

**Access to Microfinance & Improved Implementation of Policy Reform
(AMIR Program)**

Funded by U.S. Agency for International Development

Trade Remedy Case Processing – Phase II

Final Report

**Deliverable for Policy Component, Task No. 4.4.18
Contract No. 278-C-00-98-00029-00**

March, 2001

This report was prepared by Robert J. Martin in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR Program in Jordan.

Table of Contents

Executive Summary	Page 1
Background	Page 2
Preparations	Page 2
Methodology	Page 3
Activity	Page 3
Observations and Recommendations	Page 3
Annex A Draft Standard Operating Procedures	Page 5
Annex B Accounting and Financial Analysis Training	Page 112

Executive Summary

Following discussions inside the Ministry of Trade and Industry and with the legal firm that prepared Jordan's Safeguard Regulations, the consultant prepared a draft Safeguards Standard Operating Procedures manual for the National Production Protection Department in the Ministry. Using parts of the manual as source material, the staff of the Department participated in seminars on safeguard investigations given by the consultant. The consultant recommended that the Ministry give priority to appropriate staffing of and physical facilities for the Department.

Background

The National Production Protection Department (NPPD) was created in April 2000 with only one person, the Director. Others joined the Department later in the year. It now consists of six persons of diverse backgrounds drawn from other Departments of the Ministry of Industry and Trade (MIT). They are 3 engineers, 2 accountants and one Business Administration graduate. They had no previous experience with the WTO Agreements, especially not the Safeguards Agreement, although they had received some training in Safeguards and Anti-Dumping in Arabic and English from a team from Cairo, Egypt in January 2001. It is not apparent that the absorption rate was high, probably because of the density of the material they were presented over a short period.

A safeguards investigation was initiated in late 2000 in the absence of the Director.. They are working with a Law enacted in 1998 before Jordanian accession to the WTO and Regulations prepared in November, 2000 by a Jordanian legal firm with no practical or technical experience in case administration.

The investigation of the ongoing case was being conducted as a series of discussions with interested parties on various elements of the case, for example, the definition of the subject goods. However, it was not apparent that there was an overall plan or time schedule for the investigation beyond the termination date required by the Regulations.

The challenge for the consultant was to provide technical guidance in the handling of the case, without access to its confidential information, while at the same time developing a Standard Operating Procedures Manual and based on parts of the Manual approved by the Director of the Department giving seminars on the use of this material.

Preparations

In preparation for the work, discussions were held with Dr. Ahmad Thogan Hindawi Assistant Secretary General of the Ministry of Industry and Trade, Mr. Mohammed Qashou, the Director of the Department of National Production Protection of the Ministry, with Mr. Majed H. Hamoudeh, Director of the Department of International Organisations in the Ministry and with Mr. Armouti the lawyer in that Department who had been assisting the NPPD. Discussions were also held with Dr. Salah-Eddin Al-Bashir, Managing Partner of International Business Legal Associates (Amman) and with Ms. Nissreen Haram and Ms. Rana Bin Tarif of the same firm. This firm had been active in the preparation of Jordan's Safeguard Regulations and were representing the complainants in the on-going investigation. Preparation also included close examination of the Safeguards Law and Regulations and clarification of the intended translation, meaning and effect of some of the Regulations.

Methodology

Because a safeguards investigation was already in progress, it was agreed with the Component Leader that it would be more helpful to the Department to begin drafting sections of the Standard Operating Procedures that follow the initiation of the investigation. The drafting began with identification and measurement of injury, causality and increased imports and continued through to the Final Determination. Subsequently the drafting turned to Safeguard Applications, initiations, questionnaires and related procedures. Throughout the contract, the consultant worked out of an office in the NPPD so as to be available for consultation while returning to the AMIR offices at the end of each day. This proved valuable in dealing with one politically sensitive petition on powdered milk, which escalated to the level of the Secretary General of the Ministry even though there was no basis in Jordanian Law for even accepting the petition.

Activity

In the course of the activity, operating procedures and instructions were prepared on all of the elements of a safeguards investigation. They are incorporated in a draft Safeguards Standard Operating Procedures manual which is the principal output of the activity and which is attached as Annex A. As the various elements were completed, they were given to the Director of the NPPD for review and circulated to the Component Leader. The drafts were amended based on the feedback from the Director of the Department as it was received (because of the ongoing investigation conducted largely by the Director, there were limits on the time that he could devote to the material). These revised drafts subsequently became the source material for a four half-day seminar for the five remaining staff of the Department. Having had some previous exposure and because the seminar was limited to safeguards, the absorption rate appeared to be high and there was considerable interaction among the participants and with the seminar leader.

Observations and Recommendations

The Law is to be amended to provide more specific authority for conducting anti-dumping and subsidy/countervail investigations and Regulations have been drafted for both. The legislative process did not deal with the proposals and it is reportedly unlikely to happen in the current year. Even if the Law is changed, it seems desirable not to promulgate the Regulations in the short term because there are too few staff and they are under-trained to cope with the complexities of anti-dumping or subsidies investigations.

The Director of the Department recognizes the need for more staff and the appropriate physical facilities to accommodate the Department. He has indicated that he has requested both and that arrangements will be made at some future and unspecified time. In particular, the Director is scheduled to retire during this calendar year and it is not evident that there is anyone in the Department with the necessary status, energy and experience to be his successor. Priority should be given now to identifying such an individual and bringing that

person into the Department to ensure continuity of function and maintenance of institutional memory.

The AMIR Policy Component is in the process of taking or has already taken action to acquire office equipment for the Department. Priority should be given to a facsimile transmitter/receiver with sufficient memory to transmit long documents to large address lists stored in the memory and to produce laser printed (long life) hard copies of incoming documents for the files. Priority should also be given to moderate capacity office photocopiers. A self-operated coin-operated copier might be considered so that interested parties could make their own copies, under supervision, of documents in the non-confidential records of an investigation.

The Department needs to develop its own corporate culture and identity and especially needs more defined physical separation from the rest of the Ministry. To be able to maintain the confidentiality of information, which is a fundamental principle of WTO trade remedy Agreements, the Department must receive incoming documents unopened. It should have its own registry and mailroom facilities wherein documents are received, registered and placed on the appropriate confidential and non-confidential files. These confidential files must be kept in physically secure storage, possibly co-located with the facsimile machine and the ordinary photocopier. A separate viewing room should be set up for viewing of non-confidential files. This room would need a worktable and chairs and would be the location for the self-coin-operated photocopier; the room would require supervision to ensure that records are not removed. If the space is open-office landscaped, a small separate conference room should be provided for common use. Access to a room large enough and appropriately equipped to serve for oral hearings of the interested parties is essential.

Once the Department becomes fully operational, separate sections could be envisaged for anti-dumping, subsidies, safeguards and injury/causation, administrative support and legal services. The size of each section would depend on the projected need but a total of 12 persons would appear to be an appropriate immediate planning target. A service such as legal advice might be shared with another Department provided there could be a separation of time allocation and of function to ensure maintenance of the confidentiality of data. However, if resources are available their own dedicated legal advisor would be preferable. Some of the current staff have not been exposed to the academic training required for the financial and accounting analysis involved. While others have not been in an academic environment for some time and their work in the Department has not maintained their skills. Annex B identifies the kinds of knowledge that are desirable for investigators. This training should be available through universities in Jordan, perhaps as part of a shared training with other government Ministries already envisaged in the AMIR work plan. This training would be useful for all types of trade remedies.

Annex A: SAFEGUARDS AGREEMENT

DRAFT STANDARD OPERATING PROCEDURES

HASHEMITE KINGDOM OF JORDAN

TABLE OF CONTENTS

INTRODUCTION

PETITION BY INDUSTRY

MINISTERIAL DIRECTION TO INITIATE

MINISTERIAL DECISION TO INVOKE CRITICAL CIRCUMSTANCES

INJURY/CAUSALITY

STAFF REPORT

ON-SITE INVESTIGATIONS

ORAL HEARINGS

RECOMMENDATIONS ON SAFEGUARD MEASURES

PRELIMINARY AND FINAL DETERMINATIONS

NOTIFICATIONS

EXHIBITS

SAFEGUARDS APPLICATION

ELECTRONIC INFORMATION

NOTICE OF APPEARANCE

QUESTIONNAIRES

Introduction

This handbook is intended to provide standard operating procedures for the conduct of safeguard investigations in Jordan.

There are three ways in which a safeguards investigation can be launched. First, and by far the most common, a complaint is brought by or on behalf of the domestic industry. Second the Minister may direct the Department to initiate an investigation pursuant to Article 35 of the Regulations. Finally, in critical circumstances, the Minister may make a Preliminary Determination of increased imports causing or threatening to cause serious injury to domestic producers and he may impose Provisional Measures and direct the Department to begin the investigation. Flow charts/time lines for the three alternatives are attached to each of the Sections. The essential difference to the process in the three cases is the point at which the investigation is initiated and the time remaining to complete the process.

Petition by Industry

Depending on the experience and degree of sophistication of the industry and /or the Jordanian trade lawyers, the initial contact may vary from a telephone call to a fully documented written submission. The Department must have a written submission to begin any formal action. If the initial contact is a telephone call, the person in the Department receiving the contact should explain the process to the caller, send them a copy of the Safeguard Application form, note the contact, including the action taken, in a memorandum to file and send the memorandum to a general file for this purpose with a copy to the Director. Note that all written comments, contacts, petitions etc. with the Department should be directed through the Office of the Director.

Once a written application has been received by the Director, he will date stamp the application and assign the case to an investigator. The investigator will ensure that a number is assigned to the application and will have confidential and non-confidential files opened with a checklist of the action points and the schedule stapled on the inside cover of each file. The investigator will immediately begin an assessment of the application against the requirements identified in the Application Form. The assessment is limited at this stage to the completeness of the information and not an evaluation of the content. Within 10 days of receipt of the application the investigator will prepare a communication to the petitioner, identifying the necessary information for the petition to be fully documented, have the communication signed by the Director and send the communication to the petitioner or the representative (e.g the petitioner's lawyer) by facsimile, courier or hand delivery. Proof of delivery should be placed on the appropriate file along with a copy of the response.

Under Article 8 of the Regulations the following information is required in the petition:

Article 8

The domestic producers shall include in the safeguard petition evidence of increased imports, injury incurred by such and causal link between increases and injury. The petition shall also include such information as is reasonably available on the following:

- A. A complete description of the imported product, the domestic like or competitive product (including the HS Tariff Code), and the volume and value of the domestic production;
- B. A list of all domestic producers of the product who filed the petition, the volume and value of domestic production of the like product produced by such producers in proportion to the total domestic production, and the share of each producer;
- C. The volume and value of the imported product from each exporting country for each of the three calendar years preceding the request;
- D. A description of the increase in imports whether such increase is absolute or relative to domestic production;
- E. Information and evidence relevant to the effect of increased imports on the domestic producers.

The petitioner and other producers of the like or directly competitive product supporting the application must in total also account for not less than 25% of the total domestic production of the product.

Attention should be paid to the products identified in the petition and the like or directly competitive products claimed by the petitioner. Depending on the nature of the products and petitioners, it may be desirable to break-out the petition into separate investigations or alternately to consolidate different petitions into one investigation.

Confidentiality

Throughout the investigation, documents may be received or created by the Department in confidential or non-confidential forms. If the information is non-confidential it is simply placed on the non-confidential file for the investigation. If confidentiality is claimed, a non-confidential version of the confidential material must be provided or an explanation acceptable to the Department as to why a non-confidential version or summary can not be produced, or the information can be disregarded by the Department unless it can be verified separately by information from another non-confidential source. The investigator can not assume that certain documents are by their nature confidential or non-confidential. For example, a Balance Sheet may be confidential if submitted by a private corporation but non-confidential if submitted by a corporation whose shares are held by the public and which issues regular reports to the shareholders. The same would apply to Profit and Loss Statements, Income Statements, Cost of Goods Sold, etc.

The usual way to make a non-confidential version is to submit the Statement leaving the information blank or otherwise obliterated so that the nature of the information is revealed but not the confidential figures. Another way is to consolidate the information for several petitioners, or for the industry as a whole so that the identity of individual firms is lost in the

aggregation. This last example may not be possible if one company constitutes all or most of the domestic industry. IT MUST BE STRESSED AT THIS POINT THAT THE CONFIDENTIALITY OF INFORMATION PROVIDED TO THE DEPARTMENT MUST BE PROTECTED AT ANY COST. Confidential files should be a separate colour from non-confidential files. For example, Confidential file covers could be RED so that they can be immediately identified in a stack of files. Appropriate physical security must be provided for Confidential files, for example, in locked filing cabinets in a separate locked file room and equivalent protection must be provided by the investigator when working on the files or they should be returned to the file room at the end of each working day. CONFIDENTIAL INFORMATION MUST BE CLOSELY HELD INSIDE THE DEPARTMENT. IT MAY NOT BE USED FOR ANY PURPOSE OTHER THAN THE INVESTIGATION FOR WHICH IT WAS SUPPLIED AND MAY NOT BE REVEALED TO ANY PERSON OUTSIDE THE DEPARTMENT INCLUDING OTHERS IN THE MINISTRY AND THE MINISTER WITHOUT THE SPECIFIC WRITTEN PERMISSION OF THE PERSON SUPPLYING THE INFORMATION.

Petition Response

The petitioner has thirty days to respond to the request for additional information. The petitioner may request an additional thirty days to submit the responses for a maximum of 60 days. If by this time the petition remains inadequate, the Minister may consider the application as not to have been made (Regulations Article 9) on recommendation from the Director, or directly by the Director if this authority has been delegated to the Director by the Minister.

The investigator will not wait for the response before beginning analysis of the material already received. During the intervening period, the investigator will begin to analyze the content of the material. The investigator will identify gaps or weaknesses in the information presented and will prepare a list of additional substantiation required from the petitioner. This should be submitted officially to the petitioner as soon as identified, if it is a newly discovered gap in the petition, so that the petitioner can respond within the time frame set out above. If it is a weakness in the justification, the points should be noted on the file to be addressed after the petition is complete. The investigator should also use this period as an opportunity to visit the petitioners offices and plants (see On-Site Investigation later) to verify the information, being particularly careful not to impede the petitioner in any way that the petitioner could claim prevented him from meeting the deadlines. All observations and information obtained during on-site visits must be recorded and placed on the appropriate file.

The petitioner should include with his petition a recommendation on the nature and duration of the safeguard action he seeks and a plan for adjustment for his industry that would make the industry competitive at the end of the period of action. However, the petition can not be deemed incomplete if this information is not provided as it is not specified in the current Regulations.

Petition Deemed not Made

Under Article 9 of the Regulations the petition may be deemed not to have been made if the petitioner does not supply the required information within the time frames specified in the Article. The result of this Article is that the petitioner may resubmit the petition without waiting for 180 days as would be the case if the petition were rejected or denied.

Article 9

The Competent Authority shall notify the applicant within 10 days of the receipt of the application of any inadequate information deemed necessary to initiate the investigation procedures and shall afford the applicant the possibility to supplement the application within 30 days which can be extended upon his request to another 30 days. The Minister may consider the application as not to have been made if the time frames set out to supplement the petition elapsed without doing so.

Petition Acceptance

If the form of the petition "...fulfils the legal conditions and requirements and satisfies the required accuracy and adequacy of the information included therein." (Regulations, Article 10), the petition shall be accepted and the petitioner or his representative notified of this.

Analysis of Petition

The Department can now examine whether the information in the petition justifies the initiation of an investigation. The investigator must now proceed to obtain information from other sources such as the Departments of Customs and Statistics and from revisits to the premises of the petitioner and supporting producers to analyse the substance of the petition. If the petitioner has not included recommendations on the nature and duration of safeguard measures or the industries plan to adjust to the competition, this should be requested from the petitioner now. The Department and the investigator has from 30 to 60 days to carry out the substantive investigation of the petition. This consists of verifying the claims of the petitioner that the imports are increasing, satisfying the investigator that the imports are like goods or do in fact compete directly with the domestic producers, verifying the claims that the petitioners and supporters do account for not less than 25% of total domestic production of the like or directly competitive product, verifying the claims of serious injury and linking the injury to the increased imports.

The Department must then make a recommendation to the Minister whether to dismiss the petition or to initiate an investigation. The investigator prepares a memorandum to the Minister from the Director setting out the non-confidential reasons for the recommendation. The Minister must reach his decision and advise the Department within the 30 to 60 days allowed for the substantive analysis, so the investigator must foresee any problems in reaching the Minister or his authorized delegate and allow sufficient time for the process. If there is any doubt that the petitioner has made a *prima facie* case for initiating an investigation, the benefit of the doubt should be given to the petitioner because of the consequences of dismissal. During this period, if the recommendation seems likely to be in favour of initiation, the investigator should begin preparing the questionnaires for domestic

producers (primarily those that were not petitioners or from whom incomplete data was received but there will be new questions addressed to the petitioner seeking to complete any information not previously sought, for example, relating to elasticity and importers. The investigator should also draft the public notice described in Article 12 C of the Regulations, and a notice to be sent for publication in the Official Journal as well as the notification to the WTO Committee on Safeguards.

Dismissal of Petition

If the petition fails to meet the requirements to initiate an investigation and the Minister concurs, the investigator and the Department prepare a notification to the petitioner and supporting domestic producers advising them that the petition is dismissed with the non-confidential reasons set out in the memorandum to the Minister. The petitioner is now barred from bringing another petition on the same product for a period of 180 days from the date of the notification. Articles 6b and 7b of the National Production Protection Law so provide.

Article (6): b. If the Minister denies the protection petition- after reviewing the recommendation- the Ministry shall notify the applicant of the rejection decision and its justification. If the Minister grants the petition, he shall submit a recommendation in its regard to the Tariff Council, specifying therein what he considers to be the appropriate protection measures and the period required to implement the actions and procedures which local producers must observe.

Article (7): b. Petitioners whose requests have been denied by the Minister or the Cabinet may not submit another petition based on the same circumstances and causes provided in their initial petition, before (180) days from the date of issuance of the denial decision.

Decision to Initiate Investigation

If the recommendation is to initiate an investigation and the Minister concurs, the investigator must take immediate action to notify the petitioners and the Committee and to publish the information required by the Regulations.

Article 12

- C. Make a public notice, on the expense of the petitioner, in two daily local newspapers on the initiation of the investigation. Such notice shall include a summary of the petition and required safeguard, and an invitation to all relevant interested parties with the investigation and any relevant parties to submit any information or data or documents or views supporting or opposing the petition. The date of initiation of an investigation shall be the date of such publication.

The questionnaires are sent immediately to the domestic producers and the importers with a deadline for receiving the responses. During the intervening period until the questionnaire responses are received the investigator may request information from other official or private entities and conduct on-site investigations of the other producers. In the course of the

investigation the investigator will have to determine whether there is, in fact, increased imports causing injury. Before the investigation was initiated the onus was on the petitioners to demonstrate that there was sufficient evidence to justify the investigation. Once that standard has been met, the onus shifts to the other domestic producers and the importers to provide evidence that will shape the Preliminary Determination. It may well be that since the WTO has been notified, the exporting countries may make representations. The Department may take note of such representations and put the information on file but should not take a position, either positive or negative, on such representations. This is also not a period when the Department or its personnel should be expressing any views on the case, only collecting information and performing internal analysis until it is ready to make a Preliminary Determination. The following flow chart/time line illustrates the steps.

Safeguards Case Processing - Time Line- Maximum

Informal or oral inquiry, explain process and provide or refer to pamphlet setting out purpose, requirements and format for petition

RECEIPT OF WRITTEN PETITION

Assess for completeness of documentation, open confidential and non-confidential files

REQUEST ADDITIONAL INFORMATION FROM PETITIONER AND CUSTOMS AND STATISTICS DEPARTMENTS

Begin Analysis of Content of Petition

Petitioner provides the additional information
Assess for completeness of documentation

REQUEST ADDITIONAL INFORMATION. IF NECESSARY, PETITIONER MAY REQUEST ADDITIONAL TIME

Carryout on-site visits to petitioners

ADDITIONAL INFORMATION PROVIDED BY PETITIONERS

If documentation is deficient, petition may be deemed not to have been made. Analyze accuracy and adequacy of info and data and prepare supported recommendation to Minister to initiate investigation or reject petition. If positive, prepare questionnaires notifications etc. If negative, prepare rejection with reasons.

MINISTER MUST DECIDE TO INITIATE AN INVESTIGATION OR REJECT THE PETITION.

If initiation, immediate notifications, publication and sending questionnaires.

If rejection, 14 days to notify petitioners with reasons. Petitioners barred from resubmitting petition for 180 days

On-site visits to other producers than petitioners.

Receive questionnaire responses

Analysis of all data and preparation of positive or negative recommendation to Minister on Preliminary Determination and Provisional Measures. If positive, concurrently seek up to 5 month extension for investigation.

Minister accepts or rejects recommendation

If accepted, Minister obtains approval of Tariff Council and Council of Ministers for Provisional Measures

Preliminary Determination: if positive, notify customs to impose provisional measures, advise parties, publish and send for publication in Official Journal. if negative, notify parties, WTO, publish etc.

Issue non-confidential staff report

Oral hearing

If positive, prepare Final Determination recommendations to Minister and draft Finding and Statement of Reasons.

If negative, advise Minister, send notifications to parties, WTO, direct Customs to cease collecting provisional duties and refund any collected, publish and distribute Finding and Statement of Reasons and send Finding for publication in Official Journal

Minister makes positive recommendation to Tariff Council on safeguard or other measures

Tariff Council makes recommendation to Council of Ministers on safeguard or other measures

Council of Ministers approve recommendations on safeguard or other measures and directs action to be taken on any alternative other than a safeguard measure

NPPD distributes Council of Ministers decision on measures with Finding and Statement of Reasons, appropriate notifications to parties and WTO, publish in newspapers and send Finding to Official Journal, instruct Customs to modify the safeguard measures as appropriate

Ministerial Direction to Initiate

Article 35 of the Regulations permits the Minister to direct the Department to initiate an investigation on specified goods.

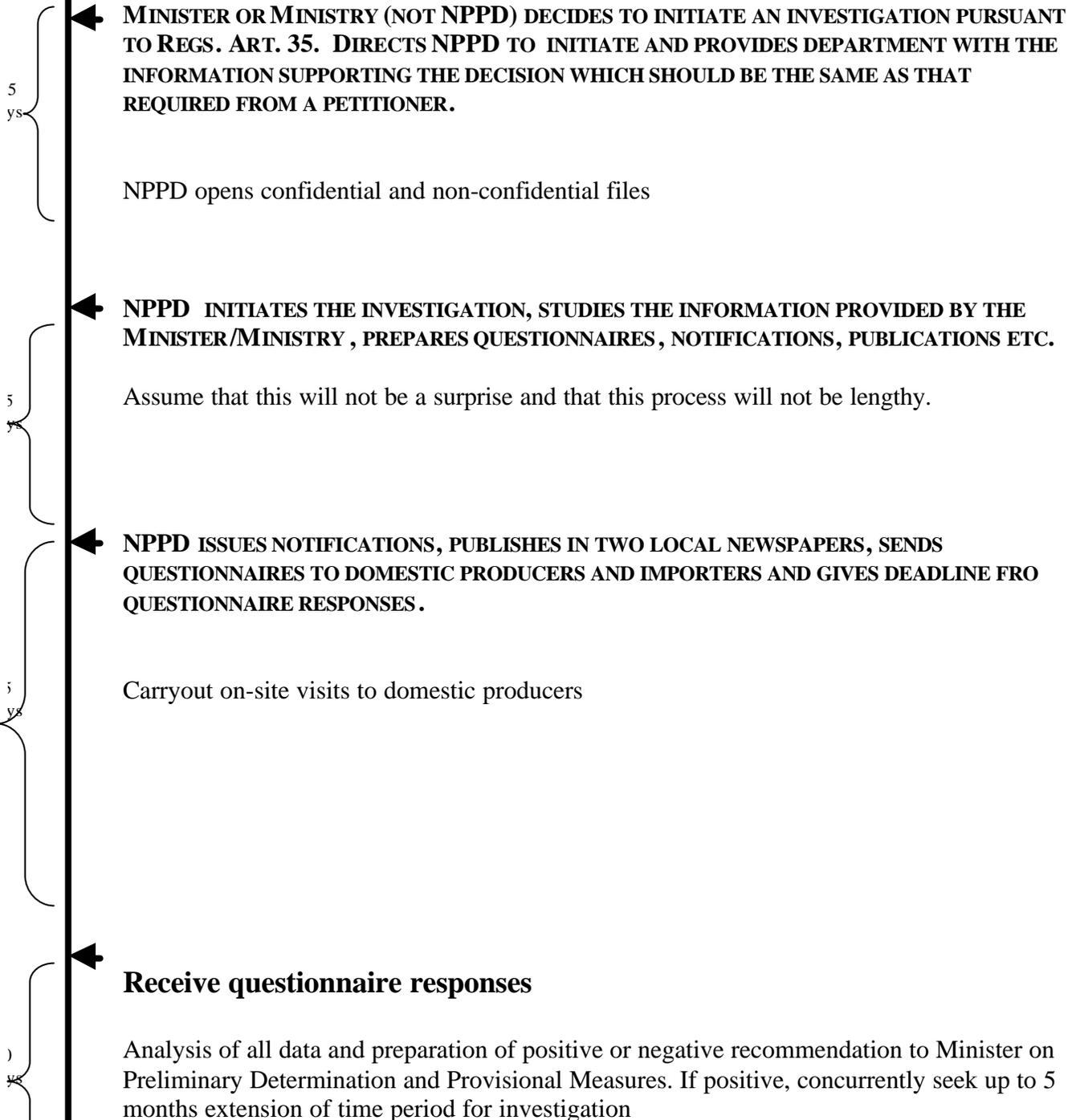
Article 35

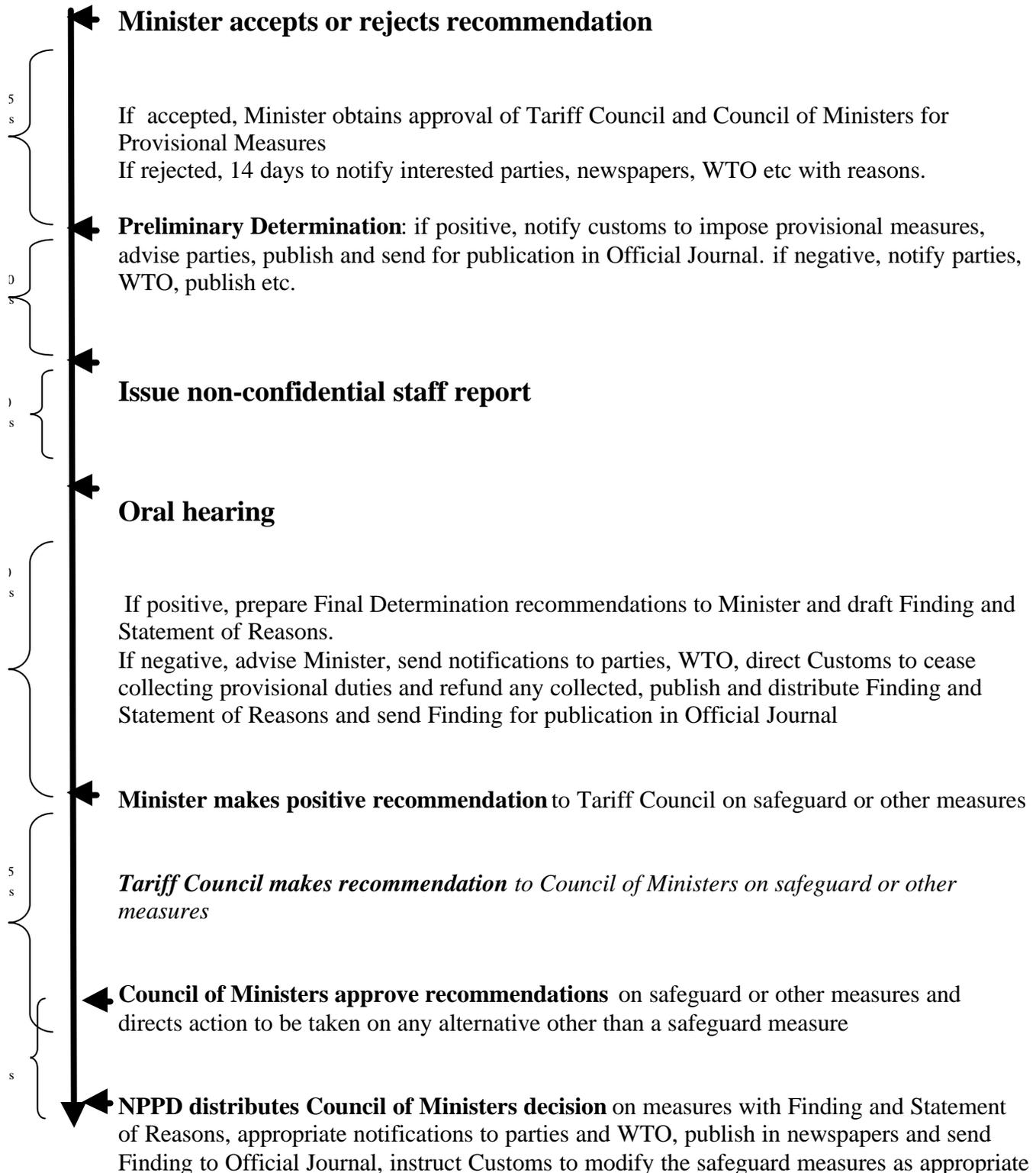
The Ministry may decide to self-initiate an investigation regarding the increase in imports of a like or competitive product, if it deems that such increase is causing injury to domestic producers.

The Minister is required to provide the Department with the same information on increased imports, absolute or relative to domestic, of the subject goods which are causing serious injury to domestic producers of the like or directly competitive goods as would have been required of the petitioner. The Department has 10 days in which to prepare for the publication and formal initiation of the investigation. Subsequently, the process is the same as if the Minister had approved a positive recommendation from the Department.

Safeguards Case Processing - Time Line Ministerial/ Ministry Initiation Regs. Art. 35

The following flow chart/time line illustrates the steps.





Ministerial Decision to Invoke Critical Circumstances

Article 6 of the Safeguards Agreement and Article 20A of the Regulations authorize the Minister to make a Preliminary Determination and to obtain the authority of the Council of Ministers to impose Provisional Measures which shall take the form of a bank or cash guarantee in favour of the Customs Authority.

Safeguards Agreement,

Article 6

In critical circumstances where delay would cause damage which it would be difficult to repair, a Member may take a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury. The duration of the measure shall not exceed 200 days...

Regulations

Article 20

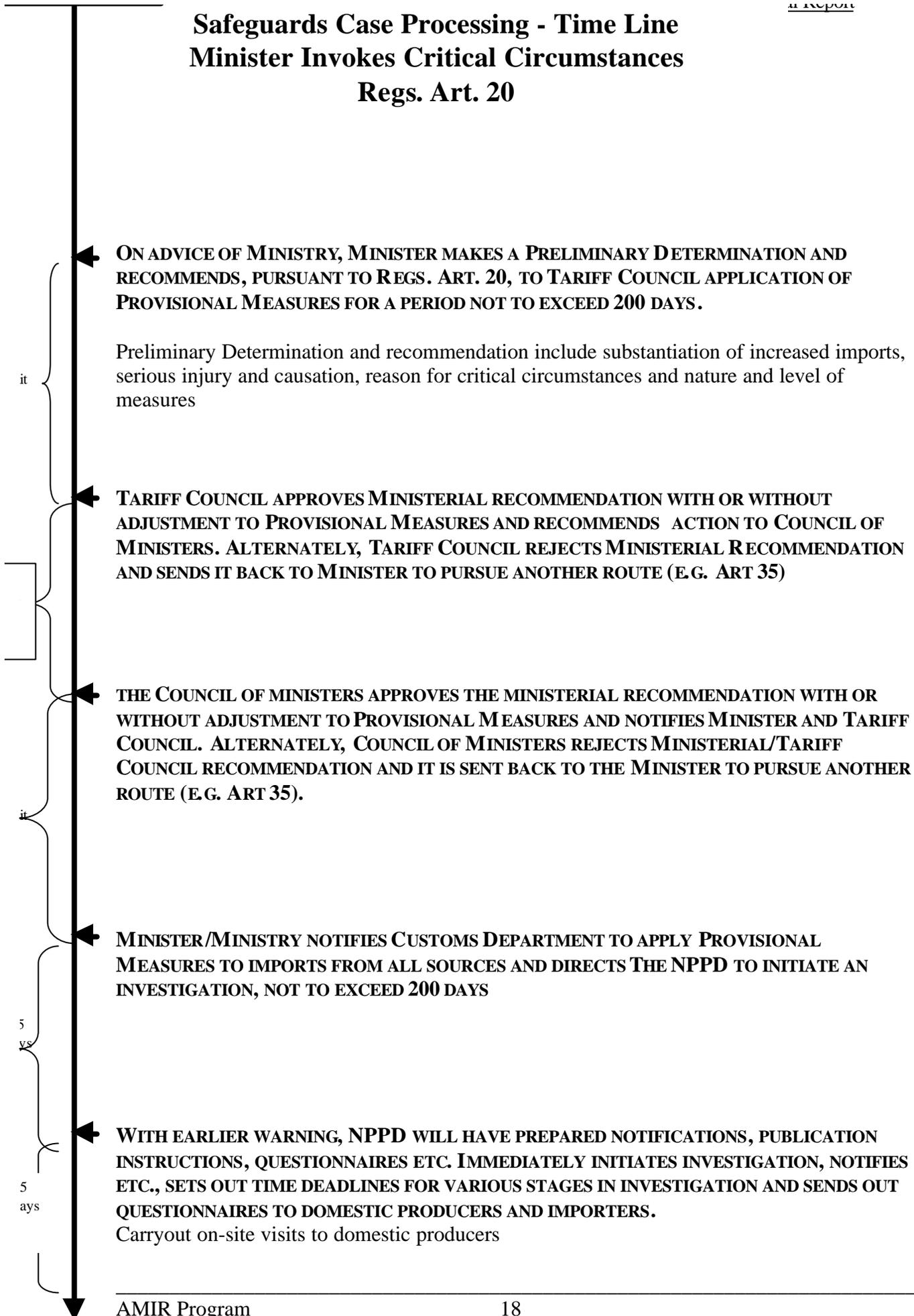
- A. The Minister may recommend to the Tariff Council, who in turn shall recommend to the Council of Ministers, the application of provisional measures for a period not exceeding 200 days to prevent the injury by adjusting the customs tariff through imposing new customs duties on the imported product or increase the prescribed duties, if the Minister is satisfied that there is increase in imports of the like or competitive products that is causing or likely to cause damages which would be difficult to repair.

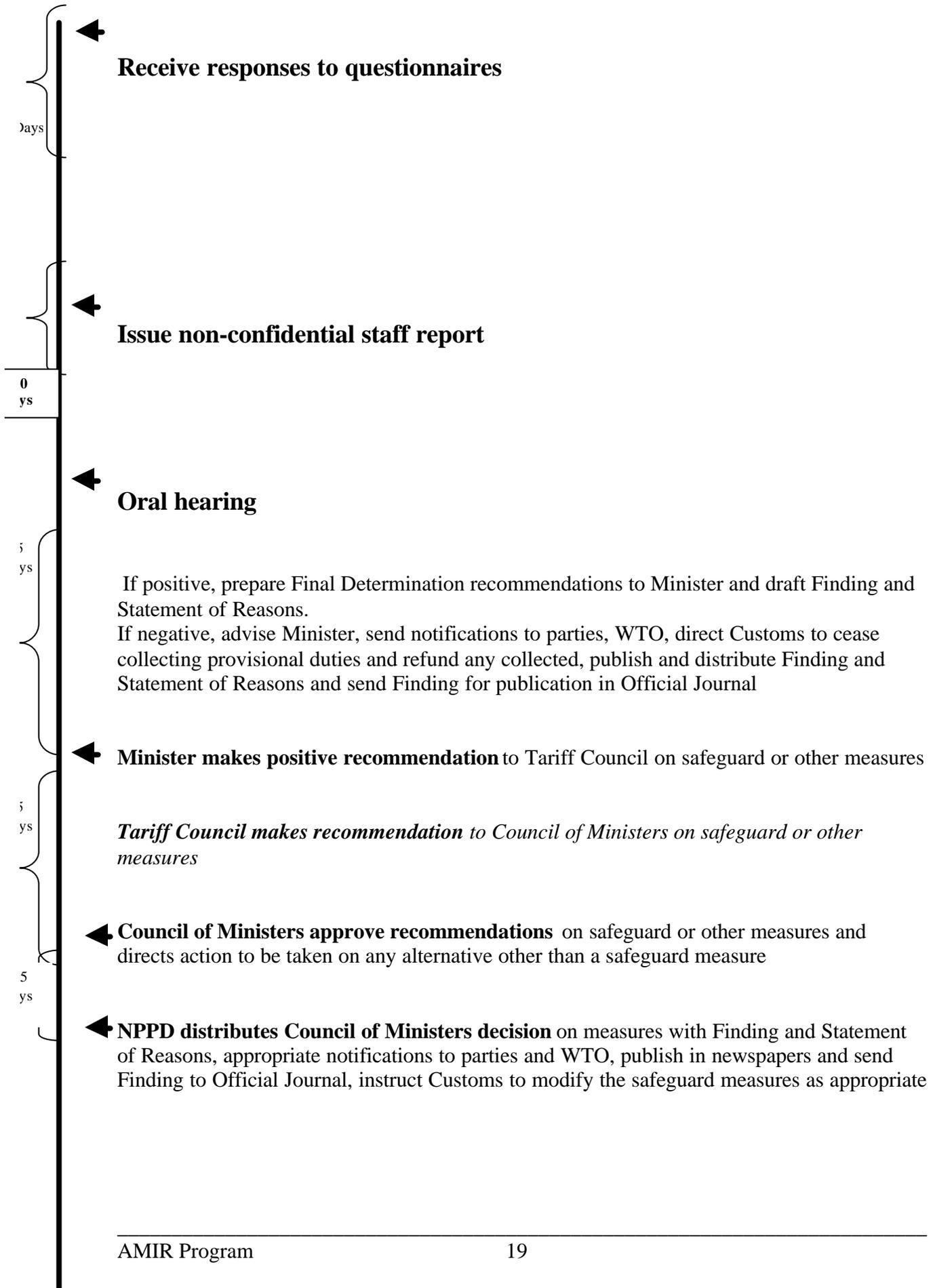
The Minister shall direct the Department to carry-out an investigation over a period not to exceed 200 days. The steps are similar to those which follow a Preliminary Determination in a petitioner's case except that the Department will not have had the opportunity to obtain information through questionnaires. The questionnaires will be sent out immediately following the publication and notification of the decision. The investigation must be concluded within a maximum of 200 days.

Safeguards Case Processing - Time Line

Minister Invokes Critical Circumstances

Regs. Art. 20





Injury/Causality

The question of whether there is injury is one of the most important and difficult aspects of an investigation. Indeed, in a safeguards investigation it is the sole aspect when tied to the causal link. The following factors are some of those, which may be identified in the complaint as indicators of injury to domestic production. These factors are examples and are not intended to be an all inclusive list, nor can any one or several of these factors necessarily give decisive guidance:

- losses on net sales, or reduction of profits;
- lost orders, market share or declining sales;
- reduction in employment;
- reduction in capacity utilization;
- price erosion, suppression or degradation;
- failure to achieve realistic projected goals for increased profits, production, employment, sales etc.;
- retardation in the implementation of definite and demonstrable plans for production;
- inability to raise capital for investments.

- negative effects on cash flow, inventories and wages;
- domestic producer's market share is increasing at a slower rate than the market is growing; or
- delay or stopping of proven planned plant expansion or purchase of machinery.

Allegations of threat of serious injury must be based on facts and not merely on allegations or remote possibilities. Changes in circumstances which would create a situation of threat of serious injury must be clearly foreseen and imminent and must be demonstrated by the complainant and credible to the Department.

To save repetition of phrases, in Safeguard cases for the purposes of this manual the word "like" is to be interpreted to include "directly competitive" and the singular and plural "good(s)" and "product(s)" are interchangeable.

The complainant is in the best position to state the relevant facts in reasonable detail and to provide evidence to support allegations of actual or anticipated injury. Thus, it is the complainant's responsibility to document the facts in sufficient detail. The complainant is required to provide evidence of the injury claims set out in the complaint. The complaint must provide evidence to allow analysis of the following factors before the complaint can be considered to be fully documented and acceptable as a petition:

- 1 the volume of the alleged imports and whether the volume has increased vis-a-vis production or consumption of such goods in Jordan;
- 2 the effect of the goods in question on the prices of like goods in the Jordanian market whether by undercutting prices, depressing prices or preventing necessary price increases; and
- 3 the impact of the goods in question on Jordanian producers of like goods

including their profitability and other injury factors cited above.

The failure to provide essential information on any of the criteria which relate to the alleged injury, if it is known to the Department to be available to the complainant, requires a decision as to whether that particular information is critical to the Department's analysis of the complaint. If it is essential then the complaint would not be fully documented and acceptable. The investigator must put on the file evidence of the Department's attempts to obtain this information. It is then the final decision of the Department whether this information or the lack thereof determines that the case will proceed no further because the complaint is unacceptable. This possibility should be brought to the attention of any complainant who refuses to cooperate. For example, failure to provide confidential financial information would cause the petition to be deemed not to have been submitted.

Injury Allegations

Evaluation of injury allegations is perhaps the most difficult of the Department's challenges in any complaint. Indeed, in the case of a safeguards complaint, it is the important issue. There are three basic stages in the assessment of injury. First, is the complaining industry being injured. Second, is the injury serious. Third, is the injury being caused by the imports whether or not they are fairly traded or is it being caused by other factors.

Injury can be past, present and /or future, that is the producer was injured in the past, is being injured during the period of the investigation or will be or will continue to be injured at some future time depending on the circumstances. The extent of the period of past injury during the investigation period of the previous three years gives credibility to the establishment of present injury which is necessary along with future injury (that is the producer was injured in the past, is being injured during the investigation and will continue to be injured in the future in the absence of provisional measures or long term safeguards) to impose a safeguard measure. Remember that a safeguard measure may not be imposed retroactively so a present injury finding is essential to any measures. A finding of future injury may not provide sufficient basis for taking provisional measures or for the imposition of long term measures until the event on which the future injury is dependent takes place. For example, the complainant may discover that in a neighbouring country another manufacturer is bringing on stream a new manufacturing plant with a capacity that far exceeds the market in the Middle East. That manufacturer is already present in the Jordanian market but is not at this time causing injury to the Jordanian industry. However, because all reasonable markets for the product, which may be sensitive to transportation costs, are already saturated, there could be a finding of future injury conditional on the completion of the plant and increased shipments to Jordan of the output. In this case the safeguard measure would not be applied until the conditions were met.

There are many economic factors and indices which are identified in the WTO Agreements as key indicators of injury. Some of them are examined in the following sections. Key indicators in the assessment of an injury allegation are market shares/lost sales; price erosion/price suppression; and profitability and they will be given the most detailed examination in the following sections. Remember, the complainant is alleging injury as a result of imports. It is within the means of the complainant to demonstrate sufficiently but convincingly in the complaint that the industry is being injured and the standards for the existence of injury and its severity must be high at this stage. The requirement to demonstrate

causality is a reasonable indication level , i.e. sufficient evidence reasonably available to the complainant to prove the case. Injury and causality evidence will be probed more deeply and specifically at the questionnaire stage, if an investigation is initiated.

Changes in Market Share/Lost Sales

The respective shares of the market held by Jordanian producers and importers must be analyzed to determine whether imports are displacing Jordanian production. The size of the Jordanian market is calculated by totalling Jordanian production plus imports less exports. This information is obtained initially from the petition and also from information from the Customs and Statistics Departments and subsequently from the responses to questionnaires.

Loss of market share is a very important indicator of injury to Jordanian production. In safeguards it is a prime condition that imports are increasing in absolute terms or relative to Jordanian production. When the loss of market share is substantial and can be linked to the absolute or relative increase in imports, it is a strong indication of injury.

Investigators should ensure that market share is looked at carefully and not confused with increased sales. For example, while a Jordanian producer may be experiencing an increase in its sales, this must be analyzed in the context of the total market. The same analysis would apply to a decrease in sales in relation to the performance of the market. If the Jordanian producer's market share is increasing at a slower rate than the share of imports in a growing market, it could point to displacement by imports even though the Jordanian producer has increased its sales. The same reasoning must be applied to a falling market. Are the producers sales decreasing at a slower or a faster pace than the falling market?

The investigator must also be satisfied that the situation is not being caused by other factors, e. g., the complainant may not be able to maintain market share because of production problems, labour difficulties or raw material shortages. If there is loss of market share in an expanding market, the investigator must verify that the complainant possesses the production capacity (and did through the period of the complaint) and marketing capability to take advantage of the market opportunity.

Another situation which may occur is where the Jordanian producer is being injured while maintaining market share. This can happen when the market share is maintained at a cost to the Jordanian producer, for example by lowering prices to injurious levels to meet the prices of the imports. If the Jordanian producer had not lowered its prices it might have lost market share to the foreign competition. In this situation, the market share indicator is linked to price suppression/erosion and the investigator must ensure that the complainant documents the evidence and effects of this price impact.

It should be noted that the loss of market share may result in financial losses, under-utilization of capacity and other indicators of injury and the investigator should look for the presence of these indicators as corroboration. Where loss of market share is due to price undercutting by imports and there are no offsetting factors, it is a strong indicator of causality.

An indicator that is related to market share is individual lost sales, that is, the loss of traditional customers. The investigator should ask the complainant to provide evidence that particular customers have been lost to imports. If large traditional customers have changed suppliers and it can be demonstrated that pricing was a major factor influencing the buyer to change, the investigator may have strong evidence that low priced imports are the cause of the complainant's lost sales. Sometimes, the complainants have letters on file or other evidence, such as salesmen's reports, that demonstrate that sales have been or would have been lost to imports if the lower prices were not matched.

Price Erosion/ Price Suppression

Price erosion means that historic price levels in a market can no longer be maintained because of an outside influence pressuring the prices to decrease. Price erosion may be due to the availability of a large quantity of low priced imports on the Jordanian market, or due to other factors.

Price suppression means that the prices are forced to stay at a certain level even during times of inflation and increasing costs. Price suppression may be a result of various factors, including the availability of imported goods which dictate the price level in Jordan.

Price erosion or suppression may occur when a Jordanian producer is faced with the predicament of lowering prices to meet the competition and suffering the financial consequences or maintaining the prices and suffering the loss of market share and the attendant consequences there. Rather than lose market share, which is difficult to recapture once lost, Jordanian producers will often meet the price of the import competition - if the producer can not maintain market share through other devices such as delivery time, service, quality etc. - by lowering its own prices or deferring planned price increases. In this situation, production and sales may be maintained, but the effects of the price erosion/suppression should be evident in the financial performance of the company.

Price lists and documentation substantiating selling prices should be provided by the complainant. The complainant's price levels should be compared to corresponding costs over this period of time. The negative effects of the cost-price comparison should be demonstrated in the company's financial reports. In this way, the investigator can establish the impact of price erosion/suppression and form a conclusion as to whether it constitutes injury, and if so, whether it is serious.

However, the investigator must carefully consider whether the producer's expectations of mark-up and growth are realistic and in line with industry and international norms. Price erosion/suppression becomes significant if the producer cannot lower prices without putting the firm into a loss or unreasonably low profit position, or if the producer is caught in a cost-price squeeze that has the same effect.

The investigator should simultaneously seek evidence which would link the price erosion/suppression with the imports. To establish whether the imports are causing the price effects, the investigator should establish how prices are set in the Jordanian market and who is the price leader and why. The price levels of all imports and all Jordanian producers must be compared over the same period of time during which the price effects were alleged. Price information is obtained initially from the petition and subsequently from the Customs Department and from the questionnaire responses.

Profitability

Profitability of a firm can be influenced directly by depressed price levels, lost sales and loss of market share any of which can be caused by import competition. When a complainant identifies profitability problems, the investigator should distinguish between situations in which a firm suffers only a reduction in its normal profits and those situations in which the continuing production and sale of the goods has become unprofitable.

Reduced profits on sales of subject goods may or may not constitute serious injury. In this respect, the investigator should determine the extent of the reduction in profits, and if a company is earning very large profits, whether these are in line with industry and international norms. The investigator must determine the impact of the reduced profit on the company's financial position and whether it threatens continued production. There may be varying degrees of reduced profitability and, as a result, determining whether reduced profits are causing injury which is serious will be somewhat subjective.

Operation at a loss is a more important form of reduced profitability in that if the situation prevails for any extended period of time the continued viability of that side of the firm's production may be at risk.

Information detailing the firm's profitability is generally available from examining the firm's financial statements. However, if the complainant produces many products, a breakdown of the financial information for the individual product(s) under review is required. If financial data is provided for the individual product under review, care must be taken to examine very closely the data submitted by the complainant to ensure that it lines up with the financial statements for the whole operation or company and to obtain clarifications where there appear to be any discrepancies.

When examining the financial data for a company, a period of at least three years should be reviewed so that trends can be identified and a link made with other data such as marketing/selling activities, seasonal fluctuations, pricing patterns and import competition.

The financial performance of a company can be influenced by a wide range of factors other than import competition. Therefore, when reduced profitability is present, it is important that the investigator establish whether there are other factors present that affect the company's financial performance. If the company can present evidence, and it can be verified by the investigator, that the decreased profit is caused by price erosion or suppression from the imports or by the loss of market share and lost sales to the same source, which have reduced profits significantly, this can be a strong indicator of a causal link to injurious imports.

On the other hand, if the investigator finds no compelling evidence of price suppression or erosion or of a significant loss of market share, other possible causes of decreased profits should be examined. The investigator should review all sources of competition from imports and other domestic production and other possible causes of losses to determine what is the principal contributor to the decreased profits. In this respect, if the producer is losing business for non-price reasons or due to price competition among domestic producers, the decreased profits must be attributed to factors other than the imports.

Other Indicators of Injury

The WTO Agreements identify other indicators of injury. A non-exhaustive list would include:

- 1 decline in production and productivity
- 2 capacity under-utilization
- 3 increased inventories
- 4 reduction in employment
- 5 negative effects on cash flow
- 6 negative effects on wages
- 7 negative effects on growth
- 8 negative return on investments, and
- 9 inability to raise capital.

Generally, a natural result of lost sales is a reduction in the level of production, which may, in turn, lead to reduced capacity utilization. Investigators should determine what the standard production levels have been before the period of the complaint. These production levels can be viewed as capacity utilization levels under normal business operations. The period of examination must be long enough to eliminate any seasonal or business cycle variations and any unusual factors such as changes in export patterns or special sales promotions must also be discounted. A decrease from the norm thus established which can be attributed to the low priced imports may be indicative of injury to Jordanian production. The investigator must ensure that a decrease in production and under-utilization of capacity is not attributable to other factors such as labour problems, machinery breakdowns, decreased demand for goods or the unavailability of raw materials or other inputs. An analysis of production levels should be considered in conjunction with an examination of changes in levels of inventories. Some companies may use inventories as a means of maintaining production levels. If inventory levels are above traditional levels and are rising the company may be incurring costly expenses to maintain these inventories.

An indicator usually related to reduced production levels is reduced employment. When sales decrease and production levels decrease, many companies are forced to lay off employees. Employee levels and hours worked should be analyzed over a sufficiently long period of time to determine whether there are seasonal patterns which need to be factored in. Other factors influencing employment include the automatization of labour-intensive procedures, the introduction of new technology, changes in production processes, contracting-out, and decreases in the demand for the goods. Increases or decreases in exports must also be considered to isolate their effects from consideration. Also, when a company manufactures other goods not subject to the complaint or engages in other business activities, great care must be taken to relate all of the injury indicators to the subject goods only and not to other activities of the company.

Indicators of Threat of Injury

The WTO Agreements recognize that there are circumstances when trade remedies are justified even before injury has actually materialized. These circumstances are where the conditions of trade clearly indicate that serious injury will occur **imminently** if demonstrable trends in trade adverse to domestic industry continue, or if **clearly foreseeable** adverse events occur.

For the most part, evidence relating to the threat of injury is in the form of trends projected from past and present data. Of course, the potential for future injury is substantially increased if the Jordanian industry is already in a weakened position and therefore more vulnerable to increased import competition. Thus evidence of threat of injury is more persuasive if it can be related to actual past or present indicators of injury. In the absence of evidence of past or present injury, the investigator must be persuaded that there are very clear trends which point to future injury.

Injury may be threatened when there is a significant rate of increase of imports into Jordan which is combined with evidence that the imports will undercut the prices of Jordanian-made goods or will have a significant depressing or suppressing effect on domestic prices. Excess production capacity or imminent major additions to production capacity of foreign exporters, high inventory levels held abroad, the closure of other markets through the application of trade remedies or for other reasons, may also indicate the threat of injury.

Causality

It has been repeated a number of times that the injury must be caused by the imports and not by other factors. In evaluating any complaint an investigator must determine whether there are other factors not related to the imports which are possible causes of the complainant's difficulties. Where there are no other causes to which the complainant's injury can be attributed, it may be reasonable to conclude that there is a causal link between the imports and the injury. In examining other possible causes of injury, consideration should be given to the following:

- 1 is the evidence of injury the result of general economic conditions, such as a recession, or overall contraction of demand for the product in question?
- 2 is the injury due to a declining market for the particular product, perhaps due to competition from substitutes, a change in consumer demand or technological changes?
- 3 is the injury attributable to competition from other sources? In order to analyze this possibility, the investigator must obtain information concerning the sales and respective prices of such competition.
- 4 can the Jordanian producer's problems, such as lost sales and market share, be attributed to non-price factors, such as inferior quality or performance of the Jordanian product, inadequate sales and/or distribution networks in Jordan, poor after-sales service, inability to supply the market demand or delivery problems, inability to supply the full range of products, or labour difficulties?
- 5 are the imports penetrating an established Jordanian market or is a new Jordanian producer trying to penetrate a traditionally import-dominated Jordanian market and, if so, have the Jordanian producer's products earned consumer acceptance?

If analysis demonstrates that injury is not attributable in a significant degree to the imports, then the investigator would normally conclude that there is no causality and, as a result, no basis for initiation of an investigation.

Marginal Suppliers

In a safeguards investigation, the investigation will involve imports from all sources without regard to their share of Jordanian imports of subject goods. Decisions on whether to impose trade remedies against imports from various sources will depend on the decision of the government in the event of an affirmative final determination, and the nature of the trade remedies that the government decides to impose. Developing countries may be excluded from a surcharge if their exports are negligible but be caught by a quota.

Safeguard Evidence

Safeguard investigations involve the examination of the injury caused by increases in imports, absolute or relative to domestic production. The investigator should have evidence from the Customs Department and from the Statistics Department and the importer about the trends in the volume and value of imports. The investigator also has reasonably firm data on domestic production. The investigator will already be preparing tabular data to be used in the Staff Report if the determination seems likely to be affirmative. Difficult questions may remain to be answered about like goods and industry definitions but the investigator should now be able to draft a relatively definitive conclusion on whether the imports are increasing, absolutely or relative to domestic production. If the answer is negative, the complaint fails and the Preliminary Determination must be negative.

If there is any doubt, the benefit should be given to the complainant and the investigation proceeds to the next stage. In this latter case, the finding will be worded to the effect that the Department found evidence of increased imports and cite the evidence. The tabular data in the Staff Report will provide the basis for the parties to argue in their submissions and at the Oral Hearings whether these increases are definitive.

Injury Evidence

By now the investigator has been exposed to this question since before the decision to accept the petition. Considerable time has likely passed since the investigator began examining whether the complainant was being injured. At the Initiation stage, the investigator was satisfied that based on the complainant's evidence there was a reasonable case of injury. Now, that information has been amplified by data from all the domestic producers in the questionnaire responses and by responses to very specific questions, not just the evidence which the complainant chose to submit to justify the initiation.

Investigators must always remain independent, critical and suspicious of data from all sources...and that includes Jordanian producers. It is to be expected that the complainant will provide data and explain it in the most convincing way to justify the initiation of the investigation. It is true that the data were tested before the decision to accept the petition and initiate the investigation, but the questionnaires probe the positions of the domestic producers in a more thorough way than was possible before initiation.

Performing the same kinds of analysis as described at the decision to initiate stage, the investigator will now dissect the injury evidence in the questionnaire responses (from both sides) and trace it to the subject goods. For the first time the analysis is not one-sided. All possible injury factors and sources of injury must now be assessed and, if there is continuing evidence of injury, tables prepared for the Staff Report.

If there is no evidence of serious injury or if it cannot be linked to the subject goods, then the conclusion and the Preliminary Determination must be negative. The investigator will draft the negative finding and the reasons that no injury (or causality) was found, being careful to respect confidentiality which becomes more significant when dealing with injury and causality. The investigator will prepare a confidential analysis for the Director and a draft non-confidential Statement of Reasons to be issued with the Preliminary Determination, which is, in effect a final determination and closes the case.

If there is any doubt, the benefit goes to the complainant and the investigation proceeds to the next stage. The investigator will again prepare a confidential analysis for the Director, this time indicating the areas of doubt, and a draft summary Statement of Reasons affirming that there is evidence of injury and citing its nature, while respecting confidentiality. The final decision to proceed will be taken by the Minister.

Causality Evidence

This is the most difficult judgment to make, not just at this stage, but also at the Final Determination. If there is clear evidence that injury exists but that it is attributable to factors other than the imports, then the investigator must conclude that the complaint fails for lack of causality and the investigation must be terminated. Earlier sections provide tests for causality. A confidential analysis and non-confidential Statement of Reasons will be drafted for the Director.

If it is not clear that the imports are not causing the injury, this important question will be left to further examination after the written submissions and argument and any Oral Hearings. The test remains one of sufficient evidence, much like the decision to initiate. A conclusive decision does not have to be taken until the Final Determination when all of the arguments about causality will have to be assessed and decided. However, the investigator's examination of causality must be a little more rigorous than at the initiation stage. At that time, only one side of the case, the complainant's, was in evidence. It had not been tested by the questionnaires, their responses and the reactions of importers, exporters etc. While the main case for causality remains to be argued, it should be clear if no reasonable causality exists. Again a confidential analysis and non-confidential Statement of Reasons will be drafted for the Director.

Consultations

Since the Safeguards Agreement requires the Department to send copies of Notices of Initiation of Investigation to the Safeguards Committee, the Department should expect some interest to be stimulated by that notification. Consultations in all cases should be limited to the reasons for the initiation or the findings that are on the non-confidential record of the investigation. The Safeguards Agreement also requires a Member to enter into consultations when it imposes a provisional safeguard measure

Decision on Preliminary Determination

If the investigation has not previously been terminated summarily (unusual) because of lack of concrete evidence on examination of injury, causality, increases in imports or other requirements for continuing the investigation the Department must make a Preliminary Determination. The Preliminary Determination may be negative or positive.

Negative Determination

At any stage in the investigation, the government may terminate the investigation because of lack of evidence of the requirements necessary to continue. They do not need to wait for the expiry of the full period provided for this stage of the investigation, although that will normally be the case to ensure that all parties will have had a full opportunity to present their case. Negative preliminary determinations occur at whatever stage during this period of the investigation that the government determines is justified by the evidence. Such decisions occur when the government concludes that, as a result of the investigation, the goods are not being imported in such increased quantities or conditions as to qualify for safeguard action, or that the evidence of injury and causality is insufficient. The decision is called a "Preliminary" Determination only to distinguish the stage of the decision from the Final Determination which may also be negative. In fact, it is a final decision and the investigation does not proceed further, and there are no rights of judicial review. The only further recourse of the complainant is to file a new complaint when at least 180 days have passed (Law, Article 7(b)) and the complainant has developed new evidence that the complaint is justified. It should be noted that there is only one Preliminary Determination. Its findings may terminate the investigation with respect to all goods under investigation, it may terminate the investigation with respect to some goods and continue the investigation on other goods or continue the investigation on all goods. The distinction between a "negative" and an "affirmative" determination is made only to facilitate the work of the Department, because they result in different follow-up actions.

Finding With Reasons

A non-confidential Statement of Reasons for the finding must be prepared which deals with all of the various arguments raised by the parties and explains the Department's position on these arguments. Essentially, new evidence or argument has been received since the investigation was initiated which has caused the Department to reconsider its decision to initiate the investigation. The complainant's case did not stand up when more information, including the positions of parties in opposition, was known. The finding will briefly state the decision of the government to terminate the investigation and summarize of the reasons for the termination. The Statement of Reasons must deal with all of the elements of the decision. The Director will provide the reasons related to the case, and separate sections of the statement should be devoted to each of the relevant subjects.

Notifications and Distribution of the Report

The Notification, which embodies the finding of the Department, must be published forthwith in two daily newspapers and sent for publication in the Official Journal. A copy of the Notice together with the Statement of Reasons will be sent immediately to interested parties, parties who have filed a Notice of Appearance and those who have responded to Questionnaires. The distribution must be made by facsimile, or by personal or messenger delivery with proof of

distribution placed on the file. The file can be closed after the distribution in a WTO language.

Translation and Distribution in WTO Language

Negative determinations or determinations which are negative with respect to some of the goods should have the Notification and the Statement of Reasons translated into a WTO language and sent to the WTO within approximately 30 days of the determination. Copies should be given the same distribution as the authentic Arabic version, but the WTO language version has no official status and is distributed solely for information and for the notification of the WTO.

Affirmative Decisions

The Preliminary Determination must specify the goods to which the finding does and does not apply (in the case of a split finding). It must demonstrate that imports are increasing, absolutely or relative to domestic production. It must examine the information on injury and causality and summarize the evidence that these requirements continue to be met.

It is important that the investigator remember that the investigation is not complete and that in safeguard investigations, the government, which must make the decision whether or not to impose provisional measures, must be given as complete a basis as possible on the evidence available to make the necessary decisions including recommendations whether provisional measures are required and their nature. This will be an especially difficult finding because the parties will not yet have had an opportunity to examine the Staff Report and make their written and oral arguments. At this stage, safeguard findings will be based on the initial and untested evidence available from questionnaire responses and from the data on imports. Safeguard measures shall not be applied against a developing country Member of the WTO as long as its share of **imports** of the product does not exceed 3%, providing that developing country Members with less than 3% shares do not collectively account for more than 9% of the total imports. The Department will seek the authority of the Minister to extend the investigation for up to 5 months.

Finding with Reasons

The finding and the Statement of Reasons must deal with each of the arguments presented by the parties and the Department's position on these arguments. The explanation need not be as extensive as in the case of a negative finding except in respect of goods or sources which are no longer subject to investigation. Note that the finding and reasons remain confidential until the Council of Ministers has decided on any Provisional Measures, and a positive decision would be reflected in the non-confidential statements.

Notifications and Distribution of Report

The Notification, which embodies the finding of the Department, and is signed and sealed by the government must be published forthwith in two local newspapers and sent for publication in the Official Journal. A copy of the Notice together with the Statement of Reasons will be sent immediately to interested parties, parties who have filed a Notice of Appearance and those who have responded to Questionnaires. The distribution must be made by facsimile, or

by personal or messenger delivery with proof of distribution placed on the file. The Notification must also set out all the remaining stages in the investigation, including the time limit for submitting a Notice of Appearance, the timing of distribution of the Staff Report, the timing for the submissions of the parties, the dates of any oral hearings and the timing of the Final Determination.

Staff Report

The Staff Report is one of the most important documents produced by the Department. It is produced in both confidential and non-confidential versions, but, of course, only the non-confidential version is distributed to the interested Members and parties and Parties to the Proceedings. It is the analysis of all the evidence received by the Department up to the time that the Report is prepared.

The Staff Report will be based on the information in the complaint, the independent investigations of the Department, any external analysis for which the Department has contracted, and most importantly, the replies to the questionnaires. The Staff Report is factual and descriptive and does not try to come to definitive conclusions on dumping, subsidization, increased imports, injury, causality or any of the questions to be answered in the Final Determination.

The Staff Report will be organized to provide information on:

- 1 the names, addresses etc. of the complainants and their counsel, if any;
- 2 the same information for the rest of the domestic industry;
- 3 the same information for the importers and exporters;
- 4 the same information for any other person who has filed a Notice of Appearance;
- 5 the product definition;
- 6 the production process;
- 7 the marketing and distribution process;
- 8 the domestic industry;
- 9 the position of the complainant, particularly in regard to allegations of injury including data (non-confidential or blanked out and aggregated to preserve confidentiality) on the alleged factors demonstrating injury ;
- 10 the results of the Preliminary Determination increases in imports;

- 11 individual non-confidential statistics and aggregated (and thus non-confidential, if it can not be aggregated to conceal confidential information, the headings should be shown but the individual details left blank unless they are non-confidential) data on investments, domestic production, costs of production, financing, capacity and capacity utilization, productivity, inventories, pricing and price elasticity, imports, apparent domestic market (broken down by product and by shares of domestic production and imports in volume and value terms), alleged lost sales and markets, product substitution, orders, and exchange rates; and
- 12 any other information, for example about former or current Jordanian trade restrictions that are relevant, or about world markets and relevant changes there, that the Department believes to be relevant to the investigation which is known to the Department at the time that the Report is prepared and which may

subsequently influence the Final Determination.

Staff Research for Confidential and Non-Confidential Staff Reports

In doing the research for the Staff Report, the investigator should attempt to find answers to the following questions:

1. Industry

- 1 who are the producers, what is the importance of their production and where are they located?
- 2 who are the complainants?
- 3 what is the complainant's estimated share of Jordanian production?
- 4 does the industry have any trade associations or trade publications?

2. Product

- 1 what is the legal product definition?
- 2 which products are included in the product definition and which are excluded?
- 3 why was the product definition framed this way?
- 4 are there market segments that should receive particularly close analysis?
- 5 is there overlap between market segments which are subject and non-subject goods
e.g commercial appliances may be substitutable for home appliances but the reverse is unlikely?
- 6 what are the "foul and hummus" products of the complainants and industry?
- 7 are there any competitive products that are substitutable?
- 8 have there been any major changes in demand for the like or directly competitive goods for causes such as new technology, new substitute goods, changes in buyers' needs, product quality or recession?
- 9 have there been any product failures?

3. Production Process

- 1 what is the production process used by the complainant?
- 2 do producers use different production processes, what are the differences and why?
- 3 have there been any major changes in production processes in recent years?
- 4 do the subject goods share the same production facilities and equipment with substitute and/or other products?
- 5 what are the major raw material inputs?
- 6 do the domestic producers produce any of the inputs either in Jordan or in other countries?
- 7 do the complainants produce the whole range of products included in the product definition? the domestic industry?
- 8 do the complainants import some of the products included in the product definition? the domestic industry?
- 9 do the complainants consume some of their production internally for the production of other goods? the domestic industry?
- 10 have there been strikes, lockouts or lay-offs?

4. Marketing

- 1 how are the subject and like and competitive goods distributed and marketed within the domestic market, e.g direct sales to end users, wholesalers, exclusive

distributors?

- 2 who are the major accounts/purchasers from producers? from importers?
- 3 are there different market segments, e.g. original equipment manufacturers and after-market?
- 4 what percentage of the subject and like and competitive goods moves through each of the various channels of distribution?
- 5 have the complainants or other domestic producers made any major changes to the marketing or distribution of like or directly competitive goods in recent years? why?

5. Imports

- 1 how closely do official (Statistics Department or Customs Department) statistics match the subject goods definition?
- 2 what are the sources (subject goods and non-subject goods) and what percentages of total imports do they represent?
- 3 what are the trends in imports?
- 4 are there any indications that imports may be incorrectly classified?

6. Market

- 1 what market share is held by the complainant and by other domestic producers?
- 2 what market shares are held by imports (subject and non-subject imports)?
- 3 what changes have occurred in market shares?

7. Pricing

- 1 what have been the trends in prices for subject goods? for substitutes? by major types of accounts/markets? by complainants? by other domestic producers? by importers?
- 2 what are the price points for the various market segments? which products are competing in them?
- 3 are prices negotiated?
- 4 are tenders used?
- 5 are price lists available along with terms and conditions of sale?
- 6 how responsive is the market to changes in prices? in supply?
- 7 how responsive is domestic supply to changes in prices?

8. Financial

- 1 what is the extent of the financial information provided and in what format?
- 2 are published annual reports available for the complainant and other domestic producers?
- 3 what type of reporting system(s) is being used by the producers and what problems have been encountered in using the system(s)?
- 4 what accounting method does each producer use for calculating the cost of goods sold (full absorption or variable - how are variances distributed)?
- 5 what types of cost information are available and what types of analysis are possible?
- 6 do the questionnaire responses stand up to cross-checking and what degree of confidence can be placed on the responses?

9. Injury Allegations

- 1 is the complainant alleging lost or suppressed sales and/or suppressed or eroded prices?
- 2 how is the complainant alleging that the imports have affected its performance?

10. Lost Sales and Accounts, Price Suppression and Erosion
 - 1 who does the complainant allege has taken away sales or affected prices?
 - 2 what specific sales and accounts have been lost to the imports?
 - 3 what accounts have allegedly suffered price suppression or erosion?

11. Exporters/Importers
 - 1 who are the largest exporters? a complete list?
 - 2 who are the corresponding importers?
 - 3 how do the importers distribute the subject goods?
 - 4 do domestic producers sell to importers?

12. International
 - 1 what information is available on international markets and production of the subject goods?
 - 2 are there trade remedy actions against the subject exporters? subject goods? in other jurisdictions? are copies of any related documents available?

On-site Investigations

General

The on-site verification methods outlined in this chapter refer equally to a verification of a complainant, importer or exporter's submission and the necessity to obtain additional supporting data as appropriate

As the preceding chapters clearly advise, upon receipt of a complaint made either orally or in writing, the investigating officer(s) must commence his own research into the circumstances of the complaint. The period of waiting for a response serves several important purposes, not the least of which is the opportunity to make a preliminary research into the complaint.

Prior to conducting an on-site verification of the complainant's submission, an evaluation must be made of the submission to determine its completeness and whether it appears to adequately cover the causal effect of injury. If it does not, then make note of the additional information which will be required from the complainant in order that the complaint may be considered properly documented for possible acceptance. All information and documents received should be carefully analyzed. Details regarding sampling should be worked out, and the site of each verification activity determined (e.g. sales documentation and costing data may be kept at different locations).

Maximum effectiveness in conducting verifications will best be achieved by acquiring a thorough knowledge of general accounting conventions plus a good knowledge of the peculiarities present in the rules governing accounting in the country.

Arranging the Visit

Be aware that the time available to conduct an on-site visit of a complainant is not unlimited. In the case of most small to medium size companies - who comprise the greatest percentage of complainants - the allocation of one or more days for a verification of a complainant's submission means an interruption to the normal activities of management and staff whose activity on a daily basis is a major contribution to the company's production. Complainants may occasionally require reminding that a verification visit is essential to Jordan's international obligations under the World Trade Organization agreement which requires that investigations resulting from complaints are adequately supported. Verification of the complaint is, therefore, necessary and essential. Complainants should be advised that at some stage of the proceedings, the Director may wish to view the operations in order to acquire a sufficient understanding of the complaint to assist him in his deliberations.

When arranging the timing of the visits to the complainant - and there may be several during the progress of the complaint - explain the purpose of the visit and indicate that certain company personnel will be required to be present at the meetings, particularly those concerned with the preparation of the submission and who should ensure that supporting documentation is available at the time of your arrival, preferably at one location. The officer should explain to the complainant that the planned verification visit will assist in the understanding of the product under review and the types of records involved and will, therefore, assist in verifying data submitted by the domestic producer. Where the complainant is using standard cost information, the verification may serve as a reminder of adjustments in costs that should be made.

Company personnel who may be of assistance

Normally, a verification visit should commence with an inspection of the manufacturing facility. It may assist in the understanding if, prior to the actual inspection, a brief explanation could be provided, or a manufacturing flow-chart presented, of what exactly the investigator is about to view. When considering which of the company's personnel it would be desirable to have present during the on-site investigation, the following list will be of assistance:

- (a) Plant management can provide information on critical areas in manufacturing processes, product and raw material specifications, equipment performance, potential areas for improvement of operations, alternate manufacturing methods for producing the product under review.
- (b) Engineers can provide information on specifications and qualities and effect of changes on raw materials, manufacturing process and finished product under review, industry standards, equipment specifications and useful lives.
- (c) Research personnel can provide information on qualities of raw materials and finished product and effects of changes of specifications of either upon the performance of the product under review; effects on the end product of changes in proportions of input materials.
- (d) Accounting personnel can provide information on the accounting system, cost variances and how they are taken into account, depreciation amounts charged to products and useful lives of major fixed assets, product yields for major departments, accounting for scrap and its disposition and by-products and their disposition.

(e) Quality control personnel can provide information on all aspects of test that are performed on the raw materials and the product and tests that are acceptable but not performed by the complainant, and regarding any government or association standards.

(f) Purchasing personnel can provide information on world-wide sourcing and pricing of raw materials.

(g) Marketing people can provide information on marketing methods, discounts, freight equalization, guarantees, warranties, specialized customer services.

A tour of the factory facilities is usually conducted by the plant manager or his chief assistant. However, it may be the case that the guide assigned to conduct the tour is an employee not connected with the provision of the submission. Take the opportunity to have the guide confirm details concerning production capacity levels of production, efficiency, yields, number of employees, pay scales, etc., to the extent that he is able to do so. The officer must keep in mind that the tour is being conducted for his benefit and he must, therefore, take note of everything observed and discussed at various stages. Obtain an appreciation of the production activities involved and the materials used at each work station or process stage. This will assist in tracing the physical activities on the list of materials and the detailed cost sheets. For certain products, the major portion of the total cost of production may be the cost of materials while for other products it may be the overhead burden or the direct labour costs. It is important that the areas of major concern be determined in the officer's mind and this may be obtained by requesting the guide to identify areas.

Where possible, request the guide to point out significant items during the tour such as critical operations, crew sizes, the appearance of the product as it passes through the various manufacturing processes. An insight should be gained into:

- (a) the manufacturing processes,
- (b) the equipment used - is it modern and the latest technology,
- (c) total direct labour hours for each production process and in total for the product,
- (d) quantities, specifications and qualities of raw materials, e.g. are there "world prices" for the raw materials,
- (e) adjustments to be made to reflect changes in product quality,
- (f) a detailed knowledge of the marketing system employed by the complainant.

Usefulness of a Cost Model

Recommend to the complainant that it would be of significant assistance to the investigation if a basic cost model could be produced by the complainant identifying the items that affect most significantly the cost, the production processes or the product quality. The model helps the investigator focus on the most significant elements. The cost model should be built around a table showing full details of the complainant's cost per unit (or per 100 units, 1,000 units or kg or other measure as appropriate) of the product being reviewed, showing:

- (a) quantities of each input raw material, its unit cost and the extension of units required and cost per unit,

- (b) direct labour hours required for each operation of each department or shop, the hourly rate and the extension,
- (c) factory overhead chargeable to the product based on each of the operations or shops in which work is performed on the product, showing fixed and variable elements of overhead,
- (d) where more than one part or semi-finished material is incorporated in the finished product, showing items (a), (b) and (c) above for each part or semi-finished material, as well as for the finished product, production or assembly, department or shop - all expressed in terms of quantities and costs per unit of finished product,
- (e) yields for each department or shop and overall yields,
- (f) scrap and by-products.

The officer should discuss with the complainant the critical areas in the manufacturing process and where and how the complainant could distort costs if they were so inclined. The officer should try to gain from the complainant an understanding of what the complainant would look for if the complainant were performing the investigators function.

Supporting Documentation

The list below identifies potentially useful source documents, books of account, etc. which most likely will be involved, to a degree, in a verification. The list does not contain all the possible sources of information necessary for a full verification and some of the sources may be found under a different name - the investigator will have to rely on his/her judgement to locate the proper source documents and books of account and overcome any difficulties experienced in this regard. It must be emphasized that not all items on this list will be present in all cases and not all would have to be reviewed in every case.

- (a) Material/supplies requisitions, purchase orders, supplier' invoices, warehouse receiving reports, packing slips.
- (b) Finished product lists of materials, detailed cost records, production reports and records, utilization analyses and by-product/scrap sales records. Product operating instructions, pamphlet, advertising brochures, etc., may also be helpful, (especially if they contain a parts list), as a check on the list of materials.
- (c) Labour utilization records, time cards, bonus calculation sheets, production records by work station or cost centre, payroll records, time and motion studies and a list of all employees.
- (d) Overhead distribution worksheets with supporting working papers showing the basis of the distribution.
- (e) Standard cost calculation sheets, variance analyses and distribution/allocation worksheets. Variances may be allocated more frequently than once per year.

- (f) Factory ledger, production department (cost centre) volume reports/sheets, and factory supplies inventory records.
- (g) Packing cost analysis of labour and materials.
- (h) Depreciation schedules and allocation worksheets.
- (i) Detailed income statement, balance sheet, statement of changes in financial position and detailed cost of production (manufacturing) statements for all products under review.
- (j) The books of account, (general ledger, general journal, all subsidiary ledgers and books of original entry supporting the entries in the general ledger).
- (k) General journal entries, including especially the year-end adjusting entries, working papers and, if available, the external auditor's working papers and internal control report.
- (l) Original source documents supporting entries in journals and ledgers (invoices, statements, credit notes, cancelled cheques, etc.)
- (m) Trial balance extracted from general ledger, both pre- and post-clearing.

Oral Hearings

Submission of Written Evidence

Parties are required to submit their evidence and argument in writing before the beginning of any oral hearings. As a matter of law, through-out the investigation parties may make oral representations to the Department, but unless they are submitted in writing they do not become part of the case file for the investigation and may not be taken into consideration in any of the decisions or determinations. At all stages in the investigation, from the complaint through to the Final Determination and any action on judicial appeal, the files for the case must include a complete written record - either in the confidential files if the information is confidential, or preferably in the non-confidential files for the case. This applies equally to any memoranda written inside the Department that relate to the substance of the case - a copy goes on the confidential or non-confidential file as appropriate. As a result, the files will contain a complete history of all stages in the investigation that can be used as appropriate in a judicial review, a WTO Appeal, or as guidance to the reasons for decision-making in some future case. Each case stands on its own. Information from one case can not be used in another case unless the information is non-confidential and on the public record or unless the person who originally submitted the confidential information agrees again, in writing, to allow the information to be used in the new case.

Jordanian Industry Submissions

The Jordanian industry has the first opportunity to make its written submission to the Department. The submission should set out the domestic producers' case and contain the evidence and argument that will best persuade the Department that there is justification for a trade remedy and its recommendations as to what that trade remedy should be. Each producer may make its own separate submission or they may make a joint submission, through an

association or in an informal arrangement. There are no rules that control how the submissions are made except that:

- a) there must be a non-confidential version of any confidential information that is submitted (the acceptance of the designation of information as confidential and its treatment as such by the Department is governed by the WTO),
- b) the non-confidential version must be distributed to the other parties, and
- c) **the submission must be made within the time limits set out in the Preliminary Determination.**

Respondents' and Others' Submissions

This submission is scheduled to be made after the respondents (importers, exporters, WTO Members and other governments) and others (consumers, industrial users, competition, parties seeking exclusions from possible trade measures, and other persons opposed to the domestic producers) have received a copy of the non-confidential submission of the producers. It will set out the case and contain the evidence and argument that these persons believe will best convince the Department of their case, whatever that may be. Again, there are no rules on how the submissions are made except for the three that apply to the producers, non-confidential version distributed to the other parties and that the submission **is on time.**

Jordanian Industry Rebuttal

The Jordanian producers have the opportunity to reply to the submissions of the respondents and others. The replies must be a response and must not start trying to introduce new points of evidence and argument. The same rules about distribution of non-confidential versions and being on time still apply.

Hearings

Any oral hearings provide an opportunity for the parties in opposition to make their arguments in support of their cases, in front of each other, and with an opportunity to rebut the arguments of the other side. **It is not an opportunity to present new evidence, all evidence must have been presented in written form and distributed, in the non-confidential version, to the other participants before any oral hearings begin.** It is an opportunity for the Department to hear the opposing arguments, to challenge points which the Department does not think come through clearly and to ask questions of the individual sides. The hearings are run like a court procedure but a little more informally. Since there is no evidence or testimony being given, it is not necessary to "swear in" the speakers. The Director is the final arbiter of the procedures of the hearing. Decisions related to any aspect of the holding of the hearings will be made by the Director and must be followed by the parties, although a decision which clearly withheld the legitimate rights of a party or which resulted in inequitable or biased treatment of a party or of evidence or argument could be a cause for appeal for judicial review. A written record of the hearings must be kept and placed on the case files.

Transcripts may be made by the Department, in Arabic, of the verbatim proceedings of the oral hearings. They would then be available from the Department at a suitable time after the oral hearings at a price which reflects the costs of producing the transcripts. Depending on the process used, the record may also be a transcript prepared by an independent transcriber (and available to the parties directly at their cost) or a record produced by the Department and

signed by the parties to indicate their acceptance or circulated to the parties with a deadline for corrections. They form part of the official non-confidential record of the investigation and would be available for viewing at the premises of the Department during business hours or at such times as may be specially agreed with the Department.

Conduct of Hearings

The parties appear to present their oral argument in the same order as they submitted their written evidence, i.e. domestic producers followed by respondents and other parties in opposition and finally rebuttal statements by the domestic producers. Since they may be unfamiliar with the proceedings of the Department at the oral hearings, in particular the time limits and the need for them to agree among themselves on time allocation, it may be advisable for the Director to hold an informal pre-hearing conference on the day preceding the oral hearings. This would not be a day when transcripts are made of the proceedings nor would any decisions be made for the record. The intention, instead, would be for the Director to explain how the hearings will be conducted, the time allocation system and the need for the parties to agree on their sharing of time or the Director will do it for them. If any decisions are taken, they would be repeated for the record at the beginning of the first day of oral hearings.

At the oral hearings, the parties would appear individually (although they would be encouraged to choose single spokespersons for those with similar interests and arguments) before the Director and other representatives of the Department and would make their interventions uninterrupted by the other parties. Each side gets its own opportunity to speak and must remain silent during the presentations of the other persons. The Director may ask questions of the parties, but is the only person so entitled. The Director will conduct the hearings so as to ensure that the parties stick to presenting argument and not try to introduce new evidence. The Director may decide that a party is out of order or is being repetitious or is introducing new evidence or any other matter concerning the procedures of the hearing and will caution the party accordingly, rule that the party is out of order or hand down such other decision as is necessary. While the procedures will be kept as informal as possible, given the adversarial nature of the proceedings, parties or their counsel may raise points of order which will be ruled on by the Director. If these counsel or persons have questions of procedure, they should be raised at the pre-hearing conference, if one is held.

Order of Appearance

As indicated above, the parties appear in the order of their written submissions. Within the opposing sides, the parties will appear in the order of their importance in the Jordanian market for the subject goods or in such other order as they may agree among themselves. The parties should be encouraged to choose individual counsel or persons to present the arguments of the group to the extent possible so as to make more effective use of their time, but the final decision on order and timing is theirs. The Director will expect to receive their agreed order and time allocation at the beginning of the first day of hearings and in the absence of agreement among the parties, will impose a time allocation on them. The same applies to the parties in opposition and others. Importers appear first in order of magnitude, then exporters in the same order, domestic producers opposing in the same order finally others – retailers, input users and consumers – as the Director may decide.

Questions by Director

The Director may ask questions during the oral hearings to clarify points of the argument. The questions may have been prepared in advance by the staff of the Department or they may arise out of the oral argument. As a general rule the Director will meet with the investigators concerned several days before the hearing and will discuss the anticipated conduct of the hearing. At that time the Director will identify areas where the evidence raises questions for the Department and the staff will prepare speaking notes for the Director to use during the hearings. Good preparation by the staff will anticipate any problems that may occur during the hearings and the Director should be well prepared. Any time used by the Director to ask a question and to receive the answer will be charged to the time allocation of the person to whom the question is addressed. Facilities may be available for simultaneous interpretation into a WTO language, but the official language of the hearings, and unless the Director agrees, in advance, the only language of the presentations during the oral hearings is Arabic. This will be the only language used in the transcripts of the hearings.

Decisions on Procedures

Where in any proceeding a question of procedure arises to which the statutes or regulations do not provide an answer, or the answer is incomplete, the question shall be disposed of, consistently with such of the statutes or regulations as are applicable, as the Director directs. For the purpose of any proceeding the Director may, in order to avoid an injustice to any party to the proceeding or if the parties to the proceeding consent, dispense with, vary, or supplement any of the practices of the Department. No proceeding is invalid by reason of a defect in form or a technical irregularity.

Recommendation on Safeguard Measures

In preparing this recommendation there are a number of factors to be considered. These relate to the impact on the producers and their adjustment plans and the impact on the Jordanian economy as a whole including Jordanian industry using the imports as a possibly vital and cost-sensitive input, Jordanian consumers and Jordan's international relations.

Nature of the Measure

A surcharge is easier to administer than a quota. It is simply applied across the board to all imports of the subject goods except for excluded developing countries. The surcharge must be high enough to affect the level of imports and this will have a corresponding effect on the input user, the consumer and the Jordanian economy. If imports are price insensitive and demand is inelastic, a surcharge may not be effective. Conversely, for elastic demand and price sensitive goods a surcharge may be very effective.

A quota requires some form of allocation system including reserves for substantial interests (normally more than 10% of imports) – agreed where possible with the exporters – allotted based on recent performance when not agreed. A quota shall not reduce the level below the average of imports for the last three representative years, unless there is clear justification for a different level (see Article 5 of Safeguards Agreement). This level may be too high for the

industry to adjust. It may also be more costly and more trade sensitive to administer as well as having questionable effectiveness. Under very special conditions involving consultations in the Safeguards Committee, you may depart from this level when there is serious injury (but not in the case of threat)(see Article 5 above) and the duration is limited to 4 years.

Any safeguard measure will have impact on input users and consumers. Is it significant, for input users can it be offset in other ways? Is the economic cost to the Jordanian economy in terms of input users and consumers justified by the benefit to the producers? Are there other ways of helping the producers? It may also have an impact on competition in the Jordanian market, is that desirable? The measure must be phased out over the period of its implementation.

Duration of the Measure

What is a reasonable period of time for the industry to adjust? Are the industry's adjustment plans realistic and achievable? The measures may not exceed 4 years without an extension. An extension requires a further investigation to ensure that the measures continue to be necessary to prevent serious injury AND that the industry is adjusting. Even a four year measure requires a mid-term review to ensure that the industry is adjusting. Three years is preferable as there is no mid-term review and there is no compensation or retaliation if it is based on an absolute increase in imports.

If the duration of the measure is 180 days or less, the measure may be repeated again after one year has passed, but it may not be imposed more than twice in a five year period. Beyond a 180 day term, the measure may not be re-applied for the greater of two years or half the period of the previous measure. The duration of any Provisional Measure counts against the total period of the measure.

Recommendation

The recommendation has to balance out all of these factors, dealing with them and explaining their projected impact to the Minister.

Preliminary and Final Determinations

The Safeguards Agreement provides guidance on the analysis of a safeguards investigation, but isn't much help on the content of Determinations. Article 6 refers to the need for a Preliminary Determination before imposing a Provisional Measure and Article 12.2 refers to the content of a Notification before applying a safeguard measure which would result from a Final Determination.

The Regulations provide guidance on Notifications to the Committee on Safeguards of the WTO regarding Provisional Measures (Article 31) and application, extension or review of a safeguard measure (Article 32) but not much guidance on Preliminary or Final Determinations.

These Determinations have a lot in common and are both prepared in non-confidential and confidential forms. The main difference between the two reflects the stage in the

investigation. The Preliminary Determination will contain recommendations to the Minister on Provisional Measures and the Final Determination will contain recommendations to the Minister on long term measures, exclusions, and consumer and domestic input users. Once the Council of Ministers approves the action to be taken, the decision is added to the non-confidential Determination and becomes the notification to the Committee on Safeguards. Some guidance is provided in the Standard Operating Procedures as to the content of a Preliminary Determination and considerable information about the Final Determination.

Each Determination consists of three parts: the Finding, the Statement of Reasons and the confidential recommendations to the Minister. The latter when approved by the Council of Ministers become the non-confidential Measures section which completes the report and the Notification to the Committee on Safeguards.

The Finding

The Finding will state the investigation number, the legal authority for the investigation, the goods involved in the investigation and the conclusion about increased imports, serious injury and causation (without giving any reasons) including any developing countries excluded from the finding. Later it will become the basis for the publication in the daily journals together with the Council of Ministers decision on action and, in the case of the Preliminary Measure the schedule for the following stages in the investigation.

The Statement of Reasons

The content of the Statement of Reasons will differ at the two stages because of the amount of information available and the stage in the investigation.

At the Preliminary Determination stage the Statement of Reasons will give:

Non-Confidential

- 1) Background –when the investigation was initiated, identification of petitioners, dates of sending questionnaires and notifications
- 2) Product
 - Product definition and description
 - Production Process
- 3) Domestic Industry – description of domestic industry including identifying petitioners and other domestic producers with response rates to questionnaires
- 4) Importers – description including response rate to questionnaires
- 5) Analysis –
 - 1) Increased imports
 - 2) Effects of the Increased Imports
 - a. injury
 - b. causation

6) Conclusion

Confidential

Recommendations to the Minister

The Final Determination will have a finding which is similar in form to the Preliminary Determination except that at this stage it will include any product exclusions as well as developing country exclusions. It should be noted that the product description may change in the course of the investigation from Initiation to Final Determination, reflecting the investigators improved understanding of the product definition. This would be explained in the Statement of Reasons under Product.

The Statement of Reasons will be expanded to reflect the end of the investigation.

Non-Confidential

- 1) Background – Similar to Preliminary Determination (PD) except that it will now include the dates of the PD, the nature of Preliminary Measures (PM) if any, the dates of the Staff Report and the Oral Hearing including the names of those who were represented by Counsel (identifying the Counsel), the receipt of submissions (identify submitters), any representation at the Oral Hearing without Counsel, and any witnesses called by the NPPD.
- 2) Product – Similar to PD with any changes with reasons.
- 3) Domestic Industry
 - Product definition and description
 - Production process
 - History of industry
- 4) Importers and exporters
- 5) Marketing and Distribution
- 6) Position of Parties
 - Domestic Industry
 - a) petitioners
 - b) other industry
 - Opposition
- 7) Analysis of Factors
 - Like or directly competitive goods
 - Increased Imports (should be the same as the PD)
 - Effects of imports – injury
 - causality
 - threat of injury

8) Requests for Exclusions, Consumer and Input User Representations

Nature
Conclusions

9) Conclusion on Investigation (same as Finding)

Confidential

Recommendation to the Minister including the nature and duration of measures and responses to Consumer and Input User representations.

Final Determinations

The investigation has finally come to an end for the Department and the files will soon be closed, barring judicial review or further discussion at a WTO Committee.

Negative Determination

A negative determination will address all of the relevant elements (for example, exclusion requests and consumer and competition interests can be treated summarily) in a Final Determination. Since the finding is negative, the government must immediately send an Order to the Customs Department instructing that department to cease collecting provisional duties, to refund any collected with interest, and to cease imposing any other form of safeguard measure that the government may have imposed on a provisional basis. The finding is published forthwith in two local daily newspapers and sent for publication in the Official Journal. Determination (Finding and Statement of Reasons) is sent by facsimile, by hand or by messenger to all of the parties and persons to whom questionnaires were sent, who received earlier Notices or who filed Appearances.

Affirmative Determination

An affirmative determination will address all of the relevant elements of a Final Determination. If the Determination made negative findings in respect of individual goods or sources, the government must issue an Order giving the Customs Department appropriate instructions to cease collecting surtaxes in regard to goods (but not sources) and to make refunds with interest as appropriate. If there was a negative finding in respect of goods in a safeguard investigation and provisional measures other than surtaxes were imposed, the Order will instruct the Customs Department to terminate the measure forthwith in respect of those goods. Similar Orders will be necessary if the finding was of threat of injury. The finding is published forthwith as in the previous paragraph and sent for publication in the Official Journal. The Determination (Finding and Statement of Reasons) is sent by facsimile, by hand or by messenger to the same distribution as would a negative determination.

NOTIFICATION REQUIREMENTS

AT INITIATION

Safeguards Agreement Article 12 (a)

- “1. A Member shall immediately notify the Committee on Safeguards upon:
- (a) initiating an investigatory process relating to serious injury or threat thereof and the reasons for it;”

Safeguards Agreement Article 3

“...This investigation shall include reasonable public notice to all interested parties...”

Jordanian Regulations Article 12“

- B. Provide notice of the decision to the petitioners and the Committee; and
- C. Make a public notice, on the expense of the petitioner, in two daily local newspapers on the initiation of the investigation. Such notice shall include a summary of the petition and required safeguard, and an invitation to all relevant interested parties with the investigation and any relevant parties to submit any information or data or documents or views supporting or opposing the petition. The date of initiation of an investigation shall be the date of such publication.”

The Safeguards Agreement requires the notification to the Committee on Safeguards (henceforth the Committee) of the initiation of the investigation including the reasons for the initiation. It also requires reasonable public notice to all interested parties. The Regulations require the publication in two daily newspapers of a public notice of the initiation, including a summary of the petition and required safeguards and an invitation to submit comments. It can be argued that this is insufficient public notice to meet the requirements of Safeguards Article 3.

The notification formula used by the Antidumping Agreement can be easily modified to provide notification guidance for Safeguards, As modified it would read:

- (i) the name of the exporting country or countries and the product involved;
- (ii) the date of initiation of the investigation;
- (iii) the basis on which increased imports are alleged in the application;
- (iv) a summary of the factors on which the allegation of injury is based;
- (v) the address to which representations by interested parties should be directed; the time-limits allowed to interested parties for making their views known.”

AT PRELIMINARY DETERMINATION

Articles 12.1(b) and (c) and 12.2 of the Safeguards Agreement provide:

- “...
 (b) making a finding of serious injury or threat thereof caused by increased imports; and
 (c) taking a decision to apply or extend a safeguard measure.

2. In making the notifications referred to in paragraphs 1(b) and 1(c), the Member proposing to apply or extend a safeguard measure shall provide the Committee on Safeguards with all pertinent information, which shall include evidence of serious injury or threat thereof caused by increased imports, precise description of the product involved and the proposed measure, proposed date of introduction, expected duration and timetable for progressive liberalization...”

Article 3 of the Safeguards Agreement provides:

“...This investigation shall include reasonable public notice to all interested parties and public hearings or other appropriate means in which importers, exporters and other interested parties could present evidence and their views, including the opportunity to respond to the presentations of other parties and to submit their views, *inter alia*, as to whether or not the application of a safeguard measure would be in the public interest...”

Article 31 of the Regulations provides:

Article 31

Immediately upon taking a decision regarding implementation of provisional measures, the Ministry shall notify the Committee provided that the notification contains the following information:

- A. A complete description of the investigated product, including its technical characteristics and uses, and an identification of its tariff classification and the duties applicable prior to the decision.
- B. A complete description of the domestic products, including their technical characteristics and uses.
- C. The basis for the determination of applying provisional safeguard measures.
- D. The nature and intended duration of the proposed provisional safeguard measure.

At the Preliminary Determination Stage, both the Agreement and the Regulations foresee the application of Provisional Measures. If no Provisional Measures are applied, the Regulations do not provide guidance. However, the Committee must be notified when making a finding of serious injury or threat, whether or not there were provisional measures. Similarly, the parties are entitled to reasonable public notice of the deadline for submitting Notices of Appearance, the date of the publication of the staff report, the deadline for submitting written evidence and submissions and the timing of the oral hearings. This information could be included in the Preliminary Determination and the notification requirement could be fulfilled by sending a copy of the non-confidential Preliminary Determination to the Committee and to interested parties, for example, by facsimile. If Provisional Measures are imposed, the notification envisaged by Regulation 31 with the addition of time-lines for the Appearances, staff report, written submissions and oral hearings, if sent to the Committee and interested parties by facsimile would seem to be sufficient.

AT FINAL DETERMINATION

Regulations Article 32

“Immediately upon taking a decision regarding the application, extension or review of a safeguard measure, the Ministry shall:

- A. Publish a notice in two local newspapers on the expense of the applicant ;
- B. Notify the Committee with the decision which shall contain the following information:
 - 1. A complete description of the investigated product, including its technical characteristics and uses, and an identification of its tariff classification for purposes of adjusting the customs tariff;
 - 2. A complete description of the domestic products, including their technical characteristics and uses;
 - 3. A summary of the affirmative injury determination on domestic producers, including the factors considered and the relevance thereof;
 - 4. Details concerning the domestic producers' adjustment plan and adaptation to imports of the investigated product;
 - 5. The form, level and duration of the proposed definitive safeguard measure;
 - 6. If a quantitative restriction is proposed, the allocation of the quota among the supplier countries;
 - 7. A timetable for the progressive liberalization of the measure pursuant to Article (29) of this Regulation;
 - 8. An identification of the developing countries exempted from the measure.
- C. Preparing a report containing the findings and reasoned conclusions on all pertinent issues of fact and law reached by the investigation.”

The Regulations provide definitive guidance on the content of a positive Final Determination. The notification should also be sent by facsimile to the interested parties.

NEGATIVE DETERMINATIONS

Neither the Agreement nor the Regulations provide much guidance on the notification of a negative finding. Once the initiation of an investigation has been notified, there is an obligation to finalise the process. This could be accomplished by a notification to the Committee, copied to all interested parties (both by facsimile) that the investigation is terminated with respect to the subject goods identified in the notice of initiation (if before Preliminary Determination) or notice of Preliminary Determination (if the investigation continued) for the reasons set out in the non-confidential determination or non-confidential notice of termination. Note, if there was a Preliminary Determination there must be a Final Determination, positive or negative.

Notifications are also required if there is a decision to review an earlier safeguard measure and any decision to extend a safeguard measure. There are other non-related notification requirements in the Agreement Article 12

SAFEGUARD APPLICATION

1. INTRODUCTION

Safeguard measures are a temporary exception to the principle of free trade if there is an increase in the volume of imports that is so rapid that it causes or threatens to cause serious injury to a domestic industry.

The measures are designed to provide a buffer against sudden and unforeseen shocks resulting from the opening of borders to international trade. The measures only have a temporary effect, giving the industry time to make adjustments to the changes and not to prevent permanent changes brought about by international competition.

1.1 Application

The application has to provide positive evidence:

- **OF THE INCREASE OF IMPORTS OF THE PRODUCT RELATIVE TO DOMESTIC PRODUCTION AND IN ABSOLUTE TERMS (IF APPLICABLE),**
- **OF SERIOUS INJURY TO AN INDUSTRY CAUSED OR THREATENED TO BE CAUSED BY THE INCREASED IMPORTS,**
- Of an adjustment plan for the industry , by which it will be able to meet international competition in the domestic market, and
- that the application represents at least 25% of the total production of the domestic industry producing the like or directly competitive product.

1.2 Source of imports

With the possible exception of the exclusion of negligible imports from developing countries, safeguard measures apply to the subject product irrespective of its source. Accordingly, total imports are considered in the analysis of any application.

1.3 Product

The product subject to an inquiry must be causing or threatening serious injury to a like product or a directly competitive product produced by the domestic industry.

1.4 Form of measures

Safeguard measures may take the form of either quantitative restrictions (quotas) or duty. These may only be applied to the extent necessary to prevent or remedy serious injury and facilitate industry adjustment.

1.5 Period of measures

Safeguard measures shall only apply for the period of time needed to prevent or remedy serious injury and facilitate industry adjustment. In any event the period shall not exceed 4 years unless an extension is granted. In the case of an extension the measure must continue to be necessary to prevent or remedy serious injury and there must be evidence that the industry is adjusting. The Department requires continuing regular reports from any industry, which has safeguard measures in place, of the progress of the adjustment programme.

1.6 Provisional measures

Provisional measures can be taken in critical circumstances where an industry can show that delay would cause damage that would be difficult to repair. The need for provisional measures must be substantiated in the application. The industry should note that provisional measures could only apply for a period of up to 200 days, during which a full investigation would be conducted.

Provisional measures may also be taken as a result of an investigation resulting in a positive Preliminary Determination of increased imports causing or threatening to cause serious injury to domestic producers. These provisional measures would only remain in place long enough to complete the investigation, but they provide protection for the domestic producers during this time.

1.7 Confidential information

All information and letters to the Department should be accompanied by a non-confidential version or a non- confidential summary. If any party indicates that this is not possible, the reasons why it is not possible must be provided. If a request for confidentiality is found by the Department not to be warranted or a non-confidential version or summary is not provided, the information may be disregarded.

1.8 Information

Information provided in this application should be accompanied by supporting evidence of increased imports, serious injury to the domestic industry and the causal link to the increased imports such as invoices, etc. Details of the industry's sales, costs, terms of sale, etc, must be taken from the companies' books of account and other records and be available so the Department can verify the information provided.

2. GENERAL INFORMATION

2.1 Subject Goods:

2.2 Company data:

Applicant company	
Name of company	
Address	
Telephone Number	
Fax Number	

- 2.3 Name and Title of contact people for application.
- 2.4 Repeat this information for each company that is part of the petition

Details of ownership of the company(ies)

- 2.5 Please provide broad details of shareholding (e.g. 100% public or private ownership) but give any details of cross shareholding or relationships with other companies in the industry, either in Jordan or in foreign countries.
- 2.6 Details of the company accounting year.
- 2.7 Brief list of all goods produced in the company or plant producing the like or directly competitive goods.
- 2.8 ***Please provide copies of your audited financial statements (Balance Sheet and Income Statement) for the last three years.***

3. Product information

3.1.1 Imports

- 3.1.1 Give a full description of the imported goods which are causing serious injury. This description should include the details of raw materials used, end use of the goods, product sizes, types or category of the goods, packing of the goods and the marketing and method of distribution and sale.
- 3.1.2 Please supply specifications, brochures and catalogues for the goods.
- 3.1.3 Tariff specification No - H.S Tariff Code. Tariff Rate
- 3.1.4 Please provide a description of the manufacturing process used in the production of the imported goods.

3.2 Jordanian product (s)

- 3.2.1 Give a full description of the goods made by your company. The description should include details of raw materials used, end use of the goods, product sizes, types or category of the goods, packing of the goods and marketing and method of distribution and sale and the HS Tariff Code.
- 3.2.2 ***Please provide a description of the manufacturing process used in production of the goods.***
- 3.2.3 Please explain any differences known to you between the imported goods and those produced in Jordan. Such differences may relate, amongst other things, to physical characteristics, method of manufacturing, function and use, pricing structures, marketing and distribution.

3.3 Directly competitive products

If you are claiming that your company produces directly competitive products to the imports, please provide the following details:

- 3.3.1 Give a full description of the competitive goods. This description should include details of materials used, end use of the goods, product sizes, types or category of the goods, packaging of the goods and the marketing and method of distribution and sale and the HS Tariff Code. Include any brochures or catalogues.

- 3.3.2 Please give the prices of the imported goods compared to the directly competitive goods, at the same level of trade (i.e. at retail/wholesale/ distributor level).
- 3.3.3 Describe quality, quantity or other differences between the imports and the directly competitive goods.
- 3.3.4 Describe any differences in the methods of manufacture and the technology used in the manufacture of the imports and the directly competitive goods.

4 Imports

- 4.1 Please give the volume and the value of total imports of the goods subject of the application in the following format:

	Year 1	Year 2	Year3	Year to date
Volume				
Value (JD)				

- 4.2 Please advise when the imports commenced to cause or threatened to cause serious injury to the local industry.
- 4.3 Please state the origin or source of the imports and each's share of imports.
- 4.4 Please give the names and addresses of known importers of the goods.

5 Industry details

- 5.1 Please provide the following details for each of the Jordanian companies producing the like or directly competitive goods:

Name of Company	
Address	
Telephone number	
Fax number	
Estimated % of Domestic production	

- 5.2.1 Does each company support the application? If so please attach a copy of the letter of support. Each company in the industry supporting the application must independently provide a brief list of all goods produced in the company or plant producing the like or directly competitive goods and details of revenue, sales and production volume, costs of production, general selling and administration costs and profit (earning before tax) etc. to the Department.
- 5.2.2 Please refer to the "Serious injury" section below for the format required.

6. Serious Injury

"Serious injury" means a significant overall impairment in the position of domestic industry.

“Threat of serious injury” means serious injury that is clearly imminent, and based upon evidence of the existence of a threat is based on facts and not merely on allegation, conjecture or remote possibility.

“Domestic industry” means the producers as a whole of like or directly competitive products, or those whose collective output constitutes a major proportion of the total domestic production of those goods.

In any inquiry into serious injury the department must have evidence showing:

- The volume of imports (relative to local production and in absolute terms),
- The rate and amount of increase in quantities imported,
- The share of the domestic market taken by increased imports,
- The decline in the prices of the subject goods,
- The effect of these imports on the prices including whether there is price undercutting, suppression or depression,
- Changes in the levels of sales, production, productivity, capacity utilization, profits and losses and employment, and
- Factors other than increased imports that are causing injury. Such factors could include changes in consumer demand to another product, changes in technology which make previous methods obsolete, etc.

6.1 Complete the following injury summary for domestic sales of the like or directly competitive goods for the most recent 3 years available and year to date, if possible by month or by quarter. The table should show the individual and amalgamated figures of all producers by or for whom this application is made. Please state if the table amalgamates different accounting years, and if so, identify the different accounting years for each producer.

Total	Year --	Year ---	Year ---	Year to date
Volume of sales				
Gross Sales Revenue				
Temporary price reductions				
Discounts				
Net Sales Revenue				
Cost of Production				
- Variable (specify)				
- Fixed (specify)				
SG&A(Sell, General, Admin)				
-Variable (specify)				
- Fixed (specify)				
Net revenue before Distribution Costs				
Less Distribution costs (DC)				
Net Revenue after DC but before taxes				
Per Unit				
Gross Sales Revenue				
Temporary price reductions				
Discounts				

<i>Net Sales Revenue</i>				
<i>Cost of Production</i> - Variable (specify) - Fixed (specify)				
<i>SG&A</i> -Variable (specify) - Fixed (specify)				
<i>Net revenue before Distribution Costs</i>				
<i>Less Distribution costs (DC)</i>				
<i>Net Revenue after DC but before taxes</i>				

6.2 Complete the following summary of sales, exports, production, inventory and capacity volumes.

Production, Sales, Capacity Exports and Inventory				
Production				
Exports				
Sales – domestic				
Inventory				
Capacity ¹				

6.3 Provide the following details on productivity of the industry. Give other details if there are other ways used to measure productivity.

Productivity/ man- hour				
Volume				
Revenue				

6.4 Give details of employment in man-hours over the period by quarters.(3 months period).

Employment ²				
<i>1st Quarter</i>				
<i>2nd Quarter</i>				
<i>3rd Quarter</i>				
<i>4th Quarter</i>				

6.5 Other Products Manufactured:

6.5.1 Where any company supporting the complaint produces goods other than the subject goods, each company must provide independently the total and unit costs of production of each product produced plus S.G.A and the basis of allocating the overhead costs among the different products.

1- Specify basis for factor.

2- Specify basis of man-hours-calculation.

6.6.1 Other causes of injury.

6.6.1 Please comment on factors other than the increased imports of the goods, which have affected the Jordanian market and competition within it (for example, economic conditions, change in fashion, etc.).

7. **Industry Adjustment Plan.**

7.1 Please set out details of the plans that the industry will undertake to adjust so that it can meet international competition.

7.2 Please comment on particular actions proposed under the following headings. Please also give details of the method of measurement of changes, and the effect on prices and costs of the changes. Please also give the dates of introduction of the elements of the adjustment program.

- Labor productivity increases.
- Manufacturing cost saving programs, e.g. waste control, quality improvement programs.
- Financial changes leading to cost or productivity saving, e.g. changes in equity and loan funding, restructuring of finances, etc.
- Investment in plant and machinery leading to cost savings or productivity increases.
- Changes in marketing and distribution leading to cost savings and benefits on delivery and reliability of service.
- Innovation changes or introduction of new technology leading to cost savings or productivity increases.

The department will monitor the continued application of safeguard measures (if any) so details of the implementation and results of any program are important.

8. **Application and duration of measures requested:**

Measures are only applied to the extent and for the duration needed to prevent or remedy serious injury and facilitate industry adjustment. The period shall not exceed 4, and preferably 3, years and will only be extended in exceptional circumstances. Please note that the measures must be liberalized during the period of application and that the Department can review it.

Please advise the following:

8.1 Are you requesting quantitative measures or measures in the form of duties. Give reasons for the choice. Please set out the amount of any measures requested.

8.2 Give details of the period of measures requested, and the program of progressive liberalization year by year.

9. **Public Interest**

The impact of any proposed measures on the public interest of consumer and input users in Jordan will be examined. Please comment.

10. Application

Please ensure your application is signed and dated, a non-confidential copy is enclosed and all attachments are included and send it to the following address:

Director

National Production Protection Department.

Ministry of Industry and Trade

Amman, Jordan.

Phone:

Fax:

Electronic Information

NPPD Web Site

ARABIC

Safeguards

Law

Regulations

Explanatory Pamphlet including petition format

Cases

Number/Goods

ENGLISH

Safeguards

Law

Regulations

Explanatory Pamphlet including petition format

Cases

Number/Goods

Notifications per case

Initiation – Public notice, non-confidential summary of petition (Arabic)
- Copy of Notice to WTO (English)

Preliminary Determination (Arabic)

Critical Circumstances Invocation – Preliminary Determination and Notify
Measure (Arabic)
- Copy of Notice to WTO prior to taking
measure (English)

Staff Report (Arabic)

Final Determination – Copy of Notice To WTO (Arabic and English)

Measures approved by Ministers in Council – Copy of Notice to WTO
(Arabic and English)

Mid-term Reviews – Notification of Conduct of mid-term Review (Arabic and
English)

Notification to WTO of extension of measures (Arabic
and English)

Viewing Room

There will be a viewing room for authorized and pre-arranged viewing of non-confidential case files. There must be two non-confidential case files, one for the official record and one for viewing by the parties. Viewing will be supervised to ensure that no person removes anything from the files.. There will be arrangements for on-site self-copying of pages from the file at a nominal cost.

Notice of Appearance

National Production Protection Department of Jordan
NOTICE OF APPEARANCE

In the matter of an investigation under the National Production Protection Law (NO.4) 1998 with respect to:

(specify the goods that are subject to the investigation)

The Director,
National Production Protection Department,
Ministry of Industry and Trade,
Amman, Jordan.
FAX.

Notice is hereby given that the undersigned is interested in submitting written evidence and argument in the above investigation, and intends to appear at any Oral Hearings. The undersigned has an interest in this investigation because

(state nature of interest)

The undersigned will not be represented by counsel.

OR

The undersigned will be represented by counsel, whose name is
and whose address and facsimile number for service are

Dated at

this day of 199 .

Signature
Name (type or print)
Address

Telephone
Facsimile (if any)

Questionnaires

INSTRUCTION TO INVESTIGATORS

The content of these forms is organized according to the nature of the respondent. The investigator must select the questions which apply to the particular investigation in which he or she is engaged, fill in the blanks and italicized data and add or rephrase questions to obtain the information needed. There is no standard questionnaire just as there is no standard

investigation. The investigators must decide what particular information is important in this investigation and how to go after it, i.e. what questions to ask and how to ask them. REMEMBER, THIS MAY BE THE ONLY CHANCE THAT YOU WILL HAVE TO OBTAIN WRITTEN INFORMATION FROM SOME SOURCES. USE IT WELL. AN HOUR SPENT IN THOUGHT BEFORE YOU DECIDE ON THE QUESTIONS (INCLUDING WHAT YOU WILL DO WITH THE ANSWER) MAY SAVE YOU MANY HOURS WHEN YOU WORK ON THE CALCULATIONS OR COMPILE AND ANALYZE THE INFORMATION FOR THE STAFF REPORT.

Each page of the questionnaire must be clearly headed by the classification that the investigator believes is justified by the answer sought. Confidential and non-confidential information must not be sought on the same page. The responder to the questionnaire is free to change the classification of any answer if he or she does not agree. The Department will not question any decision to down-grade an answer from confidential to non-confidential. However, the Department must be persuaded that the reverse is justified.

Some of the questions in these sets of questionnaires are numbered and some are not numbered.

The numbers of the questions are only intended to provide the general order of the questions in a questionnaire. When you are compiling a set of questionnaires in an investigation, the questions will be numbered serially in the order that you use. PLEASE DOUBLE-CHECK TO ENSURE THAT THE INTERNAL CROSS REFERENCES TO NUMBERS AND SCHEDULES IN A QUESTIONNAIRE ARE CONSISTENT AND THAT THE NUMBERS ARE IN SEQUENCE WITH ALL NUMBERS IN THE SEQUENCE USED.

QUESTIONNAIRES

Common Information

National Production Protection Department

Date

Questionnaire for (*manufacturers, importers, etc.*)

Subject Goods (*abbreviated or short description*)

Period of Review (*insert appropriate period – the most recent 3 full year period plus the current year to date*)

The information in this questionnaire is for use by the National Production Protection Department in its investigation into

(insert full description of subject goods)

Deadline

You are requested to complete this questionnaire and return it to the Director of the National Production Protection Department at (address) by hand or by messenger service or by facsimile to (insert FAX #) by no later than (insert date). You are advised not to send confidential information by mail or by facsimile, and the Department accepts no responsibility if such information is misdirected.

Confidentiality

By law, information that is confidential will be treated accordingly and may not be released or revealed by the Department to any other person, company or government organization without the specific authority in writing of the person providing the

confidential information. However, the law also requires that a non-confidential version of any confidential information be submitted with the confidential information. The non-confidential version must be sufficiently clear as to the content of the information that a reader understands what information has been provided, even if the confidential numbers are missing.

The Department has classified the information requested on certain pages as non-confidential and others as confidential. The page is clearly marked with the classification. If you agree with the classification, you have only to complete the questionnaire and return it to the Department. If you change a response from "Confidential" to "Non-confidential", no other action is required of you in this regard. However, if you change the classification of the response from "Non-confidential" to "Confidential", you must submit with the reply an explanation of the change and provide a non-confidential version. The explanation must be satisfactory to the Department or the Department can require that the information be re-classified as "Non-confidential", otherwise it must not be taken into consideration by the Department. If you provide additional information or submissions that you believe should be treated as confidential, the same rules apply.

Notice

You are requested to complete this questionnaire and return it in two copies to the National Production Protection Department by facsimile, by hand or by messenger by no later than (*insert date*). Facsimile transmission is not a secure means of sending Confidential information and the Department recommends strongly against using this medium for confidential replies or submissions. Moreover, the Department accepts no responsibility for the protection of confidential information from disclosure as a result of its transmission by facsimile.

Information received by the above date will be taken into consideration in the Preliminary Determination by the Department in this investigation and will be used in the compilation of the Department's Staff Report. Information received at a later date may have to be used at a later stage in the investigation. You are strongly recommended to respond to all of the questions asked. The absence of responses to individual questions or the lack of a response to the questionnaire will cause the Department to use the best information available, which may be the information provided in the original complaint which triggered the investigation. The Department may request additional information from individual companies as necessary.

Notice of Appearance

If you wish to provide written submissions and evidence to the Department in the event of an affirmative Preliminary Determination (if you respond to the questionnaire, you will receive a copy of any Preliminary Determination) and the continuation of the investigation, you are required to complete and return the Notice of Appearance which forms part of this questionnaire. If you appoint counsel to represent you and you designate those counsel in the appropriate section of the Notice, it is your responsibility to provide them with any confidential information that you wish them to see. The Department will not provide Confidential information to any counsel nor will it discuss such information with those counsel at any stage in the

investigation unless specifically authorized in writing by the person who provided the Confidential information.

Verification

The information provided in the response to this questionnaire is subject to audit and verification by the Department during a visit to you by an investigator from the Department. The investigator would verify the data by an examination of your records and personnel. You would be advised in advance of the timing and purpose of such a visit.

Name and Address of Reporting Company

CERTIFICATION

The undersigned certifies that the information supplied herein is complete to the best of the signatory's knowledge and belief.

Date Signature of Authorized Official Company Stamp or Seal (if existing)

Telephone

Facsimile Name and Title of Authorized Official (please type or print)

General Instructions

1. This questionnaire is divided into two parts.

Part I deals with information that is public in nature and will be treated as such unless you request (and justify) otherwise.

Part II deals with information that is normally confidential in nature and will not be revealed to anyone outside the Department, unless you so authorize in writing or you change the classification.

2. If the answer to any question is "none", "not applicable" or "not available" please indicate which of these situations applies rather than leaving blank the answer space to any question.

3. All information is requested on a (western) calendar year basis. If adjustments are necessary to audited statements to convert them to a calendar year basis, please identify the adjustments and give a full explanation of how they were made.

4. If the information is not available from your records in exactly the form requested, please provide estimates with a full explanation of how they were prepared.

5. Please provide your answers in the space provided in the questionnaire, as applicable, or on separate sheets, clearly identified as to question and confidentiality, attached to the questionnaire.
6. When possible, data should be presented in tabular format (tables) rather than narrative format. When data contain estimates rather than actual amounts, please so indicate, explain how the estimates were made and identify the source documents used.
7. If the hard copy (paper) of your response was prepared on an IBM compatible computer please provide, in addition to the hard copy, a copy of a computer diskette containing that information. Please list the files contained on the diskette and the software used to generate the files.
8. Unless instructed differently, all values, costs, charges, etc. should be quoted in the currency in which they occurred (and so identified, eg \$US, DM, FF) and not converted into Jordanian currency.
9. It is important that the responses to questionnaires are supportable by concrete evidence, including source documents and working papers. In addition to evidence specifically requested in the questionnaire, the Department may request documentation to support any response either by written communication or at the time of the verification visit. It is particularly important that respondents be able to produce source documents used to generate any computer input.
10. Responses should be as specific as possible. Where a particular question is not worded in such a manner that the reply clearly reflects the existing situation, please provide such additional information as you believe is appropriate. Any subsequent submissions, if required, must be accompanied by a non-confidential version of any confidential data submitted together with an explanation of the reasons for its confidentiality.
11. If a question has been answered fully in response to an earlier question, it is not necessary to repeat the answer but simply to indicate the cross-reference.
12. Note that the expression “subject goods “ is used interchangeably to refer to imports and to like and directly competitive goods. The meaning in any particular case will be apparent from the context of the question.
13. Any questions related to this questionnaire can be directed to *insert name(s)* at telephone number (*insert*) or facsimile number (*insert*).

(QUESTIONNAIRES INVOLVING ALL FORMS OF TRADE REMEDIES)

Public Information (non-confidential)

1. Give details of your company name, address, telephone and facsimile numbers, if any.

2. Give the names, titles, addresses (if different from above), telephone and facsimile numbers, if any, of persons in your company to be contacted for further information.

3. What is your company's fiscal year? _____

4. Please provide audited (to the extent available) or non-audited (if audited not available) copies of your annual reports for the last three full financial years and the current year to date. If the information is not public information, please classify it as confidential, give an explanation for its confidentiality and provide a non-confidential version for general access.

5. Please provide any brochure, pamphlets or booklets giving further information about your company and its products.

6. If your firm is a wholly or partially owned subsidiary, please give the name and address of the parent company and indicate the extent of ownership.

<u>Name</u>	<u>Address</u>	<u>Extent of Ownership</u>

7. If your firm wholly or partially owns other firms, please list the names and addresses and indicate the extent of your company's ownership in these firms.

<u>Name</u>	<u>Address</u>	<u>Extent of Ownership</u>

8. If your firm is affiliated in any manner with manufacturers of the subject goods in Jordan or in any of the countries subject to the investigation (subject sources), importers or exporters of the subject goods into Jordan, suppliers of raw materials to

manufacturers in Jordan of the subject goods, or customers in Jordan that buy the subject goods, please list those affiliations with their addresses and the nature of the affiliation.

<u>Name</u>	<u>Address</u>	<u>Affiliation</u>

9. Please provide a brief history of your firm with particular emphasis on the subject goods. The history, among other things, should cover the date of incorporation, corporate structure, organization chart and the range of products made, imported, and/or marketed by your firm, with particular emphasis on subject goods marketed in Jordan. Describe the nature of your trade level i.e. manufacturer, importer, exporter, distributor, wholesaler, retailer etc., and detail the functions which you perform.

10. If you manufacture the subject goods, please indicate the location of your plants and the respective products produced at each plant. Please indicate which plants produce the subject goods and which, if different, you are using to supply the Jordanian market.

(Questions Specific to Type of Respondent)

Domestic Manufacturer's Questionnaire

Part I - Public Information

Have you permanently closed or otherwise disposed of any plants producing the subject goods or made any significant asset disposals since January 1, 19xx (beginning of period of review)?

YES

NO (circle correct answer)

If yes, please indicate the plant or major asset concerned and the date, the location and the reasons for the closure or disposal.

Please describe how the subject goods are produced and provide a flow chart of the production process.

Please submit complete price lists for the subject goods for years (the period of review). If the price lists cover more than the subject goods, please identify clearly on the price lists which are the subject goods.

Please report your methods of marketing and product distribution as they pertain to all of your production and, particularly, to subject goods.

Please describe the current state of the market outside Jordan for the subject goods. Also please provide the names of any documents, such as studies or articles in trade journals, that you know provide a description of the current state of the world market for the subject goods.

If you are making any allegations of lost sales or lost accounts in response to questions in the confidential Part of this questionnaire, please provide here, in summary form, the names of these accounts and the dates of these lost sales or price reductions. Please provide any of the details of these allegations that you are prepared to have on the public record.

Quality Differences in Your Product

(circle correct answer)

1. _____

Advantage Disadvantage

2. _____

Advantage Disadvantage**Quality Differences in Imported Product**

(circle correct answer)

1. _____

Advantage Disadvantage

2. _____

Advantage Disadvantage**MARKETING**

10. Please provide in Schedule V the volume and value of sales to each of your 10 **largest** accounts for the subject goods.

11. Please provide the information requested in Schedule VI for at least 10 **major** accounts for the subject goods for which you consider that imports of the subject goods have caused you to lose sales (but not the whole account) and/or to reduce prices in order to retain sales.

12. Please provide the information requested in Schedule VII for at least 10 **major** accounts for the subject goods which you consider to have been lost to imports of the subject goods.

13. How far in advance of delivery is the ordering of subject goods usually done? (please specify number of days, weeks or months)
Average ordering time in advance of delivery is _____.

14. What is the minimum lead time required to fill orders?
Minimum lead time is _____.

IMPORTS

15. Please report your imports of the subject goods as shown in Schedule VIII for which you were the importer for customs purposes.

SALES

16. Please report your sales of the subject goods as shown in Schedule IX. Please make additional copies of the page which shows sales from imports and complete a separate page for each country from which you imported subject goods.

17. What is the potential for increasing your firm's exports of subject goods?

18. How has the demand for subject goods changed since the beginning of 19xx (*the last three full years*)?

19. What have been the principal factors affecting the change (e.g. exchange rates, interest rates, new products) ?

20. What effect, if any, has technological change in the past five years (affecting either the production or the end use of the subject goods) had on your firm's ability to compete with other domestic or imported sources of the subject goods?

EMPLOYMENT

21. Please report the annual average number of employees engaged directly, and indirectly, in the production of subject goods and other goods as indicated in the following table.

<i>for data)</i>	19xx	19xx	20xx	20xx (<i>last period</i>)
------------------	------	------	------	-----------------------------

(number of employees)

Subject Goods

Direct employment

Indirect employment

Subtotal

Other Products

Direct employment

Indirect employment

Subtotal

Total Plant

Direct employment includes employees whose tasks can be readily traced (by observation) to the production of goods and whose activities in respect of the production of the subject goods are properly reflected as direct labour costs in the company's income statement requested earlier.

Indirect employment includes plant personnel such as supervisors, superintendents and quality control employees, but does not include sales and administrative personnel.

22. Please report the person-hours worked by the employees in the last question.

	19xx	19xx	20xx	20xx (<i>last period</i>)
<i>for data)</i>				
				(000 hours)

Subject Goods

Direct employment

Indirect employment

Subtotal

Other Products

Direct employment

Indirect employment

Subtotal

Total Plant

23. Please report in the table below, the level of employment for sales and administrative personnel. Please explain any increases or decreases in personnel attributable to imports of the subject goods.

	19xx	19xx	20xx	20xx (<i>last period</i>)
<i>for data)</i>				

Sales Personnel

Administrative personnel

24. For each year since 19xx (*first year of review period*) please give the number of: (1) reduced hours of work; (2) lay-offs; (3) strikes; and (4) other plant shut-downs for reasons other than holidays which affected your production of the subject goods. In addition, for each event, please give the number of employees affected and the duration.

Year	Event	# of Employees Affected	Duration
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

25. What percentage of the labour force employed in the manufacture of subject goods can be considered easily transferable to the manufacture of other products currently manufactured by your firm? Please specify the major factors that constrain the redeployment of the labour force to the manufacture of other products currently produced by your firm.

_____ percent of labour force easily transferable.

Comments on factors that constrain redeployment

26. What percentage of the labour force employed in the manufacture of subject goods would require substantial retraining and, therefore, would not be easily transferable to the manufacture of other products made by your firm?

_____ percent of labour force require substantial retraining.

CAPACITY AND CAPACITY UTILIZATION

27. Please complete the following table showing the practical (realistic, not theoretical) capacity and utilization of your firm's production facilities employed in the production of the subject goods and other goods.

19xx 19xx 20xx 20xx (*last period*)

Practical Plant Capacity (units)

Subject Goods

Utilization (units)

Utilization rate (%)

Other Products

(produced on common equipment)

Utilization (units)

Utilization rate (%)

28. Please explain in detail the method used to determine practical plant capacity as reported in the last question. Where capacity was increased, please explain how this was achieved.

29. Please report your firm's new investments in plant facilities since January 1, 19xx (*first year of review period*), broken down as follows:

19xx 19xx 20xx 20xx

(000)

Relative to:

A) Production of
Subject Goods

Total _____

Major Items _____

B) Rest of Firm

Total _____

Major Items _____

—

30. What products, if any, other than the subject goods, could be produced with the available machinery and equipment used to produce the subject goods?

31. Please describe the extent of any re-tooling of machinery and equipment used in the production of subject goods that would be required for the production of products identified in response to the last question.

32. How much downtime would be associated with a shift in production?
_____ hours.

33. What, if any, additional investments in machinery and equipment would be required?

34. If sales volume warranted, how much time would be required to achieve full utilization of practical production capacity of subject goods?

35. Would the availability of any required inputs (e.g. labour, materials) pose a constraint to attaining full utilization of practical capacity?

YES

NO (circle correct answer)

Comments

INVENTORIES

36. Please report your inventories of subject goods at the following dates.

Value(000)	Made in Jordan		Imports
	Volume(units)	Value(000)	Volume(units)
December 31, 19xx _____	_____	_____	_____
December 31, 19xx _____	_____	_____	_____
December 31, 19xx _____	_____	_____	_____
December 31, 20xx _____	_____	_____	_____
Current year to date _____	_____	_____	_____

37. Please describe the method used to value the above inventories. Have there been any changes in the method of valuation over the period in question? Have there been any major write-downs of inventory during the period?

PRICES

38. Regarding your price lists covering the subject goods for the period since 19xx (beginning of review period), please give details relating to terms, discounts and allowances or other considerations which have the effect of reducing the price to the purchaser. If a discount list is used in selling the subject goods, please provide a copy of the list (or lists) that was (or were) in effect during this period.

SCHEDULES

NOTE: These forms only show one year. When reproduced for use in the questionnaire they must show as many years (three full plus most recent) as are used earlier in the questionnaire.

Schedule I Income Statement for the Subject Goods and All Products

	DC	(000) 19xx Exp
Total		
Volume of Sales (units)		
Gross Sales(value)		
Discounts etc.		
Net Sales		
Cost of Goods Sold		
Beginning Inventory		
Plus Cost of Goods Manufactured		
Less Ending Inventory		
Cost of Goods Sold		
Gross Margin		
General, Selling And Administrative Expense		
Financial Expense		
Net Income Before Taxes - Total		
Per Unit		

DC is subject goods sold from domestic production for domestic consumption.

Exp is subject goods sold from domestic production for export.

Notes: The above figures should be based on the same fiscal year regularly used by the firm in reporting its financial results. The results for total operations should correspond to those reported in the firm's audited financial statements. Please attach working papers and supporting source documents (or summary reports) used in the preparation of the results for the most recent period. If the methods differed significantly for earlier years, also provide working papers and source documents for those years. Please indicate on the completed schedule that the income statement is prepared using a full absorption costing method and also whether the firm regularly uses full absorption costing in reporting its financial results.

Schedule II Cost of Goods Manufactured for the Subject Goods and All Products

	DC	(000) 19xx Exp
Total		
Volume of Goods Manufactured (units)		

Beginning Inventory of Goods in Process

Raw Materials Used

Direct Labour

Factory Overhead

Less Ending Inventory of Goods in Process

Actual Cost of Goods Manufactured

Cost Per Unit

DC is subject goods sold from domestic production for domestic consumption.

Exp is subject goods sold from domestic production for export.

Notes: The above figures should be based on the same fiscal year regularly used by the firm in reporting its financial results. The results for total operations should correspond to those reported in the firm's audited financial statements. Please attach working papers and supporting source documents (or summary reports) used in the preparation of the results for the most recent period. If the methods differed significantly for earlier years, also provide working papers and source documents for those years.

Schedule III**Range of Subject Goods Manufactured, Imported or Purchased in Jordan by your Firm**

Product specification	Manufactur in Jordan Yes/No	Location of Jordanian Plant	Source of Imports (supplier & country)	Source of Domestic Purchases (name supplier)
------------------------------	------------------------------------	------------------------------------	---------------------------------------------------	-----------------------------------------------------

Schedule IV**Production of Subject Goods
Volume (units)**

for data) 19xx 19xx 19xx 19xx (last period)

Subject Goods (for both domestic and export sales) _____

Schedule V**TEN LARGEST ACCOUNTS FOR SALES OF SUBJECT GOODS**

Account _____
Address _____
Trade Level _____

Volume (units) Net Delivered Value Delivery Costs(%)

19xx -----

19xx
Q1
Q2
Q3
Q4

20xx
Q1
Q2
Q3
Q4

20xx
Q1
Q2

Q3

1. Please make copies of this schedule and complete one for each of the ten accounts.
2. Trade level includes wholesalers/distributors, mass merchandisers, retailers, original equipment manufacturers or users.
3. Net Delivered Value is the total value of sales to this account net of cash, quantity or deferred discounts, allowances and taxes. However it includes any delivery costs (freight, handling and insurance) paid by your firm and included in the selling price or an estimate of the delivery costs if paid by the purchaser.
4. Please express the average delivery costs whether paid by your firm or by the purchaser as a percentage of the net delivered value.

SCHEDULE VI**Major Accounts for which Sales Volume Was Lost and/or Prices Were Reduced or Suppressed for the Subject Goods****Account** _____**Address**_____
Trade Level _____**Product Specifications(style etc.)**

Date of Loss or Price Reduction

Sales Lost

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

Price Reductions

Old Net Delivered Price

Delivery Costs (%)

New Net Delivered Price

Delivery Costs (%)

Competition

Name _____

Source _____

Product _____

1. Please make copies of this Schedule and complete one copy for each of the ten accounts which were not lost but where you suffered a loss of sales volume and/or a reduction in prices.
2. Trade level includes wholesalers/distributors, mass merchandisers, retailers, original equipment manufacturers or users.
3. Net Delivered Value is the total value of sales to this account net of cash, quantity or deferred discounts, allowances and taxes. However it includes any delivery costs (freight, handling and insurance) paid by your firm and included in the selling price or an estimate of the delivery costs if paid by the purchaser.
4. Please express the average delivery costs whether paid by your firm or by the purchaser as a percentage of the net delivered value.

SCHEDULE VIII

Major Lost Accounts for Sales of Subject Goods

Account _____

Address _____

Trade Level _____

Product Specifications(style etc.)

Date of Loss or Price Reduction

Accounts Lost

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

Competition

Name

Source _____

Product _____

1. Please make copies of this Schedule and complete one copy for each of the ten accounts which were lost.
2. Trade level includes wholesalers/distributors, mass merchandisers, retailers, original equipment manufacturers or users.
3. Net Delivered Value is the total value of sales to this account net of cash, quantity or deferred discounts, allowances and taxes. However it includes any delivery costs (freight, handling and insurance) paid by your firm and included in the selling price or an estimate of the delivery costs if paid by the purchaser.
4. Please express the average delivery costs whether paid by your firm or by the purchaser as a percentage of the net delivered value.

SCHEDULE VIII

Imports of the Subject Goods

	19xx	19xx	20xx	20xx (last period)
--	------	------	------	-----------------------

ORIGINATING IN

Country _____

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

1. Please make copies of this Schedule and complete one Schedule for each country from which you imported the subject goods.
2. The reply should cover only those imports where you were the importer for customs purposes, i.e. paid the customs duties when the goods had fully and finally cleared customs (after the customs broker, if any).
3. The net delivered value is the laid-in cost, including all import costs such as customs duties, brokerage fees and delivery costs (freight, handling and insurance) to your warehouse.
4. The net delivered value should be stated in Jordanian Dinar.
5. Please express the average delivery costs as a percentage of the net delivered value.

SCHEDULE IX

Sales of the Subject Goods

19xx 19xx 20xx 20xx (*last*
period)

A) Sales from Domestic Production

(i) for domestic consumption

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

(ii) for export

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

B) Sales from Imports

Country _____

(i) for domestic consumption

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

(ii) for export

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

1. Please make copies of this Schedule and complete one Schedule for each country from which you imported the subject goods.
2. The reply should cover only those imports where you were the importer for customs purposes, i.e. paid the customs duties when the goods had fully and finally cleared customs (after the customs broker, if any).

3. Net delivered value is net of cash, quantity or deferred discounts, allowances and taxes. However, it includes any delivery cost paid by your firm or an estimate of these costs if paid by the purchaser.
4. Please express the average delivery costs as a percentage of the net delivered value.

IMPORTER'S QUESTIONNAIRE

Part I Public Information

Please provide a full description of the (*broad definition of subject goods*) which your company imports and any brochures and/or catalogues on these products.

Please explain any differences between the products which are imported by your company and those manufactured by the Jordanian producer.

Please provide the names and addresses of the foreign exporters supplying you with the goods under investigation and indicate whether or not they are manufacturers of those goods. If they are not the manufacturers of the goods, please provide the names and addresses of the manufacturers to the extent known to you. Please provide details of any contracts or purchase agreements in effect during the period of review to the extent that the information is non-confidential. If there is information about these transactions which you wish to protect, please leave the confidential data blank in this part of the questionnaire and on a separate sheet **clearly marked confidential** provide the same data including the confidential figures and attach it to Part II of this Questionnaire.

Please provide information about any third party purchaser or seller, if any, between your company and the exporting company. If these parties exist, please provide their names and addresses and all non-confidential information that you are able to make available about these transactions, including the functions performed. If there is information about these transactions which you wish to protect, please leave the confidential figure blank in this part of the questionnaire and on a separate sheet **clearly marked confidential** provide the same data including the confidential figures and attach it to Part II of this Questionnaire.

Have you ever considered sourcing the subject goods in Jordan? If so, what product line? With what results? If not, please give the reasons for not sourcing in Jordan.

Please submit complete price lists covering the subject goods for 19xx (*the period of review*). If the price lists cover more than the subject goods, please clearly indicate on the price lists which products are the subject goods.

Please indicate if the subject goods are sold to your customers in Jordan in the same condition as imported. If not, please provide details of any assembly or packaging in Jordan before their resale and complete Confidential Schedule VIII.

Please provide details about any additional manufacturing processes which are performed on or added to the subject goods before they are sold in the Jordanian market and complete Confidential Schedule VIII.

Please report your methods of marketing and product distribution as they pertain to all of your imports and, particularly, to subject goods.

Over the last three full years and currently, have you exported any of the subject goods either in the form in which they were imported or as modified in Jordan? If so, provide details that are not confidential in nature. If there is information about these transactions which you wish to protect, please leave the confidential figure blank in this part of the questionnaire and on a separate sheet **clearly marked confidential** provide the same data including the confidential figures and attach it to Part II of this Questionnaire.

Please provide the time periods required for average purchases and shipments of subject goods from the date on which you place the purchase order until the goods are cleared through customs and in your possession. Please identify each stage and the time required at each stage.

Please describe the current state of the market outside Jordan for the subject goods. Also please provide the names of any documents, such as studies or articles in trade journals, that you know provide a description of the current state of the world market for the subject goods.

PART II
CONFIDENTIAL INFORMATION

Note: Information requested in this Part is considered to be confidential in nature and will be treated as such unless you classify it as public information.

FINANCIAL

Please submit audited financial statements for your firm for the fiscal years 19xx, 19xx, and 20xx and interim reports for 20xx, as applicable. If audited statements are not normally prepared, please forward the equivalent non-audited statements.

Please provide your audited income statements covering sales of the subject goods for the fiscal years 19xx, 19xx, and 20xx and interim reports for 20xx, as applicable. If such a statement does

not exist, provide your audited income statements for the narrowest range of goods which includes the subject goods. In the latter case, please provide estimated statements for the subject goods and explain how they were derived.

Did any relationship with your supplier influence any of your purchase price, the Jordanian selling price of the subject goods or the amount of profit realized in Jordan? Please explain

If any of your Jordanian customers are related to your firm, provide full details of the relationship and the discounts or any other considerations which reduce the selling price to such related customers.

Explain the terms and conditions governing sales of the subject goods during the period of review to all of your Jordanian customers, whether or not related, including:

(a) Selling Price - provide copies of the relevant price lists that were in place or if price lists were not used, indicate the method used in determining selling prices.

(b) Discounts - explain the various types of discounts granted and the criteria for such discounts.

(c) Payment Terms - indicate the terms and conditions of payment, whether on a cash or credit term basis. Explain any options offered and indicate the cost to your company if it is the usual practice to factor (i.e. sell to another company at a reduced value) or discount your accounts receivable.

(d) Freight Policy - explain your firm's freight policy (FOB warehouse, delivered basis, billed separately etc.)

With respect to your firm's sales of the subject goods to your Jordanian customers during the period of investigation, indicate/provide:

- (a) the unit of measurement of sale (per unit, piece, set, etc.) and total quantity sold,
- (b) sales information relative to:
 - (i) total gross sales revenues,
 - (ii) total amount of sales returns, and
 - (iii) total amount of cash or other discounts allowed.
- (c) the preponderant selling price or in its absence, the weighted average selling price (net of discounts) by model, type, grade or size, etc. of the subject goods sold by your firm, and
- (d) catalogues and/or brochures, including specification data, relating to the goods sold on the Jordanian market.

PRODUCT

Please list separately in Schedule I the *(range, e.g.styles, models, grades or sizes of the subject goods)* imported by your firm and the *(range, e.g.styles, models, grades or sizes of the subject goods)* purchased from domestic suppliers, and indicate the source.

DOMESTIC PURCHASES

Please report your purchases of the subject goods from Jordanian producers as shown in Schedule III.

SALES

Please report your sales of the subject goods imported from countries as shown in Schedule IV. Your sales from imports should be provided separately for each country from which you imported the subject goods.

MARKETING

Please provide in Schedule V the volume and value of sales to each of your 10 **largest** accounts for the subject goods.

Please provide the information requested in Schedule VI for at least 10 **major** accounts for the subject goods for which you have increased sales volume (excluding new accounts) since 19xx (*beginning of review period*).

Please provide the information requested in Schedule VII for at least 10 **major** accounts (i.e. new accounts) for the subject goods which you have gained since 19xx (*beginning of review period*).

INVENTORIES

Please report your inventories of subject goods at the following dates.

Value(000)	Made in Jordan		Imports
	Volume(units)	Value(000)	Volume(units)
December 31, 19xx _____	_____	_____	_____
December 31, 19xx _____	_____	_____	_____
December 31, 19xx _____	_____	_____	_____
December 31, 20xx _____	_____	_____	_____
Most recent date _____	_____	_____	_____

Please describe the method used to value the above inventories. Have there been any changes in the method of valuation over the period in question? Have there been any major write-downs of inventory during the period?

PRICES

Regarding your price lists covering the subject goods for the period since 19xx (beginning of review period), please give details relating to terms, discounts and allowances or other considerations which have the effect of reducing the price to the purchaser. If a discount list is used in selling the subject goods, please provide a copy of the list (or lists) that was (or were) in effect during this period.

Assuming that the price of domestic goods remained unchanged, what impact would a 10 % increase in the price of subject goods have on the demand for subject goods?

_____ percent decrease in import volume.

Would the percentage change in imports differ for a 10% price decrease?

YES NO (circle correct answer)

Comments

What goods, produced either in Jordan or in another country, would be reasonable substitutes for the domestically produced or imported subject goods? Please specify any restrictions or limitations to the use of these subject goods (e.g. technical specifications, cost-effectiveness, quality, etc.).

For the four best substitute goods identified in the answer to the last question, if they are not currently cost-effective alternatives, what is the **minimum** price increase necessary to make them cost effective alternatives?

_____ percent increase in the price of subject goods to make substitute one cost-effective

_____ percent increase in the price of subject goods to make substitute two cost-effective

_____ percent increase in the price of subject goods to make substitute three cost-effective

_____ percent increase in the price of subject goods to make substitute four cost-effective

Comments

Can domestically produced subject goods and imported subject goods be used interchangeably?

YES NO (circle correct answer)

If not, please describe the physical characteristics and/or other factors that do not allow the goods to be used interchangeably.

Do differences in quality between subject goods imported by your firm and subject goods being produced in Jordan constitute a significant factor in your firm's sales of the subject goods?

YES NO (circle correct answer)

If so, please specify those quality differences and indicate whether they are an advantage or a disadvantage to your firm's sales.

Quality Differences in Imported Product

(circle correct answer)

1. _____

Advantage Disadvantage

2. _____

Advantage Disadvantage

Quality Differences in Jordanian Product

(circle correct answer)

1. _____

Advantage Disadvantage

2. _____

Advantage Disadvantage

Given current Jordanian market conditions, what effect would a sustained 10 % price increase in Jordan, relative to the international market (a price increase expected to last two or three years) have on your firm's sales and on the overall size of the Jordanian market for subject goods?

_____ percent decline in your firm's sales

_____ percent decline in the Jordanian market

Comments

Would the percentage changes in your firm's sales and the overall size of the Jordanian market differ for a 10 % price decrease?

Your firm's sales YES _____ % NO (circle correct answer)

Overall Jordanian market YES _____ % NO (circle correct answer)

Comments

How has the demand for subject goods changed since the beginning of 19xx (*the review period*)?

What have been the principal factors affecting the change (e.g. exchange rates, interest rates, new products)?

What effect, if any, has technological change in the past three full years (affecting either the production or the end use of the subject goods) had on your firm's ability to compete with other domestic or imported sources of the subject goods?

SCHEDULE I**RANGE OF SUBJECT GOODS IMPORTED OR PURCHASED DOMESTICALLY BY YOUR FIRM**

Product Specifications Purchases (style, model, size etc.)	Source of imports (name & country)	Source of Domestic Purchases (name and address)
_____	_____	
_____	_____	
_____	_____	
_____	_____	

SCHEDULE II**IMPORTS OF THE SUBJECT GOODS**

_____ 19xx 19xx 20xx 20xx (last
period)

ORIGINATING IN

Country _____

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

1. Please make copies of this Schedule and complete one Schedule for each country from which you imported the subject goods.
2. The reply should cover only those imports where you were the importer for customs purposes, i.e. paid the customs duties when the goods had fully and finally cleared customs (after the customs broker, if any).
3. The net delivered value is the laid-in cost, including all import costs such as customs duties, brokerage fees and delivery costs (freight, handling and insurance) to your warehouse.
4. The net delivered value should be stated in Jordanian dinar.
5. Please express the average delivery costs as a percentage of the net delivered value.

SCHEDULE III

PURCHASES OF SUBJECT GOODS FROM JORDANIAN PRODUCERS

	19xx	19xx	20xx	20xx (last period)
Volume (units)				
Net Delivered Value (000)				
Delivery Costs (%)				

1. Value must be shown net of cash, quantity or deferred discounts, allowances and taxes. However, it includes any delivery costs (freight, handling and insurance) included in the selling price or an estimate of the delivery costs incurred by your firm when the goods are purchased on an F.O.B. basis.

2. Please express the average delivery costs (freight, handling and insurance), whether included in the purchase price or incurred separately by your firm, as a percentage of the Net Delivered Value.

SCHEDULE IV**SALES OF THE SUBJECT GOODS****Sales of the Subject Goods**

	19xx	19xx	20xx	20xx (last period)
--	------	------	------	-----------------------

A) Sales from Domestic Production**(i) for domestic consumption**

Volume (units)				
Net Delivered Value (000)				
Delivery Costs (%)				

(ii) for export

Volume (units)				
Net Delivered Value (000)				
Delivery Costs (%)				

B) Sales from Imports

Country _____

(i) for domestic consumption

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

(ii) for export

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

1. Please make copies of this Schedule and complete one Schedule for each country from which you imported the subject goods. You need only respond to Part A on your first reply.
2. The reply should cover only those imports where you were the importer for customs purposes, i.e. paid the customs duties when the goods had fully and finally cleared customs (after the customs broker, if any).
3. Net delivered value is net of cash, quantity or deferred discounts, allowances and taxes. However, it includes any delivery cost paid by your firm or an estimate of these costs if paid by the purchaser.
4. Please express the average delivery costs as a percentage of the net delivered value.

Schedule V**TEN LARGEST ACCOUNTS FOR SALES OF SUBJECT GOODS**

Account _____

Address _____

Trade Level _____

Costs(%)	Volume (units)	Net Delivered Value	Delivery
19xx	-----	-----	-----
19xx			
Q1			
Q2			
Q3			
Q4			

20xx
Q1
Q2
Q3
Q4

20xx
Q1
Q2
Q3

1. Please make copies of this schedule and complete one for each of the ten accounts.
2. Trade level includes wholesalers/distributors, mass merchandisers, retailers, original equipment manufacturers or users.
3. Net Delivered Value is the total value of sales to this account net of cash, quantity or deferred discounts, allowances and taxes. However it includes any delivery costs (freight, handling and

insurance) paid by your firm and included in the selling price or an estimate of the delivery costs if paid by the purchaser.

4. Please express the average delivery costs whether paid by your firm or by the purchaser as a percentage of the net delivered value.

SCHEDULE VI

Major Accounts for which Sales Volume for the Subject Goods has Increased since January 1, 19xx (beginning of review period)

Account _____

Address

Trade Level _____

Product Specifications (style etc.)

Date of Gain

Sales Gained
Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

CompetitionName
_____Source
_____Product

1. Please make copies of this Schedule and complete one copy for each of the ten accounts where sales were gained..
2. Trade level includes wholesalers/distributors, mass merchandisers, retailers, original equipment manufacturers or users.
3. Net Delivered Value is the total value of sales to this account net of cash, quantity or deferred discounts, allowances and taxes. However it includes any delivery costs (freight, handling and insurance) paid by your firm and included in the selling price or an estimate of the delivery costs if paid by the purchaser.
4. Please express the average delivery costs whether paid by your firm or by the purchaser as a percentage of the net delivered value.

SCHEDULE VII

Ten Major Accounts Gained for Sales of Subject Goods

Account _____**Address**
_____**Trade Level** _____**Product Specifications(style etc.)**
_____**Date Account Gained**
_____**Accounts Gained**Volume (units)
_____Net Delivered Value (000)

Delivery Costs (%) _____

CompetitionName
_____Source

Product

1. Please make copies of this Schedule and complete one copy for each of the ten accounts which were gained.
2. Trade level includes wholesalers/distributors, mass merchandisers, retailers, original equipment manufacturers or users.
3. Net Delivered Value is the total value of sales to this account net of cash, quantity or deferred discounts, allowances and taxes. However it includes any delivery costs (freight, handling and insurance) paid by your firm and included in the selling price or an estimate of the delivery costs if paid by the purchaser.
4. Please express the average delivery costs whether paid by your firm or by the purchaser as a percentage of the net delivered value.

SCHEDULE VIII

GOODS IMPORTED FOR FURTHER PROCESSING, MANUFACTURING OR ASSEMBLY

Provide the details of any costs, charges and expenses incurred in the assembly, packaging or further manufacture of goods into which the imported goods are incorporated.

<i>period)</i>	19xx	19xx	20xx	20xx (<i>last</i>
Volume (000 units)	_____	_____	_____	_____

Costs per Unit

Direct Labour	_____	_____	_____	_____
---------------	-------	-------	-------	-------

Materials

Factory Overhead (breakout factors of overhead)

Administrative Expenses (breakout details)

If yes, please comment on changes.

C) Please indicate the year in which your firm began purchasing the subject goods_____.

If you resell the subject goods, what percentage of your firm's sales revenue do the subject goods constitute? _____%

If you are a user of the subject goods:

i) what percentage of your firm's total sales do sales of the finished products using the subject goods constitute? _____%

ii) what percentage of the cost of production of the finished products using the subject goods do the subject goods constitute? _____%

PART II
CONFIDENTIAL INFORMATION

PURCHASES

Please report your firm's **total** purchases (total of non-contract and contract purchases) of *(list of subject goods for which you want answers)* in the last three full years and the year to date in Schedule I.

Please report further details on your firm's **contract** (projected or longer-term) purchases of *(list of subject goods for which you want answers)* in the last three full years and the year to date in Schedule II.

Please report your firm's **total** purchases (total of non-contract and contract purchases) of *(list of subject goods for which you want answers)* in the last three full years and the year to date in Schedule III.

Please describe how your firm chooses suppliers and negotiates prices for its contract purchases of subject goods and indicate if there have been any changes in this process since the beginning of 19xx *(three full years before the beginning of the investigation)*.

Please describe how your firm chooses suppliers and negotiates prices for the non-contract purchases of the subject goods and indicate whether there have been any changes, and if so what, in this process since the beginning of 19xx (three full years before the beginning of the investigation).

Please indicate the percentage of the volume of the subject goods purchased by your firm that represent contract purchases (projected or long-term contracts) versus non-contract purchases.

19xx(beginning of review period) _____% purchased under contract

19xx _____% purchased under contract

20xx _____% purchased under contract

20xx _____% purchased under contract

Comments

If your firm does not purchase under contract please go on to the question on non-contract purchases.

How frequently do you negotiate contract purchases and what is the average duration of these contracts?

Monthly Quarterly Annually Other _____ (specify)(circle answer)

Estimated average duration_____

If the frequency or average has changed since the beginning of 19xx (beginning of review period), please indicate how and why it has changed.

Did the price of contracts negotiated since the beginning of 19xx (beginning of review period), change during the life of the contract?

YES NO (circle correct answer)

If yes, please comment

How frequently, on average, do you make non-contract purchases?

Daily Weekly Monthly Other _____(specify) (circle answer)

Please comment if this has changed since the beginning of 19xx (*beginning of review period*).

Please rank the factors below in their order of importance (1 being the most important), when choosing a supplier.

Quality_____ Service/Support_____ Price _____

Warranties_____ Range of suppliers product line _____

Delivery time_____ Made in Jordan _____

Other (specify)_____

What is the average delivery time after placing an order?

Domestic Producers Number of Days_____ Weeks_____ Months_____

Import Sources

Country_____ Number of Days_____ Weeks_____ Months_____

Has your firm stopped purchasing or decreased its purchases of subject goods from any domestic source since the beginning of 19xx (*beginning of review period*)?

YES NO (circle correct answer)

If yes, please identify the three major factors, in order of importance, for your decision

1.

2.

3.

Has your firm started purchasing or increased its purchases of subject goods from *(named sources, repeat question as often as you require information)* at any time since the beginning of 19xx *(beginning of review period)*?

YES

NO (circle correct answer)

If yes, please identify the three major factors, in order of importance, for your decision

1.

2.

3.

Please indicate which suppliers have been the most aggressive in terms of pricing (price level, discounts, rebates, credit terms, etc.) at any time since the beginning of 19xx (beginning of review period), and give examples to support your choices).

Given current Jordanian market conditions, what effect would a sustained 10 % price increase in Jordan, relative to the international market (a price increase expected to last two or three years) have on your firm's purchases and on the overall size of the Jordanian market for subject goods?

_____ per cent decline in your firm's purchases

_____ per cent decline in the Jordanian market

Comments

Would the percentage changes in your firm's purchases and the overall size of the Jordanian market differ for a 10 % price decrease?

Your firm's purchases YES _____ % NO (circle correct answer)

Overall Jordanian market YES _____ % NO (circle correct answer)

Comments

PRODUCT SUBSTITUTION

What goods, produced either in Jordan or in another country, would be reasonable substitutes for the domestically produced or imported subject goods? Please specify any restrictions or limitations on the use of these subject goods (e.g. technical specifications, cost-effectiveness, quality, etc.).

For the four best substitute goods identified in the answer to the last question, if they are not currently cost-effective alternatives, what is the **minimum** price decrease necessary to make them cost effective alternatives?

_____ percent decrease in the price of subject goods to make substitute one cost-effective

_____ percent decrease in the price of subject goods to make substitute two cost-effective

_____ percent decrease in the price of subject goods to make substitute three cost-effective

_____ percent decrease in the price of subject goods to make substitute four cost-effective

Comments

Can domestically produced subject goods and the imported subject goods be used interchangeably?

YES NO (circle correct answer)

If not, please describe the physical characteristics and/or other factors that do not allow the goods to be used interchangeably.

Do differences in quality between subject goods imported from (*named sources, repeat question for each important source*) and subject goods being produced in Jordan constitute a significant factor in your firm's sales of the subject goods?

YES NO (circle correct answer)

If yes, please specify those quality differences and indicate whether they are an advantage or a disadvantage to your firm's sales.

Quality Differences in Imported Product (circle correct answer)

1. _____
_____ **Advantage Disadvantage**

2. _____
 _____ Advantage Disadvantage

Quality Differences in Jordanian Product (circle correct answer)

1. _____
 _____ Advantage Disadvantage

2. _____
 _____ Advantage Disadvantage

What countries would be considered **reliable** sources of supply for the subject goods?

Since the beginning of 19xx (*beginning of review period*), have your firm's purchase of substitute non-subject goods

increased remained the same decreased (circle correct answer)?

Are transportation costs a major factor in your firm's decision to purchase subject goods from domestic versus imported sources?

YES NO (circle correct answer)

What percentage would transportation costs represent in your total purchase cost of subject goods?

Imported source _____% Domestic source
 _____%

In your experience over the past year and relative to the price of subject goods from (*named sources, repeat question for each source*) the price of domestically produced subject goods has

increased remained the same decreased (circle correct answer)?

Comments

If your firm purchased subject goods from *(name important sources of imports)* sources in the last year, approximately how much higher would the price for the subject imports (for each source named from which you made purchases) have to have been before your firm purchased the domestically produced product?

Country _____ % higher

Country _____ % higher

Country _____ % higher

Country _____ % higher

Schedule I

TOTAL PURCHASES OF SUBJECT GOODS , SELECTED PRODUCTS

Product _____ *(form is for one year, repeat as often as required)*

	Year xxxx			
	Q1	Q2	Q3	Q4
Purchases				
Name				
Country/Domestic Producer/Importer				
Volume (units)				
Net delivered value (000)				
Delivery costs as % of value				

Other offers

Name
Country/Domestic Producer/Importer
Quoted price
Indicate (x) if quote includes freight

1. Please make copies of this Schedule and complete one Schedule for each of the selected products.
2. Please provide the name of domestic or foreign supplier or importer, as applicable, and the country of origin of the goods.
3. Net delivered value is net of cash, quantity or deferred discounts, allowances and taxes. However, it includes any delivery costs (freight, handling and insurance) paid

by the supplier and included in the purchase price or an estimate of the delivery costs incurred by your firm when the goods are purchased on an F.O.B. basis. If the goods are imported, it should also include customs duties and brokerage fees, i.e. it should be the value at your warehouse or store.

4. Please express the average delivery costs (freight, handling and insurance), whether included in the purchase price or incurred separately by your firm, as a percentage of the net delivered value reported in the previous line.

5. Under "other offers", for each unsuccessful quotation, please provide the name of the domestic or foreign supplier or importer, the country of origin of the goods and the price quoted.

SCHEDULE II

CONTRACT PURCHASES OF SUBJECT GOODS, SELECTED PRODUCTS

REQUESTS FOR BIDS 19XX, 19XX, 20XX AND 20XX (REVIEW PERIOD)

Product _____

Contract name and reference number if applicable

Specifications of product

Closing date of tender _____

Location for product to be delivered _____

Volume requested _____

Competing Bids **one** **two** **three** **four** **five**

Name of bidder

Country/Domestic

Producer/Importer

Volume tendered

Net delivered value

Delivery costs as % of value

Name of Successful Bidder _____

Contract Value _____

Volume supplied _____

1. Please provide a separate set of sheets for each contract for each selected product.
2. Please provide the name of the domestic or foreign supplier or importer as applicable and the country of origin.
3. Net delivered value is net of cash, quantity or deferred discounts, allowances and taxes. However, it includes any delivery costs (freight, handling and insurance) paid by the supplier and included in the purchase price or an estimate of the delivery costs incurred by your firm when the goods are purchased on an F.O.B. basis. If the goods are imported, it should also include customs duties and brokerage fees, i.e. it should be the value at your warehouse or store.
4. Please express the average delivery costs (freight, handling and insurance), whether included in the purchase price or incurred separately by your firm, as a percentage of the net delivered value reported in the previous line.
5. If the value of the tender is different from the value of the contract, please explain why there is a difference.

SCHEDULE III**TOTAL PURCHASES OF THE SUBJECT GOODS****IMPORTS OF THE SUBJECT GOODS**

19xx 19xx 20xx 20xx (*last*
period)

ORIGINATING IN

Country _____

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

1. Please make copies of this Schedule and complete one Schedule for each country from which you imported the subject goods.
2. The reply should cover only those imports where you were the importer for customs purposes, i.e. paid the customs duties when the goods had fully and finally cleared customs (after the customs broker, if any).
3. The net delivered value is the laid-in cost, including all import costs such as customs duties, brokerage fees and delivery costs (freight, handling and insurance) to your warehouse.
4. The net delivered value should be stated in Jordanian dinar.
5. Please express the average delivery costs as a percentage of the net delivered value.

PURCHASES OF SUBJECT GOODS FROM JORDANIAN PRODUCERS

19xx 19xx 20xx 20xx (*last*
period)

Name of Jordanian Producer

Volume (units)

Net Delivered Value (000)

Delivery Costs (%)

1. Please reproduce the Schedule and identify the purchases from each Jordanian producer separately.
2. Value must be shown net of cash, quantity or deferred discounts, allowances and taxes. However, it includes any delivery costs (freight, handling and insurance)

included in the selling price or an estimate of the delivery costs incurred by your firm when the goods are purchased on an F.O.B. basis.

3. Please express the average delivery costs (freight, handling and insurance), whether included in the purchase price or incurred separately by your firm, as a percentage of the Net Delivered Value.

ANNEX B

Accounting and Financial Analysis Training

In principle, investigating officers are chosen with some background and understanding of basic accounting and economic principles. In practice, the material has either been forgotten through lack of use (and therefore should come back more quickly) or was not treated in any depth and has not been retained. It may also have been learned initially in Arabic and the concepts not translated readily into another language.

Investigating officers will have to be able to understand accounting; financial reporting and analysis; pricing, marketing and economic analysis; and industrial organization theory sufficient to develop and analyze the responses to questionnaires, perform on-site investigations and audits and prepare analytical reports answering these questions which will stand up to scrutiny and challenge in the courts of Jordan and at the WTO.

Following are some recommendations on the scope of the subject matter to be covered in any accounting and financial analysis course, keeping in mind that Arabic is the language of the legislation, regulations etc. in Jordan and is the working language in the new Department and the language in which the definitive reports and analyses are published. Arabic will also be the most likely language used in the questions and responses dealing with injury, causation and domestic market issues, while a foreign language (likely English or French) will be the most likely language of response from other countries and their companies (usually involving dumping or subsidy determinations), and that time limits imposed on the process do not leave a lot of time to translate this material into Arabic.

General Accounting

- 1 understanding of double entry book-keeping, accruals, prepayments, amortization/depreciation, asset valuation methods and implications, budget vs actual accounting systems and their reconciliation etc.
- 2 understanding of a chart of accounts and how to read them
- 3 understanding of balance sheets with source and meaning of the various entries and the implications of changes
- 4 understanding of income (or P&L) statements with sources and meaning of data and significance of changes
- 5 understanding of the use of and how to analyze various subsidiary journals and statements, e.g. sales, receivables, payables, cash, inventories, assets/depreciation, liabilities, wages & benefits, Cost Of Sales, Cost Of Goods Manufactured etc
- 6 understanding of consolidated statements and how to analyse and disaggregate them including practices with affiliated companies including sales, purchases, royalties, dividends, commissions, interest payments and other means of transferring expense and income
- 7 source and application of funds analysis
- 8 understanding of treatment of general, sales, and administrative expenses as well as financial expenses and other expenses and income not related to manufacturing and sales

- 9 meaning of generally accepted accounting principles(GAAP)
- 10 ways in which owners can take benefits out of a firm, e.g. salaries, dividends, preferential loans, services and other perquisites
- 11 legal and financial differences among different forms of organization e.g. sole proprietor, partnership. limited companies, public versus private companies etc.

Cost Accounting

- 1 use of cost centers
- 2 types and implications of various costing methods and systems including variance analysis and distribution
- 3 full absorption costing system
- 4 inventory analysis, finished goods, raw materials or work-in-progress, valuation alternatives with their impact and the impact of changes in methods
- 5 direct cost statements, material, labor and overhead, how to construct and analyze
- 6 overhead cost centers, typical centers and methods of distribution, what tricks to watch for, impact of changes on the bottom line per product
- 7 general, selling and administrative costs, analysis and distribution
- 8 analysis and distribution of R & D costs, warranty and similar cost centers, sales cost centers, general and administrative cost centers,
- 9 joint and by-product costing, alternatives and use of products as inputs elsewhere in the company or for other revenue

Financial Analysis

- 1 use of ratios to analyze the health of a company and its exposure to financial markets
- 2 analysis of gross profit margins
- 3 pricing analyses, elasticities, response to substitutes, pricing decisions
- 4 credit ratings, borrowing funds, short and long term liabilities, leverage of equity and Owners Equity analysis

Industrial Organization

- 1 organization chart analysis, capacity to separate functions into organizational components and understand relationships, relating costs to the accounting systems
- 2 plant capacity, how determined, factors which influence responsiveness to change (e.g. retooling, product-dedicated equipment, capital vs labor intensive, retraining and learning curves, labor skills, lead time and financing for new equipment etc.)
- 3 labor, pricing of wages and benefits, costs and impacts of industrial actions (mgmt & labor)
- 4 seasonality and product cycles, impact on performance and statements, relation to accounting cycle, understanding financial impacts

Economic Analysis

- 1 pricing analyses, elasticities of supply and demand, substitutability
- 2 market analyses, price and quantity responsiveness of domestic supply and imports and the factors influencing this e.g. plant capacity and utilization, inventory levels, alternate markets and commitments
- 3 price points in markets, how to understand and identify
- 4 factors which influence decisions on where and how to compete in markets

Product Pricing and Other Factors

- 1 costs of goods manufactured, other costs such as G.S.&A.,(general, selling and admin) financial etc
- 2 pricing at direct/marginal cost, factory cost or full absorption cost
- 3 pricing strategies including price point and other forms of competition and marketing strategies (advertising, service, warranties, delivery, location etc.)
- 4 shipping terms define and explain e.g. FOB, CIF, EXW(ex works), DDP(delivered duty paid) etc.
- 5 insurance, product guarantees/warrantees, spare parts and service contracts
- 6 anything else which would be helpful to the analyses described in the reamble assuming that the advice of a professional accountant can be obtained but that it would use up precious time and that it would not be available during on-site audits outside Jordan.