

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Jordan

Exporter Guide

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Report Highlights:

This report provides updated information for U.S. exporters of food and agricultural products to Jordan. The report highlights best prospects for consumer-oriented food products.

Jordan's food imports in the first 9 months of 2016 were valued at \$3.1 billion, of which U.S. food and agricultural products were valued at \$233 million, an 18 percent increase from 2015. The increase is due to a surge in corn exports and a 95,000 MT wheat grant under FAS' Food for Progress program. US market share is expected to grow in food ingredients used in food processing as Jordan's agribusiness sector continues to enjoy solid growth.

Post:

Amman

Disclaimer:

This report was prepared by the Foreign Agricultural Service office at U.S. Embassy, Amman, Jordan for exporters of U.S. food and agricultural products, as well as U.S. regulatory agencies. While care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies is unavailable. It is highly recommended that U.S. exporters verify the full set of certificate requirements with their foreign customers prior to the shipment of goods. Final import approval of any product is subject to the importing country's rules and regulations.

SECTION I: MARKET OVERVIEW

1. Economic, Political and Demographic Situation

Politics

Jordan is located in the heart of the Middle East. It is bounded on the north by Syria, on the east by Saudi Arabia and Iraq, on the south by Saudi Arabia and the Gulf of Aqaba, and on the west by Israel and the Palestinian Authority's West Bank. It covers an area of approximately 35,000 square miles.

Predominately Arab and Muslim, the population of Jordan today is nearly 9.6 million, with an influx of at least two million refugees from Syria in the last four years. Christians form the largest non-Muslim group, representing three percent of Jordan's population. Jordan is also host to large populations of registered Palestinian and Iraqi refugees. Its population is growing steadily at a rate of approximately 2.5 percent a year, becoming increasingly urbanized with more than 50 percent of the population living in the three main cities of Amman, Zarqa, and Irbid.

Since assuming the throne in February of 1999, King Abdullah II has consolidated power and undertaken an aggressive economic reform program. Widespread political reforms progressed slowly, until the Arab Spring's waves reached the shores of Jordan. As a consequence, King Abdullah tasked his cabinet with a key undertaking: to proceed with political reforms while infusing a social dimension of economic reforms to improve the living conditions of Jordan's population.

The King also launched the National Integrity Charter in December 2013, outlining a series of legislative, legal, and procedural reforms that strengthen public oversight, improve government services, enhance transparency and the rule of law, and created a constitutional court.

As part of the reforms, the Government of Jordan (GOJ) amended 42 articles (one-third) of the Constitution, established an Independent Electoral Commission that administered parliamentary elections in 2013. Subsequent parliamentary elections were held in September, 2016, on a list casting basis, in an attempt to improve political representation and minimize tribal polarization. International observers described the elections as free and transparent.

The United States enjoys a long history of cooperation with Jordan, since it first established diplomatic relations in 1949. The United States appreciates the special leadership role that Jordan plays in advancing peace and moderation in the region, as both countries share the mutual goals of a comprehensive and lasting peace in the Middle East, and the end of violent extremism that threatens global security. U.S. policy seeks to reinforce Jordan's commitment to peace, stability, and moderation by providing economic and military assistance and close political cooperation.

Besides Egypt, Jordan is the only other Arab country to have signed a peace agreement with Israel, and in 2001, became the first Arab country to sign a free trade agreement with the United States.

Economy and Demographics

With a per capita gross domestic product (GDP) of about \$3,976 and a population of nearly 9.5 million, 70 percent of which is under the age of 30, Jordan has one of the smallest economies in the region. In recent years, Jordan's economic performance has suffered due to regional instability associated with the Arab Spring and the Iraqi and Syrian conflicts. Most economists believe that Jordan's economic growth will be modest in the short-term given its dependence on energy imports and the country's limited ability to generate enough revenue to offset these costs. Jordan economy is currently under the pressure of GoJ debt to GDP at 93.40 percent.

The U.S.-Jordan Free Trade Agreement (FTA), which came into full effect in 2010, provides a number of advantages for U.S. exporters, who are able to sell high-quality products at attractive prices, as most tariff barriers have been eliminated. Because of the FTA, bilateral trade has surged exponentially over the past 13 years from \$ 15 million in 2001 to a record \$3.4 billion mark in 2014. However, due to a strong dollar and a slowing global economy, bilateral trade slowed down in 2016, registering a total value of \$2.47 billion from January to October a seven percent decrease from the same period in 2015.

Table 1 –U.S. Trade in Goods with Jordan 2016

Month	Exports	Imports	Balance
January 2016	127.7	106.4	21.3
February 2016	161.5	110.5	51.0
March 2016	105.6	127.7	-22.1
April 2016	112.7	108.4	4.3
May 2016	93.3	107.7	-14.4
June 2016	99.9	110.7	-10.8
July 2016	102.9	161.9	-59.0
August 2016	98.5	198.6	-100.1
September 2016	95.8	163.2	-67.4
October 2016	127.0	136.5	-9.5
TOTAL 2016 as of October	1,124.9	1,331.6	-206.7
TOTAL 2015	1,359.0	1,491.6	-132.6
2014	2,050.4	1,400.5	649.9
2013	2,084.0	1,197.3	886.8

2012	1,766.4	1,155.5	610.8
2011	1,449.7	1,060.5	389.2

US Census Bureau- <https://www.census.gov/foreign-trade/balance/index.html> NOTE: All figures are in millions of U.S. dollars on a nominal basis, not seasonally adjusted unless otherwise specified. Details may not equal totals due to rounding.

Main imports into Jordan include: mineral fuels and crude oil, industrial machinery, transportation equipment, food and agricultural products, textiles, manufactured goods such as rubber products, paper and cardboard, yarns, chemicals, clothing and footwear. The largest exporters to Jordan are: the European Union (20 percent), Saudi Arabia (20percent), China (11percent), United States (6percent), followed by Egypt, South Korea, Japan, and Turkey.

The value of total exports reached \$5.6 billion during the first 9 months 2016[i.e., a decrease by 4.0 percent compared with the same period of 2015]. While imports reached \$14 billion during the first 9 months 2016, thus decreasing by 8.1percent compared with the same period of 2015.

Table 2: Main Economic Indicators, Jordan, Expenditure of GDP (Percent)

	2013 Actual	2014 Actual	2015 Estimate	2016*
Nominal GDP (\$ billions)	33.7	36.7	37.2	27
Real GDP Growth	2.8	3.5	2.4	1.9
Consumer Price Inflation	5.6			-0.5
Imports of Goods (\$ billions FOB)	19.4		15.232	14
Exports of Goods (\$ billions FOB)	7.9	-	6.5	5.6
Consumer Price Index (percent change)	5.9	3.2	3.6	2.2
Unemployment Rate	6.8	6.7	13.4	15.8
Exchange Rate (LCU/US\$)	0.708	0.708	0.708	0.708

Source: The World Bank, *1st 9 months

Figure 1: Jordan's GDP Growth 2006-2016

JORDAN GROSS NATIONAL PRODUCT



SOURCE: WWW.TRADINGECONOMICS.COM | DEPARTMENT OF STATISTICS, JORDAN

Figure 2: Jordan's Population Growth 2011-2015

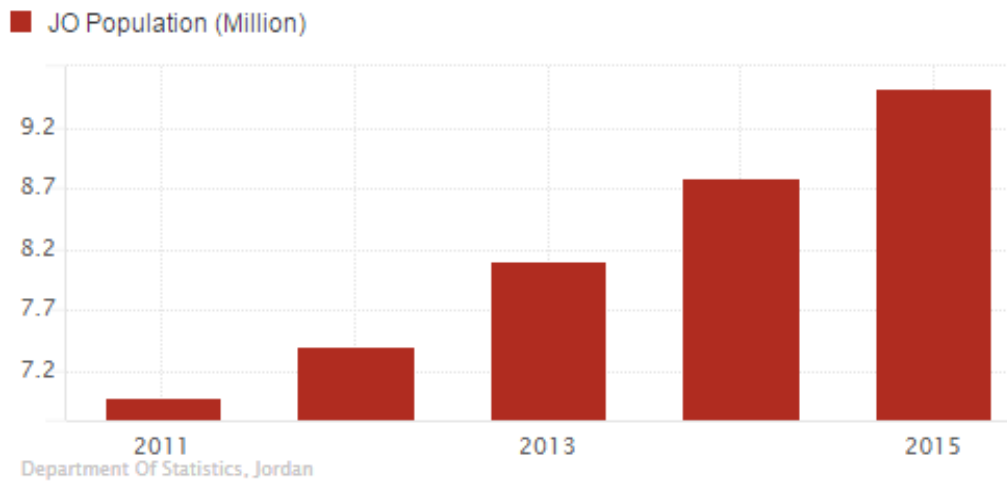


Figure 3: Jordan's Inflation Rate

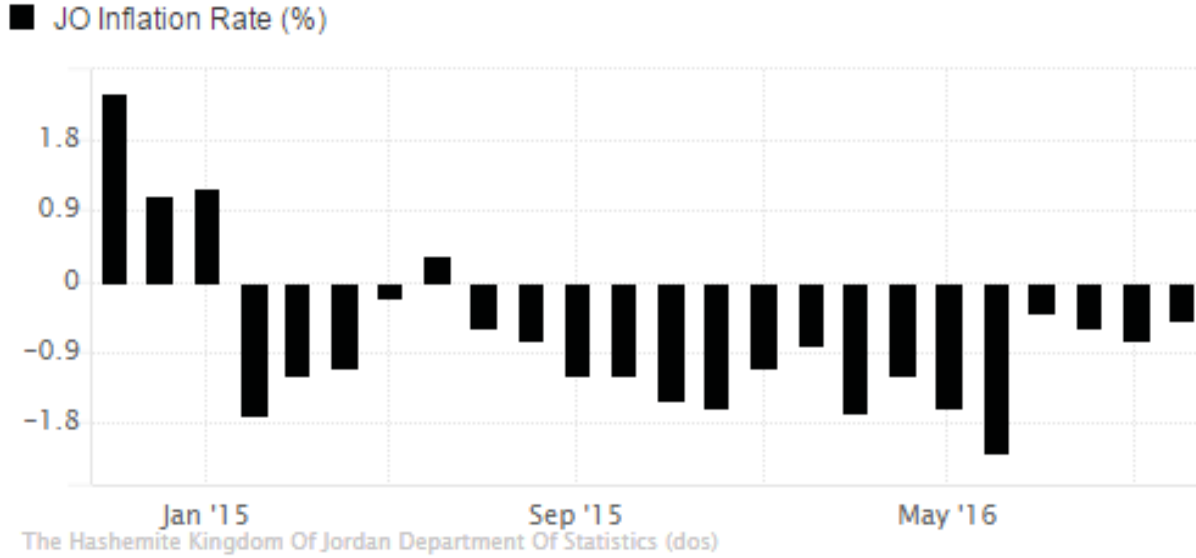
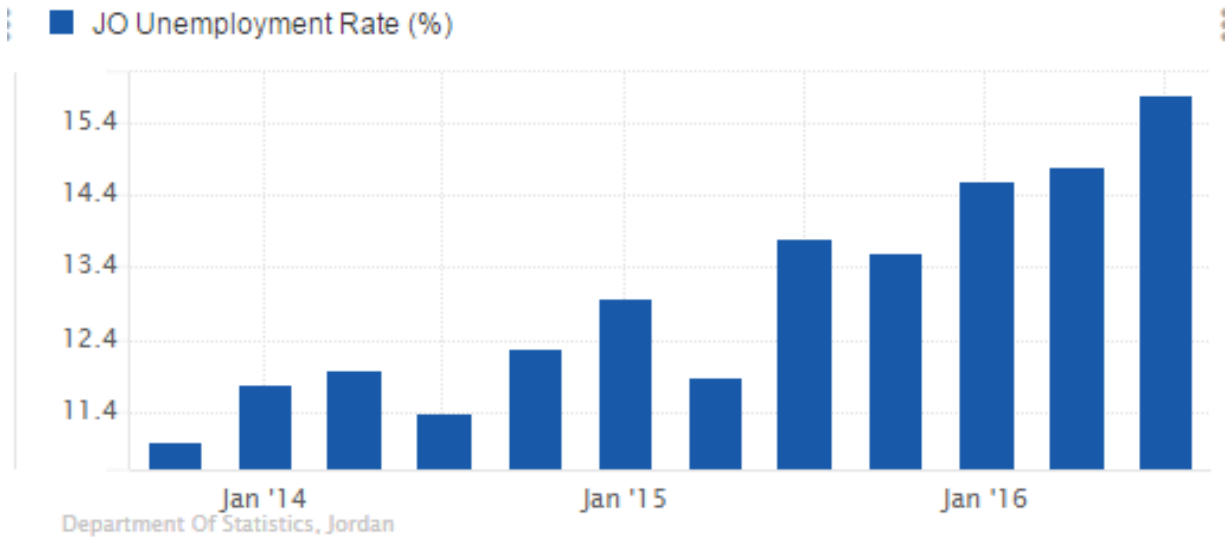


Figure 4: Jordan's Unemployment Rate



Tourism

With a moderate climate and historical sites such as the Dead Sea, Petra, and Wadi Rum, Jordan remains a prominent tourist destination in the Middle East; however, tourist numbers are down due to the regional unrest associated with the Syrian and Iraqi crises.

Official tourism figures registered a decline in tourism receipts from \$4.4 billion in 2014 to \$4 billion last year, a 7.1 percent decline, with a drop in the number of overnight tourists by over 226,000, from 3.98 million to 3.76 million. The figures also revealed that same day visitors to the Jordan went down from 1.3 million to 1 million. The overall number of visitors in 2015 — overnight and same day — was 4.8 million, while in 2014 it was 5.3 million. (<http://www.mota.gov.jo>)

The development of Jordan's sole port of Aqaba holds significant promise for tourist-related infrastructure projects including hotels, a convention center, a cruise ship terminal, and food and beverage outlets.

2. U.S. Assistance to Jordan

The United States has provided economic and military assistance, respectively, to Jordan since 1951 and 1957. Total U.S. aid to Jordan through FY2015 amounted to approximately \$1.583 billion and will amount for the same amount in 2016. The United States has worked with Jordan to improve the lives of Jordanian citizens through an improved healthcare system, construction of infrastructure projects, strengthening its education system, and the provision of grants through U.S. food assistance programs. Current focus areas include education, health, resource management and conservation, energy, poverty alleviation programs, and governance. A strong U.S. military assistance program is designed to meet Jordan's legitimate defense needs, including the preservation of its border integrity and regional stability.

In 2015, Jordan was a recipient of USDA's Food For Progress (FFPr) program, receiving 100 thousand metric tons (MT) of wheat delivered in the first half of 2016. Under the FFPr agreement, Jordan will use the monetized funds in agricultural development projects that include pesticide labs, quarantine station, SPS border control centers, Badia restoration, and a wastewater treatment plan.

2. Bilateral Economic Relations

The U.S.-Jordan Free Trade Agreement has strengthened the bilateral trade relationship by reducing tariff barriers for goods and services, protecting intellectual property, ensuring transparency, and requiring effective labor and environmental enforcement. The United States and Jordan have an "open skies" civil aviation agreement, a bilateral investment treaty, a science and technology cooperation agreement, and a memorandum of understanding on nuclear energy cooperation. Such agreements bolster efforts to help diversify Jordan's economy and promote growth.

3. Jordan's Membership in International Organizations

Jordan and the United States belong to a number of the same international organizations including the United Nations, International Monetary Fund, World Bank, and World Trade Organization. Jordan is also a partner to the Organization for Security and Cooperation in Europe.

AGRICULTURE IN THE ECONOMY

GDP from agriculture in Jordan decreased to \$109 Million in the second quarter of 2016 from \$136.4 million in the first quarter of 2016 GDP from Agriculture in Jordan averaged \$112.4 million from 2003 until 2016 on yearly bases.

Jordan is a net food importing country, purchasing up to 95 percent of consumable items from abroad including 100 percent of its sugar, rice, powdered milk, tea, coffee, corn, and vegetable oil (excluding olive oil) needs. In addition, Jordan imports most of its fish, cheese, chickpeas, pasta, lentils, beef, wheat, and barley.

The agricultural sector consumed 65 percent of water resources, but accounted for less than 2.7 percent of GDP (Jan-Sep.), and 3.8 percent in 2015, while employing less than 15 percent of the labor force.

Agricultural sector key components include the horticultural sector, the poultry industry, and small-scale herding. Small-scale herders (sheep and goats) enjoy widespread political support due to their traditional place in Jordanian culture, and that it does provide economic opportunities in rural areas, nothing else would do. Evidence of this support is seen in the government's failed attempts to withdraw subsidies on feed inputs, regardless of the program's increasing costs and inefficiencies.

1. Domestic Agricultural Policy Overview

Much of GOJ's domestic agricultural policy is focused on the management of its scarce and rapidly depleting water resources in an effort to support its traditional livestock owners and develop an export-oriented horticultural sector.

The other major policy is its wheat subsidy program to the Jordanian population, which fixes the price of bread at USD \$ 0.22 per kilogram. The subsidy cost increases if contributing factors like labor or fuel prices rise. Every Jordanian, or resident in Jordan, regardless of his income level, is entitled to subsidized bread.

2. Agricultural Trading Environment

In April 2000, Jordan joined the World Trade Organization, further integrating itself into the global economy and laying the groundwork for completing the U.S.-Jordan Free Trade Agreement (FTA), which entered into force in 2001. The final phase-out of tariff reductions under the U.S.-Jordan FTA was completed on January 1, 2010, resulting in the elimination of duties on most products. Jordan has entered into several bilateral and multilateral trade agreements that include a regional Greater Arab Free Trade Agreement (GAFTA), EU Mediterranean Partnership, and most recently an FTA with Canada.

The Jordan-US FTA and the Qualifying Industrial Zones (QIZ) agreements with the U.S. have been key drivers of export-led growth in its economy.

Total food and feed imports exceeded \$ 4 billion in 2014, dropped to \$ 3.89 billion in 2015 and are expected to be the same in 2016, with \$233million coming from the United States in first 10 months of 2016.

Imports from the US have increased slightly, mainly due to the resumption of wheat imports under the FFPr, also U.S. corn regained its competitiveness against South American corn.

The growth of the food and agriculture imports is mainly driven by cheaper agricultural commodities coming from the Black Sea basin, a weaker Euro, and financial incentives provided by European suppliers to food traders, which would dampen any growth possibilities of U.S. commodities in 2017.

Jordan's agricultural exports to the US decreased to \$11 million in the first 10 months of 2016, exports were \$16 million in 2014. Jordan's main agricultural exports to the US are ethnic food preparations, oriental sweets, ethnic cheese, virgin olive oil, and herbs, mainly thyme. Jordan was recently granted U.S. market access for fresh strawberries, baby cucumbers, and green beans.

3. Sanitary and Phytosanitary (SPS) Issues and Regulatory Environment

Sanitary and phytosanitary (SPS) issues have usually been resolved following direct engagement with the Jordanian government, by agreeing to follow international standards, or through the implementation of a risk-based food safety inspection system. For example, Jordan accepts the World Organization for Animal Health (OIE) classification of the United States as a negligible-risk country for bovine spongiform encephalopathy (BSE), and follows OIE's guidelines when outbreaks of low-pathogenic avian influenza occur in the United States. Capacity-building programs, such as the Cochran and Borlaug Fellowship Programs and the State Department's International Visitors' Leadership Program, have played a key role in strengthening GOJ officials' technical and rulemaking capabilities.

Nonetheless, in 2015 the Ministry of Agriculture imposed an unjustified measure allegedly on SPS grounds, creating a trade barrier for U.S. chicken leg quarters by limiting the package size to 2.5 kg. This restriction was subsequently waived. Presently, Jordan bans onion imports based on a flawed pest risk analysis, although the measure is clearly a protectionist one.

There is no clear agricultural biotechnology framework. To date, no biotech crops have been approved for production in Jordan. The Ministry of Environment has issued regulations based on the Cartagena Protocol, which entered into force in August 2009. These regulations cover trade in living modified organisms (LMOs), and do not include processed products that have biotech content.

Standards for the labeling of pre-packaged foods are regulated by the Jordan Institution for Standards and Metrology (JISMO). The regulation is similar to the Codex general standard for labeling pre-

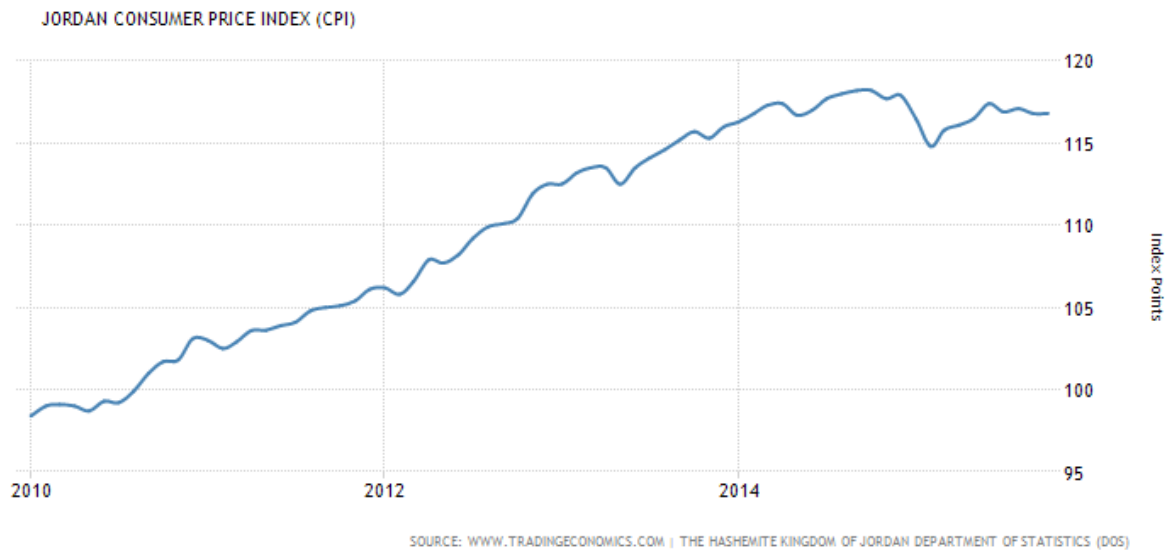
packaged foods; however, it requires that food and feed importers label products that contain GMOs. But in reality, to date, no trade barriers have been imposed on any imported products containing GMOs.

4. Food Security

Food is readily available in Jordan, but the means with which to purchase it has been increasingly challenging with a slowing economy. The average Jordanian family spends approximately 40 percent of its income on food.

In October 2016, the Consumer Price Index (CPI) in Jordan remained unchanged at 116.20 Index Points from 116.60 September of 2015. Jordan's CPI averaged 59.54 Index Points from 1976 until 2015, reaching an all-time high of 118.20 Index Points in September of 2014 (figure 1).

Figure 5: Jordan's Consumer Price Index



Due to the surge in CPI in 2013, the GOJ attempted to curb the impact of the increase in CPI by cutting duties and taxes on basic food items, calling on merchants to lower profit margins, and implementing a social safety net program that provides food access to lower income citizens. The GOJ has allocated \$300 million for bread subsidies in the 2016 budget, maintaining the price of the subsidized “baladi bread” at a fixed price of \$ 0.22 per kilogram.

Conversely, as a food security strategy, the GOJ decided to raise the national strategic reserve of wheat from six to ten months of its consumption needs, and currently keeps a nine-month reserve that is equivalent to 810,000 MT of wheat and 450,000 MT of barley. The MY2015/16 witnessed an unprecedented record import value of 1.4 million tons of wheat.

Agricultural Sector

1. Overview

Due to the shortage of water, and the closure of its borders to its key export markets, agriculture has been declining as a component of the overall economy, yet it still accounted for 2.7 percent of GDP in 2016 while employing 15 percent of the country's labor force, though many agricultural workers hail from Egypt and Syria. The horticultural sector, the poultry industry, and small-scale herding are its major components.

2. Market Requirements

Top U.S. agricultural exports consist of rice, corn, soybean cake, processed and canned foods, condiments, vegetable oil, almonds, and poultry (mainly chicken leg quarters and carcasses). Under the FTA, tariffs between Jordan and the United States were phased out in 2010.

In first 10 months of 2016, U.S. agricultural exports to Jordan were \$233 million, but with the increased competition from Black Sea suppliers, especially in the grain business, the United States has lost significant market share, being priced out in commodities such as wheat, fresh fruits (Apples) and soybean meal.

Jordanian officials selectively impose sanitary and phytosanitary measures on meat and poultry import licenses. Advance approvals to import goods are required for specific food and agricultural goods. Officials at the ministries of health and agriculture are responsible for granting such licenses and approvals.

In addition to special requirements for certain agricultural products, Jordan requires that importers of commercial goods be registered traders or commercial entities. The Ministry of Industry and Trade occasionally issues directives requiring import licenses for certain goods or categories of goods. For more information see the [Jordan Country FAIRS report](#).

The Jordan Food and Drug Administration (JFDA) is the lead government office regulating incoming food consignments; the Jordan Standards and Metrology Organization (JSMO) performs the tests and drafts food standards. JSMO's current product standards generally reflect existing U.S. standards; however, JSMO is also working with EU agencies reviewing its standards. Occasionally, a problem appears when JSMO adopts EU standards, which are usually more restrictive than Codex or U.S. standards. JSMO has licensed several local laboratories to conduct conformity assessment of applicable standards.

U.S. exporters are strongly advised to review Jordanian standards that apply to their product(s) prior to shipment. GoJ authorities have a very low tolerance for food standard violations. The local agent or buyer is able to source the standard from JSMO for a nominal fee.

For the list of export certifications required by Jordan for importation and products covered, please refer to the “Restrictions and Prohibited Imports” section.

More details can be found through USDA FAS attaché reports at: www.fas.usda.gov

3. Jordan’s Market Characteristics

Jordan operates under a free market system since its establishment in 1945. As a result, consumers are sophisticated and have been exposed to a variety of ethnic foods and Western trends but limited by their income.

The percentage of urban families is 83 percent. Over 35 percent of Jordanian families own a personal computer; 47 percent have access to the internet; 99.9 percent of households are connected to the electrical grid; 97 percent have potable water, and 98 percent have a mobile, phone, refrigerator and a washing machine.

Almost 47 thousand students graduate from universities each year, of which 4,500 with post graduate degrees.

There is a definite trend to large-scale and hypermarket retail that shows no signs of slowing.

4. Jordan’s Food and Agricultural Production

The agricultural sector accounts for \$1.4 billion or 2.7 percent of the national GDP, and it employs about 1.5 percent of the skilled labor force and 15 percent of the overall labor force. The sector hosts some 150,000 foreign (mainly Egyptian) guest workers. Despite its small footprint, agriculture accounts for 65-75 percent of Jordan’s total water consumption.

Less than 10 percent of Jordan’s land area of 89,200 km² is arable, and less than 5 percent is cultivated. The actual cultivated area totals around 290,000 ha, of which 130,000 ha are planted with olives and fruit trees, 50,000 ha with vegetables and 110,000 ha with field crops. The fallow area is estimated at 90,000 ha.

About 90 percent of Jordan receives less than 100 mm of rainfall annually, and this area is classified and used for grazing.

Horticulture accounts for half of local agricultural production. In 2015, total exports of vegetables were 1.2 million MT(MMT).

Jordan is heavily reliant on imports, with self-sufficiency attained mostly in fruit and vegetables and fresh milk (table 2) with a 327 percent self-sufficiency index for tomatoes, and 100 percent for fresh milk. It relies heavily on imports to meet its needs in other key commodities and products with poultry at a 76 percent self-sufficiency index, 4 percent for barley and 2 percent for wheat. However it's completely reliant on rice, sugar and vegetable oil (except for olive oil). Jordan exports fresh vegetables and fruits to markets as far away as Canada and Russia, however, most go to neighboring GCC countries.

Table 3: Jordan's Top Agricultural Products-

Commodity	Self Sufficiency(%)2013	Self Sufficiency(%)2014
Tomatoes	337.4	327.4
Milk	100	100
Poultry meat	77.7	76.4
Olives	107	106
Sheep meat	32	37
Cattle meat	12	13.5
Wheat	3.3	2.1
Barley	4.2	3.8
Fish	6.4	4

JDoS

**Table 4: Jordan Main Vegetables
Area and Production 2011-2015**

Crop	Area Ha				
	2011	2012	2013	2014	2015
Tomatoes	12,954	12,345	15,434	14,564	12,887
Cucumber	1,956	2,077	2,903	2,343	2,410
Potatoes	5,885	6,038	3,403	6,389	7,256
	Production-Ton				
Tomatoes	777,820	738,227	869,138	744,602	870,017
Cucumber	227,151	155,943	172,284	279,017	231,982
Potatoes	216,483	141,573	103,224	204,084	188,326

5. Jordan's Imports of Food and Agricultural Products

The total value of agricultural and food imports were \$3.9 billion in 2015, 3.1 in first 9 months of 2016, out of which 17 percent came from the U.S. Its top imports by value are meat and processed foods that account for 25 percent of agricultural imports.

Table 5: Jordan's Top Agricultural Import Partners

Country	2014		2016 (Jan –Sep)	
	Quantity ('000s of MT)	Value (millions of USD)	Quantity ('000s of MT)	Value (millions of USD)
Saudi Arabia	355	366	282.21	268.98
Argentina	788	320	728.80	225.75
Brazil	214	226	191.92	164.05
USA	193	247	233.04	191.57
Romania	761	317	1319.34	450.25
India	350	271	128.72	131.02
Egypt	201	173	180.88	145.24
Ukraine	536	187	282.70	82.18
United Arab Emirates	53	148	109.13	150.27
Syria	112	94	23.42	43.88
Thailand	81	105	54.03	58.35
Lebanon	90	60	19.87	24.61
Turkey	57	94	56.79	75.68
Russia	336	102	484.23	117.40
Netherlands	40	91	30.24	68.49

Source-JDoS /FAS Amman

Table 6: Jordan Top Agricultural Imports in 2016 (Jan-Sep)

Commodity	Quantity (Tons or Number)
Processed and prepared foods	505,102 MT
Meat (Bovine and Poultry)	102,000 MT
Fruit and Vegetables	785,533 MT
Wheat	1,608,092 MT
Barley	583,023 MT
Dairy	60,000 MT
Vegetable oils	130,000 MT
Rice	141,124 MT

Corn	562,170 MT
Fish	12,500 MT
Live Animals	1,000,000 head

Source-JDoS /FAS Amman

6. Jordan's Exports of Food and Agricultural Products

Jordan's agricultural and food exports are mainly focused on neighboring countries and those in the region which constitute Jordan's major export markets for fresh fruits and vegetables, processed meats, food preparations and live sheep.

Table 7: Jordan's Top Agricultural Export Partners

Country	2014		2016 (Jan-Sep)	
	Quantity In Thousand Tons	Value In million USD	Quantity In Thousand Tons	Value In million USD
Iraq	366	374	50.0	65.1
Saudi Arabia	150	349	163.2	262.3
U.A.E.	173	244	130.4	113.3
Kuwait	135	125	163.4	171.4
Qatar	97	100	87.6	92.6
Syria	117	100	6.8	8.5
Bahrain	56	47	44.3	34.9
Egypt	21	20	2.4	4.6
Lebanon	23	30	5	12
Israel	14	18	9.7	8.8
Oman	40	31	30.3	26.9
Palestinian N.A.	34	20	30.4	18.1
Yemen	10	10	10	9.6

Note: that Iraq and Syria decreased significantly due to the rise of ISIL, disrupting border trade.

7. U.S. Food and Agricultural Products' Trade Position in Jordan

The Government of Jordan dominates the trade of wheat by imposing a subsidy system that effectively hinders private sector imports. The Ministry of Industry and Trade buys wheat in the open market through competitive transparent tenders, and then heavily subsidizes the "baladi" bread. The tendering process is always focused on the lowest price making it difficult for U.S. origin wheat to compete. Black Sea grain suppliers dominate the market due to lower prices, freight costs, and smaller shipment sizes.

The U.S. rice industry has focused on the Jordanian market, which has resulted in capturing considerable market share. In addition, U.S. poultry parts suppliers dominate this product category.

Table 9 – U.S. Agricultural Trade with Jordan

	2011	2012	2013	2014	2015	Jan - Oct 2016
Product	Value '000s of USD	Value '000s of USD	Value '000s of USD	Value '000s of USD	Value '000s of USD	Value '000s of USD
Total	383,322	216,297	253,183	222,731	229,874	233,325
Rice	62,490	75,544	63,328	72,064	81,709	65,237
Corn	22,150	5,933	23	38	13,801	10,826
Wheat	164,411	1,842	18,268	0	0	54,804
Tree Nuts	26,456	23,960	30,718	32,088	42,881	36,590
Fruits and Preparations	5,520	6,381	8,288	7,112	6,578	3,033
Vegetables and Preparations	4,755	6,369	6,488	7,225	5,566	5,300
Flours, Isolates, Conc	5,204	4,097	9,373	7,934	6,179	3,726
Sunflowerseed	5,735	5,476	7,485	8,022	2,901	2,598
Corn Oil	4,133	6,173	1,793	4,049	2,850	3,427
Peanuts	52	87	421	644	1,556	1,613
Broiler Meat	37,683	23,775	40,538	18,806	13,234	3,494
Chilled Beef	5,365	6,593	5,456	5,122	5,508	4,149
Cheese And Curd	5,734	6,115	4,625	5,875	4,864	3,435
Planting Seeds	4,979	4,068	5,177	4,361	4,288	2,722

Data Source: U.S. Census Bureau Trade Data

Jordan's Trade Agreements

Jordan's ascension to the World Trade Organization (WTO) took place in 2001; Jordan signed a free trade agreement (FTA) with the US in 2000. U.S. food and agricultural exporters benefited from the FTA, as imports have increased from \$ 105 million in the year 2000 to \$233 million in 2016 (Jan-Oct).

The growing shift of U.S. exports from basic food commodities to high value supermarket items indicates that consumers in Jordan are willing to pay for high quality products, improving the competitiveness of American suppliers who have become more attentive to market demand.

Table 10: Advantages and Challenges for U.S. Suppliers

Advantages	Challenges
U.S.-Jordan FTA has contributed to the U.S. being one of Jordan's largest trading partners, with tariffs at zero for most food products.	Cost of freight is high due to the distance, and U.S. corn has lost its tariff advantage to competing suppliers.
GOJ officials' past participation in FAS Cochran programs offered positive exposure to the U.S. regulatory system.	EU standards are increasingly being adopted.
U.S. consumer products and brands in the market have a positive reputation.	Low purchasing power.
Jordan prefers U.S. quality rice. U.S. rice producers are considered to be a reliable source.	Increased competition from other rice origins.
With a population of about 9.5 million, Jordan is a net food-importing country, dependent on 90 percent in imports to meet consumption.	Jordan's free trade agreements with the EU, Canada and recently Turkey are increasing competition by diminishing tariffs.
The market is growing due to the increasing number of Syrian refugees entering the country.	Rumors of traders mixing American rice with cheap low-quality rice from other sources can threaten the reputation of U.S. rice.
The Jordan Dinar has been pegged to the USD since 1995 at JD 1.0:1.41, making it cheaper for Jordanian consumers to buy quality U.S. food products.	Tourism industry is threatened by ongoing regional political tension, which could negatively affect trade in U.S. products.

EXPORTER BUSINESS TIPS

1. Marketing and Sales

Successful sales results in Jordan are hard to achieve without proper local partnerships. FAS in Jordan can help companies find such an agent or distributor.

2. Establishing an Office

Foreign companies and institutions can register and operate in Jordan through the Ministry of Industry and Trade (MOIT). It is wise to use a local attorney as a legal advisor to help in the process.

The Companies Law provides guidance for registering foreign companies and establishing regional and representative offices. Foreign companies can register as operating companies, non-operating companies, and offshore companies. More information can be found at www.mit.gov.jo/.

The Jordan Investment Board (JIB), which operates as a one-stop shop for potential investors, is located at <http://www.jib.jo/>

3. Franchising

Jordanians are enthusiastic about U.S. franchises and local investors are increasingly interested in franchising, especially in the service sector and the quick service restaurant industry. The Jordanian market, however, cannot absorb large numbers of a single franchise. U.S. retail and service franchises have significantly increased in the last several years. Examples of recent franchises include: TGI Fridays, Applebee's, and Ruby Tuesdays. Other franchises in the fast food industry, such as KFC, Pizza Hut, Ponderosa Steakhouse, McDonald's, and Burger King have been in the market for several years.

Several new malls have opened in the capital in recent years; others are under construction, and there are plans for outlet stores in the southern suburbs of Amman. These projects are expected to generate opportunities for additional retail franchises.

4. Direct Marketing

American companies can use a direct marketing approach for their products to end users in the government and private sectors in Jordan; however, in general, it is recommended to work through a local representative. American companies can find competent local firms that are capable of organizing marketing campaigns for their products through a wide range of media.

5. Joint Ventures/Licensing

Joint ventures with Jordanian partners are one means of penetrating the local market. A joint venture is confined to the special relationship between partners, as specified in the joint venture agreement, and is essential in some services where foreign ownership/share of companies cannot exceed 50 percent.

For a list of restricted sectors, please consult:

tcc.export.gov/Trade_Agreements/All_Trade_Agreements/exp_005590.asp.

6. Distribution and Sales Channels

There are several border crossings in Jordan, but goods generally arrive through the Port of Aqaba or Queen Alia International Airport. They are distributed to their final destinations by road. Local representation is very helpful in dealing with customs and customs clearance agents. Details on the customs clearance stages can be found on the Customs Department website at <https://www.customs.gov.jo/english/default.shtm>

Jordan's retail network is transitioning from traditional shops and markets to American-style malls and hypermarkets. Several large malls have opened in Amman and there are plans for outlet stores in southern Amman. On-line and mail ordering is popular. Marketing via internet is possible, but is still a nascent channel, as there is a low internet penetration rate in Jordan and consumers tend to consider internet shopping to be insecure.

7. Trade Promotion and Advertising

U.S.-style promotion is gaining popularity. There are a number of trade fair events where U.S. exporters can participate, and many Jordanian business people attend major regional fairs, such as those held in Dubai.

Advertisement in newspapers, radio, and business journals as a means to locate agents, distributors or buyers can also be done. Billboards and electronic screens are also available. Cell phones are ubiquitous in Jordan and an increasing number of notices and advertisements are sent via SMS.

Details on Jordanian newspapers can be viewed at www.onlinenewspapers.com/jordan.htm.

Magazines are more numerous and of better quality than before. They offer good access to the more affluent sector of society. There are a number of regional business magazines and sector-specific magazines distributed throughout the Middle East that can also offer useful advertising opportunities.

8. Pricing

Local importers base their pricing on the export price, freight costs, applicable import tariffs and taxes, the 16 percent sales tax (depending on the product), and profit margin. U.S. manufacturers and suppliers should, however, coordinate with local representatives before assigning a final price to a product. The Jordanian market is generally very price-sensitive. Products with higher prices than the competition will need vigorous marketing support and must be of demonstrably higher quality.

American companies and American food have additional advantages through the Free Trade Agreement that was signed in 2000. For more information, please visit <http://www.export.gov/FTA/jordan/index.asp>. Also, <http://www.customs.gov.jo/> provides additional info.

9. Due Diligence

U.S. companies interested in selling and or contracting with local agents should conduct due diligence prior to signing any contracts. In addition to the FAS office, the Embassy's Foreign Commercial Service is able to conduct confidential background checks on local companies via a fee-based service available through the U.S. Department of Commerce or directly through the Commercial Service office in the Embassy. Go to: <http://www.export.gov/> for more information.

TRADE REGULATIONS, CUSTOMS AND STANDARDS

1. Import Tariffs

Customs tariffs are based on the harmonized system coding practice. Tariff tables for different products and commodities can be found on the Customs Department website at www.customs.gov.jo

Additional taxes may apply to some products; a complete description of these commodities is also available at the Customs Department website. Detailed lists of general and special sales taxes can be viewed at Jordan's Income and Sales Tax Department's website at <http://www.istd.gov.jo/>

The Government of Jordan imposed a special tax on 12 luxury commodities with a value ranging between 5-25 percent as of February, 2013. For example, the government taxes dog and cat food at 20 percent. At the onset of 2016, GoJ is expected to reform the sales taxes, resume taxing all exempted food items.

The U.S. – Jordan FTA, which came into full force in January 2010, eliminated most duties and tariffs between the U.S. and Jordan. Details can be viewed at <https://ustr.gov/trade-agreements/free-trade-agreements/jordan-fta> and <http://www.state.gov/e/eb/tpp/bta/fta/c26474.htm>

2. Import Requirements and Documentation

Import licenses, valid for one year, are required for:

- non-commercial shipments exceeding JD 2,000 (\$2,820)
- biscuits of all types
- mineral water
- dried milk for industry use
- used tires, and
- items that require prior clearance from the respective authorities. These include live animals, fresh/chilled/frozen beef and beef products, frozen animal semen, and milk products under the purview of the Ministry of Agriculture, barley, rice, wheat, flour, sugar, and corn under the purview of the Ministry of Industry and Trade, medications and antibiotics, athletic food supplements, potassium bromide, food dyes, ice cream, and baby food under the Ministry of Health.

Items that do not need an import license may be subject to prior authorization by the appropriate government ministry.

Any imported agricultural or food product may be inspected and tested for human consumption. Virtually all prepared and mixed foods are tested at the border. The Jordan Food and Drug Administration (JFDA) has the authority to inspect food products at the retail and wholesale levels. A representative may enter any locality and collect samples for testing. If a product fails to meet technical requirements or is found unfit for human consumption, it is removed from the distribution channels and destroyed.

The Jordan Standards and Meteorology Organization (JSMO) regulates food additives for JFDA. Permissible additives and their concentrations are those approved by the *Codex Alimentarius*

Commission. The technical standards for foods contain specific lists for food additives and their permissible levels of use. These standards should be consulted to make sure that any additives are permitted.

Goods entering the country under temporary entry status, bonded goods and goods benefiting from the investment promotion law are exempt from import licenses. For more information, go to Department of statistics [http://jorinfo.dos.gov.jo/tiis/\(S\(ftjbyod5me3w5pop1lhjvxe\)\)/Rep1_e.aspx](http://jorinfo.dos.gov.jo/tiis/(S(ftjbyod5me3w5pop1lhjvxe))/Rep1_e.aspx)

For shipments to Jordan, exporters are required to provide a certificate of origin, a commercial invoice, an airway bill, and a packing list. A customs declaration is also required, but only an authorized forwarding agent in Jordan can process the declaration, which must be filed electronically.

Regarding a U.S. Certificate of Origin for Exporting to Jordan, a general certificate of origin is acceptable and can be downloaded from the Trade Information Center's Web site http://www.export.gov/FTA/jordan/eg_main_017719.asp

Both the commercial invoice and the certificate of origin must be certified by the National U.S.-Arab Chamber of Commerce, and then legalized by the Jordanian Embassy or consulate. Please see the website of the National U.S.-Arab Chamber of Commerce, at <http://www.nusacc.org/>.

A list of the Jordanian consulates can be accessed at <http://www.jordanembassyus.org/new/consular/consulates.shtm>.

Invoices do not have to be written in Arabic, but the importer is required to provide an Arabic translation. Typically this requirement is met by having the importer hand-write the translation on the actual invoice. Exporters should be aware that commercial invoices for all shipments from the United States *must* bear a notarized affidavit. Jordanian Customs may request other documents related to the shipment as needed.

3. Labeling and Marking Requirements

Imported products must comply with labeling and marking requirements issued by JSMO; refer to <http://www.jsmo.gov.jo/> It is strongly advised that the supplier asks his importer to provide him with an authentic copy of the latest Jordanian standard for the type of the product he would like to export to Jordan, failing to meet the Jordanian standard “ equitable to international standards” would lead to the rejection of the consignment to the country of origin.

Importers are responsible for informing foreign suppliers of any applicable labeling and marking requirements. All labels must either be in Arabic or have a stick-on label in Arabic. Nutritional labeling is mandatory for certain categories of food, including infant formula and food for dietary use. In general, the label should contain the name of the product, the manufacturer's name and address, net weight, fortifying matter, lot number and best before date. A food shipment may be rejected based on

ambiguous labeling content. For information on food labeling and packaging, contact JSMO and the Jordan Ministry of Health at www.moh.gov.jo

Export certificates are required by Government of Jordan for a number of food products. For more details see GAIN FAIRS report –Certification report. Alternatively, JFDA’s website offers plenty of information in this regard at <http://www.jfda.jo/>

Key contact:

Jordan Customs Department

P.O. Box 90, Amman, Jordan

Telephone: 962-6-462-3186/8; 462-4394/6

Fax: 962-6-464-7791

E-mail: customs@customs.gov.jo

Web-site: www.customs.gov.jo

Web Resources

- Ministry of Industry and Trade www.mit.gov.jo
- Ministry of Agriculture: www.moa.gov.jo
- Jordan Institution for Standards and Metrology: www.jsmo.gov.jo
- Jordan Food and Drug Administration: www.jfda.jo
- Jordan Customs Department: www.customs.gov.jo
- U.S. Foreign Agricultural Service www.fas.usda.gov
- FAOSTAT
http://faostat.fao.org/CountryProfiles/Country_Profile/Direct.aspx?lang=en&area=112
- Trade Information Center’s Web site http://www.export.gov/FTA/jordan/eg_main_017719.asp
- National U.S. Arab Chamber of Commerce <http://www.nusacc.org/>
- Department of Statistics <http://jorinfo.dos.gov.jo/>