tariff average rate (%)	21.4	8.9
Simple average tariff (%)	10.2	4.0
WTO agriculture (%)	16.8	8.8
WTO non-agriculture (incl. petroleum) (%)	9.1	3.3
Domestic tariff "peaks" (% of all tariff lines)	0.4	9.2
International tariff "peaks" (% of all tariff lines)	33.6	5.5
Overall standard deviation	15.3	9.0
Bound tariff lines (% of all tariff lines)	100	100

Note: The table is an analysis based on the tariff schedule excluding the 36 lines without *ad valorem* rates. Therefore no AVEs were taken into account.
Domestic tariff peaks are defined as those exceeding three times the overall average applied rate.
International tariff peaks are defined as those exceeding 15%.

Source: WTO Secretariat calculations, based on information provided by the authorities.

3.28. On the 2023 tariff schedule, the highest applied *ad valorem* rate at 150% is applicable to tobacco and its products, making the simple average rate across the WTO-defined agricultural lines equal to 8.8%. All 36 tariff lines with non-*ad valorem* rates cover the same group of products, such as beer, wine, and spirits. Taking into account the AVEs of these lines, the simple average rate of WTO-defined agricultural products is 13.6%. For non-agricultural goods that are subject to

¹⁴ The 28 lines of alcoholic beverages with specific rates were excluded.

non-zero-rated tariffs, most products are subject to a rate of 5%, while the highest rate of 25% is applicable to, *inter alia*, building materials (e.g. marble, cement, ceramics), metal products (e.g. iron/steel bars and rods, aluminium bars and rods), household appliances (e.g. refrigerators, freezers, washing machines, water heaters), and motor vehicles (Table 3.2).

Table 3.2 Summary analysis of Jordan MFN tariff, 2023

	No. of lines	Average (%)	Applied MFN Range (%)	Coefficient of variation (CoV)	Bound range (%)
Total	6,997	4.0	0 – 150	2.3	0 – 200
HS 01-24	1,149	7.9	0 – 150	2.3	0 – 200
HS 25-97	5,848	3.3	0 – 25	1.7	0 – 36.4
By WTO category					
WTO agriculture	950	8.8	0 – 150	2.3	0 – 200
– Animals and products thereof	127	6.1	0 – 25	1.0	5 – 30
– Dairy products	26	3.8	0 – 25	1.8	0 – 30
– Fruit, vegetables and plants	269	10.7	0 – 25	0.9	5 – 91.8
– Coffee and tea	27	4.1	0 – 15	1.3	5 – 30
– Cereals and preparations	116	5.5	0 – 25	1.3	0 – 80
– Oil seeds, fats and oils and their Products	101	3.7	0 – 25	1.9	5 – 30
– Sugars and confectionery	20	2.5	0 – 15	1.8	5 – 30
– Beverages, spirits and tobacco	103	41.5	0 – 150	1.4	5 – 200
– Cotton	5	0.0	0	-	5 – 10
– Other agricultural products	156	2.0	0 – 5	1.2	0 – 30
WTO non-agriculture (incl. petroleum)	6,047	3.3	0 – 25	1.7	0 – 36.4
– WTO Non-agriculture (excl. petroleum)	6,033	3.3	0 – 25	1.7	0 – 36.4
– – Fish and fishery products	266	2.9	0 – 5	0.9	10 – 30
– – Minerals and metals	1,173	5.0	0 – 25	1.5	0 – 30
– – Chemicals and photographic supplies	1,163	1.1	0 – 25	2.5	0 – 30
– – Wood, pulp, paper and furniture	404	4.6	0 – 25	1.7	0 – 30
– – Textiles	615	1.7	0 – 25	2.2	0 – 30
– – Clothing	211	5.6	0 – 15	0.4	5 – 20
– – Leather, rubber, footwear and travel goods	181	2.5	0 – 5	1.0	5 – 30
– – Non-electric machinery	744	2.8	0 – 25	2.1	0 – 30
– – Electric machinery	431	3.8	0 – 25	1.5	0 – 30
– – Transport equipment	304	5.1	0 – 25	1.7	0 – 30
– – Non-agriculture articles	541	3.6	0 – 25	0.7	0 – 36.4
– Petroleum	14	6.1	0 – 15	0.8	10 – 20
By HS section					
01 Live animals & prod.	403	3.5	0 – 25	1.1	0 – 30
02 Vegetable products	361	6.8	0 – 25	1.2	0 – 91.8
03 Fats & oils	63	5.3	0 – 25	1.6	5 – 30
04 Prepared food etc.	322	15.9	0 – 150	2.0	0 – 200
05 Minerals	165	2.6	0 – 25	1.9	5 – 30
06 Chemical & prod.	1,054	1.1	0 – 25	2.7	0 – 30
07 Plastics & rubber	299	1.9	0 – 5	1.3	5 – 30
08 Hides & skins	73	2.5	0 – 5	1.0	5 – 30
09 Wood & articles	212	2.4	0 – 25	1.7	5 – 30
10 Pulp, paper etc.	171	3.7	0 – 25	1.6	0 – 30
11 Textile & articles	813	2.6	0 – 15	1.4	5 – 20
12 Footwear, headgear	50	4.8	0 – 25	0.7	20 – 30
13 Articles of stone	187	5.5	0 – 25	1.2	0 – 30
14 Precious stones, etc.	64	4.3	0 – 5	0.4	5 – 30
15 Base metals & prod.	756	5.7	0 – 25	1.5	0 – 30
16 Machinery	1,186	3.0	0 – 25	1.8	0 – 30
17 Transport equipment	316	5.1	0 – 25	1.7	0 – 30
18 Precision equipment	288	3.1	0 – 5	0.8	0 – 30
19 Arms and ammunition	22	5.0	5	0.0	10 – 30
20 Miscellaneous manuf.	167	8.3	0 – 25	1.1	0 – 36.4
21 Works of art, etc.	25	4.4	0 – 5	0.4	15 – 30

Source: WTO Secretariat calculations, based on information provided by the authorities.

3.1.3.2 Preferential tariffs

3.29. Jordan offers preferential tariffs to its trading partners with which it has preferential agreements (Section 2.3.2 and Table 2.4). Duty-free market access for these trading partners covers more than 90% of Jordanian total tariff lines, compared to 54.7% on the MFN schedule. The simple average tariff rates of these preferential schedules were below 1% in 2022, except the one with the European Free Trade Association (EFTA) members. The preferential tariff rates for non-agricultural goods were almost 0% under these preferential agreements, while the simple average tariff rates for agricultural products were below 3%, except the ones with EFTA members and with Singapore (Table 3.3). Tariffs remain high mainly for beverages, spirits, and tobacco; and for animals and their products.

Table 3.3 Summary analysis of preferential tariffs, 2022

	Total lines		WTO definition			
	Average rate (%)	Duty-free (%)	Agricultural products Average rate (%)	Duty-free (%)	Non-agricultural products Average rate (%)	Duty-free (%)
MFN	4.0	54.7	8.8	40.3	3.3	56.9
Preferential agreements						
PAFTA	0.4	98.5	2.7	92.8	0.1	99.4
Agadir	0.4	98.5	2.7	92.8	0.1	99.4
Canada	0.4	99.1	2.7	93.5	0.0	100.0
United States	0.4	98.9	2.6	93.7	0.0	99.8
European Union	0.5	96.9	2.9	92.7	0.1	97.5
United Kingdom	0.5	96.9	2.9	92.7	0.1	97.5
EFTA	1.2	90.4	8.0	45.9	0.1	97.4
Singapore	0.6	97.7	3.7	85.8	0.1	99.6

Note: WTO-defined non-agricultural goods include tariff lines of petroleum.
The figures of the average rates do not include 36 lines with specific duties.
The columns of duty-free rates represent the duty-free lines' shares of the corresponding tariff schedules.

Source: WTO Secretariat calculations, based on information provided by the authorities.

3.1.4 Other taxes and charges affecting imports

3.1.4.1 Other duties and charges

3.30. Jordan Customs collects a number of services allowances on commercial imports, including (i) an import processing fee, which is levied at the rate of 0.2% of the transaction value, with a minimum of JOD 50 and maximum of JOD 500 per declaration; and (ii) a transit or re-export fee of JOD 50 per transaction.

3.31. Effective on 25 February 2021, the Customs fee for a small postal parcel valued at less than JOD 200 is simplified to be charged at 10% *ad valorem*; previously, specific rates were charged: JOD 5 for a parcel with a value less than JOD 50, and JOD 10 for a parcel with a value less than JOD 100.¹⁵

3.32. Goods owners are also subject to charges of storage, handling, insurance, and other services needed for the storing and examination of the goods while they are in Customs custody. The storage charges must not exceed 50% of the estimated value of the goods. In addition, according to the Import and Export Licence and Card Regulation No. 114 for 2004, the MITS charges JOD 10 for issuing an import licence. Importers must pay the cost of complying with specific SPS- and TBT-related measures.

3.1.4.2 Internal taxes collected at the border

3.33. Certain imported goods are subject to a General Sales Tax (GST) and a Special Sales Tax (SST). According to the authorities, these taxes are equally applied to domestically produced goods and imports. Both the GST and SST are assessed on the value of goods; for imports, they are based

¹⁵ Prime Ministerial Resolution No. 1356.

on the c.i.f. value plus Customs duties and charges. The authorities further indicate that no taxes other than the GST and the SST are payable at Jordan's external border.

3.34. During the review period, the framework of the GST was overhauled. The purpose of the GST reforms was to revitalize the economy through lowering the tax burden on business, according to the authorities. The standard GST rate remains at 16% for most goods and services liable for the tax; in February 2017, the reduced rate of 8% was abolished¹⁶, while new reduced rates of 2%, 5%, and 10% were introduced on top of the original 4% reduced rate.

3.35. As of 2020, the GST for 76 products were zero-rated, up from 58 products in 2017.¹⁷ Goods enjoying zero-rated GST include agriculture inputs and machineries (e.g. veterinary products, fertilizers, tractors), inputs and capital goods for the pharmaceutical industry, poultry and poultry parts, and fuels. Raw foods including fruits and vegetables are mostly subject to the GST at the reduced rate of 2% or 4%; processed food is subject to the reduced rate of 5%; the GST for edible meats and animal products is charged at the reduced rate of 10%. In addition, 41 goods are exempted from GST (down from 79 products in 2017). GST-exempted goods include staple foods (e.g. wheat, bread, olive oil), fresh or frozen poultry, cell phones including smartphones, tourist cars or coaches, and prepared meals. As response to the cost-of-living crisis, the GST on package materials for table eggs was lowered from 8% to 4% in 2020; effective 27 March 2022, the GST on confectioneries was reduced from 16% to 5%, and the GST on cooking oils was temporarily zero-rated from April 2022 to the end of the year.

3.36. According to the authorities, the GST Law was amended again in 2022, introducing the concept of supply in the Amendment, thus the tax liability is no longer on the sales of goods and services, but instead on their supply.

3.37. The SST, which may be considered as an excise, is levied on, *inter alia*, cars, tobacco and tobacco products, alcoholic beverages, and mobile phone and radio subscription services. Effective 8 February 2017, the SST for cigarettes was increased. Additionally, soft drinks are now subject to the SST at a 10% *ad valorem* rate.

3.38. According to the authorities, on average tax revenues contributed to around 70% of the Government's total revenues each year during the review period, while taxes on international trade that are collected at the border accounted for around 25% of total tax revenues each year on average.

3.39. Regarding taxes on international trade, the GST accounted for more than 75% of tax collected at the border each year during the review period. Customs tariffs, together with the customs service allowance, contributed about 20% on average each year to the tax revenue from international trade and 5% of total tax revenue (Table 3.4).

Table 3.4 Government revenues, by source, 2016-22

(JOD million)

	2016	2017	2018	2019	2020	2021	2022
Total tax revenues	4,254.3	4,343.6	4,535.6	4,680.8	4,958.6	5,626.9	6,047.9
Income tax	944.7	938.0	965.0	1,020.2	1,103.6	1,179.6	1,548.2
Corporate income tax	750.8	742.7	762.3	785.7	773.8	802.8	1,094.6
Individual income tax	193.9	195.3	202.8	234.5	263.9	276.8	328.2
Real estate tax	114.8	107.7	93.0	81.6	46.8	70.6	99.5
Sales tax	2,883.8	2,993.5	3,184.6	3,302.4	3,533.9	4,038.7	4,167.5
Sales tax on services	499.8	470.0	522.3	528.0	408.4	458.5	569.1
Sales tax on commercial sector	750.8	809.0	885.1	1,000.5	1,033.5	1,222.3	1,213.6
Sales tax on domestic goods	608.9	677.0	804.8	892.0	1,211.9	1,267.4	1,236.0
Sales tax on imported goods	1,024.3	1,038.0	972.3	882.0	880.1	1,090.5	1,148.7
Tariffs and customs fees	296.7	286.1	265.5	252.5	256.8	315.1	210.4
Other tax revenues	14.3	18.3	27.5	24.1	17.5	22.9	22.3
Other revenues	1,964.1	2,362.2	2,398.4	2,276.1	1,272.1	1,690.4	2,069.1
Total government revenues	6,233.6	6,717.4	6,944.9	6,965.9	6,238.1	7,324.9	8,121.9

Source: WTO Secretariat, based on various Jordan Customs Annual Reports.

¹⁶ The reduced rate of 8% remained for overnight stays in hotels (except for hotels in the Aqaba SEZ) and for construction iron and iron scraps.

¹⁷ Before 2017, 102 products enjoyed zero-rated GST.

3.1.5 Anti-dumping, countervailing, and safeguard measures

3.40. During the review period, the legislative and institutional framework on contingency measures remained largely unchanged. The main legislation is the National Production Protection Law No. 21 of 2004, together with the Regulations on Safeguard of National Production No. 55 of 2000, and the Anti-dumping and Anti-Subsidies Regulation No. 26 of 2003.

3.41. Domestic stakeholders may submit petitions for trade remedy measures to the National Production Protection Directorate of the MITS, or through the Ministry of Agriculture in the case of agricultural products.¹⁸ Investigations may be terminated, or provisional measures may be imposed; final measures are subject to approval by the Council of Ministers and can be appealed to the High Court of Justice.

3.42. During the review period, Jordan notified to the WTO that it has not taken any anti-dumping or countervailing actions.

3.43. During the review period, Jordan notified to the WTO regarding safeguard investigations on aluminium bars, rods, and profile, and on prepared/preserved potatoes and potato chips. The investigation on aluminium bars, rods, and profile began on 24 July 2016, and led to a definitive measure being imposed in the form of specific surcharges for a three-year period (15 May 2017-25 October 2019). The safeguard measure ended on 28 October 2019.¹⁹ The investigation on prepared/preserved potatoes and potato chips was initiated on 1 September 2019 and terminated on 14 May 2020. No safeguard measure was imposed.²⁰

3.44. In addition, safeguard measures against writing and printing paper, and against iron/steel bars and rods were terminated on 3 November 2015²¹ and 15 December 2015²², respectively.

3.45. It is Jordan's practice to revise the list of developing Members excluded from the imposition of a safeguard measure. At the time of drafting this report, no safeguard measures were in force.

3.1.6 Import prohibitions, restrictions, and licensing

3.46. The import control regime (i.e. prohibitions, restrictions, and licensing) is governed by the Import and Export Law No. 21 of 2001. The Import and Export Licences and Card Regulation No. 114 for 2004 and its amendments do not apply to the free zones. The Law, the Regulations, and their amendments are not applicable to free zones including the Aqaba SEZ.

3.47. Jordan's last notification of quantitative restrictions was in 2009.²³

3.1.6.1 Import prohibitions

3.48. According to the authorities, import prohibitions are imposed on products on the grounds of public safety and morals, protection of human life and the environment, and compliance with Jordan's international obligations.

3.49. Products subject to import prohibitions have remained largely unchanged since the last Review in 2016. Effective on 9 October 2015, importation of motorcycle chassis was banned on the concern of human safety (Table 3.5).

¹⁸ Petitions for trade remedy measures on agriculture products may be submitted directly to the National Production Protection Directorate as well. Jordan does not have the right to invoke the Special Agricultural Safeguard provided by the WTO Agreement on Agriculture.

¹⁹ WTO document G/SG/N/8/JOR/10/Suppl.5, 29 October 2019.

²⁰ WTO document G/SG/N/9/JOR/10, 18 May 2020.

²¹ WTO document G/SG/N/8/JOR/9/Suppl.1, G/SG/N/10/JOR/9/Suppl.1, G/SG/N/11/JOR/5/Suppl.1, 20 November 2015.

²² WTO document G/SG/N/10/JOR/8/Suppl.2, 6 January 2016.

²³ WTO document G/MA/NTM/QR/1/Add.12, 3 May 2011.

Table 3.5 Import prohibitions, 2023

Products	Rationale
Plastic waste	Environmental protection
Diesel powered saloon cars	Environmental protection
Tractors older than one year	Safety of public transport
Khat	Public health
Coral	Protect marine life from extinction
Hexavalent chromium except for paint and coating industry use	Public health, environmental protection
Fireworks (certain kinds)	Safety
Toy guns shooting bead bullets	Public health, safety
Laser pens and other laser medals	Public health, safety
Holy water (Baptism water)	Religious reasons
Additional installations on cars, including calling devices and flashers	Security protection, safety
Photo blocker spray	Safety and security
Alarm systems and high-light devices for cars, except when imported for the Ministry of Health, Armed forces, General Intelligence Department of Jordan, Public Security Directorate, the Jordanian Civil Defence, and Jordan Customs, and ambulances for private hospitals	Safety and security
Danger alarms, bells, gongs and the like, flash-lamp	Safety and security
Doll that resembles the living organism, consisting of human genes and animals	Safety
Arcs and cross-bows	Safety and security
Candy in the form of underwear and other forms	Security
Mosaics	Protection of national artistic and historic treasures
Lighters like pistols	Safety and security
Freight cars intended for the transport of goods and include (tractors and trailer and tractor and semi-trailer), which were manufactured five years ago or more, except vehicles manufactured 10 years ago or more for private use	Safety of public transport
Games in the form of balloons and paper (wishing lamp)	Air safety
Fireworks toy guns	Public safety and security
Dry plant materials containing substances (JWH-018, JWH-073) manufactured from materials resembling the impact of marijuana and hashish	Public health
Materials with similar effects of marijuana and hashish narcotic	Public health
Automobiles with tinted glass	National security, protection of human health and safety
Materials and equipment containing camouflaged cameras and apparatus combined with video and/or sound recording	Public safety and security
Articles used in the manufacturing of illegal narcotic substances	Public health
Video games presenting pornography	Public safety and security
Somali charcoal	UN Security Council Resolution
Chassis of motorcycle	Protection of human health and safety

Source: Information provided by the authorities.

3.1.6.2 Import licensing and import restrictions

3.50. During the review period, the import licensing regime remained largely unchanged. Jordan notified to the WTO in 2016 that 170 products were subject to import licensing requirements, among which the licensing requirements for 40 products were automatic.²⁴

3.51. Import licences include automatic and non-automatic licences. The authorities note that the licensing requirements are mainly for statistical purposes as well as to fulfil Jordan's obligations under international agreements or to ensure that health, safety, environment, national security objectives are met. The authorities indicate that if imported goods affect public safety, national

²⁴ WTO document G/LIC/N/3/JOR/3, 5 October 2016.

security, or health and environmental protection, and such goods are subject to quantitative restrictions, imports of such goods are subject to non-automatic licensing requirements.

3.52. Import licences are issued by various authorities, depending on the goods. All licences issued by the MITS are non-automatic, covering 27 products, most of which are chemical products. Other competent authorities for import licensing within their respective responsibilities include the Telecommunications Regulatory Commission, the Energy and Mineral Regulatory Commission, the Ministry of Energy and Mineral Resources, the Ministry of Agriculture, the Ministry of Environment, the Ministry of Health, and the JFDA. Applications for a licence must be submitted to the relevant licensing authority and demonstrate that statutory conditions for importation of such goods have been met. According to the authorities, automatic licences are issued normally within 1 working day after submission of all relevant documentation, while non-automatic licences are issued within 15 working days. A licence fee of JOD 10 is charged to the applicant for each licence issued.

3.53. An import licence is valid for one year from its issuance. Import licences are transferable, upon consent from the competent authority. Additionally, a licence may be revoked or cancelled on the grounds of violation of the licence conditions or implementation of new/amended legislation.²⁵ The authorities note that no import licence has been revoked.

3.1.7 Other measures affecting imports

3.54. According to the authorities, Jordan does not maintain any trade-related investment measures (TRIMs).

3.2 Measures directly affecting exports

3.2.1 Customs procedures and requirements

3.55. Customs procedures and document requirements for exports are similar to those applicable to imports. Exporters, whether Jordanian or non-Jordanian, must register with the MITS and obtain an exporter card. Exporting firms must be members of the Chamber of Commerce or the Chamber of Industry in Jordan, and their premises must be inspected and approved by the local municipality. Jordan Customs maintains a Gold List of exporters, which as trusted traders enjoy benefits of trade facilitation measures such as fewer Customs controls and priority treatment.

3.56. Rules of origin for exports under the FTA with the European Union were relaxed on 19 July 2016, which accord preference to Jordanian exports from 18 designated development zones and industrial estates as long as they meet the Syrian refugee employment requirements. Though it is not required, a certificate of origin issued by the Jordan Chamber of Industry, or by the Chamber of Commerce if for agriculture exports, is in practice encouraged to be obtained before shipment departure from Jordan.

3.2.2 Taxes, charges, and levies

3.57. Jordan Customs operates a duty drawback scheme, which refunds customs duties and taxes levied on imported raw materials used in the production of exports, and a temporary admission scheme, which gives enterprises manufacturing for exports duty exemptions for their direct imports, and for their imports from the free zones. Customs applies service charges to exporters, with a rate of JOD 30 for each declaration.

3.58. The GST is zero-rated for exports.

3.59. Exports of mining and mineral products such as marble, granite, sand, salt, Dead Sea mud, and building materials, whether processed or not, are subject to export fees at specific rates up to JOD 100 per tonne.²⁶

²⁵ Importation of goods that are contracted prior to the revocation date of the import licence is possible.

²⁶ The highest specific rate of export fee is applicable to Dead Sea mud at JOD 100/tonne, while the other export fees are not higher than JOD 5/tonne. See Regulation No. 130 of 2019.

3.60. During the review period of 2016-22, temporary export duties were imposed on wastepaper, and sheet and scrap metal, according to the authorities.

3.2.3 Export prohibitions, restrictions, and licensing

3.61. According to the authorities, Jordan maintains export prohibitions only on the grounds of fulfilling its international obligations, such as controls on endangered species of wild fauna and flora and non-proliferation of nuclear and chemical weapons. The authorities note that Jordan did not maintain any trade sanction measures during the review period.

3.62. Exports of products derived from wheat (e.g. flour, cakes, pasta), sugar, rice, and legumes are subject to automatic licensing requirements. From 2 January 2018, the automatic licensing requirements for exporting flour products (e.g. cakes, cookies) and semolina products (e.g. pasta, Moroccan couscous) were abolished. The authorities indicate that the remaining automatic licensing requirements are in place on the grounds of inventory management. All export licences, whether automatic or non-automatic, are issued by the MITS (Table 3.6). Each export licence is subject to a fee of JOD 5.

Table 3.6 Export licensing scheme, 2023

Item	Type of licence
Wheat products (flour, semolina, bulgur, frike)	Automatic
Sugar and rice	Automatic
Legumes (beans, chickpeas, lentils, beans, cowpeas, etc.)	Automatic
Dual-use materials	Non-automatic

Source: Information provided by the authorities.

3.2.4 Export support and promotion

3.2.4.1 Free zones and development zones

3.63. The legal and institutional framework for free zones and development zones remained largely unchanged during the review period.

3.64. Free zones were established to attract foreign investment and to promote export-oriented industries and transit trade, inside which firms benefit from tax incentives, streamlined bureaucratic procedures, and better quality of infrastructure. Anyone, including the private sector, may establish and manage a free zone in accordance with the laws; the management of each free zone is responsible for providing infrastructure and support services for firms inside the respective zone, as well as for promoting investment and economic development in the neighbouring region. As of end-2022, there were six free zones owned and managed by the Government through the Jordan Free Development Zone Group (JFDZ), a state-owned enterprise under the MITS. Also, the Ministry of Investment (MOIN) is working closely with the zone management authorities regarding the promotion of free zones.

3.65. Both domestic and foreign firms may apply to operate in free zones. Usually, firms operating in free zones are in the manufacturing, logistics, pharmaceutical R&D, or business services sector. The requirement to be a member of the Chamber of Commerce/Industry is waived for firms operating in free zones; they also enjoy certain incentives such as exemption/reduction of income tax for certain activities, exemption/reduction of GST, discount on land lease and utility cost, and other investment facilitation measures.²⁷ Land in the government-owned free zones may only be leased.²⁸

²⁷ Incentives for free zones are provided for in the Investment Environment Law No. 21 of 2022 and the Investment Environment Regulation No. 7 of 2023.

²⁸ Lands in these privately owned bonded areas may be purchased regardless of the investor's nationality.

3.66. Free zones are considered outside the customs territory; however, Jordan Customs is present in each free zone to ensure compliance. Thus, goods entering the zones are duty-free but subject to customs duties and formality when leaving the zones for the rest of Jordanian territory.

3.67. Development zones are designated areas primarily focused on promoting industrial development and manufacturing activities, with an aim to reduce the disparity between governorates and ensure the distribution of development gains across Jordan. All development zones are managed by the JFDZ. Firms operating in the development zones are mostly manufacturers of textiles and garments, pharmaceutical products, food and beverages, and plastics and chemicals.

3.68. There are no export performance requirements for firms operating in the development zones, and the zones are within the Jordanian customs territory. Before entering the development zones, goods must be cleared by Customs, and goods manufactured inside the zones are freely circulated within Jordan. According to the authorities, the Ministry of Investment regulates the work of the development zones. Incentives accorded to firms in the development zones are provided by the Investment Environment Law No. 21 of 2022, including exemption of Customs fees on imports of materials, machineries, and supplies that are used for the firm's operation, reduction of sales tax for the activities within the zones, and reduction of income tax for certain activities.

3.69. Qualifying Industrial Zones (QIZs) are designated industrial parks in Egypt and Jordan, as part of the peace-supporting initiative for Israel and its bordering countries. QIZs are operated under the supervision of Jordan Customs, i.e. Jordanian tariffs are suspended for raw materials for production in the zones, and Customs formalities are streamlined. As of end-2022, there were 13 QIZs operating in Jordan, 10 of which are owned and managed by private companies. The majority of firms in the QIZs are in the garment sector. According to the authorities, exports by firms in the QIZs have gradually shifted towards other markets under FTAs, although the US market maintains the top destination, offering duty-free, quota-free treatment to textile products originating from QIZs under the QIZ agreement.

3.2.4.2 Export promotion

3.70. Export promotion has been under the purview of the MOIN since 2015. Export-promotion activities cover promotion through the Internet, participation in international trade fairs, market research and analysis, and industrial studies.

3.71. The Industrial Development Programme (IDP) offers financial and technical assistance to Jordanian exporters to develop their export capacities. The IDP is managed by the Jordan Enterprise Development Corporation (JEDCO) and by Jordan Exports. The IDP provides financial assistance in the form of grants for activities such as market research, participation in trade shows and exhibitions, and development of marketing materials.²⁹ The Programme's technical assistance includes helping exporters improve production processes and meet international standards.

3.72. During the review period, JEDCO launched and managed 10 rounds of small- and medium-sized enterprises (SME) support programmes for Jordanian exporters from manufacturing and services sectors. The support programmes provided financial and technical assistance, including capacity-building relating to SMEs' readiness to export.

3.2.4.3 Export finance, insurance, and guarantees

3.73. Jordan operates an Export Credit Insurance scheme. Under the scheme, the Jordan Loan Guarantee Corporation (JLGC) provides export credit guarantees to exporters against the risk of non-payment by importers and buyers of Jordanian goods. The JLGC guarantees 90% of post-shipment export defaults, up to JOD 26 million, caused by any risks covered by the insurance contract. It reinsures the guaranteed capital through agreements with regional and international insurance companies.

3.74. During the review period, the JLGC expanded the scale of its export credit insurance operation. In 2022, the total amount of credits that JLGC guaranteed stood at JOD 201.8 million, up from

²⁹ Effective 1 January 2023, Jordan Export became the sole agency responsible for organizing exhibitions outside Jordan.

JOD 54.2 million in 2016. Most of the credits were guaranteed against exports of fertilizers, and exporters of chemicals and food also made use of the scheme (Table 3.7).

Table 3.7 Export credit insurance, by sector, 2016-22

(JOD '000)

	2016	2017	2018	2019	2020	2021	2022
Total	56,123.7	54,235.9	63,933.7	130,559.4	142,457.9	191,779.9	201,760.4
	(of which %)						
Fertilizers	50	54	45	42	60	71	72
Food	17	16	22	21	23	16	21
Chemicals	21	25	21	19	4	6	1
Textiles & clothing	0.5	4	9	12	4	0.4	1
Pharmaceuticals	0	1	2	3	7	5	3
Others	11.5	0	1	3	2	1.6	2

Source: Information provided by the authorities.

3.75. In addition, JEDCO may facilitate financing and guarantee schemes of the Islamic Development Bank (IDB), the export credit guarantee scheme of the Inter-Arab Investment Guarantee Corporation, or any other organizations.

3.3 Measures affecting production and trade

3.3.1 Incentives

3.76. Jordan notified to the WTO that its export subsidies schemes were terminated on 31 December 2018.³⁰ Effective 1 January 2019, concessions of the income tax do not have any export performance requirement; previously, profits or gains from exporting certain local products were exempted from income tax. The estimated forgone revenue was JOD 0.93 million in 2018, the last year in which the terminated scheme was in effect.

3.77. Incentives are provided by investment-related law. On 14 January 2023, Investment Environment Law No. 21 of 2022 entered into force, repealing Investment Law No. 30 of 2014. Investment Environment Regulation No. 7 of 2023, which entered into force on 12 February 2023, is the implementation rule for the Law (Section 2.4).

3.78. Tax incentives usually include income tax exemptions or deductions, tariff duty and customs fee exemptions, and sales tax reduction on imported capital goods and input materials. The incentives are specific for firms in the free zones and development zones (Section 3.2.4.1), depending on the eligibility criteria. With the entry into force of the Investment Environment Law, similar incentives are offered for activities outside the free zones and development zones. Tax incentives may be granted for up to seven years.

3.79. Tax incentives are also accorded to firms that employ at least 250 Jordanian citizens. In addition, other incentives such as exemption or discount on rents of public land, and discounted prices for energy and water supplies are available for up to five years for firms that employ at least 350 Jordanian citizens or female workers accounting for at least 50% of the total labour force.³¹ Furthermore, a firm may also benefit from the non-tax incentives if it targets at exporting at least 50% of its products, adds local value for at least 50% in production, or engages in projects aiding knowledge/technology transfer and digital transformation.³² However, the authorities indicate that the export performance and local content requirements are not mandatory for a firm when applying for the non-tax incentives.

3.3.2 Standards and technical requirements

3.80. During the review period, the legal and institutional framework for standards and technical regulations remained largely unchanged. The principal legislation remains the Standards and Metrology Law No. 22 of 2000; the Law was amended twice in 2015 and 2019, with an aim to improve the standards infrastructure in Jordan and to enhance protection of consumers' health and

³⁰ WTO document G/SCM/N/299/JOR/Rev.3, 4 March 2020.

³¹ To benefit from these non-tax incentives, at least 50 women must be employed.

³² See Investment Environment Regulation No. 7 of 2023, Article 26 (items C, D, and E).

safety. The amendments included new provisions on market surveillance, re-exporting of non-conforming products out of Jordan, conformity mark and legal metrology, and penalties and sanctions.

3.81. The JSMO remains the national standardization body responsible for developing, promoting, and implementing standards and metrology activities. The JSMO also is the enquiry point of TBT issues for Jordan in the WTO. During the review period, Jordan did not submit any notifications to the TBT Committee; its last notification on standards and technical regulations was submitted in September 2012.³³ There was no specific trade concern about Jordanian TBT measures raised in the TBT Committee.

3.82. Any interested party, including foreign parties³⁴, may submit proposals for national standards to the JSMO. Draft standards are prepared by various technical committees and published on the JSMO's website for comments for 60 days. If comments are received, the draft is sent back to the technical committee for review; the final draft is then forwarded to the JSMO Board of Directors for approval and becomes an official standard. The authorities state that the JSMO makes extensive references to international standards when formulating standards. After the JSMO Board of Directors approves the proposed standard, six months is usually given between the final publication and entry into force.

3.83. The JSMO is authorized to decide whether to approve national standards and technical regulations. Technical regulations may also be issued by other government bodies such as the Ministry of Environment, the Telecommunications Regulatory Commission, and the Ministry of Health. The authorities indicate that only standards directly affecting human health and safety, environmental protection, and national security are deemed mandatory (i.e. designated as technical regulations). As of end-2022, there were 737 technical regulations in force, 105 of which were adopted during the review period, covering, *inter alia*, bottled water and mineral water, sports and recreational devices and equipment, photovoltaic systems, and building materials. The authorities note that 70% of total technical regulations in force are aligned to international standards or regional standards.

3.84. Although most of the technical regulations in force in Jordan are design-based, the authorities note that Jordan since 2010 has explored formulating performance-based technical regulations under the "New Approach" where applicable. As of end-2022, the technical regulations for toys, electrical appliances, and gas appliances are formulated under the "New Approach".

3.85. Jordan is a member of several international standards organizations, including a member body of the International Organization for Standardization (ISO); an associate member of the International Electro-technical Committee (IEC); a companion standardization body within the European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENELEC); a member in Codex Alimentarius; and an associated member of the International Organization of Legal Metrology (OIML).

3.86. Products subject to technical regulations are required for conformity assessment procedures commensurate with the level of risk associated with them. The authorities are of a view that self-declaration of conformity is not sufficient even for products deemed to have medium risk. Conformity certificates must be issued by the JSMO, or by a Jordanian-accredited conformity assessment body. The Jordanian Accreditation System (JAS) is administered by the Accreditation Unit under the JSMO and is recognized by the Arab Accreditation Cooperation (ARAC) and the International Laboratory Accreditation Cooperation (ILAC). As of end-2022, there were 101 Jordanian laboratories accredited by the JAS.

3.87. Imported products are subject to inspection, sampling, and testing when necessary, at the border. Importers may have their import consignments tested inside Jordan, when necessary, if they fail to submit conformity certificates or test reports prior shipment arrival. These documents must be issued by conformity assessment bodies accredited by accreditation bodies that are Multilateral

³³ WTO document G/TBT/N/JOR/47, 27 September 2012.

³⁴ Foreign parties may participate in technical committees to develop standards as experts through the Chamber of Industry, the Chamber of Commerce, or any other national stakeholders. In case there is a need for voting in the committee, foreign parties do not have the right to vote.

Recognition Arrangement (MLA) signatories of the ILAC/IAF (International Accreditation Forum).³⁵ Based on the risk profiling by ASYCUDA, import consignments may be subject to invasive physical inspection. In the case of inspection, the JSMO charges a fee of JOD 10 for goods with a value no higher than JOD 1,000, and JOD 20 for goods with a value above JOD 1,000. The JSMO maintains a Complying Trader Programme, separate from the Golden List Program by Jordan Customs, that provides less frequent inspections on consignments with registered importers dependent on their status.³⁶

3.88. Locally produced goods also are subject to inspection, sampling, and testing when necessary. Market surveillance is carried out by the JSMO's Inspection Department. According to the authorities, market surveillance prevents under-quality products and trademark counterfeits from circulating in the market.³⁷ Under the Consumer Protection Law No. 7 of 2017, the JSMO has the authority to sanction firms for misrepresentation or false advertising.

3.89. A product that has corresponding national standard may apply to JSMO for a Jordan Quality Mark (JQM). A foreign producer also may apply for a JQM for its products. The JQM is a voluntary system for ensuring the quality of products. The JQM certificate is valid for three years, covering all products except for pharmaceuticals and veterinary products. The authorities note that Jordan has not yet introduced the requirement for compliance marking.

3.90. Labelling and packaging requirements are issued as technical regulations and voluntary standards. Labelling for food and toys must be in Arabic; for other products the label is in Arabic and/or English. The amended law allows importers to modify the label of non-conforming products to comply with labelling requirements.³⁸

3.91. For Halal food, labels are in Arabic, or in any other language optionally together with Arabic. Where a food product contains components of fat, meat products or meat extracts, gelatine, and rennet, this content of animal origin must be illustrated and listed on the label. When using the mark "Halal" on the product, the certificate number and the certification body should be stated on the product.

3.3.3 Sanitary and phytosanitary requirements

3.92. During the review period, the legal framework concerning sanitary and phytosanitary measures in Jordan were overhauled. The Food Law No. 30 of 2015 entered into force on 16 June 2015, repealing the Food Control Law No. 7 of 1997; the Agriculture Law No. 13 of 2015 entered into force on 16 April 2015, repealing the previous Law on Agriculture No. 44 of 2002.

3.93. The Food Law No. 30 of 2015 set out the regulatory framework for food safety, establishing a range of requirements and standards to ensure food quality and safety; the JFDA is the competent authority for enforcing the Law, responsible for monitoring and inspecting food facilities to ensure compliance with food safety standards, investigating food safety incidents and outbreaks, and imposing penalties against violation of food safety regulations. The Food Law established a traceability principle, requiring businesses to maintain full records to ensure that food products can be traced from field to fork.

3.94. Import of food products are subject to a licensing requirement. Import licences for special food and dietary supplements and for food additives are automatic; importation of formula milk powders, baby food, and complementary foods is subject to non-automatic licensing. Importers must apply to the JFDA for licences.

3.95. The JFDA operates a Jordan Electronic National Food Safety Information System (JENFSIS) to track and control the safety of food products. JENFSIS tracks information about ingredients, production processes, storage conditions, and distribution channels, allowing the monitoring of food safety and quality parameters (e.g. pesticide and hormone residues, and microbial contamination).

³⁵ WTO document G/TBT/N/JOR/4, 17 March 2008.

³⁶ Regulations on Complying Trade Programme No. 4 of 2015.

³⁷ Regulations on Market Surveillance No. 4 of 2017.

³⁸ Most cases of non-conformity of labelling are due to incorrect labelling or missing information, according to the authorities.

JENFSIS also allows for the rapid exchange of information between government agencies responsible for food safety, including the Ministry of Health and the Ministry of Agriculture.

3.96. The new Agriculture Law No. 13 of 2015 modernized the regulatory framework for animals and animal products, as well as for plants and plant products. The Law provides quality control measures for agricultural products to ensure compliance with the established quality standards; the Law also aims to promote sustainable agriculture and protect the environment.

3.97. Under Agriculture Law No. 13 of 2015, the Ministry of Agriculture is responsible for setting import regulations and standards for animal and animal products. Imports of animals and animal products are subject to non-automatic licensing by the Ministry. Imports must be accompanied by a veterinary certificate issued in the country of origin. In the case of importing animal products as food, a food safety certificate issued by the competent authority of the exporting country is also required. Meat imports must be sourced from establishments pre-approved by the Ministry.

3.98. Imports of live animals or their products are subject to quarantine procedures, which include risk assessment studies before importation, pre- and post-import quarantine. Veterinary quarantine procedures are stipulated in Veterinary Quarantine Regulations No. Z/21 of 2018, in accordance with Articles 46, 50, and 51 of Agriculture Law No. 13 of 2015. Exceptions from quarantine requirements may be granted for shipments from exporting countries or regions with disease-free status according to the World Organisation for Animal Health (WOAH, founded as OIE).

3.99. The regulatory framework for plants and plant products is similar to the one for animals and animal products. Importers must apply for an import permit from the Ministry of Agriculture prior to the shipment departing from the country of origin. Imports permits are administered through licensing. Automatic licensing is applicable for fresh fruits and vegetables, potatoes, onions and garlic, saplings of fruit seedlings, ornamental plants and cut flowers, honey, natural beeswax, and pollen. Others are subject to non-automatic licensing.

3.100. Imports of plants and plant products must be accompanied with phytosanitary certificates issued by the competent authorities of the exporting country. Imports of plants and their products are subject to quarantine requirements, as stipulated in Plant Quarantine Regulations No. Z/2 of 2003.

3.101. Jordan maintains maximum residue levels (MRLs) for hormones and for pesticides. The MRLs are established by the JSMO, in consultation with the JFDA and the Ministry of Agriculture. According to the authorities, the JSMO generally adopts MRLs that are consistent with international standards and recommendations, such as those established by the Codex Alimentarius Commission.

3.102. The Regulation for Biosafety of Genetically Modified Organisms (GMOs) requires that all GMO products must be evaluated and approved by the National Biosafety Committee (NBC) before they can be imported into Jordan. Importation of genetically modified crops that are intended to release into the environment (for cultivation) is prohibited. However, importation of goods containing GMOs as ingredients is possible. The JFDA is responsible for regulating the safety of GMO foods and their products. GMO products must clearly be labelled with the phrase "genetically modified", and ingredients must be listed on the labels.

3.103. Testing and inspection at the border are conducted by Customs, the Ministry of Agriculture, and the JFDA. Inspection procedures are in accordance with International Sanitary and Phytosanitary Measures (ISPM), Codex, and national standards. The JFDA charges importers JOD 30 for the inspection and testing of each sample (physical, chemical, or microbiological test). Physical and sensory inspection is on the spot. Laboratory testing takes between 24 hours and 1 week. If a consignment is not in conformity with SPS requirements, it will be re-exported during a period specified by the Director-General of the JFDA (two months) or destroyed.

3.104. The Ministry of Agriculture is the national enquiry point and national notification authority for Jordan in the WTO SPS Committee. During the review period, Jordan notified 1 regular and 11 emergency measures. The authorities indicate that emergency measures continue to be valid until the affected country returns to risk-free status according to international standards (WOAH, International Plant Protection Convention (IPPC), and Codex). The regular measure notification was

on resuming importation of poultry and poultry products following an OIE standard.³⁹ Jordan also provided an addendum to its notified measure, providing additional information. The European Union reiterated its trade concern in the WTO SPS Committee about the BSE-related import restrictions on beef by a number of Members including Jordan.⁴⁰

3.105. Jordan is a member of the Codex Alimentarius Commission and the WOA, and a contracting party to the IPPC. The authorities state that SPS requirements in Jordan are based on international standards. According to the authorities, national standards and technical regulations comply completely with international standards in food safety and animal and plant health. In case there is any conflict between national requirements and international standards, international standards prevail.

3.3.4 State trading, state-owned enterprises, and privatization

3.3.4.1 State trading activities

3.106. Jordan's latest notification on state trading enterprises was submitted in July 2003.⁴¹ In this notification, the authorities identified that the Jordan Petroleum Refinery Co. Ltd (JPRCL) and the Jordan Phosphate Mines Co. Ltd (JPMC) were state trading enterprises with exclusive trading rights. The JPRCL has exclusive rights to import crude oil and hydrocarbon products for local use, while the JPMC has exclusive rights to import, store, and sell explosive materials used for mining and quarrying purposes. The JPMC also has exclusive mining rights over phosphates for four mines in Jordan.⁴²

3.107. In addition, exports of raw hides and manufactured leather are restricted to Jordan Tanning Company; portland cement are restricted to the Jordan Cement Factories Company; and mineral extracts (e.g. stone, sand, gypsum, and clay derivatives) are restricted to the Natural Resources Authority.

3.3.4.2 State-owned enterprises and privatization

3.108. State-owned enterprises (SOEs) are controlled and managed by the Government through relevant line ministries or governmental agencies. The state ownership is represented by the Directors in the SOE board of directors who are appointed by the Government. The authorities note that SOEs' operations are not supported by the Government through allocation in the general budget, and that the Government transfers surplus to the Ministry of Finance in accordance with the Financial Surplus Law No. 30 of 2007 and its amendments.

3.109. SOEs play a significant role in the economy. Apart from the SOEs in the utility sector, other SOEs operate in the industries where SOEs compete with the private sectors. According to the authorities, SOEs are not exempted from Competition Law enforcement.

Table 3.8 Selected large public undertakings with significant public holdings, 2023

(JOD million)

Name/ operation	Total asset value	Activity	Operating revenue	Operating profit	State/public authority holding
Arab Potash Company	1,013	Fertilizer	521	125	Ministry of Finance, 27%; Social Security Corporation, 5%; Arab Mining Company (owned by, or on behalf of, 15 Arab governments), 20%
Jordan Telecom Group	360	Telecoms	441	62	Social Security Corporation, 28.88%
National Electrical Power Company (NEPCO)	No records	Services	No records	No records	..
National Food Security Company	No records	Commercial	No records	No records	..

³⁹ WTO document G/SPS/N/JOR/38, 22 March 2017.

⁴⁰ WTO document G/SPS/R/102, 17 September 2021.

⁴¹ WTO document G/STR/N/9/JOR, 28 July 2003.

⁴² The JPMC does not sell phosphate to private traders for export purposes.

Name/ operation	Total asset value	Activity	Operating revenue	Operating profit	State/public authority holding
Yarmouk Water Company	No records	Services	No records	No records	..
Water Authority of Jordan (WAJ)	126.7	Services	120.2	10.7	Water Authority of Jordan, 100%
Jordan Silos and Supply	47.4	Commercial	5.8	0.7	Jordanian Government, 100%
Jordan Phosphate Mines Co. Ltd (JPMC)	1,112	Industrial	574.4	103.3	Ministry of Finance, 25.661%; Social Security Corporation, 16.456%
Jordan Petroleum Refinery Co.	1,765	Industrial	3,964.9	11.3	Social Security Corporation, 20.141%
Jordan Industrial Estates Company	116.5	Industrial	9.8	n.a.	Jordanian Government, 67%
Free Zones Company	180.5	Industrial	21.2	..	Jordanian Government, 100%
Royal Jordanian	84.3	Services	760	..	Jordanian Government, 35%
Electricity distribution company	10	Services	384.8	..	Jordanian Government, 100%
National Petroleum Company	15	Industrial	5.4	..	Jordanian Government, 100%

.. Not available.

n.a. Not applicable.

Source: Information provided by the authorities.

3.110. Jordan began its privatization programme in 1989, as part of a broader economic reform aimed at liberalizing the economy and reducing the role of the State in economic activities.⁴³ Over the years, the privatization programme has faced various challenges, including political opposition and economic downturns. However, the Government has remained committed to the programme, viewing it as a means of promoting economic growth and attracting foreign investment.

3.111. The Government favours public-private partnership (PPP) projects. A new Public-Private Partnership Law No. 17 of 2020 entered into force on 14 April 2021, repealing the previous PPP Law No. 31 of 2014. The authorities note that the new law aims to create an institutional framework to enhance the efficiency and transparency of PPP project implementation, and to ensure government support during the life cycle of the projects. Provided by the new law, the Public Investment Management (PIM) Unit, under the Ministry of Planning and International Cooperation, was established in April 2021; the PIM Unit is responsible for the preliminary screening of proposed project concepts and for maintaining the National Registry of Investment Projects (NRIP) system that registers all information related to Priority Public and PPP projects. The new law also provides for the establishment of a Technical Committee for Fiscal Commitments, under the Ministry of Finance, which is responsible for evaluating and monitoring the fiscal commitments for each PPP project, and for monitoring the impact of any contingent liabilities on public finances and public debt.

3.112. The maximum length of a PPP contract is 35 years. The High Committee for PPP projects has the authority to approve preliminary feasibility studies and feasibility reports, as well as to approve final PPP contracts.

3.113. Since the entry into force of the new PPP Law, Jordan has initiated seven projects, in the infrastructure sectors including energy, utility, and transport. The total value of these projects reached JOD 1.2 billion, all of which are in the development phase.

⁴³ The privatization programme in Jordan began with the sale of SMEs, followed by the privatization of larger entities, including SOEs, such as Jordan Telecom, Jordan Cement Factories Company, and Jordan Petroleum Refinery Company.

3.3.5 Competition policy and price controls

3.3.5.1 Competition policy

3.114. During the review period, the legal and institutional framework for competition policy remained largely unchanged. Competition Law No. 33 of 2004 remains the principal legislation pertaining to competition policy. The Competition Directorate, under the MITS, remains the enforcement agency, responsible for promoting competition in the economy.

3.115. Effective on 16 May 2023, the Competition Law was amended by Law No. 12 of 2023. The 2023 Amendment broadened the definition of dominant position, simplified the merger control regime, and introduced a threshold of merger notifications. In addition, the Amendment included competition provisions for e-commerce and online platform. Also, it strengthened the power of the Competition Directorate.

3.116. Jordan's competition regime prohibits agreements, alliances, and collusion operations aimed at setting prices, sharing markets, obstructing the entry of new competitors or excluding dealers from the market, and bid rigging; it also prohibits undertakings from abusing their dominant positions that in effect prevent, restrict, or distort competition such as predatory pricing, tying and bundling, and exclusive dealing; it regulates economic concentration activities such as mergers and acquisitions.

3.117. The 2023 Amendment provides for a threshold for merger notification to the competent authority. A merger or acquisition must be notified if it meets one of two criteria: (i) the combined annual income of the parties to the merger or acquisition exceeds JOD 40 million, and at least two of the parties have an annual income in Jordan exceeding JOD 4 million; or (ii) the combined market share of the parties to the merger or acquisition exceeds 40% in any relevant market in Jordan.⁴⁴ When a merger or acquisition case meets one of the thresholds, the parties must notify the Competition Directorate and obtain approval before completing the transaction.

3.118. The 2023 Amendment also strengthened the discipline on granting exemptions of application of the Law. Sanctions against anti-competitive behaviours may be exempted, upon request from the undertakings, if their practices, arrangements, or conditions lead to positive results and public benefit that cannot be achieved without such exception.⁴⁵ The Minister of Industry, Trade and Supply may grant such an exemption based on the Competition Affairs Committee, whose establishment was provided by the 2023 Amendment; the Committee is composed of representatives from the central bank, sectoral regulators, the private sector, and the consumer protection association.⁴⁶

3.119. The Competition Directorate investigates complaints from third parties. With the amended Competition Law entering into force on 16 May 2023, the Directorate has been empowered to initiate an investigation without a complaint.⁴⁷ The Directorate carries out market studies; it may also provide advisory opinions on queries from public and private sector institutions (Table 3.9).

Table 3.9 Competition enforcement statistics, 2016-22

	2016	2017	2018	2019	2020	2021	2022
Mergers & acquisitions	3	5	8	5	1	5	10
Complaints	10	12	9	7	7	4	9
Consultations/advisory opinions	7	12	14	14	9	7	9
Market studies/Self-initiated investigations	9	4	7	9	5	6	8
Exemption request	2	1	0	0	0	0	0
Total	31	34	38	35	22	35	36

Source: Information provided by the authorities.

3.120. The Competition Law is applicable to SOE operations. During the review period, a number of SOEs were sanctioned, by the Competition Directorate, for their anti-competitive behaviours. For

⁴⁴ Competition Law, Article 9.

⁴⁵ Competition Law, Article 7.

⁴⁶ Competition Law, Article 14.

⁴⁷ Competition Law, Article 12.

instance, the Jordan Pharmaceutical Manufacturing Company was found in 2016 to have abused its dominant position, and Al Munthiriya Poultry Company was convicted in 2017 of forming a price fixing cartel. Both were fined.

3.121. During the review period, three complaints were referred to the Public Prosecutor for further criminal charges: two on abusing market dominance, and one on being "in [the] position of [a] cartel". Other complaints were cleared from criminal referral after investigations by the Directorate.

3.3.5.2 Price control

3.122. The Competition Law follows the principle of free determination of prices in accordance with market mechanisms and the principles of free competition.⁴⁸ However, prices of "essential commodities" are controlled, pursuant to the Industry and Trade Law No. 188 of 1998 and other specific laws.⁴⁹

3.123. Essential commodities are determined by the Council of Ministers. Such commodities include wheat, flour, bread, fuels, and pharmaceuticals for human and veterinary use (Table 3.10). The authorities note that the commodities deemed essential have not changed since the last Review in 2016.

Table 3.10 Essential commodities, 2023

HS Code	Product description	Status
ex 1001	Wheat, seed of a kind used for sowing	Price fixed pursuant to Resolution of the Prime Minister No. 63-11-1-20173, 28 November 2007
ex 1003.00	Barley, seed of a kind used for sowing	Price fixed pursuant to the resolution of the Prime Minister No. 63-11-1-20173, 28 November 2007
1001.10, ex 1001.90	Wheat	Price fixed by the MITS pursuant to Law No. 188 of 1998
1101.00	Flour	Price fixed by the MITS pursuant to Law No. 188 of 1998
ex 1905.90	Bread – Arabic, Tanouri, Taboun, Armenian, and Baladi	Price fixed by the MITS pursuant to Law No. 188 of 1998
ex 2302	Bran	Price fixed by the MITS pursuant to Law No. 188 of 1998
ex 2711.13 ex 2710.00 ex 2710.00 ex 2710.00 ex 2710.00 ex 2710.00 2710.004 2710.005 ex 2714.90 ex 2714.90 ex 2710.00 ex 2201.90	Liquid gas butane Leaded (gasoline) Super (gasoline) Unleaded (gasoline) Jet fuel (airplane fuel) Kerosene Diesel Fuel oil Asphalt, w/o containers Asphalt, in containers Diesel for ships Water	Prices are fixed on monthly basis (for a two-year transition period) by the MITS in consultation with stakeholders. On 13 November 2012, the Cabinet approved the monthly price adjustment mechanism, allowing the price of oil derivatives to move according to international price, except for liquid gas butane, which was fixed until the beginning of 2015.
2716.00	Electrical energy	Price fixed by the Ministry of Water and Irrigation. Sewage tariff was increased by 15% on 7 May 2014 upon recommendation by the Water Authority of Jordan Board.
ex 3002, ex 3003, and ex 3004	Pharmaceuticals for human use	Price fixed pursuant to Electricity Law No. 64 of 2002. Tariff was adjusted in 2012, 2013, 2014, and 2015.
ex 3002, ex 3003, and ex 3004	Pharmaceuticals for veterinary use	Price fixed pursuant to Drug and Pharmacy Law No. 80 of 2001
		Price fixed pursuant to Agriculture Law No. 13 of 2015 and the Instructions No. 33 of 2003

Source: Information provided by the authorities.

⁴⁸ Competition Law, Article 4.

⁴⁹ In the case of emergencies or natural disasters, the Government may temporarily control prices of essential commodities.

3.124. Control of "essential commodities" prices are maintained through subsidies by the Government. Facing the cost-of-living crisis, the Cabinet discussed measures to improve imports of essential commodities, including more contracts awarded to private operators to import wheat and the imported wheat may be stored directly in the storage facility of the Civil Service Consumer Corporation.⁵⁰ The Government has also been providing targeted cash transfers to low-income households to ease the impact of rising commodity prices.

3.125. For barley and wheat, the Inventory Management Directorate, under the MITS, tenders contracts to local importers for purchasing and transporting these products from abroad. Imports of wheats are subsidized; therefore, bread that is produced from subsidized flour is sold at the price set by the Government.

3.126. There are price controls on electricity and water. The tariffs/fees for a number of services are subject to price control, including certain telecommunications services, insurance services (for compulsory motor insurance), postal services, and public transport services.

3.3.6 Government procurement

3.127. During the review period, the legislative and institutional framework for government procurement was overhauled and modernized. A new Government Procurement Regulation No. 8 of 2022 entered into force on 15 February 2022, with an aim at improving transparency and efficiency of the public procurement process and ensuring fair competition and the best value for public money.⁵¹ The new regulation established a unified procurement system, repealing various legislation previously governing the procurement regime, such as Government Works Regulation No. 71 of 1986 and Supply Regulation No. 32 of 1993.

3.128. Provided by the new regulation, both the Government Tenders Department (GTD), under the Ministry of Public Works and Housing, and the Government Procurement Department (GPD), under the Ministry of Finance, are the competent authorities responsible for overseeing the procurement process and for ensuring that procurement procedures are transparent, competitive, and fair. The GTD oversees the procurement for works and related technical services while the GPD is for goods and consultancy services procurements. In addition, the new regulation introduced an electronic procurement system, the Jordan Online e-Procurement System (JONEPS), for information transparency. The system is managed by the GPD in collaboration with the GTD. All procurement information, including tender invitations, bidding evaluations if applicable, and awards of contracts, is published on JONEPS.

3.129. The Government Procurement Regulation is applicable to government entities at the central and subcentral levels, as well as public institutions, including SOEs, that are fully/partially financed by the Government. Any procurements above the value thresholds are subject to the rules and procedures set out in Government Procurement Regulation No. 8 of 2022. Procurements are overseen by procurement committees. These committees have the competence to review and approve all procurements above the value threshold (Table 3.11). At the national level, Central Procurement Committees are established in the GTD and the GPD. Each government agency may establish a Main Procurement Committee at its headquarters, as well as sub-committees at its branch offices. With respect to works and technical services, a Governorate Committee may be established in each governorate as a subcommittee at the subcentral level. In special cases, such as emergencies and under justifiable circumstances, the Council of Ministers may establish a Special Procurement Committee to handle procurements related to such situations.

⁵⁰ *The Jordan Times* (2021), "Cabinet Discusses Measures to Improve Import of Essential Commodities", 8 July. Viewed at: <https://www.jordantimes.com/news/local/cabinet-discusses-measures-improve-import-essential-commodities>.

⁵¹ The Government Procurement Regulation No. 8 of 2022 replaced the Government Procurement Regulation No. 28 of 2019, and was amended by the Government Procurement Regulation No. 15 of 2022. The Amendment to the Regulation entered into force on 1 March 2022.

Table 3.11 Thresholds for procurement approval, 2023

(JOD)

	Subcommittee/ Governorate Committee	Main Committee	Central Committee	Special Committee
Goods	20,000	60,000	unlimited	unlimited
Consultancy services	20,000	60,000	unlimited	unlimited
Works	2,000,000	500,000	unlimited	unlimited
Technical services	50,000	50,000	unlimited	unlimited

Source: Information provided by the authorities.

3.130. All government procurements must be conducted through open competitive bidding where possible. Other procurement methods provided by the Law include limited bidding and direct procurement. Limited bidding may be used on the grounds of a limited number of suppliers due to the complex nature of the works/services/goods required. Direct procurement may be used for procurement when there is only one supplier or when there is an emergency need.⁵² According to the authorities, most contracts were awarded through open competitive bidding.

3.131. Invitation to tender must be published on JONEPS and in any media designated by the Secretary-General or Director-General of the procuring entity, for at least 21 days for national tendering and 30 days for international tendering. Procuring entities may tender internationally when the procurement involves goods, works, or services that are not available in the domestic market, or when domestic suppliers do not meet the technical or other requirements specified in the procurement documents. There is not a specified value threshold for projects that must be tendered internationally.

3.132. The Regulation does not provide preference to domestic suppliers; nonetheless, Jordan offers preference for SMEs in its procurement regime. The preference margin for SMEs is yet to be determined. For procurements below thresholds, SME suppliers may benefit from simplified procedures that aim to reduce the administrative burden and the cost associated with bidding for SMEs. The authorities indicate that rules and procedures for SME preferences are being developed.

3.133. Valuation of tenders must follow the criteria specified in the tender documents. Criteria may include non-price factors, but they must be objective and be quantifiable in monetary terms to the extent possible. According to the authorities, the lowest bid usually is the winner of the tender when there are not relative weights of technical and financial offers.

3.134. Challenges to a contract decision may be submitted to the procurement committee for reconsideration of a decision (or action) within the period specified in the decision by the procurement committee. If the contesting bidder is not satisfied with the outcome of its complaint, the challenger may appeal to the Procurement Complaints Review Committee for remedies. The Committee's decision is final and binding, in terms of administrative acts; however, any aggrieved party may seek judicial review.

3.135. Jordan is an observer to the WTO plurilateral Agreement on Government Procurement (GPA) and has a commitment regarding GPA accession in its WTO accession protocol. Jordan has not signed any regional agreements covering government procurement.

3.3.7 Intellectual property rights

3.136. During the review period, Jordan modernized its patent protection regime. According to the authorities, the new patent regime strengthens patent protection through alignment with international standards and best practice, and thus promotes innovation and investment.

3.137. Eleven international treaties (Table 3.12) administered by the World Intellectual Property Organization (WIPO) are in force in Jordan. During the review period, Jordan ratified the Marrakesh VIP Treaty, which entered into force on 26 September 2018; also, the Patent Cooperation Treaty

⁵² There is not a value threshold defined for direct procurement.

entered into force in Jordan on 9 June 2017. The authorities indicate that ratification of the Beijing Treaty on Audiovisual Performance is ongoing.

Table 3.12 Contracting party to WIPO treaties, 2023

Treaty	In force date
Berne Convention	28 July 1999
Budapest Treaty	14 November 2008
Marrakesh VIP Treaty	26 September 2018
Nice Agreement	14 November 2008
Paris Convention	17 July 1972
Patent Cooperation Treaty	9 June 2017
UPOV Convention	24 October 2004
Vienna Agreement	14 November 2008
WIPO Convention	12 July 1972
WIPO Copyright Treaty	27 April 2004
WIPO Performances and Phonograms Treaty	24 May 2004

Source: WIPO, *Country Profile: Jordan*. Viewed at: <https://www.wipo.int/wipolex/en/treaties/ShowResults?code=JO>.

3.138. In general, there are no legal provisions on prohibiting parallel imports. The authorities note that parallel imports are possible as long as that the importation of the intellectual property in question is legal and not prohibited by the private licensing contracts.

3.3.7.1 Industrial property rights

3.139. The Industrial Property Protection Directorate (IPPD), under the MITS, is the competent authority enforcing IPR laws pertaining to industrial properties. The IPPD is the registrar for patents, industrial designs, trademarks, geographic indications, and the layout designs of printed circuits.

3.3.7.1.1 Patents and industrial designs

3.140. The legislative framework for patents and industrial designs remained largely unchanged. The principal legislation is Patent Law No. 32 of 1999, together with its amendments. The Patent Law was amended a number of times during the review period. According to the authorities, the Patent Law and its amendments are aligned to provisions in the WTO TRIPS Agreement, and provide better protection on inventions that are novel, inventive, and industrially applicable.

3.141. All patents are protected for 20 years in Jordan, as of the date of registration application.

3.142. The Minister for Industry and Trade may grant compulsory licences to a third party exclusively in the case of national emergency or insufficient exploitation of the patent. The authorities indicate that compulsory licences may be granted for a patented product that will be exported to countries suffering from pandemics or epidemic diseases, pursuant to the Jordan's WTO obligation under the TRIPS Agreement.⁵³

3.143. Any interested party may oppose preliminary acceptance of a patent, by writing to the IPPD within three months of the Official Gazette publication date of the preliminary acceptance notice. Should the opposition miss the three-month window, the concerned party may resort to the Administrative Court for invalidation of the patent granted.

3.144. As a contracting party to the Paris Convention, Jordan accepts patent applications from applicants who already have been granted patents in other countries, conditional on the application to Jordan being submitted within 12 months of the earlier application and on the subject matter of the two applications being the same or closely related. In addition, Jordan's amended Patent Law allows filing of divisional applications, thus protecting partial designs.

⁵³ Patent Law No. 28 of 2007, Article 22.

3.145. Industrial designs are protected, under the Industrial Designs and Models Law No. 14 of 2000, for a non-renewable period of 15 years. There are no provisions on utility models.

3.146. In 2022, there were 357 patent applications filed at the IPPD, 20 of which were submitted from applicants residing in Jordan and 337 from abroad (Table 3.13). Foreign applicants for patents were mainly from the United States, Switzerland, Germany, Belgium, and the Russian Federation.

Table 3.13 Patents and industrial designs applications, 2016-22

	2016	2017	2018	2019	2020	2021	2022
Patent applications							
Resident	22	25	24	21	32	39	20
Abroad	256	175	109	290	305	299	337
Total	278	200	133	311	337	338	357
Industrial design applications							
Resident	55	74	26	71	74	114	68
Abroad	46	29	23	48	15	15	55
Total	101	103	49	119	89	129	123

Source: Information provided by the authorities.

3.147. With regard to industrial designs, 123 applications for protections were filed in 2022, 68 of which were from Jordan and 55 from abroad (Table 3.13). Most foreign applicants were from Italy and Switzerland.

3.3.7.1.2 Trademarks and geographical indications

3.148. The regime for trademarks protection remained largely unchanged during the review period. The principal legislation is Trademarks Law No. 34 of 1999, together with its amendments.

3.149. A registered trademark is protected for a period of 10 years, renewable indefinitely.

3.150. Trademark protection in Jordan is on the first-to-register principle. However, any interested party may file a challenge at the IPPD on the validity of a mark within 90 days of the Official Gazette publication date of the trademark. In addition, the Trademark Law protects "well-known marks", regardless of whether they are registered in Jordan; the owner of a "well-known mark" may seek judicial remedy for cancellation of a registered mark. The registration for a registered trademark that has not been used for a continuous period of five years or longer may be cancelled on the grounds of non-use.

3.151. In Jordan, geographical indications (GIs) are protected, in the principle of collective mark⁵⁴, by Geographic Indications Law No. 8 of 2000. As of end-2021, six GIs were registered in Jordan.

Table 3.14 Trademark registration, 2016-22

	2016	2017	2018	2019	2020	2021	2022
Resident	3,012	3,079	2,991	2,656	2,756	3,242	3,394
Abroad	4,331	4,559	4,456	4,147	3,398	4,516	4,545
Subtotal	7,343	7,638	7,450	6,803	6,154	7,758	7,939
Rejected applications	1,037	849	587	775	751	810	1,185

Source: Information provided by the authorities.

3.152. In 2022, 7,939 trademarks were registered with the IPPD, 3,394 of which were filed by applicants within Jordan (Table 3.14). Foreign trademark applicants were mainly from the United States, China, Switzerland, the United Kingdom, and Germany.

⁵⁴ Trademarks Law, Article 2.

3.3.7.1.3 Layouts of printed circuits, and trade secrets

3.153. Provided by the Layout Designs of Integrated Circuits Protection Law No. 10 of 2000, a new design of a printed circuit may be registered with the IPPD for protection of a non-renewable 10-year period.⁵⁵

3.154. Trade secrets or undisclosed information are protected by the Unfair Competition and Trade Secret Protection Law No. 15 of 2000.

3.3.7.2 Plant varieties

3.155. Plant varieties are protected under the Plant Varieties Protection Law No. 24 of 2000. The Law provides protection for new and distinct varieties of plants that are developed through breeding or other methods of genetic manipulation. The competent authority for enforcement is the Plant Varieties Protection Directorate, under the Ministry of Agriculture. Once a plant variety is registered, the owner of the variety has exclusive rights for 20 years. As of end-2021, there were 59 plant variety application filed for protection.

3.3.7.3 Copyrights and neighbouring rights

3.156. The copyright protection regime remained largely unchanged during the review period. The Copyright Office of the National Library, under the Ministry of Culture, is the competent authority for enforcing Copyright Law No. 23 of 2014.

3.157. Copyright protection is accorded to original works of art, science, and literature, including works expressed in writing, sounds, visuals, motion, 3-D works, computer programmes, and databases. Copyright protection generally lasts for the life of the author plus 50 years after their death, while applied arts are protected for 25 years after their creation. Unpublished works are also protected from the moment they are created.

3.158. Collective management organizations (CMOs) must be registered in order to represent the rights of copyright owners. The authorities indicate that CMOs are considered as non-profit associations in Jordan, and that there are no restrictions on foreigners to register any associations.

⁵⁵ The period of the design protection is 10 years from the date of first commercial exploitation anywhere worldwide. The protection period must not exceed 15 years from the date of inventing the design.

4 TRADE POLICIES BY SECTOR

4.1 Agriculture, forestry, and fisheries

4.1.1 Overview

4.1. In 2022, agriculture and related activities accounted for 5.3% of Jordan's GDP (Chart 1.1) and for 3.2% of national employment, of which two thirds are non-Jordanian. Some 15% of the population (about 118,000 families) depend on agriculture.¹ The sector faces several challenges, particularly the dry climate with limited access to water supplies.

4.2. Over 60% of the value of agricultural production is grown in the Jordan Valley, which, being below sea level and having a warm and temperate climate, can produce fruits and vegetables throughout the year. Agricultural production also takes place in the highlands, where cereals and field crops are mainly cultivated. There is minimal production in the semi-arid eastern regions as Jordan has limited water resources and much of the soil is relatively infertile. Farm holdings are small and fragmented with about 90% of farmers owning less than 5 ha.²

4.3. The total value of agricultural production went from USD 3,506 million in 2016 to USD 3,391 million in 2021.³ In constant value terms, livestock and livestock products, led by chicken meat, remain the most important agricultural products (Table 4.1), while in terms of 2021 volume, the most important agricultural products are tomatoes, cattle raw milk, chicken meat, potatoes, olives, cattle meat, eggs, barley, and wheat (Table 4.2). The fluctuation in the value of agricultural production is due to changes in prices, area cultivated, and yields.

Table 4.1 Value of production of livestock products, 2016-21

(Constant 2014-16 USD million)

	Livestock total	Chicken meat	Cattle meat	Cattle milk	Milk, whole fresh sheep	Eggs, hen, in shell	Other livestock products
2016	1,145	606	106	186	110	110	27
2017	1,184	659	84	197	118	99	27
2018	1,298	658	109	215	117	173	25
2019	1,288	558	189	233	120	158	30
2020	1,367	659	208	201	126	148	25
2021	1,306	621	236	208	121	95	25

Source: FAOStat. Viewed at: <https://www.fao.org/faostat/en/#data>.

Table 4.2 Production volumes 2016-21

(Tonnes)

	Wheat	Barley	Olives	Tomatoes	Potatoes	Cattle meat	Chicken meat	Cattle raw milk	Eggs, hen, in shell
2016	31,150	37,929	115,812	837,344	273,906	29,552	200,959	276,715	54,694
2017	12,110	48,954	145,332	690,477	155,639	29,000	217,625	292,604	49,600
2018	16,389	47,245	125,150	717,865	153,199	30,770	217,423	320,169	86,333
2019	26,361	66,618	214,994	496,216	173,653	41,981	184,434	346,926	78,947
2020	25,749	86,615	169,265	577,288	147,913	45,801	217,572	299,819	73,748
2021	30,000	35,000	172,061	629,153	177,502	48,581	205,000	309,072	47,614

Source: FAOStat. Viewed at: <https://www.fao.org/faostat/en/#data>.

4.1.2 Trade

4.4. Jordan depends on imports to meet domestic demand for most agricultural products and the deficit in agriculture trade continued to increase throughout the review period (Tables 4.3 and 4.5). Agricultural exports averaged USD 1,324 million between 2016 and 2022, while imports averaged

¹ Data provided by the authorities.

² WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

³ Data provided by the authorities.

USD 4,256 million over the same period. In 2022, agricultural exports represented 11.8% of total merchandise exports, while the share of agricultural imports to total imports was 21.1%.⁴

4.5. During the review period, live sheep and goats replaced tomatoes as Jordan's main agricultural export. Live sheep and goats represented 11.4% of all agricultural products (WTO definition) in 2022 (Table 4.3), the Kingdom of Saudi Arabia being the largest export market (Table 4.4), with 70.6% of the total. The Gulf Cooperation Council (GCC) members are the main destination for Jordan's agricultural exports.

Table 4.3 Exports of main agricultural products, 2016-22

(USD million and %)

	2016	2017	2018	2019	2020	2021	2022 ^a	Share in 2022 ^a
Total agricultural exports (WTO definition)	1,252.5	1,225.0	1,716.5	1,114.5	1,152.1	1,341.7	1,466.0	100.0
0104. Live sheep and goats.	139.5	161.6	96.4	157.0	150.5	126.5	167.8	11.4
0809. Apricots, cherries, peaches (including nectarines), plums and sloes fresh	103.2	96.7	64.1	70.1	62.9	156.0	85.8	5.8
1602. Other prepared or preserved meat, meat offal, blood or insects	27.4	41.9	26.3	43.2	58.7	60.1	80.2	5.5
2106. Food preparations not elsewhere specified or included	61.1	60.1	59.9	69.4	60.5	61.4	76.7	5.2
0702. Tomatoes, fresh or chilled	255.5	223.1	168.0	120.3	101.4	94.2	73.3	5.0
0709. Other vegetables, fresh or chilled	69.3	80.5	68.3	60.6	54.4	59.6	69.8	4.8
2005. Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06	27.3	24.9	25.0	27.6	37.1	43.1	63.5	4.3
2309. Preparations of a kind used in animal feeding	36.5	36.9	47.3	31.1	52.9	46.2	62.5	4.3
1101. Wheat or meslin flour	1.4	3.4	8.2	16.1	14.7	28.6	46.3	3.2
0407. Birds' eggs, in shell, fresh, preserved or cooked	7.8	7.2	17.4	20.9	39.4	42.4	45.1	3.1

a Provisional data.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Table 4.4 Main export markets for Jordanian live sheep and goats, 2016-22

(USD million and %)

	2016	2017	2018	2019	2020	2021	2022 ^a	Share in 2022 ^a
Total HS0104 exports	139.5	161.6	96.4	157.0	150.5	126.5	167.8	100.0
Saudi Arabia, Kingdom of	82.6	20.6	14.7	35.3	56.8	76.7	118.4	70.6
Qatar	33.2	33.6	0.0	0.0	0.0	0.0	22.8	13.6
Kuwait, State of	18.0	98.1	61.8	103.4	79.7	44.6	22.2	13.2
Bahrain, Kingdom of	0.7	4.7	7.7	10.7	8.1	3.9	3.6	2.1
United Arab Emirates	5.0	4.6	12.3	7.7	5.4	1.3	0.8	0.5

a Provisional data.

Source: WTO Secretariat calculations, based on data provided by the authorities.

4.6. Jordan's most important agricultural imports are cereals, notably wheat and meslin, which represented 7.4% of total agricultural imports in 2022, followed by barley and maize (Table 4.5).

⁴ WTO Secretariat calculations, based on data provided by the authorities.

The Ministry of Industry, Trade and Supplies (MITS) is the main importer of cereals. Wheat consumption includes that used for animal feed but is generally imported for human consumption. Barley is mainly used as animal feed for sheep and, to a lesser degree, cattle and poultry. Maize is mainly used for animal feed. In 2022, most agricultural imports came from the European Union (29.7% of the total), led by Romania (14.5% of the total), followed by the Kingdom of Saudi Arabia (9.7%) and Argentina (7.8%).⁵

Table 4.5 Imports of agricultural products, 2016-22

(USD million and %)

	2016	2017	2018	2019	2020	2021	2022 ^a	Share in 2022 ^a
Total agricultural exports (WTO definition)	4,032.4	3,849.7	3,797.4	3,757.3	4,103.3	4,492.4	5,759.8	100.0
1001. Wheat and meslin	447.0	233.0	262.5	202.9	301.8	299.5	424.2	7.4
1003. Barley	196.1	177.2	197.4	213.4	120.6	222.4	420.5	7.3
1005. Maize (corn)	171.0	195.5	184.7	161.6	162.9	235.9	306.8	5.3
0104. Live sheep and goats	156.3	93.5	78.7	82.0	184.4	203.7	271.2	4.7
1006. Rice	143.8	161.7	173.9	198.6	194.5	179.6	258.2	4.5
2304. Oil-cake and other solid residues	156.5	164.3	155.0	139.9	144.7	177.5	232.4	4.0
1701. Cane or beet sugar and chemically pure sucrose, in solid form	177.8	190.0	146.2	118.0	162.8	152.7	230.6	4.0
2106. Food preparations not elsewhere specified or included	178.3	168.5	168.8	170.4	159.4	189.2	226.4	3.9
0406. Cheese and curd	103.9	106.3	107.7	112.3	125.5	133.7	157.8	2.7
0207. Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen	102.0	91.9	89.5	90.8	77.6	115.8	152.0	2.6

a Provisional data.

Source: WTO Secretariat calculations, based on data provided by the authorities.

4.1.3 Policies

4.7. The Ministry of Agriculture continues to be responsible for developing and implementing agricultural policies and preparing legislation. Under the Ministry, the National Center for Agricultural Research and Extension (NCARE) provides research, training, and extension services to farmers, and the Agricultural Credit Corporation (ACC) provides credit to farmers and village cooperative societies. In 2022, the total amount lent by the ACC reached JOD 55 million.⁶

4.8. Other ministries are also responsible for policies affecting agriculture, including the Ministry of Water and Irrigation. Under the Ministry of Water and Irrigation, the Jordan Valley Authority is responsible for the operation and maintenance of irrigation systems and land allocation in the Jordan Valley, and the Water Authority of Jordan deals with water and sanitation services including planning, construction, operation, and maintenance.

4.9. The principal legislation on agriculture remains Agriculture Law No. 13 of 2015, whose main objectives are to increase self-sufficiency and improve diversification while meeting international, regional, and domestic requirements and conserving the environment and natural resources. In addition, there are other laws relating to water and irrigation that affect agriculture.

4.10. Under Agriculture Law No. 13 for 2015, some regulations have been issued to enhance trade competition. According to the authorities, the following regulations consider trade facilitation and laboratory tests accreditation in the country of origin:

- Regulation No. G/1 2016 to obtain permission to import animal feed materials;
- Regulation No. G/6 2021 for the registration, production, importation, analysis, sale of agricultural fertilizers and plant growth regulators, and amendments thereof;

⁵ WTO Secretariat calculations, based on data provided by the authorities.

⁶ Data provided by the authorities.

- Regulation No. G/7 2021, for the registration, formulation, processing, import, circulation, and trading in pesticides;
- Regulation No. G/4 2022, for the registration, import, handling, and trading in pesticides and biological enemies;
- Regulation No. G/13 2022, for the registration of seeds and vegetable seed varieties, their import origin and locally produced, and production and trading in thereof; and
- Agricultural Services Allowance Decision No. G/9 2015 and its amendments.

4.11. On 24 August 2020, the Ministry of Agriculture launched the National Agricultural Development Strategy 2020-25 at an estimated cost of JOD 591 million. It envisages 174 interventions and projects, focusing on the following priorities: restructuring and digitization of the agricultural sector; utilization of modern technology; enhancing production and productivity; focusing on strategic crops; developing the logistics chain of operations; uplifting the agro-processing chain; developing the export chain; and expanding forest and pasture areas.⁷

4.12. The National Agricultural Development Strategy 2020-25 aims at increasing agricultural GDP from JOD 2.6 billion in 2020 to JOD 3.66 billion by 2025 and boosting agriculture's value-added from JOD 1.6 billion to JOD 2.48 billion in the period. Other key targets of the strategy include creating 65,000 jobs in the five-year period and replacing 21,000 foreign workers with Jordanians; increasing the number of farmers using digital government-run agricultural services by 30%; and reducing export costs to pave the way for a 15% increase in agricultural exports. Accordingly, the Strategy is designed to help cut air and land freight costs by 12% and increase the productivity of food and agricultural manufacturers by 18% by 2025. Furthermore, the Strategy is pursuing a 10% increase in the forest area by 2025.⁸

4.13. Under the Government's Economic Priorities Program 2021-2023 (EPP) (Section 1.2 and Table 2.2), a key objective for the sector is to increase agricultural output by 20% in 2023 compared to 2020 levels. The priorities for the sector are encouraging farmers to adopt modern practices by expanding agricultural lending; establishing an Agricultural Marketing Company; and encouraging and promoting food manufacturing.⁹

4.14. The Government has recently developed and adopted the National Water Strategy 2023-2040, as well as several policies that focus on providing irrigation water while reducing overall volumes of freshwater used as irrigation water. These policies are part of the Strategy and include Wastewater Management and Reuse Policy, Water Reallocation Policy, and Water Demand Policy. The water for irrigation represented 48.6% of water demand in Jordan.¹⁰

4.15. The National Water Strategy 2023-2040 consists of four pillars: (i) reform the legal and institutional framework to modernize the sector, clarify roles and responsibilities, enhance accountability, and increase public trust; (ii) restore balance between available and sustainable water supplies and sufficient water demand to meet Jordan's health and economic development needs to achieve lasting water security; (iii) achieve financial sustainability for water sector operations through the balance of full cost recovery for operations and maintenance; and (iv) ensure impartial and transparent regulation of water sector services and costs.¹¹

4.1.3.1 Trade policies

4.16. On average, the MFN applied tariff for agricultural products (WTO definition) decreased from 16.8% in 2015 to 8.8% in 2022 (Table 3.1). Agricultural products cover 950 tariff lines at the 9-digit level, including 36 tariff lines with non-*ad valorem* (specific) duties. All specific duties are for beverages and spirits. Tobacco products (five lines) have the highest applied tariffs of 45%, followed

⁷ Information provided by the authorities.

⁸ Information provided by the authorities.

⁹ Ministry of Planning and International Cooperation (MOPIC) (2021), *Government's Economic Priorities Program 2021-2023*, p. 16. Viewed at: https://mop.gov.jo/EBV4.0/Root_Storage/EN/EB_HomePage/final_english_13-9.pdf.

¹⁰ Ministry of Water and Irrigation, *National Water Strategy 2023-2040*. Viewed at: https://www.mwi.gov.jo/ebv4.0/root_storage/ar/eb_list_page/%D9%85%D9%84%D8%AE%D8%B5_%D8%A7%D9%84%D8%A5%D8%B3%D8%AA%D8%B1%D8%A7%D8%AA%D9%8A%D8%AC%D9%8A%D8%A9_%D8%A7%D9%84%D9%88%D8%B7%D9%86%D9%8A%D8%A9_%D9%84%D9%84%D9%85%D9%8A%D8%A7%D9%87_2023_-_2040.pdf. [Only in Arabic]

¹¹ Information provided by the authorities.

by 25% rate on beverages (two lines), fruits and vegetables (24 lines), and other products. *Ad valorem* duties range from zero to 150%, while specific rates range from JOD 0.85/litre to JOD 15/litre. *Ad valorem* highest rates of 150% (14 tariff lines) and 75% (1 line) apply to tobacco and tobacco products.

4.17. Under different preferential trade agreements, imports of agricultural products are subject to reduced tariff rates, ranging from 2.6% for imports from the United States to 8.0% from EFTA countries. The average preferential rate of the other preferential agreements is 2.7% for Canada, the Greater Arab Free Trade Area (GAFTA), and Morocco; 2.9% for the European Union and the United Kingdom; and 3.7% for Singapore (Section 3.1.3.2 and Table 3.4).

4.18. Import licences are required for a number of agricultural goods and foodstuffs. The Food and Drug Administration is responsible for licences for animals and animal products and processed agricultural products, and the Ministry of Agriculture is responsible for basic plant products and fresh products. The conditions necessary for granting a licence depend on the type of product and the country of origin and, according to the authorities, are applied for sanitary and phytosanitary reasons.

4.1.3.2 Price-related measures

4.19. Some goods, particularly food from cereals, are subject to price controls and are subsidized by the Government. The MITS is the main importer of wheat, barley, and other cereals, which it then sells to millers. Bread prices are fixed at JOD 0.32/kg for large-sized pitta bread; JOD 0.40/kg for small-sized pitta bread; and JOD 0.35/kg for other types of local bread. An active strategic wheat reserve is in place at 12 months' consumption.¹² According to the authorities, subsidized flour selling prices were revoked on 26 January 2018.

4.20. The Government also applies measures to support domestic producers of wheat and barley. The government-fixed price for domestically produced wheat changes from one year to another, ranging from JOD 370 per tonne in 2016 to JOD 420 per tonne in 2022. Jordan has continued to use administered prices for barley, which, like those for wheat, have varied from one year to the next, ranging from JOD 320 per tonne in 2016 to JOD 370 per tonne in 2022.¹³ According to the authorities, the administered prices are decided based on international prices and shipping costs plus a margin to ensure domestic production is viable.

4.21. Sheep and goat owners receive subsidized feed barley according to the number of tagged animals they possess. Other livestock subsectors are excluded from the programme. The animal tagging programme started in 2008 with the objective of improving productivity and exports through better animal health.

4.1.3.3 WTO notifications

4.22. The most recent notifications by Jordan to the WTO Committee on Agriculture were made in 2017 and refer to calendar years 2013 and 2014. According to the authorities, lack of up-to-date data has prevented them from making new notifications.

4.23. Jordan indicated that no export subsidies were provided during 2013 and 2014.¹⁴

4.24. Jordan's current total Aggregate Measurement of Support (AMS) reached JOD 1,861 million in 2014.¹⁵ Along with earlier notifications, most of Jordan's domestic support was in the Green Box, followed by support notified under the Amber Box including *de minimis* support.

4.25. Domestic food aid represented 73.7% of the Green Box total of JOD 240.8 million in 2014. General services, led by inspection services, infrastructural services, pest and disease control, and research are the next biggest items in the Green Box notification. Regarding the Amber Box, the

¹² Information provided by the authorities.

¹³ Information provided by the authorities.

¹⁴ WTO document G/AG/N/JOR/18, 19 January 2017.

¹⁵ WTO document G/AG/N/JOR/20/Rev.1, 30 November 2017.

value of producer price support for wheat and barley depends on both production and the applied administered price, while livestock and other forms of support depend on budget allocations.¹⁶

4.2 Mining and energy

4.26. During the review period, there were no significant changes to the institutional framework regarding mining and energy. The Ministry of Energy and Mineral Resources (MEMR) remains responsible for the sector, elaborating policies and legislation with the objective of achieving a sustainable supply of energy and optimal use of Jordan's natural resources according to global best practices.

4.27. Under the Energy and Minerals Regulatory Commission Law No. 8 of 2017, the MEMR's regulatory tasks relating to granting licences and permits were transferred to the Energy and Minerals Regulatory Commission (EMRC).¹⁷

4.28. The Jordan Petroleum Refinery Co. Ltd (JPRCL) and the Jordan Phosphate Mines Co. Ltd (JPMC) are state trading enterprises. JPRCL has exclusive rights to import crude oil and hydrocarbon products for local use, while the JPMC has exclusive rights to import, store, and sell explosive materials used for mining and quarrying purposes. The JPMC also has exclusive mining rights over phosphates for four mines in Jordan (Section 3.3.4.1).¹⁸

4.2.1 Mining

4.29. In 2022, the mining and quarrying sector accounted for 3.1% of Jordan's GDP (Chart 1.1). Mining consists mainly of large industries in terms of capital and volume of investments. The sector is divided into extractive and manufacturing industries. Extractive industries depend on mineral resources that cannot be renewed or replaced and converted into final products, notably phosphate and potash. Manufacturing industries include industrial processes to have a final or intermediate product for other industries, such as fertilizers and cement.

4.30. During the review period, there was a large increase in both total financial revenues of both extractive and manufacturing mining industries, and in the share of mining exports to total exports (Table 4.6). The rapid technological development at the global level in mining has contributed to larger investments in Jordan's mining industrial projects. Moreover, over the last few years the Government has implemented several exploration programmes for mineral ores, such as rare earth elements and lithium, for the purpose of marketing these ores in modern industries and focusing on the added value of national strategic minerals.¹⁹

Table 4.6 Mining key economic indicators, 2016-21

(JOD million)

Concept	2016	2017	2018	2019	2020	2021
Extractive industries	1,420.5	1,445.9	1,634.5	1,861.1	1,681.2	1,949.1
Manufacturing industries	679.9	545.9	627.3	571.2	546.4	1,169.2
Total	2,100.4	1,991.8	2,270.8	2,432.3	2,227.6	3,118.3
Mining exports	946.0	882.0	1,098.0	944.6	1,188.0	1,834.0
Total exports	5,712.0	5,629.0	5,561.0	4,992.1	5,044.4	6,039.5
% of total exports	16.6	15.7	19.7	18.9	23.6	30.4

Source: MEMR, *Performance of Jordanian Mining Sector During 2019-21*; and data provided by the authorities.

4.31. Natural Resource Law No. 19 of 2018 aims at natural resources development, together with their sustainable exploitation, and to regulate mining activities. It establishes that (i) natural resources are considered property of the State, whether they are on the surface of the earth or in its interior, or in territorial waters, rivers, and inland seas; (ii) it is not permissible to explore, exploit, transfer, or trade in natural resources without obtaining a permit or licence; (iii) any activities of

¹⁶ WTO document G/AG/N/JOR/20/Rev.1, 30 November 2017.

¹⁷ MEMR, *Annual Report 2021*, p. 17. Viewed at: https://www.memr.gov.jo/ebv4.0/root_storage/en/eb_list_page/annual_report_2021_en.pdf.

¹⁸ The JPMC does not sell phosphate to private traders for export purposes.

¹⁹ MEMR, *Performance of Jordanian Mining Sector During 2019-21*, p. 3. Viewed at: https://www.memr.gov.jo/ebv4.0/root_storage/en/eb_list_page/pofjmsd2021.pdf.

survey, exploration and exploitation of petroleum, oil shale, coal and strategic minerals shall be conducted in accordance with a Regulation issued for this purpose; (iv) mining is considered a public interest and no survey permit, exploration licence or mining right may be granted for governmental, private, or Waqf land unless approved by their owners or by whom authorized on land use; (v) prior approval and supervision of the related authorities is requested to survey, explore, or mine within holy places or antiquity sites, railway lands, municipal areas, reservoirs, and oil and sewage pipelines lands; and (vi) it is impermissible for the licensee to possess or obtain water from any lake, sea, river, stream, water passage, dam, underground reservoir, or canal abutting any spot within the licence or permit area without prior approval.²⁰

4.32. Jordan's investment and fiscal mining regime did not change during the review period. Jordan permits foreigners to invest in the mining sector, under special agreements concluded with the Natural Resources Authority (NRA), by way of certain permits, prospecting licences, and mining rights. Mining rights are granted for up to 30 years and income taxes are set at 15%. Foreign ownership is permitted in the sector, but mines must have a Jordanian manager. Rights are exclusively given to single entities in a number of industries within the sector, such as bromine, phosphate rock, potash, potassium nitrate, salt, potassium sulphate, and sulphuric acid.²¹

4.33. The sector is composed of both private and state-owned companies. The National Petroleum Company and Jordan Petroleum Refinery Company are fully state-owned. Jordan Phosphate Mines Company (JPMC), Arab Potash Company (APC), Jordan Abyad Fertilizers and Chemicals Company (JAFCCO), Jordan Indian Fertilizer Company (JIFCO), Jordan Lafarge Cement Factories Company (JCFC), and Nippon Jordan Fertilizer Company have shared ownership among private and government entities. The remaining companies are privately owned (Table 4.7).

Table 4.7 Overview of the mineral industry: selected commodities

Commodity	Major operating companies	Ownership	Location of main facilities
Bromine	Jordan Bromine Co. (JBC)	Arab Potash Co. (APC), 50%; Albemarle Corp., 50%	Ghur Al Safi
Cement	Al Rajhi Cement Jordan	Al Rajhi Cement Holding Ltd	Mafrq
	Arab Company for White Cement Industry	Syrian Jordanian Company for Industry, 50%; Ministry of Finance, 15%; Social Security Corp., 10%; General Organization for Cement (Syria), 25%	Amman
	Qatrana Cement Co.	Arabian Cement Co., 100%	Al Qatraneh
	Jordan Lafarge Cement Factories Co. PSC (JCFC)	Lafarge S.A., 50.28%; Social Security Corp., 21.86%; others, 27.87%	Fuheis and Ar-Rashadiya
	Modern Cement and Mining Co.	Manaseer Group for Industries and Commercial Investments of Jordan, 100%	Fuheis and Ar-Rashadiya
	Northern Cement Co.		Mill at Muwaqar
Natural gas	National Petroleum Co.	Government, 100%	Risha
Petroleum crude	National Petroleum Co.	Government, 100%	Hamza
Petroleum Refined	Jordan Petroleum Refinery Co. Ltd	Social Security Corporation, 20.14%	Zarqa
Phosphate rock	Jordan Phosphate Mines Co. Ltd (JPMC)	Ministry of Finance, 25.66%; Social Security Corporation, 16.466%	Al Abiad, Al Hassa, Eshidiya, and Russeifa mines
Phosphate fertilizers	JPMC	Ministry of Finance, 25.66%; Social Security Corporation, 16.46%	Aqaba
	Jordan Abyad Fertilizers and Chemicals Co. PSC (JAFCCO)	Venture Capital Bank, 57.2%; Al-Fares Investments, 17.8%; Jordan Phosphate Mines Co. Ltd (JPMC), 15%; Arab Mining Co., 10%	Aqaba
	Nippon Jordan Fertilizer Co.	Asahi Industries Company Ltd 10%; Mitsubishi Corp., 10%; Mitsubishi Chemicals Corp., 10%; Zen-Noh, 30%; Arab Potash Co. (APC), 20%; Jordan Phosphate Mines Co. Ltd (JPMC), 20%	Eshidiya
Phosphoric acid	JPMC	Ministry of Finance, 25.661%; Social Security Corporation, 16.456%	Aqaba

²⁰ Information provided by the authorities.

²¹ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

Commodity	Major operating companies	Ownership	Location of main facilities
	Jordan India Fertilizer Co. (JIFCO)	Indian Farmers Fertilizers Cooperative of India (IFFCO), 52%; Jordan Phosphate Mines Co. Ltd (JPMC), 48%	Eshidiya
	Indo-Jordan Chemicals Co. Ltd	Jordan Phosphate Mines Co. Ltd (JPMC), 87%; D101 and Arab Investment Co., 13%	Eshidiya
Potash	Arab Potash Co. (APC)	Potash Corporation of Saskatchewan, 28%; Jordan Ministry of Finance, 27%; Arab Mining Co., 20%; Social Security Fund, 5%; Islamic Development Bank, 5%; Iraqi Government, 5%; Libyan Company for Foreign Investment, 4%; Kuwait Investment Authority, 4%; Other, 2%	Ghur Al Safi
Potassium nitrate	Arab Fertilizers and Chemicals Industries Ltd	Arab Potash Co. (APC), 100%	Aqaba
Potassium sulphate	JAFCCO	Venture Capital Bank, 57.2%; Al-Fares Investments, 17.8%; Jordan Phosphate Mines Co. Ltd (JPMC), 15%; Arab Mining Co., 10%	Aqaba
Salt	APC	Potash Corporation of Saskatchewan, 28%; Jordan Ministry of Finance, 27%; Arab Mining Co., 20%; Social Security Fund, 5%; Islamic Development Bank, 5%; Iraqi Government, 5%; Libyan Company for Foreign Investment, 4%; Kuwait Investment Authority, 4%; Other, 2%	Ghur Al Safi
Sulphuric acid	JAFCCO	Venture Capital Bank, 57.2%; Al-Fares Investments, 17.8%; Jordan Phosphate Mines Co. Ltd (JPMC), 15%; Arab Mining Co., 10%	Aqaba

Source: Information provided by the authorities.

4.2.1.1 Phosphate

4.34. Jordan has the fifth-largest phosphate reserves in the world at 3.7 billion tonnes. Phosphate is mined through JPMC's four phosphate mines; it obtained new exploration licences in 2019. JPMC has an estimated reserve of 1.250 billion tonnes, making it the world's second-largest exporter. JPMC is also the sixth-largest producer of phosphate in the world with an annual production capacity of more than 7 million tonnes.²²

4.35. Despite the decrease in production in 2020 mainly due to the COVID-19 pandemic, JPMC achieved record production, local sales, exports, revenues, and profits in 2021 and 2022 (Table 4.8). Phosphate exports accounted for 6.2% of total exports in 2021, compared with 4.8% in 2020.²³

Table 4.8 Phosphates' main indicators, 2016-22

Concept	2016	2017	2018	2019	2020	2021	2022
Production ('000 tonnes)	7,988	8,665	8,022	9,224	8,938	10,015	11,258
Exports ('000 tonnes)	4,704	5,195	4,163	5,070	4,518	5,296	6,614
Exports (JOD million)	..	..	..	..	243,056	377,015	767,646
Consumed locally ('000 tonnes)	3,231	3,588	3,900	3,961	4,034	4,386	4,085
Revenues (JOD million)	367.1	335.5	327.2	339.0	296.0	500.0	914,092
Net profit (JOD million)	..	..	..	..	28.1	336.4	597,582

.. Not available.

Source: MEMR, *Performance of Jordanian Mining Sector During 2019-21*, p. 8; and data provided by the authorities.

²² MEMR, *Performance of Jordanian Mining Sector During 2019-2021*, p. 6. Viewed at: https://www.memr.gov.jo/ebv4.0/root_storage/en/eb_list_page/pofjmsd2021.pdf.

²³ MEMR, *Performance of Jordanian Mining Sector During 2019-2021*, p. 8.

4.36. JPMC is registered on the Amman Financial Market and its shares are traded publicly to local and foreign investors subject to the laws and regulations of the Market.²⁴

4.2.1.2 Potash

4.37. APC was established in 1956 for the purpose of extracting salts and chemicals from the Dead Sea and establishing industries based on these salts. APC and its subsidiaries are limited to producing potash, potassium nitrate, various chemicals, and other derivative products, notably bromine, and selling them locally and for export.²⁵ In 2021, APC achieved record sales, exports, and profits in 2021 (Table 4.9). Potash exports accounted for 13.1% of total exports in 2022, compared with 8.5% in 2021.²⁶

Table 4.9 Potash's main indicators, 2016-22

Concept	2016	2017	2018	2019	2020	2021	2022
Production ('000 tonnes)	2,003	2,320	2,435	2,486	2,620	2,563	2,684
Exports ('000 tonnes)	1,842	2,166	2,198	2,145	2,334	2,400	2,405
Exports (JOD million)	..	..	..	..	380.3	513.1	1,055.0
Consumed locally ('000 tonnes)	188.5	194.4	242.1	264.0	219.0	230.5	215.7
Sales (JOD million)	322.2	364.3	482.7	504.6	456.1	648.0	1,268.2
Net profit (JOD million)	62.2	89.8	124.9	151.7	126.8	217.0	601.0

.. Not available.

Source: MEMR, *Performance of Jordanian Mining Sector During 2019-21*, p. 8; and data provided by the authorities.

4.38. APC has exclusive rights until 2058 to exploit, manufacture, and market mineral resources from the Dead Sea.²⁷

4.2.2 Energy

4.39. According to the latest available figures, Jordan imported 84% of its total energy needs in 2021, down from 97% in 2014.²⁸ Crude oil and oil products remain the key source of primary energy consumption (Table 4.10), with 45.5% share in 2021, followed by natural gas (37.5%). Most crude oil imports come from the Kingdom of Saudi Arabia.

Table 4.10 Primary energy consumption by source, 2016-21

('000 toe (tonnes of oil equivalent))

Type of energy source	2016	2017	2018	2019	2020	2021
Crude oil and oil products	5,327	5,671	5,225	5,006	4,121	3,966
Coal	220	165	205	143	152	226
Pet coke	182	148	92	1	0	0
Natural gas	3,389	3,510	3,438	3,281	3,311	3,270
Renewable energy	412	515	753	823	982	1,245
Imported electricity	84	13	47	12	16	19
Total energy consumed	9,614	10,009	9,712	9,266	8,583	8,726

Source: MEMR, *Energy 2019 – Facts & Figures*; and data provided by the authorities.

4.40. Final energy consumption averaged 6.4 million tonnes of oil equivalent (toe) during 2016-21 (Table 4.11). In 2021, the transport sector was the largest consumer (43.0%), followed by households (24.4%), industry (16.3%), and services and others (16.2%).

²⁴ JPMC shareholders are Jordan Investment Corporation (42.2%); Social Security Corporation (28.4%); the Government of the State of Kuwait (16.3%); Housing Bank (2.5%); Arab Petroleum Investment Corporation (1.3%); Arab Mining Company (1.3%); the Islamic Development Bank – Jeddah (0.5%); and others (7.5%). Information provided by the authorities.

²⁵ The current ownership structure comprises the Potash Corporation of Saskatchewan (28%); Jordan Ministry of Finance (27%); and Arab Mining Co. (20%). Other shareholders have a less than 5% stake. Information provided by the authorities.

²⁶ Information provided by the authorities.

²⁷ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

²⁸ Information provided by the authorities.

Table 4.11 Final energy consumption, 2016-21

('000 toe)

Sector	2016	2017	2018	2019	2020	2021
Transport	3,184	3,431	3,363	3,074	2,308	2,677
Industrial	1,064	938	954	891	935	1,017
Household	1,342	1,549	1,463	1,484	1,487	1,520
Services & others	826	950	981	1,109	1,045	1,008
Total	6,416	6,868	6,761	6,560	5,774	6,222

Source: MEMR, *Energy 2019 – Facts & Figures*; and data provided by the authorities.

4.41. The Master Strategy for the Energy Sector 2020-30, developed by the MEMR, calls for a sustainable future energy supply, diversification of the national energy mix, increased dependency on the share of domestic energy resources, enhanced energy security, and reduced energy dependence and cost of electricity supply.²⁹

4.2.2.1 Renewable energy and energy efficiency

4.42. Jordan's most abundantly available renewable energy resources are solar and wind, with smaller potential for bioenergy, hydropower, and geothermal. The Renewable Energy and Efficiency Law of 2012 and its amendments established the renewable energy strategy. During the review period, renewable energy increased its participation to 14.3% of total energy consumption in 2021, up from 4.3% in 2016 (Table 4.10), above the 10% target for 2020 mentioned in the 2007-2020 Master Strategy of the Energy Sector.³⁰

4.43. The Master Strategy for the Energy Sector 2020-2030 targets a 31% share for renewables in total power generation capacity. It aims to boost energy efficiency by achieving a 9% reduction of energy consumption by 2023 taking the energy consumption in 2018 as a base year, with mitigating greenhouse gas (GHG) emissions in line with the global GHG emissions reduction (Section 1.1).³¹

4.2.2.2 Electricity

4.44. Electricity production grew from 19,390 GWh in 2016 to 22,106 GWh in 2021, while over the same period electricity consumption went from 16,669 GWh to 19,306 GWh.³² Natural gas is responsible for 73% of electricity generation. Households are the largest consumers of electricity (48.0% in 2021), followed by the industrial sector (21.0%), and commercial sector (14.7%) (Table 4.12).³³

Table 4.12 Primary energy consumption by source 2016-21

('000 toe)

Sector	2016	2017	2018	2019	2020	2021
Household	7,448	8,076	8,038	8,260	9,100	9,269
Industrial	3,939	3,785	3,877	3,622	3,489	4,049
Commercial	2,447	2,655	2,507	2,870	2,584	2,831
Water pumping	2,485	2,655	2,706	2,747	2,866	2,767
Street lighting	350	403	404	411	387	390
Total	16,669	17,574	17,532	17,910	18,425	19,306

Source: MEMR, *Energy 2019 – Facts & Figures*; and data provided by the authorities.

4.45. The construction of the Green Corridor Project increased the capacity of the electricity transmission from the south to the centre of Jordan from 500 MW to 1400 MW. According to the

²⁹ MEMR, *Renewables Readiness Assessment*. Viewed at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2021/Feb/IRENA_RRA_Jordan_Summary_2021_EN.pdf?la=en&hash=D E5015E14770A43E9BFF2DFF8FAE684CED6E8EEB.

³⁰ MEMR, *Summary of Jordan Energy Strategy 2020-2030*. Viewed at: https://www.memr.gov.jo/EBV4.0/Root_Storage/EN/EB_Info_Page/StrategyEN2020.pdf.

³¹ MEMR, *Summary of Jordan Energy Strategy 2020-2030*. Viewed at: https://www.memr.gov.jo/EBV4.0/Root_Storage/EN/EB_Info_Page/StrategyEN2020.pdf.

³² Information provided by the authorities.

³³ MEMR, *Energy 2019 – Facts & Figures*. Viewed at: https://www.memr.gov.jo/ebv4.0/root_storage/en/eb_list_page/brchure_2019.pdf.

authorities, the Rural Electrification Program has reached 99% of electricity coverage by developing the distribution networks and providing electricity access to most consumers and regions.³⁴

4.46. During the review period, no significant changes were made regarding the electricity industry legislative framework. The principal legislation remains the General Electricity Law of 2002, which aims to develop the sector in accordance with public interest, while encouraging local and foreign investment. The Law is administered by the MEMR, which is responsible for managing general policies pertaining to the sector; promoting the use of renewable energy; supporting a more competitive electricity market; and cooperating with other countries with regards to electricity transmission. The Law also allows private sector independent power producers (IPPs) to obtain a licence to generate electricity based on thermal power stations and on renewable energy.

4.47. As already indicated, under the Energy and Minerals Regulatory Commission Law No. 8 of 2017, the MEMR's regulatory tasks relating to granting licences and permits were transferred to the EMRC.³⁵ The EMRC is a governmental body that possesses a legal personality with financial and administrative independence and is the legal successor of the Electricity Regulatory Commission (ERC) and the Jordan Nuclear Regulatory Commission (JNRC) and the NRA.³⁶ The EMRC has the sole power to issue licences for all operators in generation, transmission, and distribution subsectors responsible for regulating the electricity sector. It is also in charge of monitoring and reporting on progression from the single-buyer model to a competitive model. The licence for both generation and distribution services contains a chapter on "Tariff Methodology", which details the steps that are to be followed to determine the revenue requirements, regulatory asset base, rate of return, core and non-core activities, and tariff equations. Article 18 of the General Electricity Law stipulates the procedure and conditions for settling disputes.

4.48. Under Electricity License Fee Regulation No. 30 of 2015, there is a new licensing regulation for power companies, which removed the exemption from licensing fees for companies generating power from renewable energy sources. Under the new regulation, licence fees for renewable energy power generators are as follows: one-time licence issuance fee of 1% of the company's registered share capital (to also be paid on any further increase of the company's registered capital); and an annual licence fee of 0.01 fils (JOD 0.00001) per KWh sold from the project. The one-time licence issuance fee is to be paid upon issuance of the licence.³⁷

4.49. Jordan has seven electricity generation companies with a combined capacity of nearly 4,000 MW. Central Electricity Generation Company (CEGCO) is 40% state-owned and is the largest generation company in Jordan, with a generation capacity of 1,392 MW; Samra Electric Power Company is fully state-owned; and the other four companies are owned by stakeholders from Japan, the Republic of Korea, the Kingdom of Saudi Arabia, and the United States.³⁸ Government regulations stipulate that the Government should maintain ownership of transmission and power control, as well as purchase, sale, and power exchange with external partners. The National Petroleum Company's production of gas is sold to CEGCO at a set government tariff. Additionally, the Jordan Bio-Gas Company Ltd also generates electricity by converting organic waste into methane gas.³⁹

4.50. The transmission network is owned and operated by the fully state-owned National Electric Power Company (NEPCO).⁴⁰ It is responsible for buying, transmitting, and selling electricity to distribution companies and large consumers; procuring natural gas for power stations; maintaining a safe and economic operation of the power system; importing and exporting electricity power; and

³⁴ MEMR, *Summary of Jordan Energy Strategy 2020-2030*. Viewed at: https://www.memr.gov.jo/EBV4.0/Root_Storage/EN/EB_Info_Page/StrategyEN2020.pdf.

³⁵ MEMR, *Annual Report 2021*, p. 17. Viewed at: https://www.memr.gov.jo/ebv4.0/root_storage/en/eb_list_page/annual_report_2021_en.pdf.

³⁶ Law No. 17 of 2014 regarding the restructuring of institutions and governmental organizations. EMRC, *General Information*. Viewed at: <https://form.jordan.gov.jo/wps/portal/Home/GovernmentEntities/Ministries/Ministry/Ministry%20of%20Energy%20and%20Mineral%20Resources/Energy%20and%20Minerals%20Regulatory%20Commission?current=true&nameEntity=Energy%20and%20Minerals%20Regulatory%20Commission&entityType=sub>.

³⁷ Information provided by the authorities.

³⁸ These are described in WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

³⁹ Jordan Bio-Gas Company Ltd is a joint-stock company owned by CEGCO and Greater Amman Municipality.

⁴⁰ NEPCO operates under Decree No. 10 of 1996, as amended by Decree No. 13 of 1999.

awarding contracts for new generation. NEPCO sells the purchased electricity to the three distribution companies each responsible for a particular geographic region: Jordan Electricity Power Company (JEPCO), granted a 20-year licence in May 2014; Irbid District Electricity Company LTD (IDECO), granted a 25-year licence in 2008; and Electricity Distribution Company (EDCO), granted a 25-year distribution licence in 2008.

4.51. On 1 April 2022, as part of the EPP, a new electricity tariff system was implemented to reduce cross-subsidization. It is designed to be revenue neutral for NEPCO, reduce electricity tariffs for key business sectors, and reform the household tariff system in a progressive manner.⁴¹ According to the IMF, as a result of this new system, "NEPCO's losses were contained at around ½ percent of GDP in 2021, including due to robust electricity consumption ... Moreover, NEPCO's long-term supply contracts for natural gas and relatively high renewable power capacity are expected to largely shield it from the surge in global fuel prices in the near-term. Accordingly, NEPCO's deficit was projected to decline to 0.3 percent of GDP in 2022".⁴²

4.52. The MEMR states that efforts will continue to reduce NEPCO's losses and restore its financial sustainability. This will require revenue enhancing measures, notably "time of use tariffs", installing meters for all houses connected to the grid, and increasing exports to neighbouring countries. Cost-reducing measures include reducing the costs of LNG storage and regasification, improving electricity storage, and strengthening electricity grid interconnections with neighbours, including Egypt, Iraq, the Kingdom of Saudi Arabia, and Syria.⁴³ Moreover, the MEMR is unbundling NEPCO accounts into separate strategic business units to strengthen accountability.⁴⁴

4.2.2.3 Oil and natural gas

4.53. The MEMR oversees the development of the oil and natural gas industry and grants concessions for exploration and exploitation of hydrocarbons. Concessions are granted for five to eight years and are subject to extension during the development phase of 25 years. The state-owned National Petroleum Company (NPC) has exclusive rights, until 2046, in the natural gas and crude oil industry. Under the Master Strategy for the Energy Sector 2020-2030, the NPC aims to reach production capacity of up to 200 million cubic feet per day to help achieve energy security and reduce dependence on imports.⁴⁵

4.54. The Jordan Petroleum Refinery Co. Ltd (JPRC), a government-owned public shareholding company, remains the sole petroleum refinery company, with exclusive rights for importing crude oil; refining, storing, transporting, and wholesaling petroleum; and maintaining petrol stations. JPRC is not involved in export activities and is exempt from customs duties and fees on goods imported for use in the company's operations. JPRC has a daily refining capacity of 14,000 tonnes of crude oil. It is "currently working on the Fourth Expansion Project, which aims mainly to increase the refining capacity ... up to [120,000] barrels per day (bpd), convert heavy products (fuel oil) into viable light products (gasoline and diesel) and improve the specifications of the oil products produced in the refinery to meet Jordanian and international specifications. It is planned to complete the expansion in 2023".⁴⁶

4.55. Since 2013, three companies have been given licences to import and sell petroleum products in Jordan.⁴⁷ Licences are valid for 10 years, with three years' exclusivity. After the expiration of the exclusivity period, the Government may grant licences to other oil marketing companies.

⁴¹ Around 1.1 million households (or 90% of total eligible households) have applied for subsidies through the online platform launched in January 2022. IMF (2022), *Jordan: Staff Report for the Article IV Consultation*, IMF Country Report No. 22/221, p. 16. Viewed at: <https://www.elibrary.imf.org/view/journals/002/2022/221/002.2022.issue-221-en.xml>.

⁴² IMF Country Report No. 22/221, p. 16.

⁴³ Jordan is part of the Regional Electricity Connectivity Projects, which aim to increase electrical capacity with Egypt to 1,100 MW and with Palestine to 80 MW; implement electricity connectivity with Iraq; and implement electricity connectivity with Lebanon upon reoperationalization of the electricity connectivity with Syria. MOPIC (2021), *Government's Economic Priorities Program 2021-2023*, p. 57. Viewed at: https://mop.gov.jo/EBV4.0/Root_Storage/EN/EB_HomePage/final_english_13-9.pdf.

⁴⁴ IMF Country Report No. 22/221, pp. 103-104.

⁴⁵ NPC, *About Us*. Viewed at: https://www.npc.com.jo/En/Pages/About_us.

⁴⁶ MEMR, *Summary of Jordan Energy Strategy 2020-2030*, p. 9. Viewed at: https://www.memr.gov.jo/EBV4.0/Root_Storage/EN/EB_Info_Page/StrategyEN2020.pdf.

⁴⁷ MEMR, *Summary of Jordan Energy Strategy 2020-2030*, p. 9.

Furthermore, until the end of the Refinery Offtake Obligation Period of six years, licensees are required to purchase refined products from JPRC. Companies started importing diesel by mid-2016, gasoline 95 by end-2016, and oil products starting in May 2018.⁴⁸

4.56. According to the MEMR, "[a]s part of the Ministry's efforts to increase the security of energy supply, The Jordan Oil Terminals Company (JOTC), a government-owned company, was established in 2015 to manage and operate the oil storage and logistics services across Jordan. The project was carried out to build strategic storage capacities of 440,000 cubic meters [250,000-300,000 tonnes of oil products] and 8,000 tons of LPG."⁴⁹

4.57. Jordan's long-term stable-price import contracts for gas used in electricity generation have also helped to contain inflation, and the authorities re-introduced blanket fuel subsidies in February 2022, reversing a decade-old reform, to mitigate passthrough to households (Section 1.2.1).⁵⁰

4.58. According to the MEMR, "[s]ince the commercial operation of Sheikh Sabah LNG terminal in Aqaba in July 2015, the LNG import project has contributed to achieve the strategic goal of increasing the contribution of natural gas to the overall energy mix by securing an additional source of natural gas supply for Jordan and the terminal has secured the power system with its full need of electricity ever since reaching about 88% by end of 2018".⁵¹

4.59. "The flow of Egyptian natural gas imports to Jordan has been resumed since September 2018 to provide additional resources of natural gas supply under agreements and MOUs by both countries. Noble Energy has signed a gas sales and purchase agreement (GSPA) with ... NEPCO to supply Jordan with 215 (MMSCF/d) of natural gas over a 15-year term starting from the date of the expected commercial supply at the beginning of 2020."⁵²

4.3 Services

4.60. In 2022, the services sector represented 66.7% of Jordan's GDP (Chart 1.1), led by finance, insurance, real estate and business services (18.6%), producers of government services (15.6%), and wholesale and retail trade, restaurants, and hotels (10.6%).

4.3.1 Financial services

4.61. Jordan's financial system comprises, *inter alia*, licensed banks, including Islamic banks; insurance companies; exchange companies; microfinance companies⁵³; and specialized credit institutions (Table 4.13). In 2022, total assets in the financial system represented 186.8% of GDP (up from 179.8% in 2021), 179.9% of which were held by licensed banks.⁵⁴

⁴⁸ MEMR, *Summary of Jordan Energy Strategy 2020-2030*, p. 9.

⁴⁹ MEMR, *Summary of Jordan Energy Strategy 2020-2030*, p. 9. According to the Summary, "[t]hree LPG tanks with a capacity of 11 thousand cubic meters (6000 tons) were added alongside with building six reservoirs of crude oil and oil products storage in Aqaba, with a total capacity of 120,000 cubic meters (100,000 tons), and the construction of three spherical LPG storage tanks with a total capacity of 11,000 cubic meters (6000 tons)".

⁵⁰ IMF Country Report No. 22/221, p. 5.

⁵¹ MEMR, *Summary of Jordan Energy Strategy 2020-2030*, p. 8.

⁵² MEMR, *Summary of Jordan Energy Strategy 2020-2030*, p. 8. Viewed at: https://www.memr.gov.jo/EBV4.0/Root_Storage/EN/EB_Info_Page/StrategyEN2020.pdf.

⁵³ While microfinance companies have been regulated since 2015, the CBJ started regulating finance companies per the Finance Companies Act No. 107 of 2021 (Table 4.14).

⁵⁴ Information provided by the authorities.

Table 4.13 Financial system structure, 2016-22

	2016	2017	2018	2019	2020	2021	2022
Number of institutions							
Banks	25	25	24	24	24	23	21
Foreign-owned banks	8	8	7	7	7	6	5
Jordanian banks	13	13	13	13	13	13	12
Islamic banks	4	4	4	4	4	4	4
Foreign-owned Islamic banks	1	1	1	1	1	1	1
Jordanian Islamic banks	1	1	3	3	3	3	3
Insurance companies	24	24	24	24	24	23	22
Life insurance	1	1	1	1	1	1	1
General insurance	8	8	8	8	8	7	6
Life and general insurance	15	15	15	15	15	15	15
Takaful providers	2	2	2	2	2	2	2
Microfinance companies	0	0	9	9	9	9	9
Assets (JOD million)							
Licensed banks assets	47,921	48,650	50,369	53,015	56,411	60,428	63,516
Foreign-owned banks	3,578	3,475	3,086	3,179	2,878	2,233	2,057
Jordanian banks	36,645	37,150	39,025	40,626	43,344	46,634	49,247
Islamic Banks	7,699	8,025	8,259	9,210	10,189	11,561	12,211
Foreign-owned Islamic banks	521	595	557	610	653	711	741
Jordanian Islamic banks	7,178	7,430	7,702	8,600	9,536	10,850	11,470
Microfinance companies			293	314	300	335	374
Insurance company assets	915.6	952.4	958.0	996.2	1,029	..	..
Life insurance	79.19	89.68	88.13	97.48	110.23	126.51	..
General insurance	93.59	92.74	92.31	93.64	97.19	104.62	..
Life and general insurance	648.06	673.18	677.18	704.53	720.95	763.43	..
Takaful providers	94.76	96.82	100.4	100.52	100.92	101.87	..
Miscellaneous							
5 largest banks (% of total assets)	54.3	53.7	53.6	53.6	54.1	54.9	57.9
3 largest insurance companies (% of gross premiums)	..	..	..	..	..	31.5	..
NPL ratio (% of total assets)	2.0	2.1	2.5	2.5	2.7	2.4	2.2

.. Not available.

Source: CBJ, *Annual Report 2021*; and data provided by the authorities.

4.62. In June 2021, the insurance sector came under the purview of the Central Bank of Jordan (CBJ).⁵⁵ Under the Central Bank of Jordan Law, the CBJ is an autonomous corporate body mandated to regulate, monitor, and supervise the banking sector. According to the IMF, the CBJ has continued to work on strengthening its prudential supervision of the financial sector.

4.63. On 22 May 2023, instructions for the insurance companies regarding the Solvency Margin Requirements No. 7/2023 were issued. The objective is to develop a risk-based solvency regime that would provide incentives for insurance companies to better manage risk as well as help the CBJ to get a better perspective of the risk profiles for each insurance company and the market as a whole. The new framework is forward-looking and encourages insurance market development.⁵⁶

4.64. Several regulatory changes have been implemented over the past few years, or are in preparation, affecting banking and insurance services (Table 4.14).

⁵⁵ Insurance Regulatory Law No. 12 of 2021, published in the Official Gazette on 16 May 2021.

⁵⁶ Information provided by the authorities.

Table 4.14 Key financial regulatory changes, 2016-22

Legislation	Main amendments
Amended Central Bank Law No. 24 of 2016 ^a	Expansion of the CBJ's objectives by stating explicitly that one of the objectives of CBJ is maintaining financial stability besides the primary goal of monetary stability. Entrench legally the CBJ's role in contributing to the achievement of financial stability in Jordan as one of its primary goals, in addition to strengthening the governance of the CBJ's Board of Directors and expanding its supervisory authority, as well as strengthening the independence of CBJ and its decisions. Authorization of the CBJ to establish the corporate governance rules in all banks and financial institutions under its surveillance and supervision. Possibility of expanding the monetary policy parties in accordance with the terms and conditions that the CBJ's Board of Directors deems appropriate to include any financial institution that the CBJ realizes that its activities do impact any of its objectives and tasks. Detailed the role of CBJ in providing exceptional liquidity facilities as a lender of last resort to the banks that might need liquidity due to emerging situations that threaten monetary or financial stability in Jordan; expanding CBJ's authorities to set the required compulsory reserve ratio in order to improve this tool in a way that facilitates the implementation of the CBJ tasks.
Amended Banking Law No. 7 of 2019	Regulate the effective ownership interest in bank's capital. Entitle the CBJ to set controls and standards for selecting bank's external auditors. Enable the CBJ to take standby measures to address troubled banks to prevent their liquidation and achieve stability. Enhancing corporate governance (separation of executive management from Board of Directors). Changes in the selection mechanism of the Board Members. Number of members composing the Board set at not less than seven, of which independent members not to exceed half of the Board. No prior requirement consent by the CBJ for direct and indirect ownership amendments and transfer of bank shares. CBJ prior consent for acquisition effective ownership interest in bank (10% bank's capital). CBJ entitled to impose regulatory ratios in based on international accounting and supervision standards. CBJ define <i>ad hoc</i> requirements for external auditors. Rules of governance of the Shariah supervisory boards for Islamic banks.
Amended Deposit Insurance Corporation Law No. 8 of 2019	Established a fund at Islamic banks based on Wakalah agency contracts.
Insurance Regulatory Law No. 12 of 2021	Replaced the Insurance Regulatory Act of 1999 and its amendments. The insurance sector came under the purview of the CBJ. The most important aspects of Law No. 12 of 2021 refer to corporate governance, licensing, resolution and intervention powers, corrective and preventive measures, and confidentiality.
Finance Companies Act No. 107 of 2021	The CBJ started regulating finance companies. All finance companies have a grace period of two years to fulfil the legal requirements of the Act and be licensed accordingly.

a Detailed amendments are illustrated in the CBJ's Financial Stability Report, 2016, Chapter 3.

Source: CBJ, *Financial Stability Report, 2020*; and information from the authorities.

4.65. In December 2017, the CBJ launched its National Financial Inclusion Strategy 2018-20 (NFIS). It aims at enhancing access to the financial services of the formal sectors, in a fair, transparent, and responsible manner. The NFIS comprises five pillars: enhancing financial education; financial consumer protection; financing SMEs; microfinance services; and digital financial services.⁵⁷

4.66. Jordan made substantial GATS commitments in key areas of financial services concerning investment banking, insurance services, and banking. There are no restrictions on full foreign ownership of insurance companies and banks incorporated in Jordan, as well as those establishing subsidiaries and branches. No financial services were excluded from the commitments.⁵⁸

4.3.1.1 Banking

4.67. In 2022, there were 21 licensed banks operating in Jordan, consisting of 5 foreign branches operating in Jordan and 16 Jordanian banks (Table 4.13). The equity share owned by foreign banks was 6.7% of licensed banks' total capital at the end of 2022. There are four Islamic banks: three Jordanian and one foreign. The sector also consists of 117 licensed money changers with

⁵⁷ CBJ, *Financial Stability Report, 2020*.

⁵⁸ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

162 branches. In 2022, licensed banks' assets were the equivalent of 179.9% of GDP, while the five largest banks accounted for around 57.9% of the sector's total assets.⁵⁹

4.68. According to the IMF, the banking system has remained healthy, but asset quality bears close monitoring. The capital adequacy ratio (CAR) remained strong at 18% in 2021, well above the regulatory minimum of 12%, and non-performing loans remain stable. Loans have continued to be stably funded and profitability recovered. Moreover, the CBJ successfully preserved financial stability through the pandemic, including by maintaining robust international reserve buffers, and stringent provisioning standards.⁶⁰

4.69. Credit extended by licensed banks totalled JOD 32.6 billion at the end of 2022, compared to JOD 30 billion in 2021. The construction sector accounts for the largest percentage of credit facilities, followed by "other" representing credit extended to individuals (Table 4.15).

Table 4.15 Credit facilities by economic activity, 2016-22

(JOD million)

Economic activity	2016	2017	2018	2019	2020	2021	2022
Agriculture	304.5	337.3	336.7	336.5	416.8	453.3	534.6
Mining	288.4	255.2	355.7	296.4	236.6	168.2	130.7
Industry	2,203.4	2,724.2	3,064.3	3,353.6	3,525.4	3,484.5	3,786.9
General trade	4,075.5	4,230.9	4,470.6	4,231.1	4,524.3	4,453.1	4,698.0
Construction	5,827.7	6,601.0	6,830.9	6,975.4	7,261.5	7,718.5	8,237.0
Transportation services	355.8	354.3	328.9	343.1	385.6	394.7	368.5
Tourism, hotels, and restaurants	597.7	619.7	592.1	638.0	735.6	713.5	685.1
Public services and utilities	3,296.2	3,707.2	3,852.9	4,269.0	4,360.9	4,608.8	5,268.4
Financial services	577.2	632.5	768.2	634.8	655.7	763.5	791.9
Other	5,379.4	5,274.5	5,511.5	6,004.3	6,536.7	7,270.4	8,090.4
- of which buying shares	168.6	158.0	152.1	212.2	268.7	346.8	466.2
Total	22,905.8	24,736.8	26,111.8	27,082.2	28,639.1	30,028.5	32,591.5

Source: Information provided by the authorities.

4.70. The Jordan Deposits Insurance Corporation (JODIC) is a legal entity status established to protect depositors with banks by insuring their deposits with an insurance sum up to JOD 50,000 for all licensed banks operating in Jordan. Membership in the Corporation is mandatory for all Jordanian banks and foreign branches operating in the country, with the exception of the branches of Jordanian banks operating outside Jordan. The JODIC's capital is jointly paid by a government contribution of JOD 1 million and JOD 100,000 per member. After the issuance of the amended JODIC's law in 2019, depositors at licensed Islamic banks operating in Jordan have also been protected by the Deposit Insurance Fund for Islamic banks. Their deposits are insured with an insurance sum up to JOD 50,000. This Fund enjoys a legal entity status and is being managed by JODIC.⁶¹

4.71. The main legislation governing the banking sector in Jordan remains Banking Law No. 28 of 2000 and its amendments. The CBJ is responsible for approving and revoking licences of Jordanian banks and foreign banks and the opening of their branches. To obtain a licence to operate in Jordan, a bank must be a public shareholding company, while subsidiaries, offshore companies, and branches of foreign banks are exempt. Branches of foreign banks must obtain prior approval from the regulator in their home country and the CBJ before applying for a licence. The CBJ's decision on granting licences considers whether reciprocal treatment is granted by the bank's home country. Upon commencing its activities in Jordan through one or more branches, a foreign bank is required to appoint a resident regional manager at its branch or branches in Jordan. Such an appointment shall be based on an official document providing that the manager must be fully responsible for the activities, assets, and management of the branch before the CBJ and other official agencies.⁶²

⁵⁹ Information provided by the authorities.

⁶⁰ IMF Country Report No. 23/49, pp. 13-14.

⁶¹ Information provided by the authorities.

⁶² WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

4.72. The minimum capital requirement for Jordanian banks is JOD 100 million and JOD 50 million for branches of foreign banks. The CBJ issues its decision on licensing within three months of the application date in the form of a preliminary approval or final rejection. If approved, banks are required to implement the stipulated requirements and provisions, including full payment of the minimum capital requirement. Within three months of the applicant confirming the fulfilment of such obligations, the CBJ will issue final licensing. The CBJ charges are (i) a one-time, non-refundable licence application fee of JOD 1,000; (ii) a one-time licence fee of JOD 1 million; and (iii) an annual fee of JOD 2,000 for each licensed branch or office in Jordan plus a fee of 0.005% of the licensed bank's total assets belonging to the branches operating in Jordan (subject to a minimum of JOD 10,000).

4.73. Licensed banks are not, without prior approval from the CBJ, permitted, *inter alia*, to terminate their activities; open new branches or offices in Jordan or abroad; own shares in another bank or certain companies specified in the Banking Law; or employ foreigners. The CBJ is responsible for regulating the number of foreign employees and their ratio to total employed persons in the sector. In addition, licensed banks are prohibited from engaging in non-financial activities. Additionally, with a view to keeping the banking sector competitive and efficient, the CBJ may grant incentives, such as the provision of soft loans, to encourage mergers.

4.74. The CBJ has issued regulations and instructions applicable to all banks and their subsidiaries operating in Jordan as well as subsidiaries and branches of Jordanian banks located abroad with respect to anti-money laundering and terrorist financing. Under the instructions, banks are required to implement internal system procedures to classify all of their customers and apply controls according to the degree of risk. In addition, banks are required to keep records and documents of domestic or international financial transactions for a minimum of five years.

4.3.1.2 Insurance

4.75. Insurance accounted for 2.1% of GDP in 2022, while insurance penetration (total premiums as a percentage of GDP) was almost 700%. Gross premiums reached JOD 10,896 million in 2021. The three largest insurance companies in Jordan had a combined market share of 31.5% in 2021 (Table 4.13).⁶³ The insurance sector is divided into life insurance and general insurance. In 2022, there were 6 general insurance companies, 1 life insurance company, and 15 companies providing both general and life insurance (Table 4.13). In addition, there are two Islamic insurers (Takaful providers) in Jordan. In 2022, Takaful providers accounted for 12.5% of total premiums.⁶⁴ In 2022, of the insurance premiums collected, motor insurance continues to account for the largest share (35.0%), followed by medical (29.2%) and life insurance (17.4%) (Table 4.16).

Table 4.16 Insurance premiums collected, 2016-22

(JOD million)

	2016	2017	2018	2019	2020	2021	2022
Maritime	20.56	18.03	17.80	16.05	16.07	17.5	18.46
Fire	74.75	73.20	70.03	68.09	74.69	75.77	83.63
Motor	225.18	232.97	227.50	234.36	212.42	226.11	245.00
Accidents ^a	20.34	21.18	22.01	21.78	19.13	23.82	26.58
Life	70.60	79.80	86.09	85.70	92.68	109.28	121.66
Medical	171.50	168.90	182.38	189.31	178.45	193.67	204.23
Total	582.90	594.10	605.81	615.29	593.44	646.15	699.56

a Includes insurance on credit, liability, aviation, and other general classes.

Source: Information provided by the authorities.

4.76. On 16 May 2021, Insurance Regulatory Law No. 12 of 2021 was enacted and came into force on 15 June 2021.⁶⁵ It repealed Insurance Regulatory Act No. 33 of 1999 and amendments. Nonetheless, the Regulations, Instructions and Decisions, issued by virtue thereof, remain in effect until repealed or replaced. Under the new law, insurance companies licensed to transact both life and general insurance must separate between investments and provision for each type of insurance;

⁶³ Information provided by the authorities.

⁶⁴ Information provided by the authorities.

⁶⁵ Law No. 12 of 2021. Viewed at: <https://www.cbj.gov.jo/EchoBusV3.0/SystemAssets/38428a26-d787-4291-b4da-a07736f44c41.pdf>.

and no person shall be permitted to transact insurance business and insurance services business before obtaining the licence.

4.77. Insurance Regulatory Law No. 12 of 2021 applies to insurance companies, reinsurance companies, and insurance service providers, as well as to Takaful insurance. According to the new law, employees of an insurance company must, with a few exceptions, be Jordanian nationals.⁶⁶ It Liabilities and moveable or immovable properties in Jordan must be insured with a Jordanian company.⁶⁷

4.78. In February 2016, the Council of Ministers decided that the CBJ assumed the oversight of the insurance sector, replacing the MITS and the Insurance Commission (IC). On 15 June 2021, the CBJ assumed the role of insurance supervisor and regulator through its Insurance Supervision Department, aiming at ensuring the soundness of the financial position and protecting the insured and beneficiaries in accordance with the legislation in force. The main aims of the new supervisory framework are improving financial adequacy of insurance companies; implementing regulatory requirements to ensure separation between life and general insurance business; implementing prudential regulatory requirements on investment policies on insurance companies; determining supervisory powers and responsibilities in insurance companies owned by financial companies; and enhancing the corporate governance requirements of insurance companies.⁶⁸

4.79. To qualify for a licence, an applicant must be a public shareholding company established in Jordan, a branch of a foreign company, or a subsidiary of a foreign insurance company or an offshore company. There are no limitations on foreign equity. The licensing procedures are the same for Jordanian and foreign insurance companies including documenting the authorized capital and the amount earmarked for underwriting. However, foreign companies must obtain prior approval from the CBJ and the authorities in the company's home country. Additionally, a branch of a foreign insurance company must appoint an Authorized Manager to transact the insurance business of the branch. Licences are granted or rejected within five months. Minimum capital requirements are JOD 25 million for life or general insurance providers, and JOD 100 million for reinsurance companies.⁶⁹

4.80. Companies are also required to submit the technical framework for their insurance policies and premium rates, which must be approved by the CBJ. Premium rates for motor insurance are compulsory and, under the Motor Insurance Regulation, rates are determined by the Government. Companies must receive prior approval from the CBJ before proceeding with any merger or voluntary liquidation.⁷⁰

4.81. Under Insurance Regulatory Law No. 12 of 2021, the fees charged by the CBJ are (i) an annual fee not exceeding 4.5 per thousand of the gross written premiums for insurance and reinsurance companies; (ii) an annual fee collected from entities other than insurance companies; (iii) a licence fee; (iv) for granting a licence to a company; (v) for approval to open a branch; (vi) for granting a licence to a foreign insurance company and insurance service provider not operating in Jordan (headquarters and representative offices).⁷¹

4.3.1.3 Capital market

4.82. During the review period, there were no major changes regarding the structure of Jordan's capital market. The Securities Law No. 23 of 1997 and the Securities Law No. 18 of 2017 and its amendments are the main pieces of legislation governing the sector. The Securities Law No. 18 of 2017 and its amendments replaced the Securities Law of 2002. Under the Securities Law No. 23 of 1997, the Amman Stock Exchange (ASE), the Securities Depository Centre (SDC), and the Jordan

⁶⁶ Article 101 regarding prior approval of the CBJ to employ non-Jordanians. The CBJ is authorized to determine the ratio of non-Jordanian employees relative to the total number of employees.

⁶⁷ Article 6 regarding permission to conduct insurance business with an insurance company outside Jordan, after obtaining a prior written approval from the CBJ according to any of the following cases: (i) absence of insurance company in Jordan licensed to conduct the insurance type, or absence of the required insurance contract; and (ii) reluctance or inability of insurance companies operating in Jordan for justified reasons to provide this insurance coverage.

⁶⁸ Information provided by the authorities.

⁶⁹ Information provided by the authorities.

⁷⁰ Information provided by the authorities.

⁷¹ Article 95 of Insurance Regulatory Law No. 12 of 2021.

Securities Commission (JSC) were created. The SDC is responsible for register, deposit, transfer of ownership, and clearing and settlement of deposited securities as well as clearing and settlement of security transactions. The JSC is a financially and administratively independent legal entity responsible for regulating the national capital market and protecting investors.⁷²

4.83. The JSC's responsibilities include monitoring; auditing of financial services companies and financial professionals; registering and regulating mutual funds; authorizing accounting, auditing, and performance evaluations; and regulating issued and traded securities. In addition, the JSC is responsible for the supervision and oversight of the ASE, the SDC, public shareholding companies' exporting securities, licensed financial service companies, registered natural persons performing financial service activities, mutual funds, and investment companies.⁷³ Currently, 226 public shareholding companies issuing securities and 83 financial services companies, and their registered persons, are subject to the supervision and oversight by the JSC.⁷⁴

4.84. The JSC is responsible for implementing the Foreign Stock Exchanges Law No. 1 of 2017, the Islamic Finance Sukuk Law No. 30 of 2012, and the Corporate Governance Instructions 2017. The JSC is also responsible for issuing licences to entities providing certain financial services, including financial brokerage, investment trusteeship, investment management, financial advisory, custodianship, issuance, and margin financing. The Securities Law No. 18 of 2017 and its amendments and the Instructions on Financial Services Licensing and Registration of 2005 define the requirements for granting such licences. Financial services companies are able to obtain a single licence for several services. The JSC is also responsible for issuing licences to entities that provide financial services in the foreign market.⁷⁵

4.85. Banks, shareholding companies, limited liability companies, and private shareholding companies whose main objectives are to provide financial services and custodial activities are eligible to apply for licences. Brokerage activities conducted by banks must be done through a subsidiary, affiliate, or their fully owned companies. Companies can only provide financial services through natural persons registered by the JSC (Instructions of Financial Services Licensing and Registration, Article 3).

4.86. Licences are issued annually and are renewable. Minimum capital requirements for licence applicants range from JOD 10,000 to JOD 5 million, depending on the activity. The JSC has "Extensible Business Reporting Language" that allows it to revise the financial position of the brokerage firms and then to submit their data to JSC electronically.

4.87. Companies that have obtained operation rights from the MITS for at least a year are permitted to register shares on the second market of the ASE, subject to certain conditions. To be listed on the first market of the ASE, companies must have net pre-tax profits for two fiscal years at least within the last three years preceding the transfer of listing, provided that the average of the company's net pre-tax profit for the last three years shall not be less than 5% of the company's paid-in capital. Additionally, the ratio of the free float shares in the company to its paid-in capital at the end of its fiscal year shall not be less than 10% if its paid-in capital is less than JOD 50 million. The number of the company's shareholders at the end of its fiscal year shall not be less than 100 shareholders and the company's paid-in capital shall not be less than JOD 5 million. Also, the net shareholders' equity in the company shall not be less than 100% of its paid-in capital, and its shares have to be listed for at least a full year on the second market.

4.88. The ASE was established as a public, non-profit organization with financial and legal independence in 1999. The ASE is composed of 54 brokerage firms and 167 listed companies as of April 2023. Foreign securities, excluding investment funds, may be listed on the ASE if they have been listed on a foreign stock exchange for a minimum of two years. Also, the foreign issuer shall submit a certified document from the supervisory entity in its origin country, indicating the latter's approval to list such securities on the ASE. Net foreign investment at the ASE was JOD -68.0 million in 2022, compared with JOD 237.1 million in 2016. In 2022, ASE-listed companies had a 85.5% rise in profits after tax attributed to shareholders compared to 2021, reaching JOD 2.4 billion. The

⁷² Article 95 of Insurance Regulatory Law No. 12 of 2021.

⁷³ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

⁷⁴ Information provided by the authorities.

⁷⁵ Information provided by the authorities.

industrial sector had the highest earning in 2022 with USD 1.9 billion in profits, followed by the financial sector (USD 1.2 billion) and services (USD 341.2 million).⁷⁶

4.3.2 Telecommunications

4.89. In 2022, the telecommunications sector accounted for 3.5% of GDP.⁷⁷ During the period 2016-22, a significant increase occurred in the number of Internet users and in international bandwidth capacity. All mobile cellular subscriptions are broadband since 2018 (Table 4.17).

4.90. Telecommunications tariffs and the cost of broadband Internet connections have fallen for business and residential users in Jordan, and the variety of services offered and their quality have increased over the last few years. In the latest ITU report, Jordan is one of the Arab states in which the fixed broadband prices met the affordability threshold of 2% monthly gross national income (GNI) per capita.⁷⁸ Moreover, "Jordan offered the best value for money in the region at [purchasing power parity] PPP\$ 0.6 per GB, thanks to a 45 GB allowance".⁷⁹ Nonetheless, Jordan was not among the countries where connection speeds of 30 Mbit/s or higher were offered in the benchmark basket.⁸⁰

Table 4.17 Selected telecoms indicators, 2016-22

Indicator	2016	2017	2018	2019	2020	2021	2022
Fixed telephone subscriptions	359,280	328,028	319,040	317,411	370,389	427,517	481,101
Mobile cellular subscriptions (million)	9.82	9.70	8.73	7.78	6.99	7.28	7.62
Internet users (%)	55.6	64.50	65.20	70.08	75.45	86.00	90.50 ^a
Fixed broadband subscriptions	300,786	351,917	403,339	487,670	620,141	714,730	796,241
Mobile broadband subscriptions (million)	9.82	9.7	8.73	7.78	6.99	7.28	7.62
International bandwidth, in Mbit/s	213,029	328,375	365,672	536,936	909,591	1,256,712	1,736,302

a Preliminary data.

Source: ITU, *Statistics*. Viewed at: <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>; and data provided by the authorities.

4.91. During the review period, there were no major legislative and institutional changes regarding telecoms. The Telecommunications Law No. 13 of 1995, as amended, remains the main legislation governing the sector. It sets out the tasks of the Ministry of Digital Economy and Entrepreneurship (MoDEE, previously the Ministry of Information and Communications) and established the Telecommunications Regulatory Commission (TRC). The MoDEE is responsible for formulating policy, while the TRC is responsible for the regulatory function, which includes, *inter alia*, issuing licences; monitoring and approving interconnection agreements; regulating competition safeguards; and settling disputes. Wholesale rates are based on a market review, which emphasizes top-down LRIC (long run incremental cost) pricing. Licensed operators are free to negotiate interconnection agreements among themselves. However, all agreements need TRC approval before being implemented.⁸¹

4.92. Under the Telecommunications Law, dispute settlement is handled by one Commissioner of the TRC, who is responsible for concluding settlements, drawing up guidelines for negotiations between disputing parties, and resolving disputes. The Commissioner's decision can be appealed internally before the Board of Commissioners within 30 days. The TRC's regulatory responsibilities include creating effective competition in the sector. This includes adopting legislation to achieve effective competition; implementing regulations for markets lacking effective competition, such as the fixed-phone subsector; adopting licensing instructions to simplify procedures; and handling

⁷⁶ Information provided by the authorities.

⁷⁷ Data provided by the authorities.

⁷⁸ ITU (2021), *Measuring Digital Development: ICT Price Trends 2020*. Viewed at: https://www.itu.int/en/ITU-D/Statistics/Documents/publications/prices2020/ITU_ICTPriceTrends_2020.pdf.

⁷⁹ ITU (2021), *Measuring Digital Development: ICT Price Trends 2020*, p. 15.

⁸⁰ The report analyses prices and trends through five representative baskets of services: data-only mobile broadband, fixed broadband, mobile cellular (low usage), data and voice low consumption, and data and voice high consumption. ITU (2021), *Measuring Digital Development: ICT Price Trends 2020*, p. ix.

⁸¹ Information provided by the authorities.

complaints regarding anti-competition practices in coordination with the Competition Directorate under the MoDEE. Furthermore, there is an MoU between MoDEE and the TRC regarding competition cases in the sector. Since then, the sector has been liberalized and is open to competition: the Commission no longer regulates prices on telecommunications services, which are now determined by the market.⁸²

4.93. The TRC regulatory framework for universal services stipulates universal services obligations, selected from licensed service operators and contributions to the Universal Service Fund. The Fund is financially independent, receiving contributions from licensed companies whose operating revenue is more than 1% of total revenues. The TRC determines the compensation amount depending on the ratio of company revenue versus total revenues. Universal services include access to the Internet and telephone services to all persons, with special consideration for people with disabilities, in all geographical areas, and at an affordable cost. The Fund is still to be established and to date no compensation has been granted in lieu of universal service provision.⁸³

4.94. There are still two licensing systems applied to the telecom sector in Jordan⁸⁴:

- The individual licence fee of JOD 100,000 that must be obtained by all public telecom network operators or by operators providing telecom services using scarce resources; and
- The class licence fee of JOD 30,000 that must be obtained by all public telecom service providers not using scarce resources.

4.95. Jordan's telecommunications sector consists of 44 companies licensed for public telecommunications services, of which, 19 are individual licences and 25 class licences. The licensing systems do not have any limitation on the number of licences granted or the type and range of non-public mobile wireless services. Approvals of licences take into consideration normal network safeguards, security, use of scarce resources, and technical limitations. The applicant for a licence must be a registered Jordanian company with no limits on foreign ownership.⁸⁵ The TRC is studying the need for updating the current licensing framework in order to facilitate market entry for new services such as the Internet of Things (IOT).

4.96. Jordan Telecom Group (JTG)⁸⁶ continues to be the dominant provider of fixed telephony and broadband services using xDSL⁸⁷ and fibre optics networks. Over the last few years, Jordan has witnessed a significant increase in fixed telecommunications services. There are eight companies with fixed broadband services based on fibre optics network (FTTH), and two wholesale service providers with FTTH.⁸⁸

4.97. There are three mobile phone operators in Jordan, all of which are foreign-owned: Zain remains the largest mobile phone provider accounting for 45% of the market in terms of number of active lines in 2022, followed by Jordan Telecom Group (Orange mobile) (30%) and Umniah Mobile Company (25%).⁸⁹

4.98. In order to ensure the adoption of the latest technologies and to cope with users' needs for high-quality broadband data, the TRC and the Government provide stimulus packages for mobile network providers to incentivize them to get the necessary radio spectrum to provide 5G services in Jordan. Such financial incentives include, for example, reduced acquisition fees for 100 MHz (JOD 24 million) compared with the previous technologies' fees (3G&4G) with instalments, reduced annual spectrum fees, a custom exemption for 5G-related equipment, revenue share restructuring,

⁸² Information provided by the authorities.

⁸³ Information provided by the authorities.

⁸⁴ Information provided by the authorities.

⁸⁵ Information provided by the authorities.

⁸⁶ JTG was previously state-owned. It is now majority owned by Orange, with the Government owning 28.9%. JTG had the exclusive right to provide fixed-phone services until 2005.

⁸⁷ xDSL is a transmission technology on existing copper telephone lines.

⁸⁸ FTTH includes fibre-optic access solutions designed for residential deployments. In FTTH networks, fibres are directly connected to individual homes or multitenant buildings.

⁸⁹ Information provided by the authorities.

and a 10-year extension of telecommunications licences. TRC uses the direct award for assigning 5G spectrum and ensures similar treatment for all mobile operators.

4.99. Jordan made substantial commitments for telecommunications services under the GATS, in basic and value-added services. Basic telecommunications services included voice telephony, packet-switched data transmission (Internet), circuit-switched data transmission, and private leased circuit services. There are no remaining limitations regarding market access or national treatment in any of the scheduled telecom services, apart from mode 4, which is subject to a generally applicable horizontal entry.⁹⁰ Jordan also undertook obligations as set out in the WTO Reference Paper on Telecommunications Services.⁹¹

4.3.3 Transport

4.100. The transport sector accounts for 5.3% of GDP and employs 5.9% of the total work force.⁹² The transport sector also contributes significantly to Jordan's energy imports bill (USD 3.7 billion in 2019).⁹³

4.101. The Ministry of Transport (MOT) is responsible for the sector. In 2014, the Long-Term National Transport Strategy was launched, aiming to integrate all transport subsectors (i.e. land, maritime, air, and rail) through a long-term transport strategy running until 2030. The Strategy contains five policy pillars: completing the existing networks and optimizing the usage of these transport facilities; promoting private participation; heightening environmental protection; improving the regional transport dimension; and increasing the participation of citizens.⁹⁴ The second phase was completed in 2018 providing a new model for the passenger and goods transportation sector.

4.102. According to the Jordan Public Transport Diagnostic and Recommendations Report 2022, the estimated cost of transport-related inefficiencies is about USD 3 billion a year, or at least 6% of GDP including the cost of traffic congestion, fatalities, injuries, environmental degradation, not counting the negative impact on women's participation in the labour force (Section 1.1).⁹⁵

4.103. According to the same report, Jordan has not yet been able to decouple economic growth from carbon emissions. Transport, together with energy, is the main contributor to GHG emissions. Jordan's transport sector's GHG emissions are estimated to have increased over 11,000 gigagrams over the past 15 years, increasing the cost to the economy from USD 500 million to USD 1 billion per year.⁹⁶

4.3.3.1 Air transport

4.104. The Civil Aviation Regulatory Commission (CARC) is responsible for the implementation of government air transport policy, which operates within the legal framework of the Civil Aviation Law No. 41 of 2007 and its Regulation. CARC's objectives include removing all unnecessary restrictions in Jordan's international aviation market with respect to market access and other regulatory

⁹⁰ Jordan's horizontal section schedule of commitments specifies certain access opportunities for business visitors, intra-corporate transferees, executives, managers, and specialists.

⁹¹ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

⁹² Data provided by the authorities.

⁹³ World Bank Group, *Jordan Public Transport Diagnostic and Recommendations, February 2022*.

Viewed at:

https://documents1.worldbank.org/curated/en/099825106052213281/pdf/P17389502814af03b0a85e0a27bbb_baa260.pdf.

⁹⁴ Ministry of Transport, *Long-Term National Transport Strategy Project*. Viewed at: https://www.mot.gov.jo/EBV4.0/Root_Storage/EN/EB_Info_Page/long-term_national_transport_strategy_project.pdf.

⁹⁵ Women make up only one third of the passengers on public transport in Jordan, and less than 50% use public transport. World Bank Group, *Jordan Public Transport Diagnostic and Recommendations, February 2022*. Viewed at: https://documents1.worldbank.org/curated/en/099825106052213281/pdf/P17389502814af03b0a85e0a27bbb_baa260.pdf.

⁹⁶ World Bank Group, *Jordan Public Transport Diagnostic and Recommendations, February 2022*.

processes. CARC may use its regulatory powers in circumstances where an effective or actual monopoly exists under Jordan's air services agreement.⁹⁷

4.105. Under the Civil Aviation Regulation⁹⁸, CARC is responsible for granting exclusive and non-exclusive route licences. For exclusive routes, CARC publishes on its website for 14 days an application for route licences situated under scarce capacity. The applications submitted by the concerned airlines are reviewed by a specialized panel in CARC (Route Licensing Panel), which holds a hearing if the application is uncontested to make a comparison between the airline companies for granting such route licences. Exclusive routes in operation are also subject to CARC monitoring to make sure that the airlines are committed to operate the route as agreed. Non-exclusive routes are allocated through a decision by the Route Licensing Panel appointed by the Commissioner Council of CARC.⁹⁹

4.106. Charges and fees are collected by the CARC on the basis of any action or service it has provided in accordance with Fees and Charges Act No. 45 of 2007 and its amendments. Such actions and services include issuing licences, permits, and certificates, as well as the use of Jordanian Civil Airports and air navigation facilities. Aircraft landing charges are based on the aircraft's maximum take-off weight and are charged in three brackets per tonnage. Charter flights and helicopters are charged 50% less. Other charges include air bridge charges, parking charges, inside and outside hanger charges, and air navigation service charges.¹⁰⁰

4.107. All aircraft overflying or landing in one of Jordan's civil airports are required to have a flight permit. The procedure varies depending on cargo, landing purpose, and whether the flight is commercial or non-commercial. For a landing or overflying permit issued to a foreign company with flights of special purpose (air taxi) and privately owned planes, a Supervisor Local Agent must handle the application process. Such agents must be licensed by CARC, and, as at end-2022, there were nine Supervisor Local Agency companies listed.¹⁰¹

4.108. Foreign ownership is limited to less than 50% in scheduled and non-scheduled passenger, freight, and mail air transport services, as well as aircraft rental services with an operator. Furthermore, air transport and auxiliary services, freight forwarding services, packing and crating services, and freight inspection services are limited to Jordanian nationals or legal entities.¹⁰²

4.109. Privatization of Royal Jordanian Airlines started in 2006. As of end-2022, the Government's Investment Management Company held an 86.2% stake with an additional 3.1% stake held through the state-owned Social Security Corporation. The Capital Bank of Jordan holds a 3.7% share. Other entities have around 7% stake.¹⁰³

4.110. There are three major airports in Jordan: two in Amman and one in Aqaba. Jordan's main airport is Queen Alia International Airport, handling the majority of all passengers (approximately 7.8 million in 2022) and 68,300 landings in 2022 (Table 4.18).¹⁰⁴

⁹⁷ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

⁹⁸ Civil Aviation Regulation, Part 205.

⁹⁹ Information provided by the authorities.

¹⁰⁰ Information provided by the authorities.

¹⁰¹ Information provided by the authorities.

¹⁰² Information provided by the authorities.

¹⁰³ Information provided by the authorities.

¹⁰⁴ Information provided by the authorities.

Table 4.18 Air traffic by aircraft and number of passengers, 2019-22

('000)

Airport	2019		2020		2021		2022	
	Aircraft	Passengers	Aircraft	Passengers	Aircraft	Passengers	Aircraft	Passengers
Queen Alia International Airport								
Arrivals	40	4,525	12	1,010	23	2,340	34	3,937
Departures	40	4,491	12	1,041	23	2,219	34	3,903
Amman Civil Airport								
Arrivals	2	5	1	2	1	4	1	4
Departures	2	6	1	2	1	5	1	4
King Hussein International Airport								
Arrivals	2	115	2	88	2	58	2	113
Departures	2	128	2	92	2	56	2	128

Source: Information provided by the authorities.

4.111. Since 2007, Queen Alia International Airport has been operated by Airport International Group (AIG), under a 25-year build-operate-transfer (BOT) contract with the Government. AIG is responsible for the rehabilitation and expansion of the airport, whose capacity increased from about 9 million in 2016 to 12 million currently.¹⁰⁵

4.112. The Jordan Airports Company, wholly state-owned, is responsible for the Jordanian airports' investments as well as undertaking full operational and managerial responsibility for Amman Civil Airport. The Aqaba Airports Company (AAC) is the sole operator of King Hussein International Airport in Aqaba pursuant to airport certification by CARC.¹⁰⁶

4.113. Jordan currently maintains 97 air services agreements with 124 countries. It has 61 open skies air services agreements in force. The majority of bilateral air services agreements cover the third and fourth freedoms; some also cover the fifth freedom.¹⁰⁷

4.114. Cabotage is not permitted for foreign airlines.

4.115. Jordan made specific commitments under the GATS on two of the three air transport-related services covered by the relevant Annex (maintenance and repair of aircraft, and computer reservation systems).¹⁰⁸

4.3.3.2 Road transport

4.116. Jordan's road network is 8,515 km long. The network consists of 3,376 km of highway, 2,031 km of secondary roads, and 2,906 km of rural roads.¹⁰⁹ Since 2002, the Ministry of Public Works and Housing has been in the process of extending the road networks across the country as part of a 25-year plan to develop road networks within and between larger cities (e.g. Amman and Irbid).¹¹⁰

4.117. According to the latest available data, there are over 20,700 heavy-duty vehicles operating in Jordan, of which 78% are owned by individuals. There are 253 licensed road freight transport companies, the majority of which are involved in container and crude oil transport. Freight tariffs are market determined.¹¹¹

4.118. During the review period, the Government took steps towards enhancing public road transport. A new transport law, Passenger Transport Law No. 19 of 2017, "set the framework for much-needed reforms with the mandatory grouping of small operators, thereby opening the door to better route coordination and service contracts with key performance indicators on quality, safety, green mobility, and service reliability".¹¹² The Government also adopted in 2019 a Code of Conduct

¹⁰⁵ Information provided by the authorities.

¹⁰⁶ Information provided by the authorities.

¹⁰⁷ Information provided by the authorities.

¹⁰⁸ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

¹⁰⁹ Information provided by the authorities.

¹¹⁰ Information provided by the authorities.

¹¹¹ Information provided by the authorities.

¹¹² World Bank Group, *Jordan Public Transport Diagnostic and Recommendations*, February 2022, p. 3.

for public transport, with the aim of regulating the conduct of passengers, drivers, and operators.¹¹³ The Transport Law No. 89 of 2003 and the Land Transport Regulatory Commission Law of 2011 are still in force.

4.119. According to the Jordan Public Transport Diagnostic and Recommendations Report, additional efforts are still needed. The report identified four "key challenges and constraints ... that are impeding the achievement of an accessible, effective, safe, affordable, and sustainable public road transportation system in Jordan"¹¹⁴: poor coverage and low frequencies of public transportation services; lack of the integration of services and fares leading to long commuting times and high transport costs; low quality of services that tend to be unreliable, perceived as unsafe, especially by women; and lack of universal accessibility to services and opportunities. Furthermore, the Jordanian public transportation system is fragmented at both the operational and institutional levels. The report proposes six recommendations: consolidating bus operators; integrating tariffs and operations; implementing "intelligent transport systems"; developing a traffic demand management programme; developing a Road National Plan; and coupling investments in public transport projects with urban renewal and development.¹¹⁵

4.120. The main institutions involved in road transport are the MOT and the Land Transport Regulatory Commission (LTRC). The former is responsible for implementing policies that develop and sustain the transport sector; enhancing the role of the private sector, attracting investment, and increasing the productivity of the transport sector; and setting standards for safety, security, and environmental conservation. The MOT initiated a 20-year National Highway Master Plan in 2009. Furthermore, a public transport connection between Amman and Zarqa is being implemented by the MOT and the highway between Amman and Queen Alia International Airport is in the process of being widened, becoming Jordan's first toll road.¹¹⁶

4.121. The LTRC's responsibilities include implementing the general land transport policy; planning the land transport services network and its facilities and routes; developing the required plans for operating land transport facilities; granting licences and issuing permits; classifying carriers and forwarders on roads; and handling complaints. The LTRC is also responsible for regulating work of individual truck owners and the heavy transport of cargo licensing and procedures for such transport, as well as regulating the relationship between individual and company truck owners.¹¹⁷

4.122. The Freight Transport on Roads Law No. 14 of 2012 regulates the licensing and categorization of transporters and shipment brokers. Alongside the Law, a number of acts clarify various categorizations of shipment brokers and transporters. Additionally the acts address leasing as well as licences and permits of trucks.¹¹⁸

4.123. International road transport is governed by bilateral agreements. Foreign trucks collecting goods in Jordan are subject to a toll depending on their gross weight. In road transport auxiliary services, road transport for passengers and freight is prohibited to foreign investors.¹¹⁹

4.124. Cabotage by foreign companies is not allowed.

4.125. Foreign investment in road transport services is subject to a 49% foreign equity ceiling with the exception of road passenger and freight transport services in which foreign investment is prohibited (Table 2.7).¹²⁰

4.126. Jordan made no specific commitments on road transport services under the GATS.¹²¹

https://documents1.worldbank.org/curated/en/099825106052213281/pdf/P17389502814af03b0a85e0a27bbb_baa260.pdf.

¹¹³ World Bank Group, *Jordan Public Transport Diagnostic and Recommendations*, February 2022.

¹¹⁴ World Bank Group, *Jordan Public Transport Diagnostic and Recommendations*, February 2022, p. 10.

¹¹⁵ World Bank Group, *Jordan Public Transport Diagnostic and Recommendations*, February 2022.

¹¹⁶ Information provided by the authorities.

¹¹⁷ Information provided by the authorities.

¹¹⁸ Information provided by the authorities.

¹¹⁹ Information provided by the authorities.

¹²⁰ Information provided by the authorities.

¹²¹ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

4.3.3.3 Rail transport

4.127. Under the supervision of the MOT, two state-owned companies are responsible for Jordan's rail operations. The Aqaba Railway Corporation, established under Act No. 22 of 1972, is responsible for operating the 292 km rail connecting Aqaba Port to the country's phosphate mines in the south, near Ma'an. The Jordan Hejaz Railway Corporation was established under Law No. 23 of 1952 and is responsible for investments and operation of the 217 km Hejaz railway. The railway runs across the country from the northern Syrian border to the southern border with the Kingdom of Saudi Arabia.¹²²

4.128. The Government introduced the National Rail Network Project in 2010, with the aim of developing a rail network linking Jordan to the Kingdom of Saudi Arabia, Syria, Türkiye, and certain European countries. Each country is responsible for developing the rail passing through its territory. Construction of the network is still underway with the aim to build a 900 km long rail track with three main routes. One will go from the Syrian border to Aqaba. The second and third will go from Irbid through Mafraq and Zarqa and split into two routes: one to the Iraqi border and the other to the Saudi border through Al-Azraq.¹²³

4.129. Some railway transport services are subject to foreign equity restrictions. In rail transport auxiliary services, foreign investment is not permitted in the area of passenger and freight transportation, pushing and towing services, and supporting services for rail transport such as rail passenger terminal services. Laws No. 34 of 2012 and No. 79 of 2014 address licensing and fees for railway service providers.¹²⁴

4.3.3.4 Maritime transport

4.130. The main law governing the sector remains the Maritime Commercial Law of the Hashemite Kingdom of Jordan of 1972, administered by the Jordan Maritime Commission (JMC). The JMC has the mandate to regulate, supervise, and develop the maritime transport subsector, including all transportation modes, stationary and moving equipment, labour force, transport auxiliaries, and associated services. Shipping agents (both port agents and representatives of shipping lines) must be licensed by the JMC. Shipping agents must have a general manager of Jordanian nationality.¹²⁵

4.131. The JMC is also responsible for the registration of vessels flying the Jordanian flag. Under its GATS schedule, Jordan has also reserved the right to offer preferential service fees to Jordanian ships for pilotage, berthing, and docking. Registration as a Jordanian flag carrier involves no restrictions on the nationality of master, officers, or crew, and the ownership of ships. Maritime transport and ancillary services are subject to a foreign equity ceiling of 50%. The registration fee for ships under the Jordanian flag varies depending on the age of the vessel, the service it provides, and the net registered tonnage. Other fees include registration of changed ownership, the ship's name, or marks, as well as mortgage releases. In addition, an annual navigation licence fee applies, which is dependent on the ship's net registered tonnage or, in the case of smaller vessels, the service provided.¹²⁶

4.132. The Aqaba Port community consists of 12 terminals spanning 32 specialized berths. According to the authorities, it is operated by world-class operators using best international technology, safety, and environmental standards. As part of the plans by the Aqaba Development Corporation (ADC) to modernize the port system, the previously existing main port (Aqaba Port) in the north of Aqaba was transferred to the southern region after the corporation was restructured to become the Aqaba Company for Ports Operation and Management (ACPOM). The new port has been operating at full capacity since 2018.¹²⁷

¹²² Information provided by the authorities.

¹²³ Information provided by the authorities.

¹²⁴ Information provided by the authorities.

¹²⁵ Information provided by the authorities.

¹²⁶ Information provided by the authorities.

¹²⁷ The new port has 9 berths with an average depth of 13 m-15 m. The annual handling capacity of the ports reaches 36 million tonnes, handling grain, general cargo, coal, and live cattle. The new port also contains a grain terminal and 28 vertical silos with a total capacity of 100,000 tonnes. The grain terminal's handling

4.133. The Aqaba Special Economic Zone Authority (ASEZA) is responsible for issuing a list of charges applied on a number of these services. In addition, the ADC, a jointly owned enterprise between the Government and the ASEZA owns and has the managerial rights of Aqaba's airport, seaport, and certain parcels of land in Aqaba. The ADC's main responsibility is to develop the Aqaba SEZ including Aqaba Port, managing business projects, building or expanding new infrastructure, and implementing the ASEZA Master Plan.¹²⁸

4.134. The container terminal is owned by the ADC and its area consists of berths with a total length of 1,000 meters. Since 2006, through a 25-year joint-development agreement, the Danish company A. P. Moller Maersk Group, operating as AMP Terminals, has been granted managerial and operational rights of the terminal. It collects charges, fees, and penalties for various container terminal services (e.g. berthing, handling of containers, and inventory control). Wharfage charges vary depending on berthing time and the vessel's length.¹²⁹

4.135. The Master Plan for ADC's projects for the port community also includes energy ports, such as the establishment of the Aqaba LNG terminal.¹³⁰ This is in addition to the rehabilitation of the existing oil terminal. Moreover, there are plans for establishing an Iraqi oil export terminal dedicated to exporting Iraqi oil through the ports of Aqaba.¹³¹

4.136. During the review period, the Aqaba Industrial Port and Aqaba Phosphate Terminal were rehabilitated and expanded through a PPP with the Jordan Industrial Ports Company. Two berths have been added to the facility to increase its annual handling capacity to 9 million tonnes and enhance operational efficiency, and environmental/safety measures. The phosphate export facility that was previously located in the northern port has been removed. Through a partnership with the Jordan Phosphate Mining Company, a new phosphate plant has been established. According to the authorities, it has state-of-the-art operational facilities ensuring the highest environmental standards. The Aqaba Cruise Ship Terminal was inaugurated in 2023 as part of a set of investment programmes between the Abu Dhabi Ports Group and the ADC.¹³²

4.137. To enable the port of Aqaba to obtain feasible, productive, and profitable marine services, the ADC entered into a 15-year joint agreement with Lamnalco (United Arab Emirates) to operate marine services in the port of Aqaba. The joint company (Aqaba Port Marine Services Company) manages, operates, and re-equips the marine services assets and activities in the ports of Aqaba.¹³³

4.138. Jordan made specific commitments under the GATS on maritime transport services. As with all transport services, commercial presence in mode 3 in maritime transport services is subject to a 50% limitation on foreign equity.¹³⁴

4.3.4 Tourism

4.139. The tourism sector accounts for 12.2% of Jordan's GDP and employed about 3.0% of the total workforce in 2021.¹³⁵ Tourism receipts plummeted in 2020-21 mainly due to the COVID-19 pandemic but recovered significantly in 2022 (Table 4.19). Tourists from Arab countries represented about half of total visitors to Jordan in 2022, followed by tourists from Europe (14.1%). In 2022, some 43.1% of total tourists arrived in Jordan by air.

equipment includes two ship unloading units with a capacity of 1,600 tonnes/h. Information provided by the authorities.

¹²⁸ Information provided by the authorities.

¹²⁹ Information provided by the authorities.

¹³⁰ Funded by the Kuwait Fund, called Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah' (LNG) and Liquefied Petroleum Gas (LPG) terminal.

¹³¹ Information provided by the authorities.

¹³² It is capable of receiving two ships per day with a total capacity of 3,000 people. The passenger crossing located south of the Aqaba Container Terminal for the transport of passengers between Egypt and Jordan has also been expanded and modernized. Information provided by the authorities.

¹³³ Aqaba ports are serviced by two marine services terminals, one of which is dedicated to the LNG terminal, while the second is located as part of the new Aqaba Port buildings and serves the Aqaba Port community as a whole. Information provided by the authorities.

¹³⁴ Information provided by the authorities.

¹³⁵ Information provided by the authorities.

Table 4.19 Tourism sector overview, 2016-22

	2016	2017	2018	2019	2020	2021	2022
Receipts (JOD million)	2,871	3,294	3,727	4,108	1,000	1,959	4,124
Employees (number)	50,359	51,365	51,550	53,488	41,108	49,209	54,764
Hotels (number)	573	601	588	604	610	622	607
Travel agencies (number)	872	898	905	908	842	826	851
Tourist transportation companies (number)	8	8	8	8	14	15	16

Source: Information provided by the authorities.

4.140. Jordan ranks 64th of 117 economies in the latest World Economic Forum's (WEF) Travel & Tourism Development Index (75th in 2016 out of 136 economies), and sixth among Arab countries.¹³⁶

4.141. In 2019, before the pandemic, Jordan recorded record numbers of visitors (5.3 million, of which Petra received over 1.3 million) and revenues (JOD 4.1 billion), representing 13.2% of GDP. With the pandemic, every aspect of Jordan's tourism value chain (i.e. hotels, restaurants, and transport) ground to a sudden halt and the Government's response required three phases: (i) border closures, curfews, and lockdowns; (ii) monetary and fiscal measures to support the sector (e.g. reducing interest rates, sales tax and service fees, and injecting liquidity into the economy)¹³⁷; and (iii) launching of several niche tourism products (e.g. medical tourism), the gradual reopening of tourism activities, and the Tourism Resilience Fund of JOD 20 million.¹³⁸ Under the EPP, tourism is one of the priority sectors to be supported, alongside IT, agriculture, and industry (Section 1.2).

4.142. During the review period, there were no legislative and institutional changes concerning the tourism sector, which continues to be governed by Tourism Law No. 20 of 1988, as amended, and a number of regulations. The Ministry of Tourism and Antiquities (MOTA) administers the Law and is also the regulatory authority to license and classify tourist establishments. The National Tourism Council formulates the general tourism policy. The Tourism Committee in the MOTA is responsible for establishing classification standards for hotels and restaurants, advising the minister on the licensing and classification of tourism occupations, and looking into the occupational violations. In addition, the Tourism Committee of the Parliament is responsible for, *inter alia*, studying tourism-related laws and suggestions, ways of developing and protecting the tourism and antiquities sector, laws and methods related to tourism marketing, and also increasing the tourism sector's contribution to GDP.

4.143. The Jordan Tourism Board is an independent body funded by the private sector and the State, which is responsible for marketing and promotion. Jordan's Investment Commission promotes and seeks to attract foreign investment through identifying investment opportunities in the sector.¹³⁹

4.144. Jordan Tourism and Travel Agents Society (JSTA) is the sole representative in Jordan of professional travel agents, and it cooperates with government and non-government bodies in the preparation and elaboration of rules and regulations governing travel agency relations and other parties involved in tourism. Additionally, the JSTA provides its members with training and consultation services free of charge at the JSTA Training Centre.¹⁴⁰

4.145. In order to operate, a hotel needs to be licensed by MOTA and the licence must be renewed annually. Licence fees vary from JOD 100 for a one-star hotel to JOD 500 for a five-star hotel. Prior approval by the Minister is required for a hotel project (granted for two years). Travel agencies require a non-objection letter from the Jordan Tourism and Travel Agents Society, and a bank guarantee for up to JOD 100,000 for travel agencies operating abroad. The annual licence fee for a

¹³⁶ WEF (2022), *Travel & Tourism Development Index 2021: Rebuilding for a Sustainable and Resilient Future, Insight Report*. Viewed at: https://www3.weforum.org/docs/WEF_Travel_Tourism_Development_2021.pdf.

¹³⁷ In March 2021, the CBJ increased its SME scheme help from JOD 500 million to JOD 700 million, raised the borrowing limits for sectors hard-hit by the pandemic, notably tourism, and extended the scheme until April 2023 (Section 1.2.1).

¹³⁸ MOTA, *Jordan Tourism Strategy 2021 to 2025, A Tourism Strategy That Is Fit for Purpose and Circumstance*. Viewed at: https://procurement-notices.undp.org/view_file.cfm?doc_id=267337.

¹³⁹ Information provided by the authorities.

¹⁴⁰ Information provided by the authorities.

travel agency is JOD 500. Tourist guides need to be members of the Jordan Tourist Guides Society and approval for membership is granted by the Tourism Committee in the MOTA. The annual licence fee for tourist guides is JOD 50. To be able to operate as special tourism transportation companies, a company must have a minimum capital of JOD 10 million (considered excessive in Jordan's Tourism Strategy) and register with the MOT.¹⁴¹

4.146. Investments in the tourism industry are eligible for incentives under the Investment Promotion Law; furthermore, investment projects at Aqaba are also eligible for the Aqaba Special Economic Zone incentive scheme.¹⁴²

4.147. Overseas travel agents and tour operators are not permitted except when operated through local agents. Through the Non-Jordanian Investment Regulation No. 7 of 2023, foreign investors are prohibited from having more than 50% ownership of travel agencies, tour operator services (tourist and travel bureaus), and certain tourist transportation services.¹⁴³

4.148. In December 2021, MOTA launched its Jordan Tourism Strategy 2021 to 2025, with the vision "to create inclusive economic growth through authentic and sustainable tourism products [and] experiences and eliminate the impact of COVID-19".¹⁴⁴ The strategy aims to double the number of tourists and revenues by 2025 by focusing on five main aspects: (i) tourism product development (culture and heritage tourism¹⁴⁵, well-being tourism, MICE (Meetings, Incentives, Conferences, Events) tourism, and domestic tourism); (ii) human resources development through, *inter alia*, education and training; (iii) enhancement of marketing, branding, and positioning, and promotion of travel to Jordan via low-cost carriers; (iv) heritage protection, notably site preservation, conservation, restoration, and site improvement; and (v) reformation of the sector by reviewing laws/regulations and improving access to Jordan, including through e-visas, so as to encourage tourism investment and growth.¹⁴⁶

4.149. Jordan scheduled full commitments for modes 1 to 3, for hotel and lodging services and for catering services. Tourist guide services have been bound without limitations in modes 1 to 3, except for national treatment in mode 1.¹⁴⁷

¹⁴¹ Information provided by the authorities.

¹⁴² WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

¹⁴³ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

¹⁴⁴ MOTA, *Jordan Tourism Strategy 2021 to 2025, A Tourism Strategy That Is Fit for Purpose and Circumstance*, p. 10. Viewed at: https://procurement-notices.undp.org/view_file.cfm?doc_id=267337.

¹⁴⁵ Some 85% of visitors to Jordan come for culture and heritage tourism. The primary sites are Petra, Wadi Rum, the Dead Sea, the Baptism Site, and Amman. MOTA, *Jordan Tourism Strategy 2021 to 2025, A Tourism Strategy That Is Fit for Purpose and Circumstance*, p. 11.

¹⁴⁶ MOTA, *Jordan Tourism Strategy 2021 to 2025, A Tourism Strategy That Is Fit for Purpose and Circumstance*. Viewed at: https://procurement-notices.undp.org/view_file.cfm?doc_id=267337.

¹⁴⁷ WTO document WT/TPR/S/325/Rev.1, 5 February 2016.

5 APPENDIX TABLES

Table A1.1 Merchandise exports by HS section and main chapter, 2016-22

(USD million and %)

Description	2016	2017	2018	2019	2020	2021	2022 ^a
Total exports	7,549	7,511	7,535	8,317	7,943	9,358	12,380
of which, re-exports	1,356	1,167	951	1,281	839	852	997
	(% of total exports)						
1 – Live animals; animal products	3.2	3.1	2.6	3.1	3.3	2.5	2.4
01. Live animals	1.9	2.2	1.3	1.9	1.9	1.4	1.4
04. Dairy produce; birds' eggs; natural honey; edible products of animal origin	0.7	0.6	0.7	0.7	1.0	0.9	0.7
02. Meat and edible meat offal	0.6	0.3	0.6	0.4	0.4	0.3	0.4
2 – Vegetable products	8.3	8.1	15.2	5.4	5.6	6.6	4.3
07. Edible vegetables and certain roots and tubers	5.4	5.1	4.0	2.7	2.6	2.1	1.5
08. Edible fruit and nuts; peel of citrus fruit or melons	2.1	2.0	1.8	1.6	1.8	2.8	1.4
09. Coffee, tea, maté and spices	0.6	0.6	0.5	0.6	0.6	0.7	0.5
11. Products of the milling industry; malt; starches; inulin; wheat gluten	0.0	0.0	0.1	0.2	0.2	0.3	0.4
10. Cereals	0.0	0.2	8.4	0.1	0.1	0.4	0.2
3 – Animal or vegetable fats and oils; prepared edible fats	0.1	0.1	0.1	0.1	0.1	0.1	0.1
4 – Prepared foodstuffs; beverages, spirits and vinegar; tobacco	5.0	5.0	4.9	4.7	5.4	5.1	5.0
21. Miscellaneous edible preparations	1.1	1.0	1.0	1.1	1.1	1.0	0.9
20. Preparations of vegetables, fruit, nuts, or other parts of plants	0.6	0.5	0.7	0.7	0.9	0.8	0.9
5 – Mineral products	7.0	6.4	7.7	7.5	6.6	7.3	10.5
25. Salt; sulphur; earths and stone; plastering materials, lime, and cement	6.9	6.2	6.0	5.7	5.3	6.6	9.5
6 – Products of the chemical or allied industries	25.6	26.9	28.3	28.6	33.2	36.2	38.6
31. Fertilizers	8.2	9.0	10.8	10.2	11.4	14.1	19.0
28. Inorganic chemicals; organic or inorganic compounds of precious metals	4.2	5.1	5.3	6.4	8.8	11.2	10.3
30. Pharmaceutical products	9.5	8.9	8.4	7.7	7.8	6.6	5.2
34. Soap, organic surface-active agents, washing and lubricating preparations	1.3	1.3	1.7	1.9	2.5	2.0	1.9
38. Miscellaneous chemical products	0.8	0.9	0.8	0.9	1.2	1.0	1.0
7 – Plastics and articles thereof; rubber and articles thereof	3.5	3.7	3.6	3.0	2.4	2.8	2.6
39. Plastics and articles thereof	3.4	3.6	3.6	2.9	2.3	2.7	2.6
8 – Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut	0.1	0.1	0.1	0.1	0.0	0.0	0.0
9 – Wood and articles of wood; wood charcoal; cork and articles of cork	0.1	0.1	0.2	0.1	0.2	0.1	0.1
10 – Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof	2.3	2.2	2.2	1.7	1.6	1.5	1.7
48. Paper and paperboard; articles of paper pulp, of paper or of paperboard	2.0	1.9	1.9	1.5	1.3	1.2	1.4
11 – Textiles and textile articles	19.8	21.8	23.7	24.5	21.8	20.4	18.5
61. Articles of apparel and clothing accessories, knitted or crocheted	18.0	19.9	21.9	22.3	19.8	18.6	17.2
12 – Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers	0.1	0.0	0.0	0.1	0.0	0.0	0.0
13 – Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware	1.0	1.1	0.8	0.7	0.5	0.3	0.2
14 – Natural or cultured pearls, precious or semi-precious stones, precious metals	2.8	2.5	1.6	3.1	6.3	2.8	2.6
15 – Base metals and articles of base metal	3.9	4.2	4.3	4.3	3.8	6.1	5.2
76. Aluminium and articles thereof	1.7	1.9	1.7	1.2	1.4	2.1	2.3
73. Articles of iron or steel	1.0	1.0	0.9	1.3	1.2	1.1	1.1
72. Iron and steel	0.4	0.5	0.8	0.6	0.4	1.9	1.1
16 – Machinery and mechanical appliances; electrical equipment; television image and sound recorders	7.9	7.8	3.6	6.9	4.7	4.8	5.0

Description		2016	2017	2018	2019	2020	2021	2022 ^a
	85. Electrical machinery and equipment; sound recorders and reproducers	4.7	4.8	2.1	3.1	2.2	2.7	3.0
	84. Nuclear reactors, boilers, machinery and mechanical appliances	3.2	3.0	1.5	3.7	2.5	2.0	2.0
17	– Vehicles, aircraft, vessels and associated transport equipment	7.5	4.8	0.2	4.0	2.1	1.8	1.7
	87. Vehicles other than railway or tramway rolling-stock, parts and accessories	2.1	1.4	0.2	1.0	1.2	1.0	1.1
	88. Aircraft, spacecraft, and parts thereof	5.4	3.4	0.0	2.9	0.9	0.8	0.6
18	– Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments	0.6	0.7	0.0	0.8	0.5	0.6	0.5
19	– Arms and ammunition	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	– Miscellaneous manufactured articles	1.1	1.2	0.8	1.1	1.2	0.9	0.8
21	– Works of art, collectors' pieces and antiques	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Other	0.1	0.2	0.1	0.2	0.5	0.2	0.1

a Provisional data.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Table A1.2 Merchandise imports by HS section and main HS chapter, 2016-22

(USD million and %)

Description		2016	2017	2018	2019	2020	2021	2022 ^a
Total		19,324	20,498	20,310	19,170	17,233	21,542	27,290
		(% of total imports)						
1 – Live animals; animal products		4.6	4.3	4.2	4.6	5.6	5.0	4.8
	02. Meat and edible meat offal	1.8	1.8	1.8	1.9	2.0	1.8	1.7
	01. Live animals	1.2	0.9	0.7	0.8	1.5	1.4	1.5
	04. Dairy produce; birds' eggs; natural honey; edible products of animal origin	1.3	1.3	1.3	1.4	1.7	1.5	1.3
2 – Vegetable products		8.8	7.4	7.6	8.0	9.3	8.0	8.6
	10. Cereals	5.0	3.8	4.0	4.1	4.5	4.4	5.2
	08. Edible fruit and nuts; peel of citrus fruit or melons	1.7	1.5	1.4	1.6	2.0	1.4	1.2
	09. Coffee, tea, maté and spices	0.7	0.8	1.0	1.0	1.2	1.0	0.9
3 – Animal or vegetable fats and oils; prepared edible fats		1.0	0.9	0.9	0.8	1.0	1.2	1.3
4 – Prepared foodstuffs; beverages, spirits and vinegar; tobacco		7.0	6.8	6.5	6.7	8.5	7.1	6.9
	21. Miscellaneous edible preparations	1.4	1.2	1.3	1.4	1.5	1.4	1.3
	23. Residues and waste from the food industries	1.1	1.0	1.0	1.0	1.1	1.1	1.1
	17. Sugars and sugar confectionery	1.2	1.2	1.0	0.9	1.2	1.0	1.1
	19. Preparations of cereals, flour, starch or milk	0.9	0.9	0.9	1.0	1.4	1.2	1.1
	20. Preparations of vegetables, fruit, nuts or other parts of plants	0.6	0.6	0.6	0.7	0.8	0.7	0.7
5 – Mineral products		14.7	16.8	21.2	19.2	11.1	12.9	15.4
	27. Mineral fuels, mineral oils and products of their distillation	14.5	16.7	20.8	18.8	10.8	12.4	14.8
6 – Products of the chemical or allied industries		8.1	7.4	8.0	8.7	10.5	9.8	8.9
	30. Pharmaceutical products	3.1	2.7	2.9	2.9	3.5	3.3	2.5
	29. Organic chemicals	1.4	1.3	1.6	1.8	2.0	1.6	1.9
	28. Inorganic chemicals; organic or inorganic compounds of precious metals	0.4	0.3	0.3	0.6	1.1	1.4	1.2
	33. Essential oils and resinoids; perfumery, cosmetic or toilet preparations	1.1	1.0	1.1	1.1	1.2	1.0	1.0
	38. Miscellaneous chemical products	0.8	0.7	0.8	0.9	1.1	1.0	0.8
7 – Plastics and articles thereof; rubber and articles thereof		4.1	4.0	4.1	4.0	4.2	4.3	3.9
	39. Plastics and articles thereof	3.5	3.5	3.6	3.5	3.6	3.7	3.4
8 – Raw hides and skins, leather, furskins and articles thereof; travel goods, handbags; articles of animal gut		0.2	0.2	0.2	0.2	0.1	0.1	0.1
9 – Wood and articles of wood; wood charcoal; cork and articles of cork		1.0	0.9	0.9	0.8	0.9	1.0	0.8
10 – Pulp of wood or of other fibrous cellulosic material; paper and paperboard and articles thereof		1.9	2.0	2.1	2.2	2.1	1.9	2.1
	48. Paper and paperboard; articles of paper pulp, of paper or of paperboard	1.4	1.5	1.6	1.6	1.6	1.5	1.7
11 – Textiles and textile articles		6.8	6.6	6.6	7.5	7.5	7.5	6.6
	60. Knitted or crocheted fabrics	2.6	2.5	2.9	3.5	3.2	3.0	2.9
	61. Articles of apparel and clothing accessories, knitted or crocheted	1.7	1.6	1.5	1.4	1.5	1.5	1.3
	54. Man-made filaments	0.5	0.6	0.5	0.7	0.8	1.1	0.9
12 – Footwear, headgear, umbrellas; prepared feathers and articles; artificial flowers		0.6	0.4	0.4	0.3	0.4	0.4	0.3
13 – Articles of stone, plaster, cement, etc.; ceramic products; glass and glassware		1.8	1.6	1.6	1.5	1.6	1.6	1.3
14 – Natural or cultured pearls, precious or semi-precious stones, precious metals		3.1	3.2	1.6	1.0	1.2	6.5	8.8
15 – Base metals and articles of base metal		6.6	5.7	6.6	6.2	6.2	5.5	6.0
	72. Iron and steel	2.9	2.1	2.5	2.2	2.5	2.2	2.7
	73. Articles of iron or steel	1.5	1.5	1.7	1.7	1.5	1.0	1.0
	76. Aluminium and articles thereof	0.9	0.8	1.0	1.0	0.9	0.9	1.0
16 – Machinery and mechanical appliances; electrical equipment; television image and sound recorders		13.6	15.8	13.7	15.4	12.4	11.3	9.8
	84. Nuclear reactors, boilers, machinery and mechanical appliances	7.5	9.8	7.5	8.5	6.6	6.0	5.3

Description		2016	2017	2018	2019	2020	2021	2022 ^a
	85. Electrical machinery and equipment; sound recorders and reproducers	6.1	6.0	6.2	6.9	5.9	5.3	4.5
17 – Vehicles, aircraft, vessels and associated transport equipment		11.1	11.3	9.0	7.8	8.6	7.8	6.7
	87. Vehicles other than railway or tramway rolling-stock, parts and accessories	10.0	10.1	8.0	7.0	7.3	7.2	6.0
	88. Aircraft, spacecraft, and parts thereof	1.1	1.1	1.0	0.8	1.3	0.5	0.7
18 – Optical, photographic, precision, medical or surgical instruments; clocks and watches; musical instruments		1.5	1.5	1.5	1.6	1.6	1.5	1.3
	90. Optical, photographic, precision, medical instruments and apparatus	1.4	1.4	1.4	1.5	1.5	1.3	1.1
19 – Arms and ammunition		0.0	0.0	0.0	0.0	0.0	0.0	0.0
20 – Miscellaneous manufactured articles		1.9	1.7	1.6	1.6	1.5	1.5	1.2
21 – Works of art, collectors' pieces and antiques		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other		1.6	1.7	1.8	2.0	5.5	5.3	5.1

a Provisional data.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Table A1.3 Merchandise exports and by trading partner, 2016-22

(USD million and %)

Description	2016	2017	2018	2019	2020	2021	2022 ^a
Total exports	7,549	7,511	7,535	8,317	7,943	9,358	12,380
of which, re-exports	1,356	1,167	951	1,281	839	852	997
	(% of total exports)						
Americas	21.6	23.0	25.1	25.8	23.7	27.1	23.1
United States	20.6	21.3	23.0	24.1	22.1	24.7	20.0
Other America	1.0	1.6	2.1	1.7	1.6	2.4	3.1
Brazil	0.1	0.6	0.0	0.3	0.6	1.4	1.7
Canada	0.8	0.8	1.0	1.1	0.8	0.8	0.9
Argentina	0.0	0.0	0.8	0.0	0.0	0.1	0.2
Mexico	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Europe	7.3	5.0	4.2	4.4	7.5	5.5	6.8
EU-27	5.1	2.7	2.6	3.0	2.9	3.2	5.1
Netherlands	1.2	0.8	0.6	0.6	0.7	0.6	1.4
Belgium	0.1	0.2	0.3	0.3	0.3	0.5	0.8
Spain	0.1	0.1	0.3	0.4	0.5	0.4	0.5
Finland	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Romania	0.1	0.0	0.0	0.1	0.1	0.1	0.4
EFTA	0.0	0.0	0.1	0.4	3.1	0.7	0.1
Switzerland	0.0	0.0	0.0	0.4	3.1	0.7	0.1
Other Europe	2.2	2.3	1.5	1.1	1.6	1.6	1.6
Türkiye	1.3	1.5	1.1	0.6	1.2	1.1	0.8
United Kingdom	0.7	0.5	0.3	0.3	0.3	0.4	0.7
Commonwealth of Independent States (CIS) ^b	0.1	0.1	1.1	0.1	0.1	0.3	0.1
Russian Federation	0.1	0.1	1.0	0.0	0.0	0.2	0.0
Africa	5.4	5.7	5.8	5.4	5.5	6.2	6.0
Egypt	1.3	1.5	1.6	2.0	1.8	2.2	2.3
Algeria	1.6	1.2	1.2	1.0	1.2	1.1	0.9
Sudan	0.9	1.3	1.2	0.8	0.8	0.9	0.7
Libya	0.5	0.3	0.5	0.5	0.5	0.6	0.5
South Africa	0.3	0.4	0.3	0.3	0.2	0.3	0.3
Middle East	41.7	39.7	36.1	36.9	35.4	32.4	30.3
Saudi Arabia, Kingdom of	13.2	11.3	9.8	10.2	10.5	11.4	9.9
Iraq	6.6	7.3	9.0	7.6	8.4	6.6	7.5
United Arab Emirates	5.3	4.7	3.5	4.3	4.4	2.9	2.7
Palestine	2.3	2.7	2.2	2.2	2.1	2.2	2.4
Kuwait, State of	4.4	4.5	3.2	3.7	2.9	2.5	1.4
Qatar	2.3	2.2	1.9	1.5	1.4	1.4	1.3
Syrian Arab Republic	0.9	0.9	0.9	1.1	0.8	1.3	1.2
Israel	1.5	1.4	1.4	1.3	1.1	1.0	1.2
Lebanese Republic	2.4	1.9	1.4	2.4	1.1	0.7	0.8
Yemen	0.8	0.7	0.7	0.9	1.0	1.0	0.8
Asia	12.6	14.1	15.8	15.4	17.7	20.1	25.7
China	1.7	2.2	1.4	2.5	2.1	1.1	2.2
Japan	0.3	0.4	0.4	0.3	0.3	0.3	0.7
Other Asia	10.6	11.5	13.9	12.6	15.3	18.6	22.8
India	6.5	7.2	9.1	8.4	10.9	13.7	14.6
Indonesia	1.9	2.0	1.8	1.6	1.6	1.8	2.7
Bangladesh	0.1	0.2	0.1	0.1	0.7	0.5	1.5
Malaysia	0.9	0.6	1.2	0.4	0.7	0.6	1.2
Australia	0.2	0.1	0.1	0.1	0.2	0.3	0.9
Other	11.3	12.4	11.9	12.0	10.1	8.4	8.0
Free Zones	11.3	12.4	11.9	12.0	10.1	8.4	8.0
Memorandum:							
EU-28	5.8	3.2	2.9	3.3	3.2	3.6	5.8

a Provisional data.

b Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Table A1.4 Merchandise imports by trading partner, 2016-22

Description	2016	2017	2018	2019	2020	2021	2022 ^a
Total imports	19,324	20,498	20,310	19,170	17,233	21,542	27,290
	(% of imports)						
Americas	11.8	15.2	14.3	13.5	13.7	11.1	10.0
United States	6.9	9.8	8.7	8.1	8.0	6.5	5.5
Other America	4.8	5.4	5.6	5.4	5.7	4.7	4.5
Brazil	1.3	1.2	1.7	1.9	1.6	1.4	1.7
Argentina	1.5	1.5	1.3	1.4	1.5	1.7	1.7
Mexico	1.0	1.5	1.5	1.0	1.0	0.7	0.4
Canada	0.3	0.3	0.2	0.2	0.3	0.2	0.2
Guatemala	0.1	0.1	0.1	0.2	0.2	0.1	0.1
Colombia	0.2	0.2	0.1	0.1	0.3	0.3	0.1
Ecuador	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Aruba, the Netherlands with respect to	0.1	0.0	0.0	0.0	0.0	0.1	0.1
Europe	30.1	27.9	27.4	24.8	25.9	25.7	23.9
EU-27	22.6	20.4	20.5	19.1	19.3	17.8	15.5
Romania	3.2	1.5	1.8	1.6	2.1	2.7	3.2
Germany	4.6	4.4	4.6	4.4	4.3	3.6	2.9
Italy	4.4	4.0	3.1	3.2	3.0	3.0	2.4
Spain	2.4	2.4	1.7	1.8	2.2	1.6	1.5
France	2.4	2.1	2.3	2.2	1.8	1.4	1.3
EFTA	1.7	1.5	1.0	0.7	0.9	2.9	3.8
Switzerland	1.6	1.2	0.9	0.7	0.9	2.8	3.8
Other Europe	5.8	6.0	5.9	5.1	5.7	5.1	4.5
Türkiye	3.4	3.3	3.8	2.9	3.2	3.2	3.3
United Kingdom	1.4	1.6	1.2	1.2	1.3	0.9	0.8
Ukraine	0.9	1.0	0.8	1.0	1.1	0.9	0.3
Commonwealth of Independent States (CIS) ^b	1.3	0.8	1.7	1.2	1.7	1.1	0.6
Russian Federation	1.2	0.8	1.7	1.2	1.5	1.1	0.6
Africa	5.7	6.6	5.5	5.2	5.5	4.6	4.5
Egypt	2.5	2.3	2.7	4.0	3.5	3.3	2.9
Algeria	0.4	0.9	0.4	0.2	0.7	0.5	0.5
South Africa	0.3	0.2	0.2	0.2	0.2	0.2	0.4
Sudan	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Middle East	20.4	20.8	23.4	22.1	21.8	27.4	28.9
Saudi Arabia, Kingdom of	12.2	13.4	16.6	16.6	12.4	14.9	14.9
United Arab Emirates	4.5	4.8	4.1	2.7	3.7	6.6	7.8
Israel	0.2	0.1	0.1	0.1	2.6	3.0	2.8
Iraq	0.0	0.0	0.0	0.3	0.4	0.4	0.8
Bahrain, Kingdom of	0.3	0.2	0.5	0.8	0.3	0.3	0.5
Lebanese Republic	0.5	0.4	0.4	0.4	0.4	0.5	0.4
Asia	30.1	28.1	27.1	32.2	29.9	28.7	31.3
China	13.9	13.5	13.6	16.3	15.7	14.6	15.3
Japan	3.3	2.8	2.0	2.1	1.9	1.7	1.3
Other Asia	12.9	11.8	11.5	13.8	12.3	12.4	14.8
India	2.4	2.4	2.8	4.8	2.8	2.7	5.1
Indonesia	0.6	0.6	0.6	0.6	0.7	1.5	2.2
Korea, Republic of	3.2	2.7	2.2	2.0	2.5	2.3	2.0
Chinese Taipei	2.0	2.1	1.8	1.7	1.5	1.5	1.2
Australia	0.8	0.6	0.6	0.7	0.6	0.3	1.0
Thailand	1.2	1.0	0.9	0.8	0.9	0.8	0.8
Viet Nam	0.9	0.7	0.9	1.2	1.1	0.9	0.8
Other	0.6	0.5	0.5	0.9	1.6	1.4	0.8
Free Zones	0.6	0.5	0.5	0.9	1.6	1.4	0.8
Memorandum:							
EU-28	24.0	22.1	21.7	20.3	20.6	18.7	16.4

a Provisional data.

b Commonwealth of Independent States, including certain associate and former member States.

Source: WTO Secretariat calculations, based on data provided by the authorities.

Table A2.1 Jordan's notifications under the WTO Agreements, 2016-June 2023

WTO Agreement	Requirement/content	WTO document and date
Agreement on Agriculture		
Article 18.2	Domestic support (calendar years 2013 and 2014)	G/AG/N/JOR/19, 24 January 2017 G/AG/N/JOR/20, 24 January 2017 G/AG/N/JOR/19/Rev.1, 30 November 2017 G/AG/N/JOR/20/Rev.1, 30 November 2017
Article 10 and 18.2	Export subsidies (calendar years 2013 and 2014)	G/AG/N/JOR/18, 19 January 2017
GATT 1994, Article XXIV: 7(a) (Free-Trade Areas)		
Article XXIV: 7(a)	Jordan – Türkiye	WT/REG294/N/2, 7 October 2019
(Free-Trade Areas)	United Kingdom – Jordan	WT/REG453/N/1, 4 May 2021
GATT 1994, Article XXVIII: 5 (Market Access)		
Article XXVIII: 5	Jordan reserves the right to modify its Schedule	
Agreement on Preshipment Inspection, Article 5		
Article 5	Jordan has no laws or regulations relating to preshipment inspection	
Agreement on Import Licensing		
Article 7.3	Questionnaire on import licensing (2016)	G/LIC/N/3/JOR/3, 5 October 2016
Anti-Dumping Agreement		
Article 16.4	Semi-annual reports	G/ADP/N/280/Add.1, 22 April 2016
	Semi-annual reports	G/ADP/N/286, 15 June 2016
	Semi-annual reports	G/ADP/N/286/Add.1, 20 October 2016
	Semi-annual reports	G/ADP/N/294, 16 December 2016
	Semi-annual reports	G/ADP/N/294/Add.1, 21 April 2017
	Semi-annual reports	G/ADP/N/300, 15 June 2017
	Semi-annual reports	G/ADP/N/300/Add.1, 23 October 2017
	Semi-annual reports	G/ADP/N/308, 15 December 2017
	Semi-annual reports	G/ADP/N/308/Add.1, 20 April 2018
	Semi-annual reports	G/ADP/N/314, 15 June 2018
	Semi-annual reports	G/ADP/N/314/Add.1, 19 October 2018
	Semi-annual reports	G/ADP/N/322, 14 December 2018
	Semi-annual reports	G/ADP/N/322/Add.1, 24 April 2019
	Semi-annual reports	G/ADP/N/328, 14 June 2019
	Semi-annual reports	G/ADP/N/328/Add.1, 15 November 2019
	Semi-annual reports	G/ADP/N/335, 13 December 2019
	Semi-annual reports	G/ADP/N/335/Add.1, 4 May 2020
	Semi-annual reports	G/ADP/N/342, 15 June 2020
	Semi-annual reports	G/ADP/N/342/Add.1, 13 October 2020
	Semi-annual reports	G/ADP/N/350, 15 December 2020
	Semi-annual reports	G/ADP/N/350/Add.1/Rev.1, 14 October 2021
	Semi-annual reports	G/ADP/N/357, 15 June 2021
	Semi-annual reports	G/ADP/N/357/Add.1, 14 October 2021
	Semi-annual reports	G/ADP/N/370, 15 June 2022
	Semi-annual reports	G/ADP/N/370/Add.1, 13 October 2022
	Semi-annual reports	G/ADP/N/377, 15 December 2022
	Semi-annual reports	G/ADP/N/377/Add.1, 20 April 2023
Article 16.5	Competent authorities	G/ADP/N/14/Add.50, 13 November 2019
Agreement on Subsidies and Countervailing Measures		
Article 25.11	Semi-annual reports	G/SCM/N/298/Add.1, 22 April 2016
	Semi-annual reports	G/SCM/N/305, 15 June 2016
	Semi-annual reports	G/SCM/N/305/Add.1, 21 October 2016
	Semi-annual reports	G/SCM/N/313, 16 December 2016
	Semi-annual reports	G/SCM/N/313/Add.1, 21 April 2017
	Semi-annual reports	G/SCM/N/321, 15 June 2017
	Semi-annual reports	G/SCM/N/321/Add.1, 23 October 2017
	Semi-annual reports	G/SCM/N/328, 15 December 2017
	Semi-annual reports	G/SCM/N/328/Add.1, 20 April 2018
	Semi-annual reports	G/SCM/N/334, 15 June 2018
	Semi-annual reports	G/SCM/N/334/Add.1, 19 October 2018
	Semi-annual reports	G/SCM/N/342, 14 December 2018
	Semi-annual reports	G/SCM/N/342/Add.1, 24 April 2019
	Semi-annual reports	G/SCM/N/349, 14 June 2019
	Semi-annual reports	G/SCM/N/349/Add.1, 15 November 2019
	Semi-annual reports	G/SCM/N/356, 13 December 2019
	Semi-annual reports	G/SCM/N/356/Add.1, 4 May 2020
	Semi-annual reports	G/SCM/N/363, 15 June 2020
	Semi-annual reports	G/SCM/N/363/Add.1, 14 October 2020
	Semi-annual reports	G/SCM/N/371, 15 December 2020
	Semi-annual reports	G/SCM/N/371/Add.1/Rev.1, 14 October 2021

WTO Agreement	Requirement/content	WTO document and date
Article 25.1 Article 27.4	Semi-annual reports Semi-annual reports Semi-annual reports Semi-annual reports Semi-annual reports Notification of export subsidies The transition period for the elimination of export subsidies	G/SCM/N/379, 15 June 2021 G/SCM/N/379/Add.1/Rev.1, 11 April 2022 G/SCM/N/392, 15 June 2022 G/SCM/N/392/Add.1, 13 October 2022 G/SCM/N/399, 15 December 2022 G/SCM/N/399/Add.1, 20 April 2023 G/SCM/N/343/JOR, 20 January 2020 G/SCM/N/299/JOR, 5 July 2017 G/SCM/N/299/JOR/Rev.1, 23 June 2017 G/SCM/N/299/JOR/Rev.2, 24 July 2018 G/SCM/N/299/JOR/Rev.3, 4 March 2020 G/SCM/N/18/Add.50, 13 November 2019
Article 25.12	Competent authorities	
Agreement on Safeguards		
Article 12.1(a) Article 12.1(b) findings, 12.1(c) decisions, and Article 9.1 footnote 2	Notification on termination of safeguard investigations with no safeguard measure imposed Notification on initiation of an investigation and the reason for it Notification of a proposal to impose a measure	G/SG/N/10/JOR/8/Suppl.2, 6 January 2016 G/SG/N/9/JOR/10, 18 May 2020 G/SG/N/6/JOR/18, 25 July 2016 G/SG/N/6/JOR/19, 4 September 2019 G/SG/N/7/JOR/2, 28 July 2016 G/SG/N/8/JOR/10, 28 July 2016 G/SG/N/11/JOR/6, 28 July 2016 G/SG/N/7/JOR/2/Suppl.1, 17 August 2016 G/SG/N/8/JOR/10/Suppl.1, 17 August 2016 G/SG/N/11/JOR/6/Suppl.1, 17 August 2016 G/SG/N/8/JOR/10/Suppl.2, 15 February 2017 G/SG/N/10/JOR/10, 15 February 2017 G/SG/N/11/JOR/6/Suppl.2, 15 February 2017 G/SG/N/8/JOR/10/Suppl.3, 19 May 2017 G/SG/N/10/JOR/10/Suppl.1, 19 May 2017 G/SG/N/11/JOR/6/Suppl.3, 19 May 2017 G/SG/N/11/JOR/6/Suppl.4, 3 August 2017 G/SG/N/11/JOR/6/Suppl.5, 4 April 2018 G/SG/N/11/JOR/6/Suppl.6, 18 October 2018 G/SG/N/8/JOR/10/Suppl.4, 16 September 2019 G/SG/N/10/JOR/10/Suppl.2, 16 September 2019 G/SG/N/11/JOR/6/Suppl.7, 16 September 2019 G/SG/N/8/JOR/10/Suppl.5, 29 October 2019 G/SG/N/10/JOR/10/Suppl.3, 29 October 2019 G/SG/N/11/JOR/6/Suppl.8, 29 October 2019 G/SG/N/8/JOR/10/Suppl.3, 19 May 2017 G/SG/N/10/JOR/10/Suppl.1, 19 May 2017 G/SG/N/11/JOR/6/Suppl.3, 19 May 2017 G/SG/N/8/JOR/10/Suppl.2, 15 February 2017 G/SG/N/10/JOR/10, 15 February 2017 G/SG/N/11/JOR/6/Suppl.2, 15 February 2017
Agreement on the Application of Sanitary and Phytosanitary Measures		
Article 7 Annex B	Emergency measures	G/SPS/N/JOR/37, 16 January 2017 G/SPS/N/JOR/38, 22 March 2017 G/SPS/N/JOR/39, 24 January 2018 G/SPS/N/JOR/40, 15 November 2018 G/SPS/N/JOR/41, 17 December 2019 G/SPS/N/JOR/42, 20 February 2020
Agreement on Technical Barriers to Trade		
	Labelling requirement for electronic displays	G/TBT/JOR/49, 30 May 2023
Agreement on Trade Facilitation		
WT/L/911	Notification of Category Commitments	G/TFA/N/JOR/1, 7 June 2018
Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)		
Article 63.2	Legislation	

Source: WTO Secretariat.