



# Ask the TIC

## Exporting to Jordan

### Taking Advantage of the Jordan Free Trade Agreement

by Kristie Fitzwater Mikus

Trade Information Center, Trade Development

*The United States and Jordan signed a free trade agreement (FTA) in October 2000. The FTA makes it easier for U.S. businesses to take advantage of commercial opportunities in Jordan, a growing market where the United States enjoys a trade surplus. The agreement provides for the systematic lowering of tariffs and elimination of tariffs on nearly all trade between the two countries by 2010. Jordan has the potential to be a hub of international trade in the Middle East and a unique and profitable export market for U.S. goods and services.*



#### WHAT DUTIES AND TAXES WILL BE LEVIED ON GOODS EXPORTED TO JORDAN?

Many products can be exported to Jordan duty-free. Without FTA preference, the maximum tariff rate is 30 percent for most goods and 10 percent for raw materials (with the exception of alcohol and tobacco products, which face duties of 50 to 180 percent). Goods that meet U.S.-Jordan FTA standards, however, will qualify for preferential duty rates, allowing U.S. firms to enjoy reduced or no duties.

For most goods, Jordan applies a fixed sales tax at the border of 17 percent based on the cost, insurance, and freight (CIF) value. Goods such as pharmaceutical products, foodstuffs, agricultural goods, and some petroleum products are exempt from the sales tax. Certain goods, including electrical appliances and passenger vehicles, are subject to an additional tax, a qualitative tax, which can range from 7 to 45 percent.



#### HOW DO I KNOW IF MY PRODUCT QUALIFIES FOR PREFERENTIAL TREATMENT UNDER THE FTA WITH JORDAN?

To qualify for preferential tariffs for export to Jordan, goods from the United States must meet three requirements:

- (1) The good must be produced entirely in the United States. If foreign materials are included, the good may qualify provided that the foreign materials are “substantially transformed” by manufacturing or processing into a U.S. good; and
- (2) The good must contain at least 35 percent U.S. content. Jordanian content, up to 15 percent of the customs value, can count toward the 35 percent U.S. domestic content requirement; and
- (3) Goods must be shipped to Jordan directly from the United States.



#### WHAT DOCUMENTS DO I NEED TO EXPORT TO JORDAN?

As is the case of exports to other countries, the U.S. government requires submission of a form called a shipper’s export declaration, or SED, if the value of the shipment is greater than \$2,500. Exporters can file an SED using the free, on-line system at [www.aesdirect.gov](http://www.aesdirect.gov).

For shipments to Jordan, exporters are required to provide, in original form, a commercial invoice, a certificate of origin, an ocean bill of lading or air waybill, 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. A general certificate of origin is acceptable and can be obtained from most freight forwarders or downloaded from the Trade Information Center’s Web site, [www.export.gov/tic](http://www.export.gov/tic). Refer to the “Ask the TIC” article, “Certificates of Origin: Information and Requirements,” which can be viewed by selecting “Answers to Your Export Questions” at [www.export.gov/tic](http://www.export.gov/tic).

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 a Jordanian consulate. To locate an office of the National U.S.–Arab Chamber of Commerce, visit [www.nusacc.org](http://www.nusacc.org). The fee for certification is \$15 per page/copy of the original. A list of the Jordanian consulates in the United States can be accessed at [www.jordanembassyus.org/new/consular/consulates.shtml](http://www.jordanembassyus.org/new/consular/consulates.shtml). The legalization fee for the commercial invoice and the certificate of origin is \$84 per document.

Invoices do not have to be written in Arabic, but if an invoice is written in English or another language, the importer is required to provide an Arabic translation. Typically, this is done in handwriting on the actual invoice. The U.S. Commercial Service at the U.S. embassy in Amman can provide translation services.

Exporters should be aware that commercial invoices for all shipments from the United States must bear a notarized affidavit:

I, (name, title, and name of company), hereby swear that the prices stated in this invoice are the current export market prices for the merchandise described, that the products being shipped are of U.S. origin, and that they have been manufactured in the United States. I accept full responsibility for any inaccuracies therein.  
(Signature)

If the products being shipped contain any foreign components, the country of origin and percentage of foreign content in the goods must be indicated on the invoice.



### **ARE THERE ANY NON-TARIFF CONTROLS THAT AFFECT THE IMPORTATION OF MY PRODUCT FROM THE UNITED STATES?**

Yes, U.S. companies exporting to Jordan should be aware of non-tariff controls that require the importer to have an importer's card and import license. The importer must obtain these. Only a municipal authority in Jordan issues importer's cards, and importers must be registered with the Jordanian Ministry of Industry and Trade and the local chamber of commerce in Jordan. Import licenses, valid for one year, are required for (1) non-commercial shipments exceeding 2,000 Jordanian dinars (approximately \$2,820); (2) biscuits of all

types; (3) mineral water; (4) dried milk for industry use; (5) used tires; and (6) items that require prior clearance from the respective authorities. Items that do not need an import license may require prior authorization by the appropriate government ministry.



### **ARE THERE ANY GOODS THAT I CANNOT EXPORT TO JORDAN?**

Goods that cannot be imported into Jordan include plastic waste, the narcotic plant "qat," and diesel-fueled passenger vehicles.

Exporters should always note that U.S. export licenses, though not required for many shipments, are required in certain situations involving national security, foreign policy, short supply, nuclear nonproliferation, missile technology, chemical and biological weapons, regional stability, crime control, or terrorist concerns. For more information on export licenses, refer to the Web site of the Bureau of Industry and Security, [www.bis.doc.gov](http://www.bis.doc.gov), as well as the "Ask the TIC" article on export controls, which can be viewed at [www.export.gov/tic](http://www.export.gov/tic) (click on "Answers to your Export Questions"). ■

#### **More FTA Information**

To obtain additional information on how to take advantage of the U.S.-Jordan FTA, contact the Trade Information Center's Near East team, view the U.S. Commercial Service's *U.S. Exporter's Guide to the U.S.-Jordan Free Trade Agreement* (on-line at [www.buyusa.gov/jordan](http://www.buyusa.gov/jordan)), or e-mail the U.S. Commercial Service in Jordan ([ammanoffice.box@mail.doc.gov](mailto:ammanoffice.box@mail.doc.gov)). More information on the FTA's rules of origin is available at [www.usembassy-amman.org/jo/fta/fta.html](http://www.usembassy-amman.org/jo/fta/fta.html).