

## Country Profile:

# Hashemite Kingdom of Jordan



**Estimated Population** 6,388,000 (as of year 2012)<sup>1</sup>

**Estimated Growth Rate** 2.2 (as of year 2012)<sup>2</sup>

**Rank in the world based on population** 99<sup>th</sup> (as of year 2013)<sup>3</sup>

**Capital** Amman

**Language** Arabic

**Currency** Jordanian Dinar (JOD)



**Location** <sup>4</sup> The Hashemite Kingdom of Jordan is strategically located in the Middle East. Bound by Syria to the north, Iraq to the northeast, Saudi Arabia to the east and south, the Red Sea to the south, and Palestinian National Authority to the west, Jordan covers a diversity of landscapes. The country has an area of 89,213 square kilometers, with approximately 75% of that space being taken up by desert. The climate in Jordan is characterized by warm, dry summers and mild, wet winters, with annual average temperatures ranging from 12 to 25 C and summertime highs reaching the 40 C in the desert regions. Geographically, Jordan enjoys a range of geographical features, starting from the Jordan Rift Valley in the West ending at the desert plateau of the East, with a range of small hills running the length of the country in between.



<sup>1</sup> [http://www.dos.gov.jo/dos\\_home\\_e/main/](http://www.dos.gov.jo/dos_home_e/main/)

<sup>2</sup> [http://www.dos.gov.jo/dos\\_home\\_e/main/](http://www.dos.gov.jo/dos_home_e/main/)

<sup>3</sup> <http://www.economywatch.com/economic-statistics/Jordan/Population/>

<sup>4</sup> [http://www.un.org/jo/index.php?page\\_type=pages&page\\_id=393](http://www.un.org/jo/index.php?page_type=pages&page_id=393)

## History <sup>5</sup>

It is a wonder how so many civilizations can meet in one place. Such is the case in Jordan. For as long as history can remember, Jordan's strategic geographical location has served as a crossroads, tying Europe, Asia and Africa together. This makes it an ideal site for trade and intercultural communication.

Traces of great empires and peoples remain in Jordan to this day. From the Sumerians to the Mesopotamians, the Akkadians to the Babylonians, the Assyrians and even the nomadic Nabateans who originated in the north of the Arabian Peninsula, Jordan has always been a major attraction in the Middle East. It remains so today. Jordan shone through classical civilizations such as Ancient Greece, Rome and Persia and carried on into Byzantium. After the 7th century AD, Arab and Islamic cultures stand out in Jordan's timeline.

The ruling Hashemite family's roots can be traced throughout Islamic history. Descended from the Arab chieftain Quraysh, the Hashemite royal family led the Great Arab Revolt of 1916. After liberating the Arab lands from the Ottoman grip, King Abdullah I, who is considered the founder of modern-day Jordan, assumed the throne of the British mandated Transjordan. Following the end of the British mandate, the state of Jordan was created, now known as the Hashemite Kingdom of Jordan.



**King Abdullah I**

founder of modern-day  
Jordan



**Petra**

One of the new 7  
wonders of the world

Today, Jordan stands replete with natural and man-made wonders. Whether through Neolithic mining and quarrying, legendary Crusade battles or the desert wars of Lawrence of Arabia in the 20th century, Jordan holds the remains of its history dear. Perhaps the most marvelous and mysterious of these is the glorious Petra. One of the new 7 wonders of the world and a UNESCO World Heritage site, this unmatched creation of the Nabatean people was carved straight into the canyons and cliffs of the Jordanian desert.

## Political System <sup>6</sup>

The Hashemite Kingdom of Jordan is a constitutional monarchy with representative government, based on a Constitution established in 1952. The reigning monarch, His Majesty King Abdullah II is the head of state, the chief executive and the commander-in-chief of the Jordanian armed forces. The King exercises his executive authority through the Prime Minister and the Council of Ministers, or Cabinet. The Cabinet, meanwhile, is responsible before the elected House of Deputies which, along with the House of Notables (Senate), constitutes the legislative branch of the Government. The judicial branch in Jordan is an independent branch of the Government.

<sup>5</sup> [http://www.sccd.jo/sccd.jo/public/English.aspx@Lang=3&Page\\_ID=227&Menu\\_ID=2.html](http://www.sccd.jo/sccd.jo/public/English.aspx@Lang=3&Page_ID=227&Menu_ID=2.html)

<sup>6</sup> [http://www.un.org.jo/index.php?page\\_type=pages&page\\_id=393](http://www.un.org.jo/index.php?page_type=pages&page_id=393)

## Important political figures

### **King of Jordan** <sup>7</sup>

His Majesty King Abdullah II Ibn Al Hussein assumed his constitutional powers as King of the Hashemite Kingdom of Jordan on February 7, 1999, the day his father, the late King Hussein, passed away. King Abdullah is committed to building on the legacy left by the late King Hussein to further Jordan's democratic institutionalization and political pluralism, while working for a just and comprehensive peace in a climate of openness and tolerance.



**His Majesty  
King Abdullah  
II**

### **Governor of Jordan's Central Bank** <sup>8</sup>



**H.E. Dr. Ziad Fariz**

By Royal Decree, H.E. Dr. Ziad Fariz was appointed as Governor of the Central Bank of Jordan on January 10th, 2012.

Prior to that, Dr. Fariz held the position of Chairman of First Investment Group. Between August 2007 and February 2009, he held the position of Chairman of the Board of Capital Bank. Before that, he served as the Deputy Prime Minister and Minister of Finance during the period from November 28th, 2005 until September 2nd, 2007.

Between 2001 and November 27th, 2005, Dr. Fariz was the Chief Executive Officer of the Arab Banking Corporation in Jordan. Prior to that, he served as Governor of the Central Bank of Jordan between 1996 and 2001.

In 1995, H.E. worked on establishing Capital Bank and then became chairman of its board of directors. Prior to that, he served as a Minister of Planning and International Cooperation from June 20th, 1991 until June 8th, 1994. During the period December 6th 1989 until June 20th, 1991, he was appointed as Minister for Industry and Trade. In 1984, H.E. was appointed General Secretary for the Ministry of Planning and International Cooperation until April 1989, when he was then appointed as a Minister until December 6th, 1989.

H.E. started his professional career at the Central Bank in 1966 as an economic researcher in the external trade division of the research department. After completing his Ph.D. in 1978, he rejoined the Central Bank of Jordan as an economic consultant and then as an executive director for both the research and the investment and foreign operations departments.

Dr. Fariz was born in the city of Salt, Jordan in 1943. He holds a Ph.D. in Economics from Keele University, U.K and a Bachelors degree from the University of Baghdad, Iraq. He is also a member of the Board of various educational, cultural and banking institutions.

### **Chairman of Amman's Chamber of Commerce** <sup>9</sup>

H.E. Riad Saifi is currently a member of the Jordanian Senate. Since 2009 has also been the Chairman of the Amman Chamber of Commerce. H.E. Senator Saifi is also Honorary President of the Beijing Chamber of International Commerce as well as board member in various companies and associations; including, but not limited to the China Friendship association and the Ukraine Friendship association. He has also served as a board member of the Union Bank, the Delta Insurance Company, the Social Security Company and the ad-Dustour Newspaper.

In 2002, H.E. Senator Saifi was awarded an Honorary PhD in Political and Economical Science from Kyrgyzistan.



**H.E. Riad Saifi**

<sup>7</sup> <http://jordanembassyus.org/royal-family/his-majesty-king-abdullah-ii>

<sup>8</sup> [http://www.cbj.gov.jo/pages.php?menu\\_id=143&local\\_type=0&local\\_id=0&local\\_details=0&local\\_details=0&localsite\\_branchname=CBJ](http://www.cbj.gov.jo/pages.php?menu_id=143&local_type=0&local_id=0&local_details=0&local_details=0&localsite_branchname=CBJ)

<sup>9</sup> <http://ema-hamburg.org/pages/de/foren/forum-fuer-den-mashrek-und-den-golf/programm/redner/words-of-welcome.php>

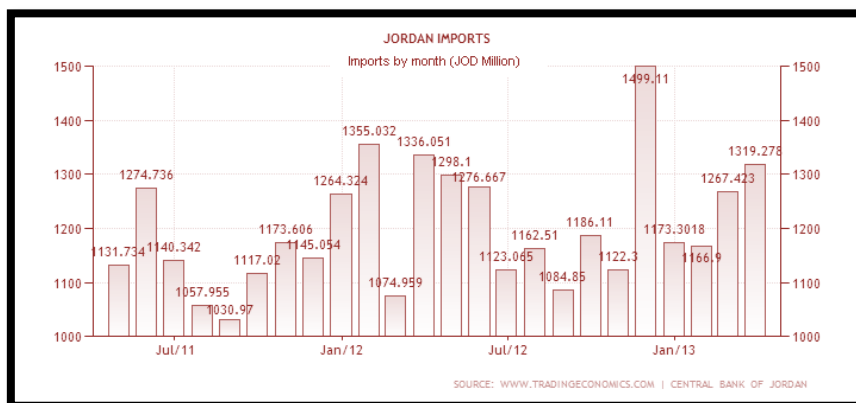
Indicator	Indicator Value		
	Year 2013	Year 2012	Year 2011
GDP Growth (Constant Prices, National Currency)	3.25 %	2.8 %	2.589 %
GDP (Current Prices, National Currency)	JOD 24.16 Billion.	JOD 22.127 Billion.	JOD 20.477 Billion.
GDP (Current Prices, US Dollars)	US\$ 34.076 Billion.	US\$ 31.209 Billion	US\$ 28.881 Billion
GDP Deflator	222.2 (Index, Base Year as per country's accounts = 100)	210.122 (Index, Base Year as per country's accounts = 100)	199.889 (Index, Base Year as per country's accounts = 100)
GDP Per Capita (Constant Prices, National Currency)	JOD 1,661.56	JOD 1,646.21	JOD 1,638.15
GDP Per Capita (Current Prices, National Currency)	JOD 3,691.98	JOD 3,459.05	JOD 3,274.48
GDP Per Capita (Current Prices, US Dollars)	US\$ 5,207.31	US\$ 4,878.78	US\$ 4,618.45
GDP (PPP), US Dollars	US\$ 40.565 Billion	US\$ 38.652 Billion	US\$ 36.939 Billion
GDP Per Capita (PPP), US Dollars	US\$ 6,198.91	US\$ 6,042.29	US\$ 5,907.01
GDP Share of World Total (PPP)	0.047 %	0.046 %	0.047 %
Implied PPP Conversion Rate	0.596	0.572	0.554
Investment (% of GDP)	27.311 %	25.429 %	24.624 %
Gross National Savings (% of GDP)	17.275 %	7.357 %	12.591 %
Inflation, Average Consumer Prices (Indexed to Year 2000)	144.184 (Index, Base Year 2000 = 100)	136.158 (Index, Base Year 2000 = 100)	129.957 (Index, Base Year 2000 = 100)
Inflation (Average Consumer Price Change %)	5.894 %	4.772 %	4.409 %
Inflation, End of Year (Indexed to Year 2000)	146.924 (Index, Base Year 2000 = 100)	142.42 (Index, Base Year 2000 = 100)	132.883 (Index, Base Year 2000 = 100)
Inflation (End of Year Change %)	3.162 %	7.177 %	3.259 %
Import Volume of All Items Including Goods and Services (Percent Change)	0.716 %	2.911 %	-0.202 %
Import Volumes of Goods Only (Percent Change)	0.716 %	2.911 %	-0.202 %
Export Volume of All Items Including Goods and Services (Percent Change)	8.781 %	-0.028 %	12.164 %
Export Volumes of Goods Only (Percent Change)	8.781 %	-0.028 %	12.164 %
Value of Oil Imports	US\$ 5.905 Billions	US\$ 6.389 Billions	US\$ 5.531 Billions
Value of Oil Exports	US\$ 0 Billions	US\$ 0 Billions	US\$ 0 Billions
Unemployment Rate (% of Labor Force)	12.2 %	12.2 %	12.9 %
Population	6.544 Million	6.397 Million	6.253 Million
General government revenue (National Currency)	JOD 6.284 Billions.	JOD 5.054 Billions.	JOD 5.414 Billions.
General government revenue (% of GDP)	26.012 %	22.842 %	26.439 %
General government total expenditure (National Currency)	JOD 7.444 Billions.	JOD 6.862 Billions.	JOD 6.802 Billions.
General government total expenditure (% of GDP)	30.812 %	31.011 %	33.217 %
Total Government Net Lending/ Borrowing (National Currency)	JOD -1.16 Billions.	JOD -1.808 Billions.	JOD -1.388 Billions.
Total Government Net Lending/ Borrowing (% of GDP)	-4.8 %	-8.169 %	-6.778 %
General Government Structural Balance (National Currency)	JOD -1.217 Billion.	JOD -1.373 Billion.	JOD -1.362 Billion.
General Government Structural Balance (% Potential GDP)	-5.079 %	-6.233 %	-6.77 %
General Government Balance (National Currency)	JOD -0.336 Billion.	JOD -1.238 Billion.	JOD -0.972 Billion.
General Government Balance (% of GDP)	-1.392 %	-5.595 %	-4.746 %
Total Government Net Debt (National Currency)	JOD 19.229 Billion.	JOD 16.581 Billion.	JOD 13.401 Billion.
Total Government Net Debt (% of GDP)	79.591 %	74.936 %	65.444 %
Total Government Gross Debt (National Currency)	JOD 20.258 Billion.	JOD 17.61 Billion.	JOD 14.483 Billion.
Total Government Gross Debt (% of GDP)	83.85 %	79.586 %	70.729 %
Fiscal Year Gross Domestic Product, Current Prices	JOD 24.16 Billions.	JOD 22.127 Billions.	JOD 20.477 Billions.
Current Account Balance (US Dollars)	US\$ -3.42 Billion	US\$ -5.64 Billion	US\$ -3.475 Billion
Current Account Balance (% GDP)	-10.036 %	-18.072 %	-12.033 %

## Analyzing Jordan's Foreign Trade <sup>11</sup>

Through 2011, foreign Jordanian trade has achieved clear progress despite economic and political fluctuations in Arab region under Arabic Spring "Al Rabee Al Arabi". Especially, what great Arab countries, that have direct economic impact on Jordan, have witnessed, such as Egypt, Syria, Yemen, Libya and Tunisia. Jordan joins with these countries, especially Syria, with strong commercial relationships because of geographical location proximity and individuals and cargos' movement ease between both countries. In addition to what Jordanian interior arena has witnessed of strikes and protests that directly affected the growth of some different economic sectors nearby current economic circumstances in EU countries. Jordanian economy is affected by external economic variables, in specific; these happen in Arab region and the Middle East. Conditions in these countries affect Jordan fast and directly since that it depends directly on neighboring Arab and regional markets. Jordan adopted a trade policy based on principles of economic openness and trade liberalization. In the past few years, extensive efforts were made to open Jordanian economy to foreign trade and investment to increase growth and Jordanians' well-being opportunities. Because of Jordan's geographical site as it occupies the heart of the Middle East, it is considered as a link between many countries in the region. In addition, it has distinctive international trade relations with most countries of the world. Therefore, it became an important trading partner with various countries of the world through "Agreement of Greater Arab Free Trade and bilateral Free Trade Agreements", and fasten ties with world countries by joining "World Trade Organization" and concluding an "Association Agreement with European Union", "Conventions of free trade and Qualified Industrial Zones with United States", "Convention of free trade Arab Mediterranean" and "Free trade agreements" with Association of NAFTA, Singapore, Canada and Turkey. Trade agreement is defined as: "an agreement between two countries or more to accomplish specific procedures to encourage trade among them", such procedures may include all goods and products or be limited to specific commodities to be agreed upon between parties of convention. Jordan has made successful steps signing agreements of protection and investment promotion and double taxation prevention with Arab and foreign countries to provide an attractive environment for investments along with economic and trade cooperation agreements with business partners in different geographic regions

## Import Profile <sup>12</sup>

Imports in Jordan increased to 1319.28 Million JOD in March of 2013 from 1267.42 Million JOD in February of 2013. Imports in Jordan is reported by the Central Bank of Jordan. Jordan Imports averaged 298.19 Million JOD from 1972 until 2013, reaching an all time high of 1499.11 Million JOD in November of 2012 and a record low of 5.09 Million JOD in January of 1974. Jordan's main imports are machinery and transport equipment, fuels, food, manufactured chemicals and electrical machines. Jordan's main import partners are Saudi Arabia, China, Germany, the United States and Italy.



## Main Imports & Main Import Partners (Year 2013)

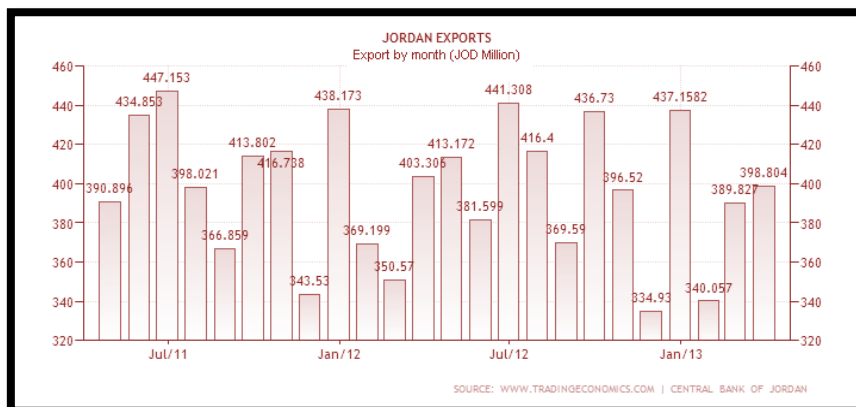
Major Import Products	Main Import Partners
Machinery and transport equipments	Saudi Arabia
Fuels	China
Food	Germany
Manufactured chemicals	United States
electrical machines	Italy

<sup>11</sup> [https://globaljournals.org/GJMBR\\_Volumel3/1-An-Analytical-Study-of-the-Jordanian.pdf](https://globaljournals.org/GJMBR_Volumel3/1-An-Analytical-Study-of-the-Jordanian.pdf)

<sup>12</sup> <http://www.tradingeconomics.com/jordan/exports>

## Export Profile <sup>13</sup>

Exports in Jordan increased to 398.80 Million JOD in March of 2013 from 389.83 Million JOD in February of 2013. Exports in Jordan is reported by the Central Bank of Jordan. Jordan Exports averaged 102.92 Million JOD from 1972 until 2013, reaching an all time high of 511.35 Million JOD in August of 2008 and a record low of 0.11 Million JOD in October of 1973. Jordan's main exports are textiles, potassium, phosphates, fertilizers, vegetables and pharmaceutical products. Jordan's main export partners are Iraq, the United States, India, Saudi Arabia and Syria.

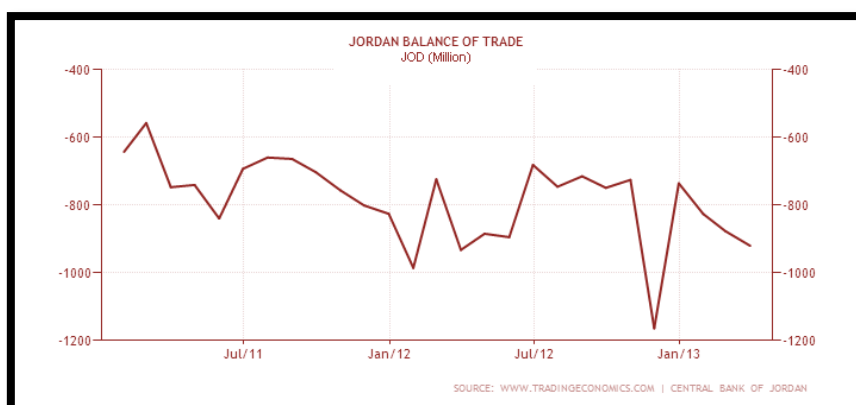


## Main Exports & Main Export Partners (Year 2013)

Major Export Products	Main Export Partners
Textiles	Iraq
Potassium	United States
Phosphates	India
Fertilizers	Saudi Arabia
Vegetables	Syria
Pharmaceutical products	

## Trade Balance <sup>14</sup>

Jordan recorded a trade deficit of 920.47 Million JOD in March of 2013. Balance of Trade in Jordan is reported by the Central Bank of Jordan. Jordan Balance of Trade averaged a deficit equivalent to 195.27 Million JOD from 1972 until 2013, reaching the best deficit at 3.40 Million JOD in January of 1974 and the worst deficit at 1164.19 Million JOD in November of 2012. Jordan's trade flows are characterized by consistent trade deficits. Jordan's exports rely on the mining and manufacturing sectors. As such, phosphate, potash and textiles are key elements of Jordanian trade



<sup>13</sup> <http://www.tradingeconomics.com/jordan/exports>

<sup>14</sup> <http://www.tradingeconomics.com/jordan/balance-of-trade>

## Trade Policies <sup>6</sup>

Jordan's foreign trade policy is based on the norms of economic openness and integration into the rapidly globalizing world economy. It incorporates the country's vision and positiveness in viewing economic partnerships as necessarily achieving both mutual interests and fair dividends. Jordan has made giant strides on the path of economic and trade liberalization in addition to reinforcing mechanisms and functioning of a market-oriented economy that is built on an active role of the private sector in managing economic activities. This was made possible through an intensive reform process bringing about a modern and conducive regulatory environment for business and investment.

Today, Jordan is at the forefront of the Middle Eastern liberal economies that gained wide respect and recognition for their reforms and economic endeavors. In fact, Jordan is cited as an example in economic policy for emerging nations that could creatively overcome the dilemmas of the scarcity of material and natural resources. In such a short time, Jordan managed to nurture its economic ties with its neighboring Arab countries through joining the Greater Arab Free Trade Area (GAFTA) and signing a number of bilateral trade agreements; enter into an association agreement with the European Union; sign a free trade agreement with the United States of America soon after successfully joining the World Trade Organization (WTO) in 2000; as well as sign free trade agreements with the European Free Trade Association (EFTA) countries and Singapore.

Moreover, and in an effort to further enhance the investment environment in the country, Jordan concluded over 35 agreements on protection and promotion of investments and over (30) agreements on the avoidance of double taxation with Arab and non-Arab countries. Jordan is also a signatory to several economic and trade cooperation agreements with countries all over the world. Such agreements established joint committees that meet regularly and provide means for developing and strengthening trade relations between Jordan and its trading partners.

All those developments will contribute positively to enhancing Jordan's export potential and complementing its efforts to attract foreign investments. The country's trade policy is sought to utilize such outcomes in a way to serve as the engine for growth and a means to improve Jordanians welfare and standards of living.

Jordan finished with success the first review of its trade policy within the framework of the World Trade Organization during the period 10-12/11/2008, which is first review since Jordan's accession to the WTO in 2000.

In its statement addressed to the trade policy review body and the Member States Jordan shed the light on the importance of the role played by the review mechanism in promoting the principle of transparency and deepening the understanding of Member States of the policies exercised by the member under review. The revision was conducted for the reforms made by Jordan to promote its economy and make it among the advanced countries since the adoption of the policy of economic liberalization, which led to economic growth despite the various challenges facing the Jordanian economy; mainly poverty, unemployment and inflation as well as the current global financial crisis. Jordan also highlighted its next steps to further liberalize the economy to ensure full integration in the world economy and stressed its commitment to fulfill all its obligations under the World Trade Organization, which have contributed positive results in terms of economic growth and increased exports.

Government's efforts in improving the business environment resulting in high rates of growth in gross domestic product as a result of steady growth in the volume of Jordanian exports as well as attract a lot of Arab and foreign investments, also commended the leading role of H.M. King Abdullah II in promoting trade and economic relations through several royal visits to various countries and regions of the world and his persistent effort in promoting and enhancing Jordan's trade and economic relations with countries worldwide.

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<sup>6</sup> <http://www.mit.gov.jo/tabid/475/Jordan%20Foreign%20Trade%20Policy.aspx>

<b>Basic indicators</b>					
Population (thousands, 2011)	6,181	<b>Rank in world trade, 2011</b>	<u>Exports</u>	<u>Imports</u>	
GDP (million current US\$, 2011)	28,840	Merchandise	99	77	
GDP (million current PPP US\$, 2011)	37,130	excluding intra – EU trade	75	55	
Current account balance (million US\$, 2011)	-2,885	Commercial services	70	73	
Trade per capita (US\$, 2009-2011)	4,989	excluding intra-EU trade	46	52	
Trade to GDP ratio (2009-2011)	114.5				
			Annual percentage change		
			2010	2011	
	2011	2005-2011			
Real GDP (2005=100)	139	6	2	3	
Exports of goods and services (volume, 2005=100) a	115	2	24	-5	
Import of goods and services (volume, 2005=100) a	97	-1	-3	-6	
<b>Trade policy</b>					
<b>WTO accession</b>	11 April 2000	<b>Contribution to WTO budget (%) (2012)</b>		0.080	
<b>Trade policy review</b>	10, 12 November 2008	<b>Import duties collected (%) (2008-2009)</b>			
<b>GPA accession</b>	Observer	in total tax revenue		9.8	
<b>Tariff and duty free imports</b>		to total imports		2.2	
Tariff binding coverage (%)		100	<b>Number of notifications to WTO and measures in force</b>		
MFN tariffs	<u>Final bound</u>	<u>Applied 2010</u>	Outstanding notifications in WTO Central Registry	14	
Simple average of import duties			Goods RTAs – services EIAs notified to WTO	6-2	
All goods	16.3	10.0	Anti-dumping (30 June 2011)	...	
Agricultural goods (AOA)	23.6	17.9	Countervailing duties (30 June 2011)	...	
Non-agricultural goods	15.2	8.8	Safeguards (26 October 2011)	1	
Non-ad-valorem duties (% total tariff lines)	0.2	2.0	<b>Number of disputes (complainant-defendant)</b>		
MFN duty free imports (% (2009) in agricultural goods		64.8	Requests for consultation	0-0	
in non-agricultural goods		44.6	Original panel / Appellate Body (AB) reports	0-0	
<b>Services sectors with GATS commitments</b>		110	Compliance panel / AB reports (Article 21.5 DSU)	0-0	
			Arbitration awards (Article 22.6 DSU)	0-0	
<b>Merchandise Trade</b>					
		Value	Annual percentage change		
		2011	2005-2011	2010	
				2011	
Merchandise exports, f.o.b. (million US\$)		7,963	11	10	
Merchandise imports, c.i.f. (million US\$)		18,301	10	9	
		2011		2011	
<b>Share in world total exports</b>		0.04	<b>Share in world total imports</b>	0.10	
<b>Breakdown in economy's total exports</b>			<b>Breakdown in economy's total imports</b>		
By main commodity groups (ITS)			By main commodity groups (ITS)		
Agricultural products		16.2	Agricultural products	17.4	
Fuels and mining products		10.4	Fuels and mining products	31.5	
Manufactures		70.0	Manufactures	49.5	
By main destination			By main origin		
1. Iraq		15.2	1. Saudi Arabia, Kingdom of	22.8	
2. United States		13.1	2. European Union (27)	20.6	
3. India		10.9	3. China	10.0	
4. Saudi Arabia, Kingdom of		8.5	4. United States	5.9	
5. European Union (27)		4.3	5. Egypt	4.1	
Unspecified destinations		8.7	Unspecified destination	0.3	
<b>Commercial Services Trade</b>					
		Value	Annual percentage change		
		2011	2005-2011	2010	
				2011	
Commercial services exports (million US\$)		4,736	13	24	
Commercial services imports (million US\$)		4,288	10	17	
		2011		2011	
<b>Share in world total exports</b>		0.11	<b>Share in world total imports</b>	0.11	
<b>Breakdown in economy's total exports</b>			<b>Breakdown in economy's total imports</b>		
By principal services item			By principal services item		
Transportation		25.1	Transportation	57.0	
Travel		63.3	Travel	27.1	
Other commercial services		11.6	Other commercial services	15.9	
<b>Industrial Property</b>					
	Patents grants by patent office, 2010		Trademark registrations by office, 2010		
<u>Residents</u>	<u>Non-residents</u>	<u>Total</u>	<u>Direct residents</u>	<u>Direct non-residents</u>	<u>Madrid</u>
12	52	64	7,465	3,998	...
					<u>Total</u>
					11,463



Tariffs and imports: Summary and duty ranges

Summary		Total	Ag	Non-Ag	WTO member since		2000
Simple average final bound		16.3	23.6	15.2	Binding coverage		Total 100
Simple average MFN applied	2010	10.0	17.9	8.8			Non-Ag 100
Trade weighted average	2009	8.6	11.1	8.0	Ag: Tariff quotas (in %)		0
Imports in billion US\$	2009	14.0	2.4	11.6	Ag: Special safeguards (in %)		0

Frequency distribution		Duty-free	0<=5	5<=10	10<=15	15<=20	25<=50	50<=100	>100	NAV in %
Tariff lines and import values (in %)										
<b>Agricultural products</b>										
Final bound		1.1	15.3	15.8	12.4	26.1	25.7	0.2	3.3	0.8
MFN applied	2010	35.8	8.4	8.2	0.6	22.6	21.1	0.6	2.8	1.4
Imports	2009	64.8	1.3	2.7	0.7	12.2	14.0	3.9	0.3	3.2
<b>Non-agricultural products</b>										
Final bound		7.3	22.1	16.1	8.2	23.8	22.4	0.0	0	0.1
MFN applied	2010	57.4	3.3	7.7	0.9	13.6	17.0	0.0	0	2.1
Imports	2009	44.6	19.7	7.1	1.0	14.1	13.5	0.0	0	0.3

Tariffs and imports by product groups

Product groups	Final bound duties				MFN applied duties			Imports	
	AVG	Duty-free in %	Max	Binding in %	AVG	Duty-free in %	Max	Share in %	Duty-free in %
Animal products	13.7	0	30	100	11.0	15.4	30	2.0	57.6
Dairy products	16.1	7.5	30	100	9.1	52.5	30	1.5	84.9
Fruit, vegetables, plants	23.5	0	90	100	20.2	15.5	90	2.1	15.7
Coffee, tea	20.5	0	30	100	13.3	39.6	30	0.9	57.5
Cereals & preparations	17.1	5.3	80	100	10.7	43.0	40	5.7	83.8
Oilseeds, fats & oils	16.5	0	30	100	9.1	62.9	30	2.2	74.2
Sugars & confectionary	19.1	0	30	100	7.8	67.7	30	1.0	86.6
Beverages & tobacco	99.9	0	200	100	85.5	21.0	200	1.1	4.9
Cotton	9.0	0	10	100	0.0	100.0	0	0.0	100.0
Other agricultural products	15.7	1.4	30	100	8.6	55.6	30	0.7	78.8
Fish & fish products	19.8	0	30	100	11.0	45.2	30	0.6	89.8
Minerals & metals	19.3	0.1	30	100	10.6	47.6	30	16.4	42.0
Petroleum	15.3	0	20	100	13.0	16.0	20	14.1	0.0
Chemicals	5.1	10.6	30	100	1.2	83.6	30	11.1	81.2
Wood, paper, etc.	21.3	1.2	30	100	13.2	43.6	30	4.2	62.6
Textiles	15.7	0.2	30	100	4.7	75.8	30	4.2	83.8
Clothing	19.5	0	20	100	19.4	0.5	20	2.1	12.9
Leather, footwear, etc.	23.7	0	30	100	13.4	46.7	30	1.0	16.4
Non-electrical machinery	10.3	17.5	30	100	5.6	74.3	30	8.9	62.7
Electrical machinery	16.8	25.3	30	100	12.0	52.4	30	6.2	61.7
Transport equipment	13.3	9.3	30	100	8.1	54.7	30	11.6	28.1
Manufactures, n.e.s.	20.5	15.5	57	100	18.6	25.9	66	2.4	47.7

Exports to major trading partners and duties faced

Major markets	Bilateral imports		Diversification 95% trade in no. of		MFN AVG of traded TL		Pref. margin Weighted	Duty free imports		
		In million US\$	HS 2-digit	HS 6-digit	Simple	Weighted		TL in %	Value in %	
<b>Agricultural products</b>										
1. Saudi Arabia, Kingdom of	2010	55	14	41	9.5	4.2	4.2	100.0	100.0	
2. Kuwait	2009	32	17	43	3.8	1.6	1.6	100.0	100.0	
3. European Union	2010	24	10	21	13.1	15.0	15.0	99.4	99.8	
4. Lebanon	2010	20	16	36	32.6	49.2	49.2	100.0	100.0	
5. Qatar	2010	15	15	48	8.7	1.8	1.8	100.0	100.0	
<b>Non-agricultural products</b>										
1. United States	2010	923	7	35	6.8	20.8	20.8	100.0	100.0	
2. India	2010	821	4	6	7.1	5.7	0.0	10.2	1.2	
3. Saudi Arabia, Kingdom of	2010	555	30	135	4.8	3.4	3.4	100.0	100.0	
4. European Union	2010	250	31	93	3.9	2.2	2.2	100.0	100.0	
5. Lebanon	2010	207	17	40	8.9	3.0	3.0	100.0	100.0	

## Bilateral and Multilateral Agreements



**The Organization of Islamic Cooperation (OIC)** <sup>18</sup> is an international organization consisting of 57 member states. The organization states that it is "the collective voice of the Muslim world" and works to "safeguard and protect the interests of the Muslim world in the spirit of promoting international peace and harmony". The OIC has a permanent delegation to the United Nations, and is the largest international organization outside the United Nations. The official languages of the OIC are Arabic, English and French.



### **Agadir Agreement** <sup>19</sup>

The Agadir Agreement is a free trade agreement between Egypt, Jordan, Morocco and Tunisia. Named after the Moroccan city of Agadir, where the process to set up the pact was launched in May 2001, it was signed in Rabat in February 2004 and came into force in March 2007.

The Agadir Agreement is open to further membership by all Arab countries that are members of the Arab League and the Greater Arab Free Trade Area, and linked to the EU through an Association Agreement or an FTA. Its purpose is to facilitate integration between Arab states and the EU under the broader EU-Mediterranean process, but it has other ramifications as well.

One important feature of the Agadir Agreement is that it uses the EU's rules of origin. These are at odds with US rules of origin, which makes it difficult for countries in the Mediterranean and the Middle East to apply one and the other in their trade relations with the two competing power blocs. The EU allows its Mediterranean FTA partners to cumulate value-added. This means that it turns a blind eye to where value was added, for the purpose of preferential tariffs, as long as it was in an FTA partner country. The US, apart from special arrangements like those applying to export processing zones, only considers value added domestically in the country exporting to the US. These conflicting regimes give the EU an advantage in its competition with Washington to secure a Euro-Mediterranean FTA as a counter-force to the US-Middle East FTA.

Barely two weeks after it entered into force, conflicts between the Agadir Agreement and the US-Morocco FTA emerged. Under the US FTA, Morocco agreed to refrain from lowering tariffs on certain agricultural imports from third parties that are not net exporters of those products. This is bound to affect Arab countries who were expecting to sell farm products tariff-free to Morocco under the Agadir deal.

In November 2008, the members of the Agadir Agreement signed a protocol on trade in textiles. Overall, though, the impact of the deal as seen by business executives and politicians has been "below expectations".



### **EU-Mediterranean (EMFTA)** <sup>20</sup>

The Euro-Mediterranean Free Trade Area (EMFTA) is a free trade zone under construction since the Barcelona Declaration, a framework plan, was adopted in 1995. It is being built through a series of bilateral FTAs (called Association Agreements) between Brussels and each state bordering the Mediterranean, as well as so-called horizontal FTAs between the non-EU Mediterranean countries themselves, such as the Agadir Agreement.

The countries in question are Algeria, Egypt, Jordan, Lebanon, Morocco, Palestinian Territories, Syria, Tunisia and Turkey.

Many people view the EU's ambitions to build this special "partnership" with North African and Middle Eastern states — which involves not only trade and investment liberalization but deep political reform, what Brussels calls "approximation" of other countries' legal and political institutions with its own — as both imperialist and neocolonial. This is all the more significant taking into account the United States' plans to weave together a US-Middle East Free Trade Agreement (MEFTA). For the two are in direct competition.

EMFTA was supposed to be completed by 2010. However, a sustainability impact assessment of EMFTA commissioned by the EU already foresees important negative social and environmental consequences. Complicating things further, French President Sarkozy took the initiative to set up a Union for the Mediterranean, involving only the countries that border the sea, which was

<sup>18</sup> [http://en.wikipedia.org/wiki/Organisation\\_of\\_Islamic\\_Cooperation](http://en.wikipedia.org/wiki/Organisation_of_Islamic_Cooperation)

<sup>19</sup> <http://www.bilaterals.org/spip.php?rubrique168>

<sup>20</sup> <http://www.bilaterals.org/spip.php?rubrique173>

launched in July 2008. Further still, questions have been arising as to why the EU does not merge its Mediterranean FTA initiative with its GCC FTA initiative.

In September 2011, the EU announced the opening of "deep and comprehensive" trade negotiations with Egypt, Jordan, Morocco and Tunisia. In February 2012, the EU and Morocco signed an agricultural trade deal (which also covers fisheries). Critics have noted that the agreement will promote the exploitation of the disputed territory of Western Sahara, that the main benefactors will be transnational companies and the King of Morocco, and that small farmers will suffer under the deal.



### **GAFTA** <sup>21</sup>

The Arab League has a long history of trying to foster trade and economic cooperation among its member states, with several initiatives taken in the 1950s and 1960s.

In 1981, an agreement to facilitate and promote inter-Arab trade was signed, but to little effect.

In February 1997, the League decided to create an Arab Free Trade Area, also known as the Greater Arab Free Trade Area or the Pan-Arab Free Trade Area, by 2008. This would be achieved through a 10% reduction in customs fees each year as well as the gradual elimination of trade barriers. Eighteen of the 22 Arab League states signed on to this agreement, which came into force on 1 January 1998.

In March 2001, it was decided to speed up the liberalization process, and on 1 January 2005 the elimination of most tariffs among the GAFTA members was enforced.

The 17 states that are members of GAFTA are: Jordan, Bahrain, Egypt, Iraq, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen. Others are in the process of joining.



### **MEFTA** <sup>22</sup>

The US-Middle East Free Trade Area (MEFTA) initiative was an ambitious plan to achieve a single free trade agreement (FTA) between the United States and all countries between Western Sahara and Iran. It was launched by George W Bush in 2003. As with the old US-ASEAN FTA plan, the idea is to build the FTA bit by bit from the bottom up. Here, in theory, that means pushing all the countries up a scale of necessary conditions: from WTO membership to a Trade and Investment Framework Agreement leading to a bilateral investment treaty and/or an FTA.

Bush's MEFTA project was clearly driven by US geopolitical and "security" interests and not just economic goals. The MEFTA project directly comes up against the EU's plans for FTAs with the Mediterranean (EMFTA) and the Persian Gulf states. However, while the US initially set the deadline for MEFTA at 2013, the Obama Administration seems not to have followed through with it in the way that the previous administration had envisaged.



### **Singapore-Jordan Free Trade Agreement (SJFTA)** <sup>23</sup>

The Singapore-Jordan Free Trade Agreement (SJFTA) and the Singapore-Jordan Bilateral Investment Treaty (BIT) were concluded on 29 April 2004 and came into force on 22 August 2005.

The SJFTA is Singapore's first FTA with a country in the Middle East and Jordan's first FTA with a country in Asia. It aims to provide an institutional platform for increasing economic engagement between Singapore and Jordan. The SJFTA and the BIT form part of a broader Framework on Closer Economic Partnership between Singapore and Jordan, which also includes a Technical Support Agreement

<sup>21</sup> <http://www.bilaterals.org/spip.php?rubrique169>

<sup>22</sup> <http://www.bilaterals.org/spip.php?rubrique174>

<sup>23</sup> [http://www.fta.gov.sg/fta\\_sjfta.asp?hl=5](http://www.fta.gov.sg/fta_sjfta.asp?hl=5)

signed in October 2003 and Memorandum of Understanding in Cultural and Tourism Cooperation signed during the Official Visit of Prime Minister Goh Chok Tong to Jordan in February 2004. These agreements will serve to deepen and broaden Singapore's links with Jordan and the Middle East region.



#### **Jordan - EU Association Agreement** <sup>24</sup>

Jordan and the EU Member States signed an Association Agreement on November 24<sup>th</sup>, 1997 with the aim of creating a free trade area between EU and Jordan, as well as establishing a comprehensive framework for political, economic, trade and investment, social, cultural and financial cooperation. The agreement was concluded within the framework of the Barcelona Process 1995, the goal of which is to create a larger area of peace and economic prosperity in the Mediterranean Basin. The agreement entered into force on May 1<sup>st</sup>, 2002 to substitute the Jordan-EU Economic Cooperation Agreement signed in 1977.

The Agreement allows entry of Jordanian industrial exports into EU-member countries free of customs duties and other charges having equivalent effect from date of entry into force of the Agreement. Also, EU industrial exports are allowed entry into Jordan free of customs duties and charges having equivalent effect over a transitional period of 12 years starting from date of entry into force of the Agreement, except for a list of specific products.

In addition to elimination of tariffs and reduction of non-tariff barriers, the Agreement contains comprehensive provisions on the conduct of trade in agricultural and industrial products, right of establishment and services, payments and movement of capital, competition, intellectual property rights, financial co-operation, economic co-operation in the field of industry, standards, transportation, telecommunications, energy, science and technology, environment and tourism, statistics, and the fight against illegal drugs. Moreover, within the context of the Agreement, the EU has pledged to set up a Special Fund to assist in improving the export capacity and competitiveness of Jordanian industries.



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<sup>24</sup> <http://www.mit.gov.jo/Default.aspx?tabid=706>

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