

**Achievement of Market-Friendly Initiatives and Results program
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**WTO POST ACCESSION AND
COMPLIANCE OVERVIEW
FOR JORDAN**

Final Report

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TABLE OF CONTENTS

0. EXECUTIVE SUMMARY.....	4
I. INTRODUCTION.....	6
I.0 PURPOSE AND TASKS.....	6
I.1 WTO COMMITMENTS	6
I.2 SUMMARY OF WTO COMMITMENTS NOT YET MET	7
I.3 OTHER TRADE POLICY CONSIDERATIONS	9
II. AN UPDATE AND CATALOGUING OF JORDAN’S WTO COMMITMENTS.....	10
II.0 INTRODUCTION.....	10
II.1 LEGAL COMMITMENTS (LAWS).....	14
II.2 LEGAL COMMITMENTS (REGULATIONS/INSTRUCTIONS/DECISIONS)	18
II.3 COPYRIGHT ISSUES THAT REQUIRE STATUS UPDATES	26
II.4 ADDITIONAL LEGAL MEASURES TO IMPLEMENT ACTIONABLE COMMITMENTS .	29
II.5 ACTIONABLE COMMITMENTS	32
II.6 RULES COMMITMENTS	35
II.7 ADDITIONAL NOTIFICATION COMMITMENTS IN THE WORKING PARTY REPORT.	46
III.A: MANUALS ON WTO COMPLIANCE BY MINISTRY	55
III.B: WTO LECTURES FOR LISTING ON WEB-SITE.....	55
IV. CONCLUSION.....	56
IV.0 MOVING BEYOND WTO COMPLIANCE.....	56
IV.1 COMPLEX TRADE POLICY ISSUES	57

0. EXECUTIVE SUMMARY

This report will show that most of the World Trade Organization (WTO) Commitments originally promised at the Working Party meetings have been met. Notifications in particular have for the most part been made upon accession, and the Foreign Trade Policy Department of the Ministry of Industry and Trade (FTP-MIT) understands the need for regular updates. *This shows a level of capacity and attentiveness exemplary among recently acceded members of the WTO and generally developing member countries.* There are some large gaps in some of the basic laws—agriculture being the most urgent example. As has been pointed out by AMIR Program sub-contractor International Business Legal Associates (IBLA) in their review of the laws and regulations in general, many of these should be reviewed, even, briefly for any lingering compliance problems.

The main areas where compliance is still remaining are summarized in the table at the end of the introduction. For the most part only the Agriculture Law (which was been recently enacted in September 2002) has yet to be vetted for WTO compliance. Similarly, its accompanying regulations and instructions have not been written, but the Legal Department of the Ministry of Agriculture has recommended a list of suggested items. *The Private Sector Policy Initiative (PSPi) Component Leader and the Trade and Market Access (TMA) Sub-Component Leader in AMIR should pay particular attention to the new Agriculture Law and even more so to a review of the regulations and instructions.*

The Foreign Trade Policy Department pointed out in the process of this study that the high turnover in the government at all levels was making it difficult for the WTO compliance agenda to be completed and success for implementation to be understood by the entire government. To address this concern, basic manuals have been prepared for the Foreign Trade Policy Unit to distribute to all the Ministries and Departments.

Web-page contents on the nature of the WTO and the details of its major agreements were also discussed and these can be provided after a scope of work is drawn up for these additional tasks.

Another issue noticed in the compilation presented in this report is that the focus on WTO-compliant laws and regulations may have taken focus away from some of the more fundamental property and commercial legislation. This is noted in more detail below but the TMA Adviser should compare the effort spent on WTO compliancy with the requirements in the basic property and commercial laws. Much of this will be presented in the Jordan Roadmap update project currently underway at AMIR—where all the enabling environment issues are being scrutinized. It is important that this report be combined with the updated roadmap in future readings for AMIR advisers providing technical assistance.

The general good level of compliance and the track it is on for the implementation of the remaining regulations and instructions suggest that the focus of trade policy must move beyond the WTO and compliance issues. *One of the important observations of this report is the seeming over focus on meeting to the letter of WTO commitment, but a lack of appreciation of some of the more serious trade issues which are about to arise in the form of serious supply shocks in the next year.*

The manner in which Jordan prepares for the supply shocks will be important. The combination of a fall in the oil price, a reduction of exports through a lifting of sanctions on Iraq (since Jordan is one of the main beneficiary countries of the sanctions), returning workers from the Gulf states and the resulting fall in workers remittances that will result, will each put pressure on the pegged

exchange rate. The Central Bank will be under extreme stress, both to finance the deficit and to spend reserves to maintain the peg.

These are deeper trade issues that need to come on the heels of having established a WTO compliant trade regime. In addition is the need to focus on trade-capacity building. In several areas this was noted, particularly in food safety issues, where the Department of Health issued a WTO compliant law and instructions, drafted compliant regulations, but still looks to Aqaba *alone* as the sole facility that is at world standards.

Consequently, there are several SOWs that will be drawn up to address the following issues:

- Some of the remaining WTO compliance issues,
- The need for web-based information on the WTO from the FTP-MIT,
- The preparation of the FTP-MIT for a trade policy review,
- Some trade capacity issues and a general scope to review trade capacity questions,
- A need for an exchange rate and supply shock study to spell out macroeconomic alternatives for Jordan in light of a projected worsening in the terms of trade.

Addressing the latter scope will be significant if the gains from WTO compliance are to be seen as bearing fruit.

I. INTRODUCTION

I.0 Purpose and Tasks

The purpose and tasks of this report are fourfold:

1. To update and catalogue Jordan's progress on WTO compliance.
2. To make recommendations to the Director of the Foreign Trade Policy Unit (FTP-MIT) regarding assistance to the Unit as a result of this compilation, the process itself and the information it yields, and to draw up necessary Scopes of Work (SOW).
3. To provide details on some of the main priorities for the next year through meetings with the FTP. It was found that one of the key issues facing the FTP-MIT is a lack of understanding of WTO commitments at other Ministries and Departments. To address this I have suggested the following:
 - a. Put together a compendium of "manuals" for other Ministries and Departments so that they will have a reference guide of their own commitments obligated at the WTO. These will be provided as part of this report. The Director of the FTP was advised that he would receive a package of materials for his review to determine which should be translated into Arabic for distribution.
 - b. Offer a package of lectures on the WTO to be placed on the MIT website for other Ministries and Departments to avail themselves of since there is such high turnover in the Government.
4. To suggest main priorities as they fit in with the general trade policy framework at the MIT. These suggestions will be provided as conclusions to this report.

I.1 WTO Commitments

This report will show that most of the WTO commitments originally promised at the Working Party meetings have been met. Notifications in particular have for the most part been made upon accession and the FTP-MIT understands the need for regular updates. *This shows a level of capacity and attentiveness exemplary among developing country members.* There are some large gaps in some of the basic laws—agriculture being the most urgent example, as has been pointed out by AMIR subcontractor International Business Legal Associates (IBLA) in their review of the laws and regulations. Much of this legislation should be reviewed, even, briefly for any lingering compliance issues.¹ Some of the legislation was drawn up by international experts, but many of the implementing regulations and instructions were written at the Ministries themselves.

¹ See report on laws and regulations done by IBLA (Draft recommendations submitted to Geoff Wright September 2002—no other bibliographic entry known).

While this legislation may be correct, AMIR should review it as a service to the Ministries, and to demonstrate proper due diligence on WTO conformity. Thus, while most commitments seem to have been met, there is still a need to review the commitments for proper conformity to the international standards implicit in WTO requirements.

That said, Jordan's problems lay not in simplistic requirements of notification, or in the basic trade laws already in place. Rather the problems lay in both the implementing instructions and regulations that accompany legislation. These issues can be addressed by the proper application of advisory services, such as are presented in a SOW that is included in this report. New regulations and instructions will require assistance in implementation. In addition, there are more general issues that require mention by way of introduction.

I.2 Summary of WTO Commitments Not Yet Met

The tables below are a summary of those that follow in Section II of this report, listing those that have "No" in the "Adopted as of September 2002" column. There are no serious problems with these commitments, but the AMIR TMA Adviser should keep track of these and monitor their updates. Many of them will be taken off this "No" list quite shortly as the Legislative Bureau is set to approve several of them. Others need to be reviewed but are in all likelihood compliant, since most of them were drawn up with the assistance of international experts. The regulations on agriculture are the only outstanding source of major concern since they have not been drawn up yet. Appropriate assistance is recommended.

Laws

Law	Problems and/or Comments
1. Law on Agriculture	September 1, 2002 Temporary Law (the 108 th Temporary Law in force) is currently in force in (44)2002. ² The new law may be subject to amendment, and an anticipated date is not set. AMIR consultant recently provided advice and language on WTO compliance (see K. Hjort, Implementation of Law on Agriculture (SPS Compliance), AMIR 1.0 Project USAID, May, 2001)., however, no information on whether advice was taken into account is available.

Legal Commitments (Regulations/Instructions/Decisions)

Regulations, Instructions, and Decisions	Problems and Comments
1. Regulations on Imports and Exports	Council of Ministers will review week of September 24, 2002. Currently under review by Bureau of Legislation.
2. Instructions on Imports	Same as above.
3. Regulations on Consular Services Fees	Ministry of Finance does not consider this legislation necessary.
4. Instructions on the Importation of Live Sheep and Calves	Needs to follow Law.
5. Regulations on Animal and Agricultural Products Fees	Part of Agriculture Law.
6. Regulations/Instructions to Implement Trade	Regulation related to data protection. There is an issue with the Ministry of Health—liaising with MIT as of September 2002. There is no regulation yet it will be a result of the meeting between Ministry of

² Laws are referred to by number in () and then followed by the year, (convention given to me by the FTP Department at the MIT).

Regulations, Instructions, and Decisions	Problems and Comments
Secret/Unfair Competition law	Health and the MIT.
7. Reg./Inst. on implementing NPP Law (Antidumping)	New Reg./Inst. need to be issued to be consistent with new Law but existing Reg./Inst. are in force and a few important adjustments are anticipated. Completion in 1 month.
8. Reg./Inst. on implementing NPP Law (Safeguards)	New Reg./Inst. need to be issued to be consistent with new Law but existing Reg./Inst. are in force and a few important adjustments are anticipated. Completion in 1 month.
9. Reg./Inst. to implement NPP Law (Subsidies)	New Reg./Inst. need to be issued to be consistent with new Law but existing Reg./Inst. are in force and a few important adjustments are anticipated. Completion in 1 month.
10. Reg./Inst. on Law on Agriculture	A list of what is needed has been drawn up by the Legal Division of the Ministry of Agriculture.

Additional Legal Measures to Implement Actionable Commitments

Legal Measure	Problems and Comments
1. Regulations on anti-dumping	See Table II.3
2. Regulations on countervailing	See Table II.3
3. Amendments to the Customs law (to eliminate consular fees)	Ministry of Finance Department of Customs Legal Affairs Department is working on this as of September 2002.
4. Cancellation of regulations on consular services fees (to eliminate consular fees)	Same as above.
5. Amendments to the Law on Income Tax (to eliminate authority to provide export subsidies)	Subsidies were to have ended as of 31 December 2002. However, the MIT requested their extension via the Council of Ministers, and these subsidies are agreed to end in 2003.
6. Cancellation of legal measures that authorized the Central Bank discount of commercial documents to finance Jordanian exports at below-market interest rate	Subsidies were to have ended as of 31 December 2002. However he MIT has requested their extension via the Council of Ministers, and these subsidies were approved to end -2003.

Actionable Commitments

Commitment	Problems and Comments
1. Para 72: Cancellation of Regulations on Consular Services Fees and amendments to the Customs Law to eliminate consular fees	Project to be done on time
2. Para 126: Amendments to the Law on Income Tax to eliminate authority for export subsidies	Require an extension to be completed on time. Extension applied for 21 December 2001 to the WTO Secretariat.
3. Para 126: Cancellation of legal measures that authorized the Central Bank discount of commercial documents to finance Jordanian exports at below-market interest rate	Require an extension to be completed on time. Extension applied for 21 December 2001 to the WTO Secretariat.
4. Para 88: Replace non-automatic licensing with automatic licensing for "milk for industrial use"	Will use remaining time.
5. Para 137: Review 1110 mandatory standards and replace with technical regulations or voluntary standards over a period of 4 years. No less than one quarter should be converted per year starting from the date of accession	Will use remaining time. More than 250 standards are constantly being reviewed a year. On track.
6. Para 50: Amend relevant laws and regulations to permit foreign firms including sole proprietorships to register as importers without limitation on equity or application of an economic needs test, including for branches of foreign firms permanently registered in Jordan (Amendments to non-Jordanian Investments Regulation No. 39 of 1997)	Governed under Companies Law. Subject to several amendments. Foreign equity and the sectors, national Production Law and customs procedures have to be reviewed.
7. Para 66: Address seasonal exemptions for customs duties and import fees for certain agricultural products accorded as trade preferences to certain Arab countries within the context of Arab Free Trade Area (AFTA)	Working Party Report indicates that it will maintain such exemptions. This is not in the spirit of MFN and will likely come up again.
8. Para 141-151: Jordan to review all SPS measures to identify those that are inconsistent	List of Regs/Inst. have been drawn up.

Commitment	Problems and Comments
with international norms and to determine (based on scientific evidence) where higher protection may be kept; no stricter rules than those applied by international organizations such as OIE should be in place	

I.3 Other Trade Policy Considerations

Two important non-compliance issues arise that are dealt with in Section IV, Conclusions of this report. The focus in WTO compliancy may have shifted some of the necessary emphasis away from the more basic issues of commercial and property rights law. This is discussed in the conclusion but should at a minimum be monitored by the AMIR TMA Adviser.

The second is the more important issue of the Government of Jordan (GOJ) being able to respond to some very serious supply shocks in the next year, and more generally over time. *The issue is that trade policy has for too long focused on simple WTO compliance. While necessary, this is not sufficient and it is now time to look at the exchange rate regime, the reforms in the fiscal policy and what these mean for trade policy reform in Jordan.* These topics are discussed and suggestions for SOWs are provided in Section IV, Conclusions.

II. AN UPDATE AND CATALOGUING OF JORDAN'S WTO COMMITMENTS

II.0 Introduction

The purpose of this section is to update Jordan's commitments to the WTO and understand the status of any stalled or controversial obligations undertaken since Jordan's accession. This section updates several assignments completed under AMIR 1.0 (most notably since the 1999 publication of Farhat Farhat's Manual for WTO Compliance). This section will inform both the FTP Unit at the Ministry of Industry and Trade of any outstanding or pressing obligations in their WTO Commitments. This section will also summarize non-state obligations as promised and as part of the terms of accession to the WTO.

Table II.1 lists the state bodies and their areas of responsibility vis-à-vis observing and implementing WTO commitments in six different areas: legal, actionable, rules, notification, goods, and services. Violating commitments or not implementing commitments could cause damage to Jordan's reputation and may lead to costly and embarrassing disputes with WTO members.

There are six types of commitments referred to in this report:

- **Legal commitments.** This category refers to laws, regulations, instructions, and decision that must be in effect in 2000 (according to dates specified in Section I of this report) in order to conform to the WTO requirements.
- **Actionable commitments.** Actionable commitments are subsets of the rules commitments. Actionable commitments are those for which an action must be taken (according to dates specified in Section II of this report) by the GOJ in order to fulfill them.
- **Rules Commitments.** This category refers to commitments stated in the Working Party Report. These commitments must be observed by relevant state bodies before making decisions, adopting policies, or taking legal measures that affect Jordan's foreign trade regime.
- **Notification Commitments.** This category refers to initial notifications that Jordan must provide to the WTO (according to dates specified in Section IV of this report) in order to fulfill initial WTO notification requirements.
- **Goods Commitments.** This category refers to tariff binding and agricultural subsidies commitments that must be observed by relevant state bodies before setting tariff rates on imports or providing subsidies to agricultural products.

- Services Commitments. This category refers to specific commitments in the Service Sector that must be observed by relevant state bodies before making policy change or making a decision on a specific investment in the service sector.

Table II.1 – State Bodies/Commitments

Name of Entity	Institutional Change as of September 2002	COMMITMENTS					
		Legal	Actionable	Rules	Initial Notification	Goods	Services
1. Central Bank		X	X	X	X	X	X
2. Civil Aviation Authority							X
3. Customs Department		X	X	X	X	X	
4. Council of Ministries		X				X	X
5. Department of Government Procurement		X					
6. General Command of Armed Forces				X	X	X	
7. Insurance Regulatory Commission							X
8. Investment Promotion Corporation	JIB	X	X	X	X	X	X
9. Jordan Institute for Standards and Metrology		X	X	X	X	X	
10. Jordan Securities Commission							X
11. Lands and Surveys Department							X
12. Natural Resources Authority				X	X	X	
13. Ministry of Agriculture		X	X	X	X	X	
14. Ministry of Culture – National Library		X		X	X	X	
15. Ministry of Energy and Mineral Water				X	X	X	
16. Ministry of Finance		X	X	X	X	X	
17. Ministry of Foreign Affairs		X	X	X		X	
18. Ministry of Health		X	X	X	X	X	
19. Ministry of Industry and Trade		X	X	X	X	X	X
20. Ministry of Interior - Public Security Directorate				X	X	X	X
21. Ministry of Labor							X
22. Ministry of Post and Telecommunications				X	X	X	
23. Ministry of Transport					X	X	X
24. Ministry of Water and Irrigation				X	X	X	
25. Municipalities			X	X		X	
26. Muhafez				X		X	

Name of Entity	Institutional Change as of September 2002	COMMITMENTS					
		Legal	Actionable	Rules	Initial Notification	Goods	Services
27. Parliament		X				X	
28. Public Corporation for the Protection of the Environment				X	X	X	
29. Special Economic Zones Directorate				X		X	
30. Sectoral Ministries and Professional Associations					X	X	
31. Telecommunications Regulatory Agency				X	X	X	X
32. The Higher Council for Science and Technology							X
33. The Port Authority							X

The Ministry of Industry and Trade (MIT) and the Jordan Investment Board (JIB) must both observe all commitments in Jordan's Services Schedule. In addition,

- Other state bodies (e.g., Central Bank, Civil Aviation Authority, Council of Ministers, Jordan Securities Commission, Lands and Surveys, Department, Ministry of Health, Ministry of Interior-Public Security Department, Ministry of Labor, Ministry of Post and Telecommunications, Ministry of Tourism, Ministry of Transport, Telecommunications Regulatory Agency, Higher Council for Science and Technology, and Port Authority) must observe service commitments as described in Attachment I and non-state entities must also observe services commitments as described in Attachment I and Section VIII of this manual; these include Construction Contractors Association, Engineers Association, Geologists Association, Insurance Control Commission, Jordanian Association for Certified Public Accountants, Jordan Bar Association, Pharmacists Association, and Physicians Association.

II.1 Legal Commitments (Laws)

Table II.2

Law	Agreement(s)	Target Date for approval by Parliament	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and/or Comments
1. Amendments to the Law on Trademarks	TRIPS	N/A	N/A	MIT Industrial Property Protection Department	Yes, 1 November, 1999, (34)1999.	
2. Law on Patents	TRIPS	N/A	N/A	MIT Industrial Property Protection Department	Yes, 1 November, 1999 (32)1999.	
3. Amendments to the Law on Copyrights	TRIPS	N/A	N/A	MIT Industrial Property Protection Department	Yes, 2 October 1999, (29)1999.	
4. Amendments to the Customs Law	<ul style="list-style-type: none"> • Customs Valuation • Rules of Origin, GATT 1994 (article VIII) • TRIPS (border enforcement of intellectual property rights) 	November 1999	Council of Ministers Parliament	Ministry of Finance	Yes, 2 April 2000 (16) 2000.	
5. Law on Trade Secrets/Unfair Competition	TRIPS	November 1999	Parliament	MIT Industrial Property Protection	Yes, April 2, 2000 No. (15)2000	

Law	Agreement(s)	Target Date for approval by Parliament	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and/or Comments
				Department		
6. Law on Plant Variety Protection	TRIPS	November 1999	Council of Ministers Parliament	MIT Industrial Property Protection Department	Yes, 2 July 2000 No. (24)2000	
7. Law on Standards and Metrology	TBT	December 1999	Parliament	Jordan Institute for Metrology and Standards (JISM)	Yes, 16 April 2000 (22)2000	
8. Law on Agriculture	<ul style="list-style-type: none"> • SPS (Plant and animal) • TBT (Seeds) • Agriculture 	December 1999	Council of Ministers Parliament	Ministry of Agriculture	No.	September 1, 2002 Temporary Law (the 108 th Temporary Law in force) currently in force in (44)2002. Regulations are being drawn-up now. New Law may be subject to amendment. No anticipated date. AMIR consultant Hjort advised on language on WTO compliance in 2001, but there is no information on whether advice was taken into account

Law	Agreement(s)	Target Date for approval by Parliament	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and/or Comments
						(see K. Hjort Implementation of Law on Agriculture (SPS Compliance), AMIR 1.0 Project USAID, May, 2001).
9. Amendments to the Law on Public Health No. 21 of 1971	SPS (food)	December 1999	N/A	Ministry of Health	Yes.	Public Health Law (54)2002 Temporary. Published in the OG No. 4561. Enforced September 1, 2002.
10. Law on Food Safety	SPS (food)	December 1999	Council of Ministers Parliament	Ministry of Health	Yes.	There is a temporary Law (79)2001. Published in the OG No. 4522 13 December 2001.
11. Law on Industrial Design	TRIPS	January 2000	Parliament		Yes, 2 April 2000, OG. No. 4423	
12. Law on Integrated Circuits	TRIPS	January 2000	Parliament		Yes, 2 April 2000, OG. No. 4423	
13. Law on Geographical Indications	TRIPS	January 2000	Parliament	MIT	2 April 2000, OG. No. 4423	

Law	Agreement(s)	Target Date for approval by Parliament	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and/or Comments
14. Law on Imports and Exports	<ul style="list-style-type: none"> GATT 1994 (Article I, III, and XI) Import Licensing 	January 2000	Ministry of Industry and Trade (MIT) Council of Ministers Parliament	MIT	Yes, 1 July 2001, (21)2001. OG No. 4494	
15. Amendments to the Law on General Sales Tax	GATT Article III	January 2000	Parliament	Ministry of Finance	Yes, 2 April, 2000, (25)2002	Main law (6)1994 Amendments include: (15)1995, (24)1999, (36)2000, (18)2000 and (25)2002
16. Amendments to Law on Unifying Fees and Taxes	<ul style="list-style-type: none"> GATT 1994 (Article VIII) Specific duties on calves and sheep 2% fee of re-export 	January 2000	Parliament	Ministry of Finance	Yes, 2 April 2000	Main law (7)1997 Amendment is (20)2000.

II.2 Legal Commitments (Regulations/Instructions/Decisions)

Table II.3

Regulations, Instructions, and Decisions	Agreement(s)	Expected Adoption Date³	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and Comments
1. Decision on elimination of price control on import of fresh and chilled meat	GATT 1994 (Article III)	October 1999	Council of Ministers	Same	Yes, 16 January, 2000	
2. Decision on elimination of Jordanian Export Companies	SCM (Article 3)	November 1999	Council of Ministers	Same	Yes, decision issued by Council of Ministers	
3. Decision on elimination of restrictions on import of ewes/yearlings	GATT (Article XI)	November 1999	Ministry of Agriculture	Same	Yes.	Ministry of Agriculture issued decisions eliminating the restriction. This was done by changing the standard via the JISM.
4. Decision on the elimination of fee (86.5 Fils) on each imported pack of cigarettes	GATT (Article III)	November 1999	Council of Ministers	Same	Yes, decision issued by Council of Ministers	
5. Instructions on Implementing Customs	Customs Valuation	Upon enactment of the	Customs Department	Same	Yes, 1 August 2000, OG No.	

³ as committed to the WTO

Regulations, Instructions, and Decisions	Agreement(s)	Expected Adoption Date ³	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and Comments
Valuation (includes interpretive notes, software and interest)		Amendments to the Customs Law			4448, Reg. No. 6 2000	
6. Regulations on border enforcement of intellectual property rights	TRIPS	Upon enactment of the Amendments to the Customs Law	Customs Department	Same	Yes, 1 October 2000, Reg. No. 7	
7. Decree on TBT notification	TBT	Upon enactment of the Law on Standards and Metrology	Council of Ministers	Jordan Institute of Standards and Metrology (JISM)	Yes.	
8. Decree on SPS Inquiry Point and notification	SPS	Upon enactment of the Law Agriculture and the Law on Food Safety	Council of Ministers	JISM	Yes, tied to Temporary Law on Agriculture.	An Inquiry Point exists at the Ministry of Agriculture, and the —MIT submitted notification of this point to WTO.
9. Regulations on Copyrights	TRIPS	January 2000	National Library Council of Ministers	National Library	No, submitted regulations to WIPO	Regulations in the Legislative Bureau as of September 23, 2002. Major concern is the terms and conditions of

Regulations, Instructions, and Decisions	Agreement(s)	Expected Adoption Date ³	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and Comments
						copyrights under WTO versus the US-Jordan FTA requirements.
10. Regulations on Integrated Circuits	TRIPS	Upon enactment of the Law on Integrated Circuits	MIT Council of Ministers	Same	Yes	Regulation has passed the Legislative Bureau and is likely to pass Council of Ministers in October 2002.
11. Regulations on Imports and Exports	<ul style="list-style-type: none"> GATT 1994 (Article I, III, and XI) Import Licensing 	Upon enactment of the Law on Imports and Exports	MIT Council of Ministers	Same	No	Council of Ministers will review week of September 24, 2002. Currently at Bureau of Legislation.
12. Instructions on Imports	<ul style="list-style-type: none"> GATT 1994 (Article I, III, and XI) Agreement on Import Licensing 	Upon enactment of the Law on Imports and Exports and the adoption of Regulations on Imports and Exports	MIT	Same	No	Same as above.
13. Regulations on Consular Services Fees	GATT 1994 (Article VIII)	Upon accession	Ministry of Foreign Affairs	Same	No.	Ministry of Finance does not

Regulations, Instructions, and Decisions	Agreement(s)	Expected Adoption Date ³	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and Comments
			Council of Ministers			consider this necessary.
14. Instructions on the importation of live sheep and calves	GATT 1994 (Article XI)	No later than April 30, 2000	Ministry of Agriculture	Same	No	Needs to follow Law
15. Regulations on Animal and Agricultural Products Fees	GATT 1994 (Article VIII)	Upon enactment of the Law on Agriculture	Ministry of Agriculture Council of Ministers	Same	No.	Part of Agriculture Law
16. Non-Jordanian Investment Regulations	Service Negotiations	Upon accession ⁴	Investment Promotion Corporation Council of Ministers	Same	Yes. 16 November 2000 (54)2000 OG No. 4465	
17. Regulations/Instructions to Implement Trade Secret/Unfair Competition law	TRIPS		MIT	Same	No	Regulation related to data protection. The MIT and the Ministry of Health were to have discussed this as of September 2002 but at time of visit had not. There is no

⁴ Thirty days after ratification by the parliament of Jordan

Regulations, Instructions, and Decisions	Agreement(s)	Expected Adoption Date ³	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and Comments
						Regulation yet it will be a result of the meeting between Ministry of Health and the MIT.
18. Regulations /Instructions to implement Law on Plant Variety Protection	TRIPS		MIT	Same	Yes.	Being reviewed now by experts for conformity.
19. Reg./Inst. on Law on Trademarks	TRIPS		MIT	Same	Yes	In force—no expert review yet.
20. Reg./Inst. To implement Law on Geographical Indications	TRIPS		MIT	Same	Not necessary	Not necessary according to MIT
21. Reg./Inst. on Law on Patent	TRIPS		MIT	Same	Yes. Reg. (97)2001	In force, no real issue according to the MIT
22. Reg./Inst. on Law on Industrial Designs	TRIPS		MIT	Same	Reg. Yes Inst. No	Necessary to draft Instructions
23. Reg./Inst. on implementing NPP Law (Antidumping)	WTO Agreement On Antidumping			Council of Ministers	No.	New Reg./Inst. need to be issued to be consistent with

Regulations, Instructions, and Decisions	Agreement(s)	Expected Adoption Date ³	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and Comments
						new Law but existing Reg./Inst. are in force and a few important adjustments are anticipated. Completion in 1 month.
24. Reg./Inst. on implementing NPP Law (Safeguards)	WTO Agreement on Safeguards			Council of Ministers	No.	New Reg./Inst. need to be issued to be consistent with new Law but existing Reg./Inst. are in force and a few important adjustments are anticipated. Completion in 1 month.
25. Reg./Inst. to implement NPP Law (Subsidies)	WTO Agreement on Subsidies			Council of Ministers	No.	New Reg./Inst. need to be issued to be consistent with new Law but existing Reg./Inst. are in

Regulations, Instructions, and Decisions	Agreement(s)	Expected Adoption Date ³	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and Comments
						force and a few important adjustments are anticipated. Completion in 1 month.
26. Reg./Inst. to implement Law on Standards and Metrology				JISM	Yes	Issued with the Law. Need review.
27. Reg./Inst. on Law on Agriculture				Min. of Ag.	No.	A list of what is needed has been drawn up by the Legal Division of the Ministry of Agriculture.
28. Reg./Inst. to implement Customs Law	WTO Rules of Origin WTO Valuation GATT Art. VIII TRIPs			Customs	Yes	Drafted at the same time as new law was passed.
29. Notify Agriculture AMS	WTO Agreement on Agriculture			Ministry of Agriculture		Eliminated as of May 2002.
30. Reg./Inst. to implement Food Law				Ministry of Health/Ministry of Agriculture	Yes.	They will be issued by related Ministry. Previous advice has been to show the relationship

Regulations, Instructions, and Decisions	Agreement(s)	Expected Adoption Date³	Responsibility as of January 2000	Responsibility as of September 2002	Adopted as of September 2002	Problems and Comments
						between USDA and FDA.
31. Repeal of the prohibition against use of powdered milk in production of UHT milk and yoghurt	SPS Agreement WT/ACC/JOR/33 (Working Party Report pp.147-9)			Ministry of Agriculture	Unknown	
32. Elimination of shelf-stable foods from Shelf-Life Standards JS 401:1977 and JS 288:1994	SPS and TBT WT/ACC/JOR/33 WP Report, p. 145			Ministry of Health	Yes	See Law above
33. Replace shelf-life standards with international norms for highly perishable foods.	SPS and TBT WT/ACC/JOR/33 WP Report, p. 145			Ministry of Health	Yes	See Law above

II.3 Copyright Issues that Require Status Updates

Jordan's Copyright Law was amended several times, the last of which was in 2001 when it was published in the Official Gazette. Now it must be amended again to accord with the US-Free Trade Agreement (FTA). Jordan had done a lot of work to comply with the World Intellectual Property Organization (WIPO) under the WTO Agreements. Under FTA they must conform with the WIPO Copyright Treaty and WIPO Performers and Producers of Phonographs Treaty. Consequently, the Copyright Law is now back in draft to add commitments according to the FTA.

When drafting implementing regulations connected with **copyrights**, the Ministry of Culture-National Library should observe the following two commitments stated in the Working Party Report:

Paragraph 199:

Some members requested, with respect to protection of copyrights, that Jordan clarify through regulations the meaning of Article 27 of the Law on the Protection of Copyright (1992), as amended by Article 7 of the Law Amending the Copyright Protection Law (1999), and its intention to apply this provision in very narrow circumstances. The representative of Jordan stated that the meaning of the referenced provision would be clarified in regulations that will provide that the authority in Article 27 applies only in the situation in which the author of a work is deceased and the work has never been published in the author's lifetime. In such circumstances, the Minister shall first seek the permission of the author's heirs or successors to publish the work, and if such permission is not granted within six months, the Minister shall have the right to publish only the work's substance.

Status of Commitment as of September, 2002:

Paragraph 200:

Some members also requested clarification regarding the meaning of the phrase "for financial gain" in Article 9 of the Law on the Protection of Copyright (1992), and, in particular, whether Jordan intended to limit the author's exclusive rights in this manner, given that doing so would be inconsistent with the Berne Convention and TRIPS Agreement. The representative of Jordan replied that no such limitation was intended. Regulations under this law would be issued to clarify the meaning of the phrase, and would provide that the term "for financial gain" in Article 9 would not preclude the ability of the author or right holder from engaging in, authorizing or prohibiting any non-commercial exploitation of his work; except for those non-commercial exploitations explicitly permitted by the law without the authorization of the author or right holder, provided that such exploitations were limited to certain special cases, and provided that such exploitations did not conflict with a normal exploitation of the work and did not unreasonably prejudice the legitimate interests of the right holder.

Status of Commitment as of September, 2002:

Done

When drafting implementing regulations connected with **patents**, the Ministry of Industry and Trade should observe the following two commitments stated in the Working Party Report:

Paragraph 212:

Some members requested that Jordan clarify whether use of a patent without the authorization of the right holder could be authorized to permit the exploitation of a patent which could not be exploited without infringing another patent, and, if such use could be authorized, to explain the consistency of the Jordanian Patent Law with Article 31(1) of the TRIPS Agreement. The representative of Jordan replied that the Patent Law of 1999 provided no authority to the Government to authorize the use of a patent without the authorization of the right holder for the purpose of exploiting a patent which could not be exploited without infringing another patent. He added that, for the sake of transparency, this clarification will also be reflected in any implementing regulations issued under the Patent Law.

Status of Commitment as of September, 2002:

Done

Paragraph 213:

Some members also requested that Jordan clarify when the Cabinet would issue the decision referenced in Article 36(E) of the Patent Law (1999) to ensure that the provisions of Article 36(C), specifically, the availability of product patent protection for "chemicals related to medications, or pharmaceutical or food final products," should come into effect. In reply, the representative of Jordan confirmed that the necessary steps would be taken by the Cabinet to ensure that the provisions of Article 36(C) would come into force no later than 2 April 2000, and that product patent protection for chemicals related to medications, and pharmaceutical and food products, would be available from that date.

Status of Commitment as of September, 2002:

Done

Paragraph 214:

Some members also requested Jordan to clarify how it would ensure that, before Jordanian regulatory authorities approve the marketing of a pharmaceutical or agricultural chemical product, those authorities would coordinate with the Patent Office to ensure that such marketing approvals would not conflict or interfere with the enjoyment of patents on that product. The representative of Jordan replied that this question would be clarified through a Cabinet decision issued prior to Jordan's accession, which would require that, prior to issuance of marketing approval of any pharmaceutical and agricultural chemical products, the relevant Ministries in Jordan must determine the existence of a patent covering a product for which an application for marketing approval had been filed by a party other than the patentee, and must not approve such application for marketing approval until the date of the expiration of such patent.

Status of Commitment as of September, 2002:

Done

Paragraph 215:

Some members also requested that Jordan clarify the meaning of the term "unfair commercial use" in its draft Unfair Competition Law to ensure protection of undisclosed test data submitted to the government as a condition for obtaining marketing approval of pharmaceutical and agricultural chemical products utilizing new chemical entities, as required by TRIPS Article 39.3. The representative of Jordan replied that Jordan would amend its draft Unfair Competition Law as follows: "Jordan will protect against unfair commercial use of undisclosed test or other data submitted in support of applications for marketing approval of pharmaceutical or of agricultural chemical products which utilize new chemical entities, by providing that no person other than the person that submitted such data may, without the permission of the latter person, rely on such data in support of an application for product approval for a period of at least five years from the date on which Jordan granted marketing approval to the person that produced the data." The representative of Jordan added that this amendment to the Unfair Competition Law would be applicable to any application for marketing approval pending on or filed after the date of enactment of that law.

Status of Commitment as of September, 2002:

Done

Paragraph 218:

Some members requested Jordan to clarify whether importation of a patented product would qualify as exploitation and use of a patent within the meaning of the second subparagraph of Article 22 of the Patent Law (1999). The representative of Jordan replied that importation of a patented product would be considered exploitation and use of the patent, such that the situation would not satisfy the criteria of Article 22, second sub-

paragraph. He added that, for the sake of transparency, this clarification would also be reflected in any implementing regulations issued under the Patent Law. In case WTO Members in the future should adopt an interpretation of the TRIPS Agreement pursuant to Article IX of the Agreement Establishing the WTO contradicting the aforementioned, Jordan reserved the right to abide by this interpretation of the TRIPS Agreement.

Status of Commitment as of September, 2002:

Done

Paragraph 219:

Some members also requested that Jordan clarify the meaning of the condition in Article 37 of the Patent Law concerning "if the importation was legal", and to clarify whether the situation involving a breach of contract would render such importation illegal, and whether administrative procedures and regulations were available to patent owners to assist in the control of unauthorized importation of patented products. The representative of Jordan replied that in situations in which there had been a breach of a contract with respect to imported products, such products would not be considered to be legally imported within the meaning of Article 37 and their importation would be prohibited. He noted, however, that the patent holder was required to notify the appropriate Jordanian customs authorities of the identity of parties authorized to import the patented product into Jordan, in which case measures would be available to prevent the entry into the Jordanian market of such unauthorized imports. He added that, for the sake of transparency, this clarification would also be reflected in implementing regulations issued under the draft Customs Law. In case WTO Members in the future should adopt an interpretation of the TRIPS Agreement pursuant to Article IX of the Agreement Establishing the WTO contradicting the aforementioned, Jordan reserved the right to abide by this interpretation of the TRIPS Agreement.

Status of Commitment as of September, 2002:

Done

II.4 Additional Legal Measures to Implement Actionable Commitments

Table II.4

Legal Measure	Responsibility	Implementation Date/period	Adopted as of September 2002	Problems and Comments
1. Cancellation of the Agriculture Marketing Organization Law	Ministry of Agriculture Council of Ministers Parliament	Before end of February 2000	Yes	There is a temporary law for the cancellation. Law No. (22)2002 Publish

				16 May 2002, OG
2. Amendments to regulations on Government Procurement or new Government Procurement Regulations (to conform to the WTO Government procurement agreement)	Department of Government Procurement Council of Ministers	2000		See General Supply Department
3. The law on protection of national production must be amended	Ministry of Industry and Trade Council of Ministers Parliament	Open ⁵	Yes	Amended July 2002. Law No. (50)2002
4. Regulations on anti-dumping	Ministry of Industry and Trade Council of Ministers	Open	No	See Table 3 above
5. Regulations on countervailing	Ministry of Industry and Trade Council of Ministers	Open	No	See Table 3 above
6. Regulations on safeguards	Ministry of Industry and Trade Council of Ministers	Open	Yes	Regulation No. (55)2000 adopted and published 16 November 2000 OG No. 4465
7. Amendments to the Customs law (to eliminate consular fees)	Customs Department Council of Ministers Parliament	Second half of 2002	No.	Ministry of Finance Department of Customs Legal Affairs Department is working on this as of September 2002.
8. Cancellation of regulations on consular services fees (to eliminate consular fees)	Ministry of Foreign Affairs Council of Ministers	Second half of 2002	No.	Same as above.
9. Amendments to the Law on Income Tax (to eliminate authority to provide export subsidies)	Ministry of Finance Council of Ministers Parliament	Second half of 2002	Not yet complete	Subsidies were to have ended as of 31 December 2002. However, there has been a request for their extension by the MIT—via Council of Ministers—they agreed to end 2003.
10. Cancellation of legal measures that authorized the Central Bank discount of commercial documents	Central Bank of Jordan	Second half of 2002	Not yet completed	Subsidies were to have ended as of 31 December 2002. However,

⁵ Jordan committed to not impose anti-dumping, countervailing, and safeguard measures on WTO members until appropriate laws and regulations are in place.

to finance Jordanian exports at below-market interest rate				there has been a request for their extension by MIT—via Council of Ministers—they approved to end 2003.
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II.5 Actionable Commitments

As part of its rules commitments in the Working Party report, Jordan made a number of commitments (see Table II.5 below) to bring its foreign trade regime into conformity with the WTO requirements, these are in addition to legal commitments described under section II.1 above.

Table II.5

Commitment	Responsibility	Implementation Completion Date	Adopted as of September 2002	Problems and Comments
1. Para 169 ⁶ : Table a request for observer status in the WTO Government Procurement Agreement (GPA) Committee	FTP Unit	End of November 1999	Unknown	Only regarding transparency.
2. Questions/Replies: Provide a list of all products subject to mandatory standards in HS format	(JISM Customs Department	End of December 1999	Yes.	
3. Para 170: Table an entity offer for initiating negotiations of membership in the GPA	FTP Department	Upon accession ⁷	Unknown	
4. Para 145: review shelf-life standards (JS 401 and JS 288) and eliminate shelf-stable Food	JISM Ministry of Health	June 30, 2000	Yes	Standards were reviewed and published as JS 288:2002 and JS 401: 2001
5. Para 148: streamline food inspection procedures	Ministry of Health Ministry of Agriculture JISM Municipalities	June 30, 2000	Yes	Already done on a streamlining basis.
6. Para 145: Establish regulations and procedures for highly perishable goods	Ministry of Health	December 31, 2000	Yes.	Related to transport and storage. Published in OG No. 4470 2 January 2001. Contains sampling plans and transport plans requirements.
7. Para 63: Elimination of customs exemptions for the following companies: <ul style="list-style-type: none"> • Jordan Phosphate mining companies (upon accession) • Jordan Cement Factories Company 	Ministry of Finance	According to dates specified in the first column	Done for those required	Done: Jordan Phosphate mining companies (upon accession) Done: Jordan Cement

⁶ of Working Party Report.

⁷ Thirty days after ratification by the parliament of Jordan.

Commitment	Responsibility	Implementation Completion Date	Adopted as of September 2002	Problems and Comments
(2001) <ul style="list-style-type: none"> • Vegetable Oil Industries Co. (2001) • Jordan Tanning Company (2002) • Jordan Petroleum refinery Company (2008) • Irbid Governorate Electric (2011) • Jordan Electric Company (2012) • Arab Bridge Maritime Company (2035) • Arab Potash Company (2058) 				Factories Company (2001) Done: Vegetable Oil Industries Co. (2001) Done: Jordan Tanning Company (2002)
8. Para 72: Cancellation of Regulations on Consular Services Fees and amendments to the Customs Law to eliminate consular fees	Ministry of Foreign Affairs Customs Department	Second Half of 2002	No	Project to be done on time
9. Para 126: Amendments to the Law on Income Tax to eliminate authority for export subsidies	Ministry of Finance	December 31, 2002	No	Require an extension to be completed on time. Extension applied for 21 December 2001 to the WTO Secretariat.
10. Para 126: Cancellation of legal measures that authorized the Central Bank discount of commercial documents to finance Jordanian exports at below-market interest rate	Central Bank of Jordan	December 31, 2002	No	Require an extension to be completed on time. Extension applied for 21 December 2001 to the WTO Secretariat.
11. Para 88: Replace non-automatic licensing with automatic licensing for “milk for industrial use”	MIT	Three years from the date of accession	No	Will use remaining time
12. Para 137: Review 1110 mandatory standards and replace with technical regulations or voluntary standards over a period of 4 years. No less than one quarter should be converted per year starting from the date of accession	Jordan Institute of Standards and Metrology	December 31, 2003	No	Will use remaining time. They are constantly being reviewed, reviewing some 250 standards a years. On track.
13. Para 50: Amend relevant laws and regulations to permit foreign firms including sole proprietorships to register as importers without limitation on equity or application of an economic needs test, including for branches of foreign firms permanently registered in Jordan (Amendments to non-	MIT Investment Promotion Corporation	Upon accession	No	Governed under Companies Law. Subject to amended several times. Foreign equity and the sectors. National production Law. Procedures at the

Commitment	Responsibility	Implementation Completion Date	Adopted as of September 2002	Problems and Comments
Jordanian Investments Regulation No. 39 of 1997)				Customs Dept. have to be reviewed.
14. Para 17: Designate the Investment Promotion Corporation as Enquiry Point regarding information on investment	Investment Promotion Corporation	Upon accession	Yes	
15. Para 66: Address seasonal exemptions for customs duties and import fees for certain agricultural products accorded as trade preferences to certain Arab countries within the context of Arab Free Trade Area (AFTA)	MIT	Upon accession	Jordan maintains its right to uphold in WP Meeting	Working Party Report says it will maintain such exemptions. This is not in the spirit of MFN and will likely come up again.
16. Para 138: JISM to implement plan for simplifying product inspection	JISM	Immediate ⁸	Yes.	Plan to simplify product inspection is now being drawn up. This is a serious issue for address since it can lead to trade disputes.
17. Para 141-151: Jordan to review all SPS measures to identify those that are inconsistent with international norms and to determine (based on scientific evidence) where higher protection may be kept; no stricter rules than those applied by international organizations such as OIE should be in place	Ministry of Health Ministry of Agriculture	Immediate	No	List of Regs/Inst. have been drawn up.

⁸ Immediate action is recommended in order to avoid disputes with WTO members.

II.6 Rules Commitments

The following table summarizes the commitments on rules in the Working Party Report and assigns responsibilities within the Government of Jordan for observing and implementing these commitments. In addition, the FTP Unit should have responsibilities in monitoring the implementation and observance of all commitments below.

Table II.6

Commitment	Responsibilities for Observing and Implementing Commitment	Status of Commitment as of September 2002
<p>ECONOMIC POLICIES- Pricing policies The representative of Jordan confirmed that Jordan would apply, from the date of accession, the price and profitability controls described in paragraphs 26-31 and Table 1 and any applied in the future, in a WTO-consistent fashion, and would take account of the interests of exporting WTO Members as provided for in Article III:9 of the GATT 1994. Jordan would publish any list of goods and services subject to State price controls in the Official Journal, including any changes regarding existing price controls. The Working Party took note of these commitments. (WP Report Paragraph 32)</p>	<p>GOJ-all state bodies including central and sub-central authorities (Municipalities, Muhafez), special economic zones directorates</p>	<p>See tables 2-5</p>
<p>1. FRAMEWORK FOR MAKING AND ENFORCING POLICIES The representative of Jordan stated that if Jordanian laws or other acts should be found to contradict international treaties or agreements, the provisions of the international treaty or agreement, such as the WTO, would apply. The representative of Jordan confirmed that sub-central entities had no autonomous authority over issues of subsidies, taxation, trade policy or any other measures covered by WTO provisions. He confirmed that the provisions of the WTO Agreement, including Jordan's Protocol, shall be applied uniformly throughout its customs territory and other territories under Jordan's control, including in regions engaging in border trade or frontier traffic, special economic zones, and other areas where special regimes for tariffs, taxes and regulations are established. He added that when apprised of a situation where WTO provisions were not being applied or were applied in a non-uniform manner, central authorities would act to enforce WTO provisions without requiring affected parties to petition through the courts. The Working Party took note of these commitments. (WP Report Paragraph 43)</p>	<p>GOJ-all state bodies including central and sub-central authorities (Municipalities, Muhafez), special economic zones directorates</p>	<p>See tables 2-5</p>
<p>3. Policies Affecting Trade in Goods – Trading rights (the right to import and export) The representative of Jordan confirmed that from the date of accession Jordan would</p>	<p>GOJ-all state bodies including central and sub-central authorities (Municipalities,</p>	<p>See tables 2-5</p>

ensure that its laws, regulations and requirements relating to the right to import and export and all fees, charges or taxes levied on such rights would be in full conformity with its WTO obligations, including Articles VIII:1(a), XI:1 and III:2 and 4 of the GATT 1994 and that it would also implement such laws and regulations in full conformity with these obligations. The Working Party took note of this commitment. (WP Report Paragraph 53).	Muhafez), special economic zones directorates	
4. Policies Affecting Trade in Goods – Other duties and charges The representative of Jordan confirmed that from the date of accession Jordan would levy no duties and charges on imports other than ordinary customs duties and fees and charges for services rendered. Any such charges applied to imports after accession would be in accordance with WTO provisions. The Working Party took note of this commitment. (WP Report Paragraph 58)	Customs Department Ministry of Agriculture Ministry of Health JISM MIT	See tables 2-5
5. Policies Affecting Trade in Goods- Tariff rate quotas, tariff exemptions The representative of Jordan confirmed that the exemptions on customs duties for certain imports by the 10 companies listed in Table 7 will expire as indicated in that table, and will not be renewed. As noted in Table 7, the customs exemption for Arab Company for Manufacturing White Cement had been granted for an indefinite period of time, in accordance with the Council of Ministers' Decision dated 10 November 1994. The Working Party took note of this commitment. (WP Report Paragraph 63)	Customs Department Ministry of Finance MIT Concerned Companies (see table 6 below)	See tables 2-5
6. Policies Affecting Trade in Goods – Fees and charges for services rendered The representative of Jordan confirmed that from the date of accession, Jordan would impose any fees or charges for “services rendered” to importation or exportation only in conformity with Article VIII of the GATT 1994. He further confirmed that the fee described in paragraph 71 for the authentication or certification of import documents by Chambers of Commerce or consular officials in the exporting country would be fixed at JD 21 per transaction from the date of accession. The practice of requiring such certifications would be eliminated by 31 December 2002. Information regarding the application and level of such fees, revenues collected and their use, would be provided to WTO Members upon request. The Working Party took note of these commitments. (WP Report Paragraph 72)	Customs Department Ministry of Foreign Affairs	See tables 2-5
7. Policies Affecting Trade in Goods – Application of internal taxes to imports The representative of Jordan stated that, from the date of accession, Jordan will apply its domestic taxes, including those on products listed in Table 8 below, in compliance with Articles I and III of the GATT 1994. The Working Party took note of this commitment. (WP Report Paragraph 76)	Ministry of Finance/Sales Tax Directorate	See tables 2-5
8. Policies Affecting Trade in Goods – Import Regulations- Prohibitions, quotas, restrictive licenses The representative of Jordan confirmed that Jordan would, from the date of accession, eliminate and shall not introduce, re-introduce or apply quantitative restrictions on imports, or other non-tariff measures such as licensing, quotas, bans, permits, prior authorization requirements, licensing requirements and other restrictions having	MIT Ministry of Agriculture Telecommunications Regulatory Agency (TRC) Public Corporation for the Protection of the Environment	See tables 2-5

<p>equivalent effect that cannot be justified under the provisions of the WTO Agreement. Any further amendments to the import licensing regime after accession would be fully in accordance with all relevant provisions of the WTO, including the Agreement on Import Licensing Procedures. Jordan would replace non-automatic import licensing with automatic import licensing for “milk for industrial use” within 3 years from the date of accession. He further confirmed that the legal authority of the Government of Jordan to suspend imports and exports or to apply licensing requirements that could be used to suspend, ban, or otherwise restrict the quantity of trade will be applied from the date of accession in conformity with the requirements of the WTO, in particular Articles XI, XII, XIII, XVIII, XIX, XX and XXI of the GATT 1994, and the Multilateral Trade Agreements on Agriculture, Application of Sanitary and Phytosanitary Measures, Import Licensing Procedures, Safeguards and Technical Barriers to Trade. The Working Party took note of these commitments. (WP Report Paragraph 88)</p>	<p>Ministry of Interior, Public Security Department (PSD) Ministry of Energy and Mineral resources Central Bank of Jordan Ministry of Health Ministry of Post and Communications Ministry of Water and Irrigation General Command of Armed Forces Natural Resources Authority</p>	
<p>9. Customs valuation The representative of Jordan confirmed that Jordan would fully apply the WTO provisions concerning customs valuation from the date of accession without recourse to a transition period, including the Agreement on the Implementation of Article VII of the GATT 1994. In this regard, the Customs Law and its implementing regulations incorporated Annex I (Interpretative Notes) and provisions for the Valuation of Carrier Media Bearing Software for Data Processing Equipment (Decision 4.1). The Working Party took note of these commitments. (WP Report Paragraph 94)</p>	<p>Customs Department</p>	<p>All included in the regulation</p>
<p>10. Rules of origin The representative of Jordan stated that, from the date of accession, Jordan’s preferential and non-preferential rules of origin would comply fully with the WTO Agreement on Rules of Origin. The requirements of Article 2(h) and Annex II, Paragraph 3(d) of the Agreement would also be fully implemented prior to accession. He also stated that in any event, from the date of accession, Customs would provide an assessment of the origin of the import upon the request of an exporter, importer or any person with a justifiable cause. Any request for such an assessment would be accepted even before trade in the goods concerned began. Any such assessment would be binding for three years. The Working Party took note of these commitments. (WP Report Paragraph 100)</p>	<p>Customs Department</p>	<p>All included in the Customs Law</p>
<p>11. Preshipment inspection The representative of Jordan stated that if Jordan in the future engaged the services of a pre-shipment inspection service provider Jordan would ensure that the requirements of the Agreement on Preshipment Inspection were implemented in full. He confirmed that Jordan would ensure that the operations of any such preshipment inspection firm would meet WTO norms, including the establishment of charges and fees consistent with Article VIII of the GATT 1994, observance of due process and the transparency requirements of the relevant WTO Agreements, in particular Article X of the GATT 1994, the Agreement on Preshipment Inspection and the Agreement on the Implementation of Article VII of the GATT 1994, as well as the substantive provisions of these Agreements.</p>	<p>Customs Department</p>	<p>Just notification</p>

The Working Party took note of these commitments. (WP Report Paragraph 103)		
<p>12. Anti-dumping, countervailing, safeguard regimes</p> <p>The representative of Jordan said that Jordan would not apply any anti-dumping, countervailing or safeguard measure to imports from WTO Members until it had notified and implemented appropriate laws in conformity with the provisions of the WTO Agreements on the Implementation of Article VI, on Subsidies and Countervailing Measures and on Safeguards. He confirmed that Jordan would ensure that such legislation would be in full conformity with the relevant WTO provisions, including Article VI and XIX of the GATT 1994 and the Agreement on the Implementation of Article VI, the Agreement on Subsidies and Countervailing Measures and the Agreement on Safeguards. After such legislation was implemented, Jordan would only apply any antidumping duties, countervailing duties and safeguard measures in full conformity with the relevant WTO provisions. The Working Party took note of these commitments. (WP Report Paragraph 107)</p>	MIT Ministry of Agriculture Customs Department	Amended in the Customs Law that the MIT is responsible.
<p>13. Export restrictions</p> <p>The representative of Jordan confirmed that any export control requirements remaining in place on the date of accession would be fully consistent with WTO provisions, including those contained in Articles XI, XVII, XX and XXI of the GATT 1994. The Working Party took note of this commitment. (WP Report Paragraph 116)</p>	MIT	See tables 2-5
<p>14. Export subsidies</p> <p>The representative of Jordan confirmed that Jordan would eliminate the export subsidies described in paragraph 125 by 31 December 2002. He further confirmed that from the date of accession, Jordan would not maintain nor introduce any other prohibited subsidies. The representative of Jordan stated that, in accordance with Article 28 of the WTO Agreement on Subsidies and Countervailing Measures, these two export subsidy programs would be notified upon accession. The Working Party took note of these commitments. (WP Report Paragraph 126)</p> <p>Para 125: The representative of Jordan stated that the following programmes were export subsidies, which met a definition of a prohibited subsidy within the meaning of Article 3 of the Agreement on Subsidies and Countervailing Measures: (I) the Income Tax Law No. 57 of 1985 and its amendments, which authorized partial or total exemptions from income tax for profits on certain exports, and Decision No. 3394 of 1994 pursuant to this Law, which exempted from income tax profits on all exports (except phosphate and potash) to non-protocol countries and territories, i.e. all countries and territories except Israel, Lebanon, Palestinian Authority and Saudi Arabia; and (ii) the discount facility below the going interest rate for commercial documents operated by the Central Bank of Jordan. He confirmed that Jordan had taken appropriate legal measures in September 1999 (Council of Ministers Decision No. 12-9-76) to eliminate these export subsidies by 31 December 2002.</p>	Ministry of Finance/Income Tax Directorate Central Bank of Jordan Investment Promotion Corporation	See tables 2-5
<p>15. Internal Policies Affecting Foreign Trade in Goods – Industrial policy, including subsidies</p>	Ministry of Finance Ministry of Agriculture	See tables 2-5

<p>The representative of Jordan confirmed that upon accession any subsidy programmes with the exception of those noted in paragraph 125 of this Report would be administered in conformity with the Agreement on Subsidies and Countervailing Measures. All necessary information on such programmes would be notified upon accession to the Committee on Subsidies and Countervailing Measures in accordance with Article 25 of the Agreement. The Working Party took note of this commitment. (WP Report Paragraph 131)</p>	Central Bank of Jordan	
<p>16. Technical barriers to trade, sanitary and phytosanitary measures The representative of Jordan stated that Jordan’s Standardization Department was gradually reviewing the remaining 1,110 mandatory standards to replace them with voluntary standards or with technical regulations, consistent with Article 2 of the TBT Agreement. No less than one quarter of the remaining standards would be converted each year after accession, and Jordan intended to complete the process of conversion by 31 December 2003. The Working Party took note of this commitment. (WP Report Paragraph 137)</p> <p>The representative of Jordan confirmed that Jordan would comply with all obligations under the WTO Agreement on Technical Barriers to Trade from the date of accession without recourse to any transition period. The Working Party took note of this commitment. (WP Report Paragraph 140)</p> <p>The representative of Jordan confirmed that Jordan would initiate immediately the process of examining its shelf-life standards (JS:401:1977 and JS 288:1994) in light of international scientific practices on shelf-stable food products to identify shelf-stable products currently appearing on the lists of these two standards. He further confirmed that Jordan would eliminate shelf-stable products from the coverage of these two standards by 30 June 2000. He added that Jordan would establish within one year regulations and procedures in line with international norms for “highly perishable refrigerated” food products to gradually replace remaining shelf life requirements on these products with a scientific regulatory framework by 31 December 2000. The Working Party took note of these commitments. (WP Report Paragraph 145)</p> <p>The representative of Jordan confirmed that, as from the date of accession, unnecessary inspections of imported meat and meat from imported animals would be eliminated, and national treatment would be accorded fully to such products as part of Jordan’s program for the development and adoption of guidelines and/or rules for food inspection and testing procedures. The new Law on Agriculture would include provisions of Annex C of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. All instructions and testing procedures would be in accordance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, in particular its Annex C. To address concerns over the lack of national treatment for and the unnecessary inspection of imported meat and meat from live animals, he confirmed that Jordan would make a particular commitment to abide by the provisions of paragraphs 1(a), 1(e) and 1(g) of Annex C from the date of accession. Jordan would implement the least trade restrictive requirements possible to prevent deceptive practices vis-à-vis consumers of meat, taking</p>	<p>JISM Ministry of Agriculture Ministry of Health MIT Telecommunications Regulatory Agency Public Corporation for the Protection of the Environment Ministry of Energy and Mineral Resources Natural Resources Authority</p>	See tables 2-5

<p>into account the national treatment requirements of Article III of GATT 1994. All remaining prohibitions on the use of powdered milk by industrial users of dairy products would be abolished as soon as legislatively possible upon accession, and in any event no later than within 12 months from the date of accession. The Working Part took note of these commitments. (WP Report Paragraph 149)</p> <p>The representative of Jordan confirmed that Jordan's sanitary and phytosanitary standards system would be in compliance with WTO provisions under the Agreement on the Application of Sanitary and Phytosanitary Measures as of the date of accession to the WTO, and that Jordan would apply all measures of the Agreement on the Application of Sanitary and Phytosanitary Measures in a least trade distortive manner from the date of accession without recourse to any transition period. The representative of Jordan further confirmed that, without recourse to any transition period and in conformity with the SPS Agreement, no stricter rules than those laid out by international organizations such as OIE will be applied. The Working Party took note of this commitment. (WP Report Paragraph 151)</p>		
<p>17. Trade-related investment measures</p> <p>The representative of Jordan said that Jordan would not maintain any measures inconsistent with the TRIMs Agreement and would apply the TRIMs Agreement from the date of accession without recourse to any transition period. The Working Party took note of this commitment. (WP Report Paragraph 153)</p>	<p>MIT Investment Promotion Corporation Special Economic Zones Directorate</p>	<p>See tables 2-5</p>
<p>18. State trading entities</p> <p>The representative of Jordan confirmed that after accession to the WTO, Jordan would observe WTO provisions, in particular, Article XVII of the GATT 1994, the WTO Understanding on that Article, and Article VIII of the GATS regarding State trading, with respect to the State-owned enterprises and other enterprises and entities with special or exclusive privileges identified in paragraphs 154-160 of this report, in particular abiding by the provisions for notification, non-discrimination, and the application of commercial considerations for trade transactions. The Working Party took note of these commitments. (WP Report Paragraph 161)</p>	<p>MIT</p>	<p>See tables 2-5</p>
<p>19. Free zones, special economic areas</p> <p>The representative of Jordan confirmed that free zones or free economic zones in Jordan would be fully subject to the coverage of the commitments taken in the Protocol of Accession, and that Jordan would ensure enforcement of its WTO obligations in those zones, including those commitments derived from the TRIPS Agreement. He also confirmed that, when goods produced or imported into the zones under the special tax and tariff regime existing in these areas enter into the rest of Jordan, normal customs formalities, tariffs and taxes would be applied. The Working Party took note of this commitment. (WP Report Paragraph 164)</p>	<p>MIT Investment Promotion Corporation Special Economic Zones Directorate Customs Department</p>	<p>See tables 2-5</p>
<p>20. Government procurement</p> <p>The representative of Jordan confirmed that, upon accession to the WTO, Jordan would initiate negotiations for membership in the Agreement on Government Procurement by</p>	<p>MIT</p>	<p>See tables 2-5</p>

<p>tabling an entity offer. He also confirmed that, if the results of the negotiations were satisfactory to the interests of Jordan and the other members of the Agreement, Jordan would complete negotiations for membership in the Agreement within a year of accession. The Working Party took note of these commitments. (WP Report Paragraph 170)</p>		
<p>21. Agricultural Policies The representative of Jordan confirmed that the age restriction on imported sheep, described in paragraph 176, would be eliminated no later than 30 April 2000. The Working Party took note of this commitment. (WP Report Paragraph 177) Members of the Working Party agreed that Jordan had AMS of JD 1,539,199 and Jordan agreed to reduce this by 13.3 per cent over seven years from the date of accession. Those Members also considered that for the purposes of Article 6.4 of the WTO Agriculture Agreement, Jordan was a developing country. Jordan did not grant any export subsidies to agricultural products. The representative of Jordan confirmed that Jordan would bind agricultural exports subsidies at zero in its goods schedule. The Working Party took note of this commitment. (WP Report Paragraph 189)</p>	<p>Ministry of Agriculture Ministry of Finance Central Bank of Jordan</p>	<p>See tables 2-5</p>
<p>22. TRADE-RELATED INTELLECTUAL PROPERTY REGIME The representative of Jordan stated that Jordan would apply fully all the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights from the date of accession to the WTO, without recourse to any transitional period. The Working Party took note of this commitment. (WP Report Paragraph 230)</p>	<p>MIT National Library Ministry of Agriculture Customs Department</p>	<p>This was done and the grace period was lifted.</p>
<p>23. POLICIES AFFECTING TRADE IN SERVICES- Notifications The representative of Jordan said that, at the latest within six months of the entry into force of the Protocol of Accession, Jordan would submit all initial notifications required by any Agreement constituting part of the WTO Agreement. Some notifications, as provided for in WT/ACC/JOR/31, will be made immediately after accession. Any regulations subsequently enacted by Jordan which gave effect to the laws enacted to implement any Agreement constituting part of the WTO Agreement would also conform to the requirements of that Agreement. The Working Party took note of these commitments. (WP Report Paragraph 240)</p>	<p>MIT JISM Ministry of Agriculture</p>	<p>See tables 2-5</p>
<p>24. TRADE AGREEMENTS The representative of Jordan stated that his Government would observe the provisions of the WTO including Article XXIV of the GATT 1994 and Article V of the GATS in its trade agreements, and would ensure that the provisions of these WTO Agreements for notification, consultation and other requirements concerning free trade areas and customs unions of which Jordan was a member were met from the date of accession. The Working Party took note of these commitments. (WP Report Paragraph 247)</p>	<p>MIT</p>	<p>See tables 2-5</p>

Table II.7 – Company-specific tariff exemptions in Jordan

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

Company Name	Terms of concessions and agreements; conditions; and expiration	Status as of concession as of September 2002
	and extract Dead Sea minerals from the Dead Sea. The concession expires in year 2058.	
Jordan Tanning Company	The Jordanian Tanning Co. has a concession agreement that was granted in 1962, for forty years, according to the Law No. 9 which approved the concession agreement. The company has the exclusive right to import and export rawhides and skins and also it has exclusive right to export tanned leather. The concession expires in year 2002.	Concession ended.
Jordan Electric Company	<p>The Jordanian Electric Co. has a concession agreement that was granted in 1961 for fifty years according to Law approving the concession agreement. The company has exclusive right to distribute electric power to Amman, Zarqa, Madaba, Salt areas and suburbs with electricity power. The concession expires in year 2012.</p> <p>The company is not engaged in international trade activities and does not have exclusive right to generate power. Its main objective is to distribute electric power in the above mentioned areas (natural monopoly with regard to power distribution at the local level).</p>	Concession will end as planned.

Company Name	Terms of concessions and agreements; conditions; and expiration	Status as of concession as of September 2002
Irbid Governorate Electric	<p>The Irbid Electric Co. has a concession agreement that was granted in 1961, for fifty years, according to Law No. 1 of 1961 approving the concession agreement. The company has the exclusive right to distribute electric power to Ajlun, Irbid, Mafrqa and Jerash areas. The concession expires in year 2011.</p> <p>The company is not engaged in international trade activities and does not have exclusive right to generate power. Its main objective is to distribute electric power in the above mentioned areas (natural monopoly with regard to power distribution at the local level).</p>	Concession will end as planned.
Vegetable Oil Industries Co. Ltd.	<p>The Vegetable Oil Factories Co. has exclusive right to produce vegetable Ghee (Margarine) to the local market. Concession agreement was granted in 1956 for thirty years according to agreement and has been extended for another fifteen years. The concession expires in year 2001.</p> <p>However this is not implemented in practice.</p>	Concession ended.
Arab Company for Manufacturing White Cement	<p>There is no concession agreement between the Jordanian Government and the Arab Company for Manufacturing White Cement.</p> <p>The company has an exemption from paying customs duties of indefinite validity, as per cabinet decision dated 10 November 1984.</p>	Unknown

Company Name	Terms of concessions and agreements; conditions; and expiration	Status as of concession as of September 2002
Arab Bridge Maritime Company	<p>The company has a concession agreement that was granted in 1985 for fifty years according to Maritime cooperation agreement between three Arab countries (Jordan, Egypt, and Iraq). The company has the exclusive right to transport cargo, mail and passengers from Aqaba to Noueibe and return.</p> <p>The company is registered in Panama and, therefore, is not subject to Jordanian laws on income tax.</p>	Concession will end as planned.

Table II.8 – Products subject to specific sales tax

No.	Product	Unit	Tax rate (JD) (domestic or imported)	Rate as of September 2002
1	All kinds of cement	Ton	10.000	N/A
2	Iron for construction	Ton	50.000	N/A
3	Mineral lubricating oils	Kg	0.200	N/A
4	Natural and mineral water	Litre	0.020	N/A
	Gas water including soda water in			
	2. Reusable container - disposable container		0.166 0.175	
5	Fizzy drinks			N/A
	1. for immediate consumption			
	2. reusable container	Litre	0.166	
	3. disposable container	Litre	0.175	
	4. Concentrates in			
	-drums that yield 96 bottles/25 cl.	Drum	3.984	
	-drums that yield 480 bottles/ 25cl.	Drum	19.920	
	Capacity each			

6	Beer including non-alcoholic beer	Litre	0.600	N/A
7	Unsaturated Ethel Alcohol	Litre	0.330	N/A
8	Alcoholic drinks including wine.	Litre	1.000	N/A
9	Tobacco			N/A
	5. Ordinary	Kg	2.000	
	(b) Mixed with fruit syrup	Kg	2.000	
10	Snuff	Kg	2.000	N/A
11	Chopped tobacco	Kg	0.500	N/A
12	Cigar	Kg	15.000	N/A
13	Cigarettes	Box /20		N/A
	• For local consumption		0.170	
	b) for the same brand names sold to armed forces.		0.130	

II.7 Additional Notification Commitments in the Working Party Report

Table II.9

Commitment	Responsibility	Implementation date	Status as of September 2002
1. Para 17: Notify the Investment Promotion Corporation as an Enquiry Point on Investment	FTP Department	Upon accession	Yes
2. Para 29: Notify current price controls on imports and domestic goods and services to the Working Party, and that any subsequent such controls will be published in an official journal for the information and review of traders	FTP Department	Included in Working Party Report (No action at this stage – only when list of products and services subject to price control is modified)	Unknown
3. Para 33: Submit to the WTO English translation of the Law on Prevention of Monopolistic Practices and Encouragement of Competition	FTP Department	As soon as available	Law was newly issued but has not been translated yet into English. This is fairly

Commitment	Responsibility	Implementation date	Status as of September 2002
			important since the competition law would normally precede WTO economic laws such as law on agriculture, standards etc.

Table II.10: Notification Requirements

Notification Requirement	Type of Measure	Deadline	Status as of September 2002
1. Agreement on Agriculture, Article 18.2 – domestic support	Domestic support – Total Aggregate Measurement of Support	upon accession	Done
2. Agreement on Agriculture, Article 18.3 – domestic support	Domestic support – new or modified exempt domestic support measures	upon accession	Done
3. Agreement on Agriculture, Article 18.2 – export subsidies	Export subsidies-budgetary outlay and quantity reduction commitments; total exports	upon accession	Done
4. Agreement on Subsidies and Countervailing Measures, Article 28.1	Subsidy programmes which are inconsistent with the provisions of the ASCM	upon accession	Done
5. Agreement on Subsidies and Countervailing Measures, Article 29.3	Subsidy programmes falling within the scope of ASCM Article 3	upon accession	Done

Notification Requirement	Type of Measure	Deadline	Status as of September 2002
6. Agreement on Subsidies and Countervailing Measures, Article 25.1 annual; GATT 1994, Article XVI:1/ annual	Any subsidy as defined in ASCM Article 1:1 which is specific within the meaning of ASCM Article 2 as well as any other subsidy which causes increased exports or decreased imports within the meaning of GATT 1994, Article XVI:1	Upon accession	Done
7. Agreement on Preshipment Inspection, Article 5 – first time	Laws/regulations by which the Agreement is put into force for the Member concerned, as well as any other laws/ regulations relating to preshipment inspection	1 month after accession	Done
8. Agreement on Trade-Related Investment Measures, Article 5.1	Trade-related investment measures (TRIMs) introduced 180 days or more before the date of entry into force of the WTO Agreement which are inconsistent with the provisions of Article III or Article XI of GATT 1994 and not justified under exceptions to GATT 1994.	1 month after accession	Done
9. Agreement on Implementation of Article VII of GATT 1994, Article 22.2	Changes in its laws/regulations and administrative arrangements (Concerning the languages of notification with respect to Article 22: Document to be issued by Committee on Customs Valuation).	2 months after accession	Done
10. Agreement on Implementation of Article VII of GATT 1994, Article 22	Notification of national legislation	2 months after accession	Done

Notification Requirement	Type of Measure	Deadline	Status as of September 2002
11. Agreement on Implementation of Article VII of GATT 1994 Decision on checklist of issues (taken by the WTO Committee on 12 May 1995 and 25 April 1996)	Responses to the checklist of issues	2 months after accession	Done
12. Agreement on Implementation of Article VII of GATT 1994 Decision on the treatment of interest charges in the customs value of imported goods (G/VAL/5 para.A.3 adopted by the WTO Committee on 12 May 1995)	Date from which the Member will apply the Decision	2 months after accession	Done
13. Agreement on Implementation of Article VII of GATT 1994 Decision on the valuation of carrier media bearing software for data processing equipment (G/VAL/5 para.A.4 – adopted by the WTO Committee on 12 May 1996)	Date of application of the practice referred to in paragraph 2 of the Decision	2 months after accession	Done
14. GATS, Article III.4	References of enquiry point	2 months after accession	Done
15. Agreement on Technical Barriers to Trade, Annex 3 paragraph C	Acceptance of/withdrawal from a code (Code of Good Practice for the Preparation, Adoption and Application of Standards)	2 months after accession	Done
16. GATS, Article IV.2	References of contact point	2 months after accession	Done

Notification Requirement	Type of Measure	Deadline	Status as of September 2002
17. SPS, Annex B, paragraph 3	Enquiry Point	2 months after accession	
18. SPS, Annex B, paragraph 10	Notification Authority	2 months after accession	
19. TRIPS Agreement, Article 14.6 [Article 17 of the "Rome Convention"]	Protection of producers of phonograms solely on the basis of the criterion of fixation	3 months after accession	Done
20. TRIPS Agreement, Article 63.2	Laws / regulations made effective by the notifying Member (pertaining to the availability, scope, acquisition, enforcement and prevention of the abuse of intellectual property rights)	3 months after accession	Done
21. TRIPS Agreement, Article 69	Specification of contact points	3 months after accession	Done
22. Agreement on Subsidies and Countervailing Measures, Article 32.6	Laws/regulations and changes thereto, including changes in the administration of such laws (concerning the languages of notification for Article 32.6, see document G/SCM/N/1)	3 months after accession	Done
23. Agreement on Import Licensing Procedures, Article 1.4 (a)	Names of publications in which rules and information relevant to the ILP Agreement are published; copies of publications	4 months after accession	Done. New Regulations will require a new notification
24. Agreement on Import Licensing Procedures, Article 7.3	Replies to questionnaire on import licensing procedures	4 months after accession	Done
25. Agreement on Import Licensing Procedures, Article 8.2(b)	Laws/regulations and administrative procedures and changes thereto	4 months after accession	Done

Notification Requirement	Type of Measure	Deadline	Status as of September 2002
26. Agreement on Technical Barriers to Trade, Article 15.2	Administrative arrangements; laws/regulations measures in existence or taken to ensure the implementation and administration of the TBT Agreement	4 months after accession	Done
27. Agreement on Implementation of Article VI of the GATT 1994, Article 16.5	Investigations: authorities competent to initiate and conduct investigations referred to in AIA VI Article 16.5, and domestic procedures governing the initiation and conduct of such investigations	6 months after Jordan has in place legislation on this matter	
28. Agreement on Implementation of Article VI of the GATT 1994, Article 18.5	Laws/regulations and changes thereto, including changes in the administration of such laws (concerning the languages of notification under Article 18.5, <u>see</u> document G/ADP/N/1)	6 months after Jordan has in place legislation on this matter	
29. Agreement on Subsidies and Countervailing Measures, Article 25.12	Authorities competent to initiate and conduct countervailing duty investigations referred to in ASCM Article 11 and domestic procedures governing the initiation and conduct of such investigations	6 months after Jordan has in place legislation on this matter	Done
30. Understanding on Balance-of-Payments Provisions of the GATT 1994	Balance-of-payment restrictions; consolidated notification of laws/regulations, including all changes in laws, regulations, policy statements or public notices, for examination by Members.	6 months after accession	Done
31. GATS, Article V:7	Economic integration Agreements and their enlargement or modification	6 months after accession	Done

Notification Requirement	Type of Measure	Deadline	Status as of September 2002
32. GATS, Article XXVIII (k)Ⓢii):2	Treatment of permanent residents as nationals for GATS purposes	6 months after accession	Done
33. Agreement on Technical Barriers to Trade, Annex 3 paragraph J	Work programs on standardization activities	6 months after accession	Done
34. Agreement on Rules of Origin, Article 5.1	Existing non-preferential rules of origin; judicial decisions and administrative rulings of general application relating to non-preferential rules of origin	6 months after accession	Done
35. Agreement on Rules of Origin, Annex II, paragraph 4 – first time	Existing preferential rules of origin; judicial decisions and administrative rulings of general application relating to preferential rules of origin	6 months after accession	Done
36. Regional arrangements Understanding on the Interpretation of Article XXIV of the GATT 1994, paragraph 11	Customs Unions and Free Trade Areas	6 months after accession	Done
37. Regional arrangements Decisions of the CONTRACTING PARTIES (BISD 18S/37, 38 paragraph 4)	Examination every two years of reports on the preferential agreements	6 months after accession	Done
38. State trading GATT 1994, Article XVII: 4(a) and notification) paragraph 1 of the Understanding on the Interpretation of Article XVII of GATT 1994 – annual	State trading activities(new and full)	6 months after accession	Done

Notification Requirement	Type of Measure	Deadline	Status as of September 2002
39. State trading GATT 1994, Article XVII:4(a) and paragraph 1 of the Understanding on the Interpretation of Article XVII of GATT 1994 – annual	State trading activities (changes)	6 months after accession	Done
40. Decisions on Notification Procedures for Quantitative Restrictions	Quantitative Restrictions measures and other non-tariff	6 months after accession	Done

III.a: MANUALS ON WTO COMPLIANCE BY MINISTRY

Submitted separately

III.b: WTO LECTURES FOR LISTING ON WEB-SITE

Submitted separately in draft form. These will require updates and modification for specificity to Jordan's own WTO characteristics and will be the subject of a SOW.

IV. CONCLUSION

IV.0 Moving Beyond WTO Compliance

This report confirms that for the most part Jordan is complying well and on time with most WTO Commitments made at the Working Party and is constant communication with the WTO. The exceptions are a few important areas that are being addressed and will be completed with some additional technical assistance.

Commercial Law reform is also of question and needs to be addressed even more seriously than WTO compliance. It was noticed in this compliance update that the Competition Law has only recently been passed and not yet translated into English for the WTO. While this of some importance to the WTO Secretariat, what is of more significance is the fact that some fairly basic commercial and property law has not been in place for sometime. Normally this type of legislation precedes trade and domestic production laws, and lays the foundation for domestic production and investment.

It should be noted for future investigation, especially by the AMIR TMA adviser, that this basic legislative agenda is on track as part of a more general economic reform effort. Laying the foundation for any legal and regulatory reform requires the establishment of 15 core areas, which include the following commercial laws and procedures:

1. Company Law
2. Craftsman's Law (for sole proprietorships)
3. Pledge Law
4. Sales Law
5. Foreign Investment Law
6. Accounting Law
7. Mortgage Law
8. Bankruptcy Law
9. Competition Law
10. Regulations governing foreign trade
11. Customs Law and various conformity guidelines
12. Public Procurement regulations (that are WTO compliant)
13. The establishment of Administrative procedures and standards
14. Law on Concessions
15. Intellectual Property Rights guidelines

Some of these laws are reviewed below, such as the Foreign Investment Law and the Customs Law, but others have only recently been enacted (Competition and Company Law). The Roadmap study currently underway with AMIR support will contribute to this effort and the TMA Adviser should track the outputs in that report with the results of this one.

IV.1 Complex Trade Policy Issues

It is time therefore for a new trade agenda to dominate future work in Jordan. The WTO has for too long dominated trade policy, which while significant is not an end in itself. WTO compliance is necessary as part of liberalizing the overall enabling environment. It is also one of the necessary conditions to promote both domestic and foreign investment over the long run. However, it is not sufficient to prepare Jordan for some supply-shocks that may hit the economy in the next year, nor does WTO compliance provide a mechanism for systematically reacting to unanticipated supply shocks. Also of importance, but not as pressing as supply shocks, are issues related to the impact of the Jordan-US Free Trade agreement, impacts of opening the Jordanian economy to increased competition under WTO rules, the need for improved information systems, improved analytical capacity of staff and research studies, among others.

In the next year some of the these shocks could include the following:

- Either the lifting of sanctions on Iraq through military activity or cooperation with United Nations weapons inspectors. Either way the lifting of sanctions will cause a large rise in the price of oil to Jordan since its oil is now subsidized from Iraq at about 50% of world market prices. So even if world oil prices fall after Iraq stabilizes Jordan's oil price will in all likelihood rise. Similarly, a reduction in exports (since Iraq will likely substitute into other higher quality products) will occur. Each of these constitutes a substantial negative external supply shock.
- An interruption in oil production in the Gulf will reduce worker remittances to Jordan. Remittances are some \$1.5 billion (or about 15-20% of GDP), a large return of unemployed Jordanian workers from the Gulf will there have a significant impact. The resulting impact will be felt in the balance of payments as a reduction in worker remittances.
- A run-down in reserves at the Central Bank as export earnings will need to be replaced and returning workers will require higher welfare transfers.
- Increasing pressure on the exchange rate peg as the Central Bank is forced to fight a two-front battle in defending the exchange rate and resisting pressure to provide funds to the Ministry of Finance to finance its deficit—if even in the short-run.

The need is to draw up a proper SOW for a trade policy and a monetary policy adviser to work together. A possible SOW should include proposals for the introduction of a “dirty-float” exchange rate. In addition fiscal policy matters will have to be investigated to see what can be done to improve the tax base in light of the upcoming recession that will likely hit the economy. Here reform of tax revenue will require some consideration, as well as capital markets reform to generate income from fixed income securities. This type of income from fixed securities does not exist in Jordan at the present time due to the structure of the country's capital markets, meaning a large amount of money is going offshore to balance domestic investor's portfolios with fixed income securities as a hedge against domestic equities.

All of this matters to the choices in the trade regime and the degree to which the Central Bank will be forced to defend the peg since the greater the pressure is on the Ministry of Finance for revenue sources that do not exist the more attractive reserves will begin to look to a hungry fiscal authority. Raising the tax base and thus revenues is one way of managing a transition to a floating exchange rate regime with sufficient reserves to prevent a strong depreciation. Over time the WTO compliant regime, which Jordan has labored so hard to put in place will provide a strong pillar in its enabling environment. Nonetheless, the country's trade regime could only benefit from a planned set of activities that go well beyond issues related to the WTO.